



South African National Parks

Annual Report

2022|2023





Annual Report

2022|2023

Growth

This annual report contains the achievements, performance information, outlook, financial position and human resources information of South African National Parks (SANParks) for the 1 April 2022 – 31 March 2023 reporting period, as per National Treasury guidelines for schedule 3A and 3C public entities.



ABOUT SANPARKS

SANParks



SANParks is a government conservation authority in terms of the National Environmental Management: Protected Areas Act (Act 57 of 2003).

Its mandate is to conserve, protect, control and manage National Parks and other defined protected areas and their biological diversity (biodiversity).

SANParks manages a system of 20 functional National Parks in seven of the nine provinces of South Africa, with total area of over 4 million hectares, comprising 67% of the protected areas under state management.

SANParks falls under the jurisdiction of the Department of Forestry, Fisheries and the Environment (DFFE).

Mission



Develop, protect, expand, manage and promote a system of sustainable National Parks that represents natural and cultural heritage assets, through innovation, excellence, responsible tourism and just socio-economic benefit for current and future generations.

Vision



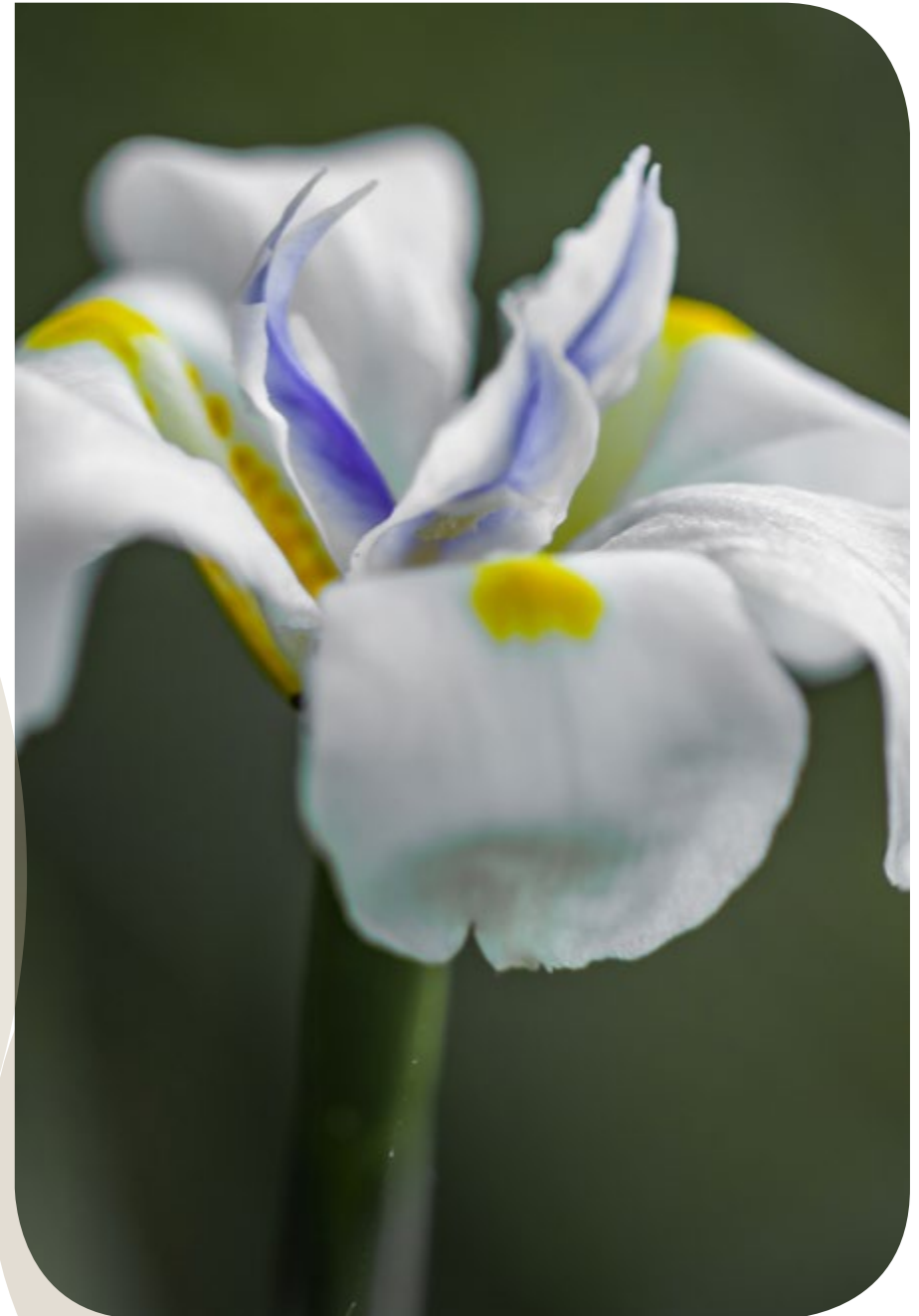
A world class system of sustainable National Parks reconnecting and inspiring society.

Mandate

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

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	SOUTH AFRICAN NATIONAL PARKS
REGISTRATION NUMBER (if applicable):	Not applicable
PHYSICAL ADDRESS:	643 Leyds Street Muckleneuk Pretoria South Africa 0002
POSTAL ADDRESS:	PO Box 787 Pretoria 0001
TELEPHONE NUMBER/S:	+27 (0)12 426 5000
FAX NUMBER:	+27 (0)12 343 0905
EMAIL ADDRESS:	reservations@sanparks.org
WEBSITE ADDRESS:	www.sanparks.org
EXTERNAL AUDITORS:	Auditor-General of South Africa (AGSA) 4 Daventry Street, Lynnwood Bridge Office Park Lynnwood Manor Pretoria, SA
BANKERS:	First National Bank 1 First Place 7th Floor Bank City Johannesburg 2000
COMPANY/BOARD SECRETARY:	Ms Maximilian Mathabathe



2. LIST OF ABBREVIATIONS/ACRONYMS

BEE	Black Economic Empowerment	ICT	Information and Communication Technology
btb	Bovine tuberculosis	IT	Information Technology
CBD	Convention on Biological Diversity	IUCMA	Inkomati-Usuthu Catchment Management Agency
CCMA	Commission for Conciliation, Mediation and Arbitration	IUCN	International Union for Conservation of Nature
CE	Chief Executive	K2C	Kruger to Canyons
CEO	Chief Executive Officer	KNP	Kruger National Park
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora	METT	Management Effectiveness Tracking Tool
CPA	Community Property Association	MPA	Marine Protected Area
CSI	Customer Satisfaction Index	MoU	Memorandum of Understanding
DALRRD	Department of Agriculture, Land Reform and Rural Development	MTPA	Mpumalanga Tourism and Parks Agency
DFFE	Department of Forestry, Fisheries and the Environment (DFFE)	NATJOINTS	National Joint Operational and Intelligence Structure
DENC	Department of Nature Conservation	NDM	Namaqua District Municipality
DoBE	Department of Basic Education	NDP	National Development Plan
EA	Environmental Awareness	NDT	National Department of Tourism
EFP	Eco-furniture Programme	NEHAWU	National Education, Health and Allied Worker's Union
EM	Environmental Monitor	NEMBA	National Environmental Management: Biodiversity Act
EME	Exempted Micro Enterprise	NEM: PAA	National Environmental Management: Protected Areas Act
EPIP	Environmental Protection and Infrastructure Programme	NGO	Non-governmental Organisation
EPWP	Expanded Public Works Programme	NRMP	Natural Resource Management Programme
FAO	Food and Agriculture Organisation	NUPSAW	National Union of Public Services & Allied Workers
FTE	Full-time Equivalent	NYDA	National Youth Development Agency
GEF	Global Environmental Facility	OHS	Occupational Health And Safety
GGHNP	Golden Gate Highlands National Park	PFMA	Public Finance Management Act
GKSPD	Greater Kruger Strategic Development Programme	PPPFA	Preferential Procurement Policy Framework Act
GLTFCA	Great Limpopo Transfrontier Conservation Area	PSHB	Polyphagus Shot-hole Borer Beetle
ha	Hectare	QSE	Qualifying Small Enterprise
HCM	Human Capital Management	RQO	Resource Quality Objective
HOSPERSA	Health and Other Services Personnel Trade Union of South Africa	SA	South Africa
		SAHRA	South African Heritage Resources Agency

2. LIST OF ABBREVIATIONS/ACRONYMS

SANBI	South African National Biodiversity Institute
SANCCOB	Southern African Foundation for Conservation of Coastal Birds
SANDF	South African National Defence Force
SANParks	South African National Parks
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SET	Socio-economic Transformation
SHR	SANParks Honorary Rangers
SMME	Small, Medium or Micro Enterprise
SO	Strategic Objective
SoAIM	State of Area Integrity Assessment
TMNP	Table Mountain National Park
TOPS	Threatened or Protected Species
TUT	Tshwane University of Technology
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VWS	Veterinary Wildlife Services
WftC	Working for the Coast
WoF	Working on Fire



TABLE OF CONTENTS

1. PUBLIC ENTITY'S GENERAL INFORMATION	5	3. EXECUTIVE AUTHORITY	152
2. LIST OF ABBREVIATIONS/ACRONYMS	6	4. THE ACCOUNTING AUTHORITY/BOARD	152
PART A: GENERAL INFORMATION	9	5. RISK MANAGEMENT	154
1. MINISTER'S FOREWORD	10	6. INTERNAL AUDIT AND RISK COMMITTEE	154
2. FOREWORD BY THE CHAIRPERSON	12	7. COMPLIANCE WITH LAWS AND REGULATIONS	154
3. CHIEF EXECUTIVE OFFICER'S OVERVIEW	14	8. FRUAD AND CORRUPTION	154
4. BOARD OF SOUTH AFRICAN NATIONAL PARKS	17	9. MINIMISING CONFLICT OF INTEREST	154
5. ORGANISATIONAL STRUCTURE	18	10. CODE OF CONDUCT	154
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	19	11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	155
7. STRATEGIC OVERVIEW	20	12. BOARD SECRETARY	155
8. LEGISLATIVE AND OTHER MANDATES	20	13. SOCIAL RESPONSIBILITY	155
		14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION	156
PART B: PERFORMANCE INFORMATION	21	PART D: HUMAN RESOURCE MANAGEMENT	157
1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES	22	1. INTRODUCTION	158
2. SITUATIONAL ANALYSIS	23	2. HUMAN CAPITAL MANAGEMENT OVERSIGHT STATISTICS	158
2.1 SERVICE DELIVERY ENVIRONMENT	23		
2.2 ORGANISATIONAL ENVIRONMENT	28	PART E: FINANCIAL REPORT	162
3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	30	1. CFO FINANCIAL OVERVIEW	163
3.1 SUSTAINABLE CONSERVATION	31	2. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SOUTH AFRICAN NATIONAL PARKS	166
3.2 DIVERSE RESPONSIBLE TOURISM	75	3. GENERAL INFORMATION	172
3.3 SOCIO-ECONOMIC TRANSFORMATION	102	4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT	173
3.4 SUSTAINABLE ORGANISATION	120	5. AUDIT & RISK COMMITTEE REPORT	175
4. STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE	142	6. INDEX	176
5. REVENUE COLLECTION	144		
6. CAPITAL INVESTMENT	147		
PART C: GOVERNANCE	151		
1. INTRODUCTION	152		
2. PORTFOLIO COMMITTEES	152		

PART: A

General Information



1. FOREWORD BY THE

Minister

Ms Barbara Creecy



The 2022/23 annual report for South African National Parks not only acknowledges present economic, social and political challenges, but also the important role that National Parks have come to play as a place of healing and reflection in troubled times.

Despite global and national challenges, there is cause to celebrate the admirable efforts that SANParks staff and stakeholders have made to protect the institution's landscapes, tranquility and economic development.

This annual report demonstrates the successful delivery of major objectives set for the financial year, including the goals for sound management and growth. This is reflected in the growth of visitors to National Parks by 42,49% in the past financial year. Accommodation unit occupancy rose to 63,1% - an increase of 9,55% - and tourism revenue increasing by 46,1%.

SANParks effectively enables and delivers on its conservation mandate through a system of 21 National Parks, including three world heritage sites and 10 marine protected areas (MPAs).

This represents approximately 70% of state-owned terrestrial protected areas and 22% of state-managed MPAs. In addition, five parks are integral components of transfrontier conservation areas with Namibia, Botswana, Zimbabwe, Mozambique and Lesotho.

Through the National Protected Area Expansion Strategy (NPAES), SANParks contributes to the National Development Plan's Vision 2030. In the year under review, 5 404,4 ha of conservation land was added to South Africa's protected area system through the expansion of four National Parks, namely, Addo Elephant, Tankwa Karoo, Table Mountain and Agulhas.

In an effort to increase protection of South Africa's grasslands, SANParks, in partnership with WWF-SA and a range of government and non-government partners, is working to establish a new National Park in the grasslands biome of the Eastern Cape.

SANParks has settled 58 of 66 land claims in protected areas since 2018. Unresolved land claims in the Kruger National Park remain a great concern, but we are pleased by the manner in which the SANParks Board and management have been engaging with traditional authorities to conclude these complex claims in a more inclusive manner that will ensure greater benefits to the communities involved.

“ Addressing the poaching of South Africa’s wildlife and plant species has been prioritised by government. In this reporting period we report a 40% decrease in rhino poaching in the Kruger National Park (KNP) compared to 2021. ”

The involvement of SANParks in South Africa’s contribution to the Convention on Biological Diversity in Canada in 2022 is welcomed. The 15th Convention adopted the Kunming-Montreal Global Biodiversity Framework and the Biodiversity Monitoring Framework setting 23 global targets and actions to be achieved by 2030.

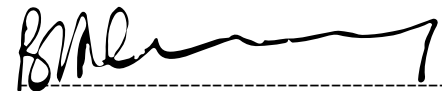
To achieve these targets, and to ensure that protected areas of the future respond to needs and aspirations of South Africans, SANParks has initiated a 2040 Vision project aimed at re-imagining and co-creating a new future for conservation. It is being supported through transformative cooperation with the government, sub-national and local authorities, and society as a whole.

Addressing the poaching of South Africa’s wildlife and plant species has been prioritised by government. In this reporting period we report a 40% decrease in rhino poaching in the Kruger National Park (KNP) compared to 2021. It has become evident that South Africa needs a species recovery plan for white rhino that considers the support required for conserving rhino across extensive wildlife systems.

Partnerships with private rhino owners will be important to the plan. SANParks has been requested to lead the development of such a recovery plan as a key element of its work in this coming financial year.

I would like to express my thanks to the Board, executive management and staff of SANParks for their dedication in an ever-changing world.

I table the SANParks 2022/23 annual report as having met all required legislative frameworks.



Minister of the Department of Forestry, Fisheries and the Environment

Ms Barbara Creecy

Date: 31 August 2023

2. FOREWORD BY THE

Chairperson

Ms Pam Yako

12



On behalf of SANParks I am proud to present the 2022/2023 annual report which represents our achievements against plans and commitments for the past financial year. This report highlights what we have undertaken in the reporting period; a period that was characterised by difficulties ranging from Covid-19 post-pandemic challenges and the state of the global economy, to the rising cost of living and a strained geopolitical environment.

Our mission as the Board is focused on providing strategic direction, leadership and overall oversight and ensuring that all strategic objectives as planned for in the reporting period are accomplished.

In this reporting period there has been a definite recovery trajectory following the Covid pandemic that gripped the world from 2020 until 2022. We saw a 42,49% increase in the number of visitors to parks year-on-year from 3 482 514 in 2021/22 to 4 962 074; while accommodation unit occupancy rose by 9,55% relative to the same period for the previous year.

SANParks contributes to the implementation of South Africa's National Development Plan 2030 and the United Nations sustainable development goals which underscore the importance of protected area expansion. During this financial year, 5 404,4ha of conservation land was added to South Africa's protected area system through the expansion of four National Parks, namely, Addo Elephant, Tankwa Karoo, Table Mountain and Agulhas.

“

It is indeed heartwarming to note the progress achieved by SANParks despite the many challenges experienced in this reporting period and I thank the board committees, the executive committee, and all staff for their commitment to ensuring that not only is SANParks sustainable but remains unfailing in meeting its mandate.

”



In partnership with WWF-SA and a range of government and non-government partners, SANParks is undertaking the establishment of a new national park in the grasslands biome of the Eastern Cape. This groundbreaking model is based on a combination of land purchase and the declaration of state land, state-owned communal land and private land which will see previously disadvantaged individuals and communities benefiting directly from their contribution to the expansion of protected areas.

The reality of climate change and the ability of National Parks to adapt to, it continues to receive intense focus in our research efforts; during the period under review, the Climate Preparedness Strategy was approved by the Board. The strategy sets out frameworks and methodologies to enhance our resilience to the inevitable destruction and disruption that is wrought by extreme weather events and other consequences of climate change. In this regard, climate change assessments have been completed for nine National Parks including Kruger and the majority of our parks in the arid regions.

South Africa's relentless fight against rhino poaching continues. Innovative strategies implemented in Kruger National Park, which has historically borne the brunt of this scourge, led to a decline in poaching numbers by 49,74% compared to the previous year. It is also critical that we underscore the fact that no rhinos were poached in any other national park. The establishment of other rhino strongholds outside of the Kruger National Park is a strong mitigator and continues to be pivotal in our rhino management strategy.

Inclusivity and equitable sharing of benefits continues to be a strong ethos of SANParks. As such SANParks implements programmes which includes the facilitation of the entry of emerging game farmers as well as communities in the wildlife economy. During this period, a total of 354 animals were successfully delivered to deserving beneficiaries in North West, Northern Cape, Limpopo, Mpumalanga and the Free State.

Another significant thrust in our socio-economic transformation efforts is the development of practical interventions aimed at enterprise and supplier development and land claimants beneficiation. Roadshows aimed at awareness raising and information sharing with entrepreneurs in communities neighbouring National Parks have proven to be a beneficial intervention in our efforts to empower local enterprises to participate in business opportunities in and around National Parks.

To this end, there was growth in the participation of both EMEs and QSEs in the 2022/23 financial year. EMEs increased from 648 in 2021/22 to 765 in the year under review, and QSE participation grew from 132 to 260.

SANParks manages five marine protected areas and similar to terrestrial protected areas, they too are within the vicinity of the country's poverty nodes where communities depend on natural resources as a means of survival. Against this backdrop, an anglers project was launched in the Wilderness area of the Garden Route to empower women in the fishing sector. Further interventions are being explored for implementation in the near future.

The Board and management continue to seek innovative approaches to meet the mandate of the organisation within an environment of financial constraints. Key of which is the implementation of austerity measures and accessing support from partnerships with the private sector and NGOs such as the SANParks Honorary Rangers, the Wilderness Foundation and the WWF-SA to name but a few

Last but definitely not least, it gives me great pleasure to announce the outcome of the external audit by the Auditor-General of South Africa (AGSA) on the annual financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements for the year ended 31 March 2023 is an unqualified audit opinion, with findings on compliance with applicable laws and regulations.

It is indeed heartwarming to note the progress achieved by SANParks despite the many challenges experienced in this reporting period and I thank the board committees, the executive committee, and all staff for their commitment to ensuring that not only is SANParks sustainable but remains unfailing in meeting its mandate.

Chairperson of the Board

Ms Pam Yako

Date: 31 August 2023

3. Chief Executive Officer's OVERVIEW

Ms Hapiloe Sello



I am pleased to present the South African National Parks annual report for the 2022/23 financial year.

SANParks began the 2022/23 financial year with cautious optimism and hope particularly from the tourism perspective as signs of recovery began to emerge following the easing of travel restrictions in many parts of the world. Domestically, key economic indicators pointed to a difficult year for households, which meant that discretionary expenditure would be curtailed. This in turn impacts negatively on tourism spend.

Despite all these challenges, SANParks revenues continued to improve throughout the financial year, resulting in an improved financial position compared to the previous two financial years. We are confident that this trend will continue well into the future.

General financial review

At the beginning of the 2022/23 financial year, SANParks tabled a break-even budget to the minister which projected a total revenue and expenditure of R2,8 billion. Of that budget SANParks received R714 million as

an operational grant and R256 million as an infrastructure grant from government. The bulk of the remaining budgeted revenue for the financial year was the anticipated self-generated revenue from our tourism operations and resource mobilisation activities.

As at the end of the financial year, SANParks realised a total revenue of R3,2 billion, which represents an increase of 20% from the previous financial year. The improved revenue performance is due to better than anticipated performance on many tourism indicators.

Spending trends

In the year under review, SANParks' total expenditure (including depreciation) amounted to R3,168 billion which is 4% higher than the projected expenditure due to an increase in the cost of sales, mainly related to the purchase of fuel. Overall, however, the organisation realised a net surplus of R126 million. The improved expenditure performance is attributable to savings in human resource costs and some under-spending on the maintenance budget, as well as cost curtailment measures that were implemented during and post the pandemic.



In the new financial year, the organisation will implement systems to enhance spending on infrastructure and maintenance in general. The CEO has established an infrastructure committee comprising of exco members from the Parks, KNP and CFO divisions to drive the implementation of infrastructure projects across all parks. We therefore anticipate significant improvement in infrastructure spending in the coming financial year.

Human resource costs continued to be the biggest expenditure line item for the organisation and stood at 46% of the total expenditure for the year. No significant decreases are likely in this regard, instead a concentrated effort to fill critical vacancies is to be expected as the financial status of the organisation improves.

Capacity constraints and challenges

During the financial year, the organisation continued to operate in a constrained financial environment which affected operations. Despite some improvement in the overall financial position, there were still a number of uncertainties, particularly in respect of full recovery of tourism operations due to the slow return of international guests. There was as a result, a heavy reliance on the domestic market which is beleaguered by a tough economic environment of sharp increases in fuel costs, accelerated interest rate hikes and a marked rise in inflation.

In addition to these challenges, the organisation continues to struggle with the challenges presented by ageing infrastructure and slow progress on maintenance; this challenge is particularly prevalent in older National Parks such the Kruger National Park. Consequently, infrastructure maintenance will be a major priority going forward; to bolster our efforts in this regard, a panel of professional firms comprising built environment professionals such as engineers and quantity surveyors has been appointed to assist us in clearing maintenance backlogs. The intention is to expand this panel in the coming year.

Discontinued key activities / activities to be discontinued

No activities were discontinued during the year under review.

New key activities

No new activities were introduced during the year under review.

Requests for roll over of funds

Section 53 of the PFMA states that a public entity may not budget for a deficit or accumulate surpluses unless prior written approval from the National Treasury has been obtained. A request will be made to National Treasury for retention of surpluses. This will be used mainly to continue and finalise key infrastructure projects across our National Parks.

Supply chain management

As a PFMA schedule 3A Entity, SANParks is required to comply with the provisions of the Public Finance Management Act, the National Treasury Regulations and all applicable practices and instruction notes issued by the National Treasury from time to time. On a quarterly basis the organisation undertakes a review to assess compliance with the PFMA, the National Treasury Regulations and relevant prescripts. Our own internal assessments indicate that during the year under review there have been sporadic instances of a failure to comply with applicable supply chain management processes in the procurement of goods and services. This resulted in irregular expenditure of R202 million for the 2022/23 financial year.

“

SANParks aims to continue to implement a number of programmes to modernise its IT systems. In the year under review, SANParks implemented a customer relationship management system which creates a platform for greater interaction between SANParks and its customers/guests.

”

The organisation has appointed a loss control committee which assists the CEO and the CFO in conducting determination tests arising from irregular expenditure. Where there have been failures to comply with relevant procurement requirements, the loss control committee makes recommendations to the CFO and human capital management for the organisation to institute consequence management. As at the end of the financial year under review, SANParks had finalised over 41 disciplinary cases related to irregular expenditure with 29 cases in the process of being finalised.

Fruitless and wasteful expenditure

During the year under review, SANParks did not incur fruitless and wasteful expenditure.

All concluded unsolicited bid proposals for 2022/23 financial year

There were no unsolicited bid proposals during the year under review.

Plans to address financial sustainability

SANParks aims to continue to implement a number of programmes to modernise its IT systems. In the year under review, SANParks implemented a customer relationship management (CRM) system which creates a platform for greater interaction between SANParks and its customers/guests. It is anticipated that the CRM system will also assist the organisation to deepen its comprehension of customer expectations, needs and preferences thereby improving customer centricity and responsiveness.

We eagerly anticipate the roll-out of the new Tourism Property Management System which will enhance transaction efficiencies and broaden market access, the effects of which we believe will result in increased sales revenues and an enhanced visitor experience, particularly in terms of bookings and reservations. Going forward, digitisation and the evolution of our IT systems will be a main driver for the sustainability of SANParks.

The development of a Board-driven SANParks Vision 2040 is well underway and consultations with a number of key external stakeholders have already begun. Our intention is to co-create a reimagined National Parks and protected areas system that is all inclusive for the benefit of all. Linked to the Vision 2040 project will be the development of a long-term financial sustainability model for the organisation.

Events after the reporting date

SANParks is not aware of any events after the reporting date of 31 March 2023 that are likely to have a material impact on SANParks financial results or operations.

Economic viability

SANParks remains a going concern as at the end of the 2022/23 financial year. SANParks has a net asset value of approximately R3 billion. The organisation derives its revenue from tourism activities, government grants and other resources mobilised through our own resource mobilisation activities.

Acknowledgement

On behalf of SANParks management and staff, I thank the minister of forestry, fisheries and the environment and the Board of SANParks for providing guidance and strategic direction throughout the year under review.

I also thank the SANParks leadership team and all employees for their commitment, focus and hard work to ensure we deliver on our mandate.

We remain committed to do our best to contribute to the developmental priorities of our country through the conservation of our natural heritage, implementation of responsible tourism, as well as the socio-economic upliftment of our largest stakeholder, namely the neighbouring communities.



Chief Executive Officer South African National Parks

Ms Hapiloe Sello

Date: 31 August 2023

4. BOARD OF SOUTH AFRICAN NATIONAL PARKS



*Ms Pam Yako
Chairperson*



Ms Flora Mokgohloa



Mr Edgar Neluvhalani



Ms Hulisani Mushiane



Mr Brian Ngobeni



Mr Jeff Mashele



Ms Bulelwa Koyana



*Mr Lourence
Mogakane*



Ms Zuks Ramasia



*Chief Livhuwani
Matsila*



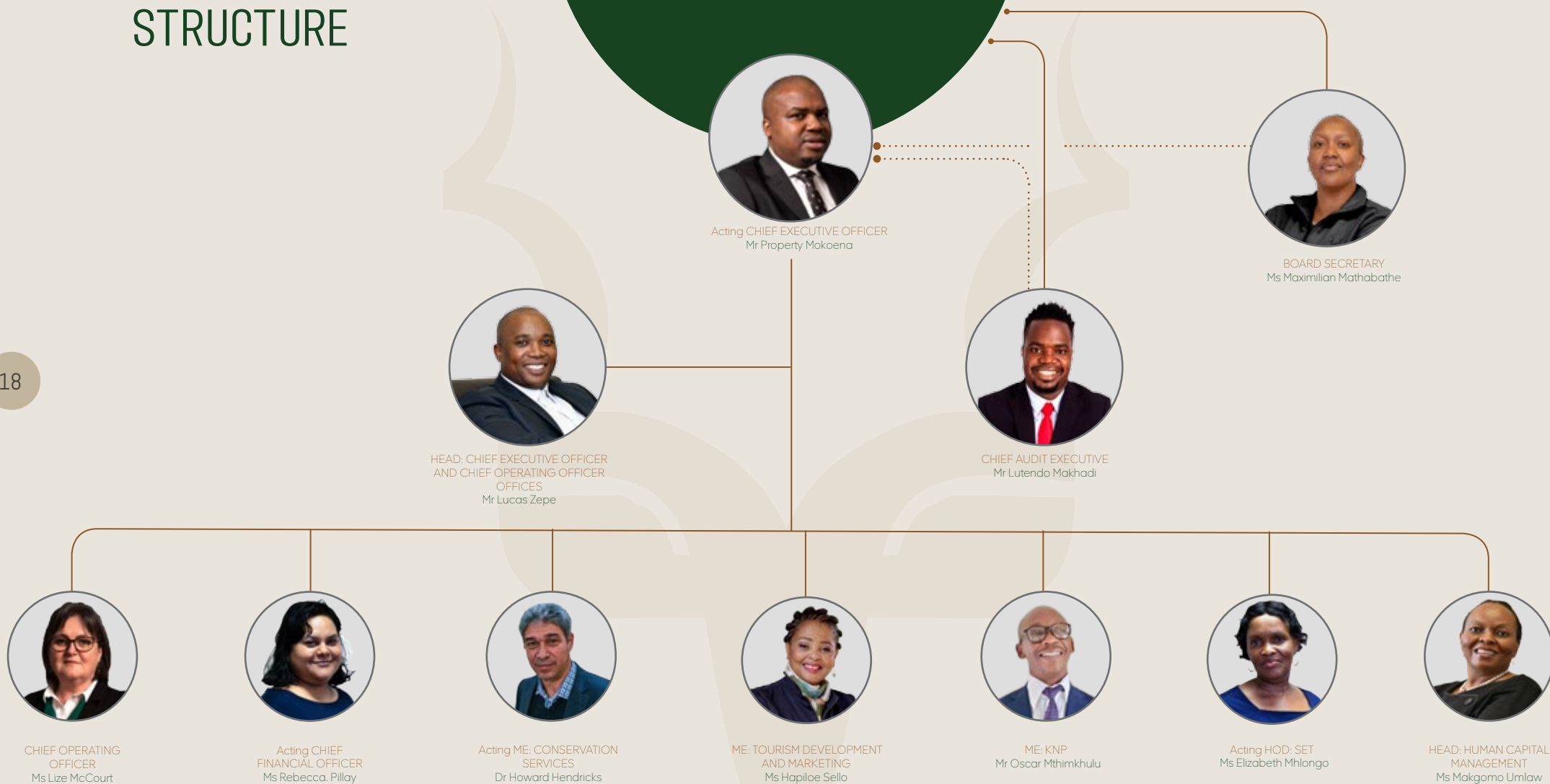
Ms Yolán Friedmann



Ms Nandi Mayathula-Khoza

5. ORGANISATIONAL STRUCTURE

SANPARKS BOARD



6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa.
- The annual report is complete, accurate and free from any omissions.
- The annual report has been prepared in accordance with the guidelines issued by National Treasury.
- The annual financial statements (Part E) have been prepared in accordance with the standards applicable to the public entity.
- The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2023.



Chief Executive Officer SANParks

Ms Hapiloe Sello

Date: 31 August 2023



Chairperson of the Board

Ms Pam Yako

Date: 31 August 2023



7. STRATEGIC OVERVIEW



MISSION

Develop, protect, expand, manage and promote a system of sustainable National Parks that represents natural and cultural heritage assets, through innovation, excellence, responsible tourism and just socioeconomic benefit for current and future generations.



VISION

A world-class system of sustainable National Parks reconnecting and inspiring society.

8. LEGISLATIVE AND OTHER MANDATES

As a leading conservation authority, SANParks is a public entity under the jurisdiction of the Department of Forestry, Fisheries and the Environment (DFFE), where inclusive conservation (as opposed to previous policies of exclusion) is central to advancing the policies in line with the National Development Framework for Sustainable Development and the National Development Plan.

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 ha, much of this in under-conserved biomes such as the succulent karoo and fynbos.

The National Environmental Management: Protected Areas Act (Act 57 of 2003) (NEM: PAA) mandates SANParks to create destinations for nature-based tourism in a manner that is not harmful to the environment. SANParks generates 80% of its operating budget from its ecotourism business; fulfilling its conservation mandate therefore relies heavily on thriving and sustainable tourism operations.



CONSTITUTIONAL MANDATE

Section 24(b) of the Constitution of the Republic of South Africa (Act 108 of 1996) underpins the SANParks mandate, which states that:

Everyone has the right –

- a) To an environment that is not harmful to their health or wellbeing; and
- b) To have the environment protected for the benefit of present and future generations through reasonable legislative and other measures that:
 - (i) prevent pollution and ecological degradation;
 - (ii) promote conservation; and
 - (iii) secure ecologically sustainable development and use of natural resources, while promoting justifiable economic and social development.



LEGISLATIVE AND POLICY MANDATES

SANParks was initially established in terms of the now repealed National Parks Act (Act 57 of 1976) and continues to exist in terms of the National Environmental Management: Protected Areas Act (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) (PFMA), and it is listed as a Schedule 3 Part A: 25 public entity. In accordance with revised Treasury Regulations sections 5 and 30, issued in terms of the PFMA, to provide the necessary legal basis for implementation of the Framework for Managing Programme Performance Information, SANParks is expected to submit a five-year strategic plan, ideally subsequent to every national election cycle, linked to the identified outcomes of the Presidency, for approval by the DFFE Ministry as the executive authority.



RELEVANT COURT RULINGS

As of the previous MTEF period, there are no court rulings that may have had a significant impact on SANParks' ongoing operations and/or service delivery obligations. Nonetheless, suitable legislative frameworks, codes of good legal practice and resources have been put in place to mitigate such future risks.

PART: B

Performance Information



1. AUDITOR GENERAL'S REPORT: PRE-DETERMINED OBJECTIVES

As per the Auditor-General's report, published under Part E of this report, the Auditor-General raised the following:

We tested whether the public entity's performance planning and management processes, strategic plan and annual performance plan complied with the key requirements from legislation and the revised framework for strategic and annual performance plans.

We did not identify significant findings.

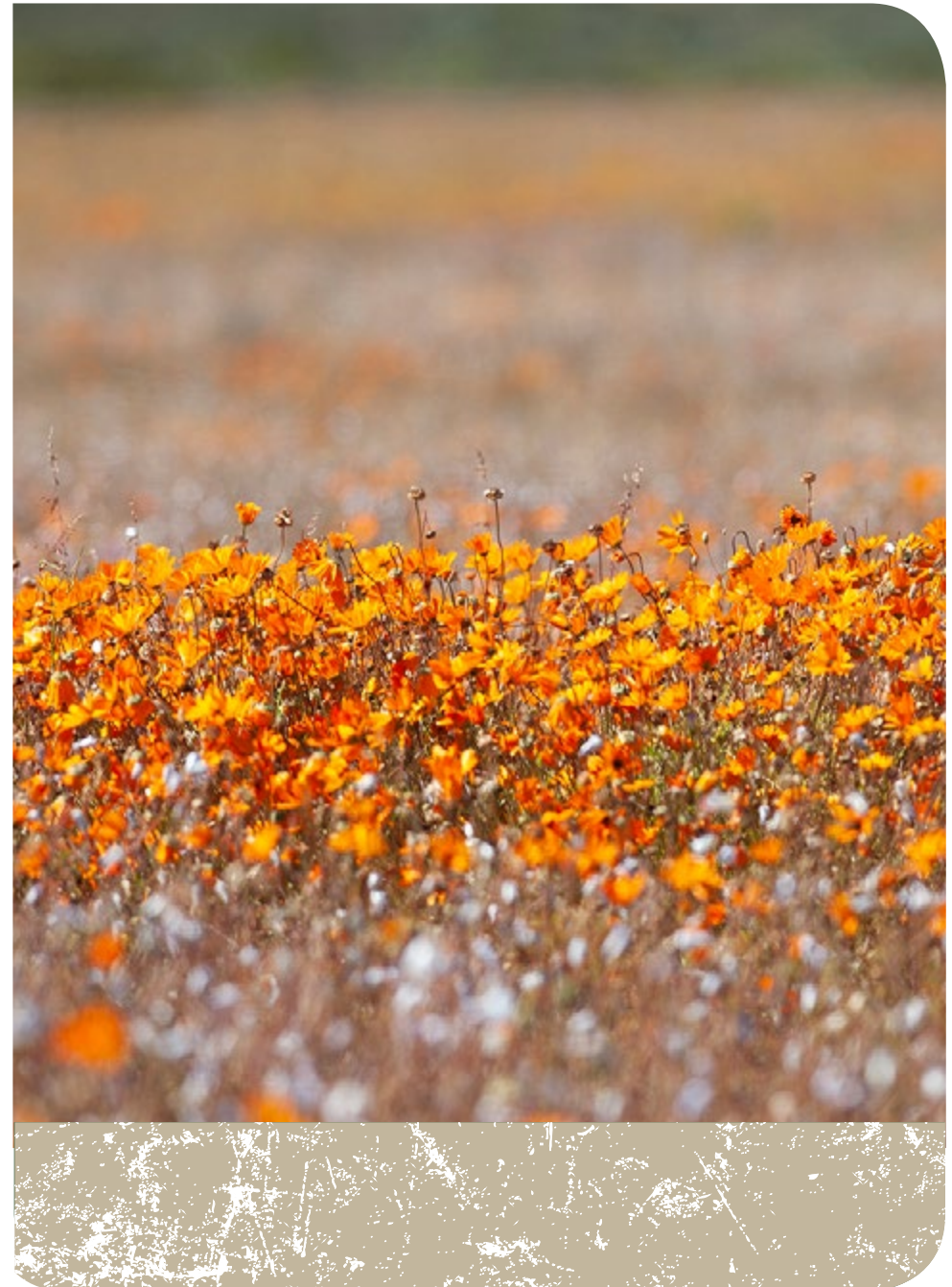
We selected the following outcome goal for auditing:

- Outcome goal 1 – Sustainable biodiversity and cultural heritage across land and sea delivers benefits for the people of SA and the world, now and in the future. This outcome goal relates directly to the mandate of the public entity.

We did not identify findings on completeness of indicators.

We did not identify material findings on the overall presentation of performance information in the performance report.

We did not identify material misstatements on the reported performance information in the performance report submitted for auditing.





2. OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

As the management authority of the national protected area system, SANParks contributes to the implementation of South Africa's National Development Plan 2030 (NDP) and the United Nations sustainable development goals. The NDP underscores the importance of protected areas and their expansion in alleviating poverty and reducing inequality. The National Protected Area Expansion Strategy (NPAES) provides a strategic framework for the expansion of the conservation estate and sets out specific area-based targets for each of the major ecosystem types.

In line with the NPAES, SANParks contributes to expanding the conservation estate through land-inclusion mechanisms that promote ecological and climate change resilience. During the period under review, 5 404,4 ha of land was added to South Africa's protected area system through the expansion of four National Parks, namely, Addo Elephant, Tankwa Karoo, Table Mountain and Agulhas.

In partnership with WWF-SA, work is ongoing to establish a new national park in the grasslands of the Eastern Cape. The process entails incorporating land into the national park system through a combination of land purchase and the declaration of state land, private land and state-owned communal land as protected areas. The incorporated portions of land will deliver access and benefit opportunities to previously disadvantaged individuals and communities.

Extensive stakeholder engagement took place to explore the new park's purpose and its vital attributes as the basis for its management plan. Rangeland condition assessments were done on properties that have been committed to form part of the national park or to be managed as protected environments. A sustainable rangeland model will be developed from the assessments.

A five-year project, titled "Catalysing Financing and Capacity for the Biodiversity Economy around Protected Areas" and funded by the seventh cycle of the Global Environmental Facility (GEF7), was launched. The project aids the transformation of South Africa's wildlife economy to become inclusive and sustainable. It will do so by supporting land-reform

beneficiaries and other communities in Limpopo, KwaZulu-Natal and the Eastern Cape to enter wildlife ranching and related economic activities. Land will also be set aside for habitat conservation.

In this financial year, SANParks continued to implement the recommendations of the high-level panel that reviewed policies, legislation and practices on matters of elephant, lion, leopard and rhinoceros management, breeding, hunting, trade and handling. These were included in the White Paper on Biodiversity Conservation and Sustainable Use that was adopted by Cabinet in March 2023. By year end, 75% of planned activities had been implemented, including the United National Environmental Programme (UNEP) GEF7 project and preparatory work for the GEF8 concept for re-imagining National Parks for people and nature. The latter includes human-wildlife conflict and ongoing consultation with relevant stakeholders on the Kruger National Park land-claimant beneficiation scheme.

By signing the Convention on Biological Diversity (CBD), South Africa committed to rehabilitate and restore degraded ecosystems. This is aligned with the ecosystem-based and adaptation (EbA) objectives as outlined in the National Adaptation Strategy and the SANParks Climate Change Adaptation Framework and Implementation Plan. Target 15.3 of sustainable development goal 15 sets out a new global objective to achieve a land-degradation neutral (LDN) world by 2030.

SANParks contributes to achieving these targets by implementing EPWP-funded restoration programmes across all National Parks. The main activity is the clearing of alien invasive vegetation through the Working for Water programme. Implemented according to the approved annual operational plans, the project targeted wattle and pine species in the Cape and Garden Route parks, *Prosopis* in Arid Region parks, cactus species in Frontier Region parks, and pompom weed *Eupatorium marocephalum* and *Parthenium* in Northern Region parks.

In Kruger National Park, the focus was on the removal of *Parthenium* and other herbaceous species. Overall, alien invasive clearing was conducted for the first time on over 24 160 ha. Follow-up clearance was done on a further 164 215 ha and 8 023 m³ of degraded wetland were rehabilitated.

A highlight for the period under review was the approval by the Board in December 2022 of the SANParks Climate Change Preparedness Strategy. The strategy envisions SANParks being resilient and responsible in a rapidly changing world and sets out a framework for the actions and approaches needed at all levels to achieve this. Implementation of the strategy will commence in the new financial year.

Following numerous workshops and consultations, new climate preparedness assessment reports were completed for Kruger and Augrabies Falls National Parks, adding to those already completed for Tankwa Karoo, Richtersveld, Golden Gate Highlands, Garden Route, Camdeboo, Namaqua and Agulhas National Parks.

The implementation plan for the SANParks Green Energy Strategy includes energy saving, energy efficiency and renewable energy projects. To this end, a tender was awarded for the installation of photovoltaic solar plants in the Mata Mata and Nossob rest camps of the Kgalagadi Transfrontier Park. Green-energy awareness programmes were also implemented in all National Parks.

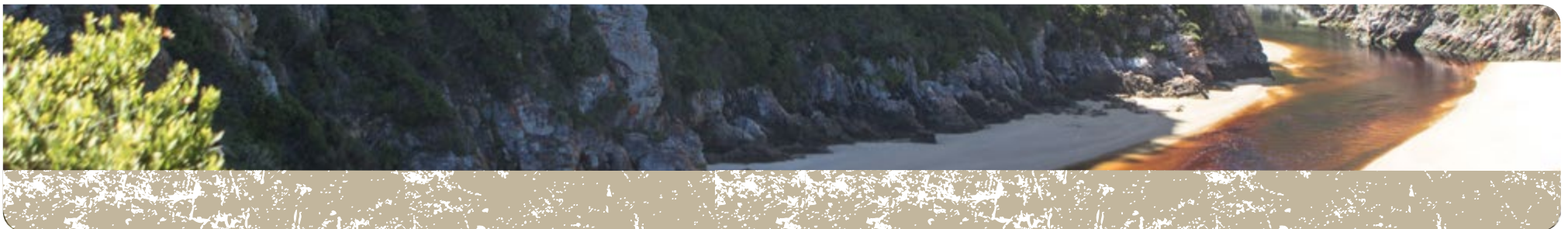
More than 90% of the cultural heritage annual implementation plan was completed. Activities included the opening of the #Khomani San interpretation centre in the Kgalagadi Transfrontier Park, and the successful deployment of the cultural heritage information management system following the training of socioeconomic transformation (SET) officers on its use. The relevant trails in the park are now ready to receive visitors and marketing will commence in the new financial year. Guides have been trained to conduct tours to the rock-art sites.

SANParks intentionally creates opportunities for communities to interact with and celebrate their cultural heritage in parks. The annual celebration of Thulamela in the Kruger National Park took place during Heritage Month 2022 and was attended by more than 120 members of the Makahane community. On the same day, a celebration attended by approximately 100 people was held with communities associated with Mapungubwe National Park.

Surveys and assessments of cultural heritage resources were carried out in two National Parks, namely Augrabies Falls and Camdeboo. The assessments have contributed to a better understanding of the heritage resources in each park, their state of conservation and potential to contribute to tourism, and how they link with park stakeholders. The assessments are expected to improve the cultural heritage and overall management effectiveness in all three parks.

The National Parks each play a particular role in the conservation of South Africa's south-western and south-central black rhinos, as well as southern white rhinos. In addition to Kruger National Park, six parks manage important black and white rhino populations. These are Addo, Karoo, Mapungubwe, Marakele, Mokala and Mountain Zebra. During the period under review, eight rhinos died of natural causes, including infighting among bulls, in the six parks; none lost rhino due to poaching. Growth in rhino numbers from 2022 to 2023 exceeded the annual performance target of 4%. These successes point to the need for SANParks to find more space in existing and new National Parks to support rhino-population growth.

// Growth in rhino population numbers from 2022 to 2023 exceeded the annual performance target of 4% //





As part of rhino management efforts in the smaller parks, SANParks ear-notched 30 individuals to simplify identification and monitoring. Biopsy dart samples were collected from 10 rhinos in aid of a DNA-profiling project in the Frontier Region. At Mokala National Park, SANParks notched 91 white rhinos; all the black rhinos in the park had been notched previously.

The Kruger National Park Rhino Management Plan entails zoning the park into core areas with suitable habitat where rhinos occur. There was an overall decline of 19,58 % in the rhino population in core conservation zones in the Kruger National Park, primarily due to white rhinos leaving these areas in response to poaching and moving to known localities of suitable habitat. The black rhino population in core conservation zones increased by 12% since 2020. Substantial increases in black rhino populations were recorded in priority zones 1 and 2 and in the white rhino zone. The dehorning of 702 rhinos during the year meant that by the end of 2022, approximately 70% of rhinos in the park had been dehorned.



Poaching decreased by 49,74% in the Kruger National Park where 98 rhinos were lost, as opposed to the 195 in 2021/22. There was, however, an increase in elephant poaching: the park lost 32 elephants in this financial year against the nine poached during 2021/22. One elephant was poached in the Greater Mapungubwe Transfrontier Park. The increase in elephant poaching in Kruger National Park is driven largely by bushmeat, rather than ivory, demand.

Tourism performance continued to recover. Local guests made up 80% of SANParks visitors, while international visitor numbers increased by more than 226% - admittedly from a low base. It is, however, still 50% lower than pre-Covid levels. International recovery to pre-pandemic levels is expected to take place at a slower rate than overall travel indicators, but steady growth is anticipated as global traveller confidence returns and air traffic to and within South Africa improves.

Overall, these trends are in line with international patterns: globally, destinations welcomed almost three times as many international arrivals in the first quarter of 2022 compared to the same period in 2021, but by May 2022, international arrivals worldwide were still down by 54% compared to 2019 (UNWTO, 2022a).

Visitors to parks increased by more than 42%, with international visitor numbers showing a stable, albeit slow, recovery. Guests from the top five international markets stood at 59% of pre-pandemic numbers. The relaxation of Covid-related travel restrictions increased the number of SADC visitors. Domestic visitor numbers recovered to 72% of pre-pandemic levels, while SADC and international guests recovered to 50% and 22% respectively. Revenue projections still anticipate full recovery to pre-Covid levels in 2024/25.

Public-private partnerships (PPPs) allow the private sector to perform an institutional function on behalf of a state entity through the exclusive use of state assets. They provide SANParks with product and price differentiation to accommodate different market segments and have proved an effective funding and development model. During the reporting period, SANParks hosted its second annual tourism investment summit, presenting the business community with more than 100 investment opportunities in accommodation, activities, restaurant and retail, and multi-use facilities in various National Parks.

Reflecting the SANParks of the future, the opportunities included virtual game drives; glamping adventures; treetop chalets; motorcycle tours; cultural heritage experiences; underground hides; activity hubs; sports tourism; paragliding; cable cars; suspension bridges; helicopter flips and many more. The strategic intent of these new PPP opportunities

is to widen the appeal of the parks to new growth markets. The 2022/23 year saw five new PPPs concluded, namely, Skukuza Safari Lodge, Golden Gate Dinosaur Centre kiosk and curio shop, Kruger National Park North spa, Augrabies Falls restaurant and retail facilities and the Golden Gate zipline.

Over the past few years, SANParks Tourism has been developing a customer relationship management (CRM) system that allows for a greater understanding of, and interaction with, our guests. The CRM and loyalty solution went live in November 2022, giving SANParks a 360-degree view of the customer across all contact points for the first time. The solution also provides guests with a more efficient way of interacting with the organisation, from making and amending reservations to updating profiles, purchasing Wild Cards and making payments. The Wild Card system was replaced in November to ensure compatibility with the new CRM and loyalty system.

During the past year, 69 SANParks hospitality services managers successfully completed a two-year hospitality leadership development programme.

SANParks Week bounced back strongly in the period under review with more than 72 000 visitors entering parks for free. The launch of this year's week coincided with the handover and official opening of two Kruger National Park cultural heritage interpretation sites. The Rabelais interpretation hut was revamped to include displays on, among other topics, the Orpen family, the evolution of tourism in the park and the history of black rangers in the Rabelais section. The hut was officially re-opened with a gathering attended by around 40 people.

A function for 70 people was held at the base of Mount Tshikumbu to open the new interpretation site located there. The audience included a contingent of Bakgalaka community members, dignitaries from Phalaborwa and local tourism operators. The site's eight display panels recognise the story of Chief Tongogara, the Bakgalaka people and the legacy of five other chiefs that historically resided in the area.

The Twee Rivieren Interpretation Centre (TRIC) in the Kgalagadi Transfrontier Park, which is a tribute to the #Khomani San Cultural Landscape World Heritage Site, was also completed.

Responsible tourism assessments were done for the Knysna, Tsitsikamma and Wilderness sections of the Garden Route National Park, and for the Addo Elephant, Karoo and Mountain Zebra National Parks.

The SANParks socioeconomic transformation (SET) programme implements initiatives that contribute to the development and growth of local economies, job creation, enterprise development, skills training and social development in communities living in the vicinity of National Parks. Special programmes and projects furthermore ensure that land claimants derive benefits from land that was dispossessed for conservation use. Significant progress has been made and growth realised in the implementation of SET programmes in the 2022/23 financial year.

The wildlife economy programme facilitates the entry and participation of emerging game farmers and communities in game and wildlife farming/ranching activities. These include the stocking, trading, breeding and hunting of game, and all other services and goods required to support the wildlife economy value chain. It promotes fair access to and equitable sharing of benefits arising from the wildlife economy, the expansion of protected areas, restoration of degraded environments and the improvement of infrastructure and land use. The programme furthermore broadens the meaningful participation of youth and women in the mainstream wildlife economy. The 2022/23 year saw the programme grow from game translocations only, to the development of tools for post-donation support and programme-impact monitoring.

As part of its contribution to the implementation of Operation Phakisa Biodiversity Economy Lab Outcomes, the DFFE made R10 million available to support infrastructure development in the form of fencing for emerging game farmers. SANParks was appointed to assist the management authorities with game capture and translocation.



A game farm management checklist and daily observation sheets were developed and tested at three game farms, namely, Sepelong Game Farm, Imvelo Safaris and Kalema Boerdery. A memorandum of understanding (MoU) was signed with Wildlife Ranching South Africa to collaborate in the provision of technical, marketing and other support required by the emerging game farmers to develop and grow their farms.

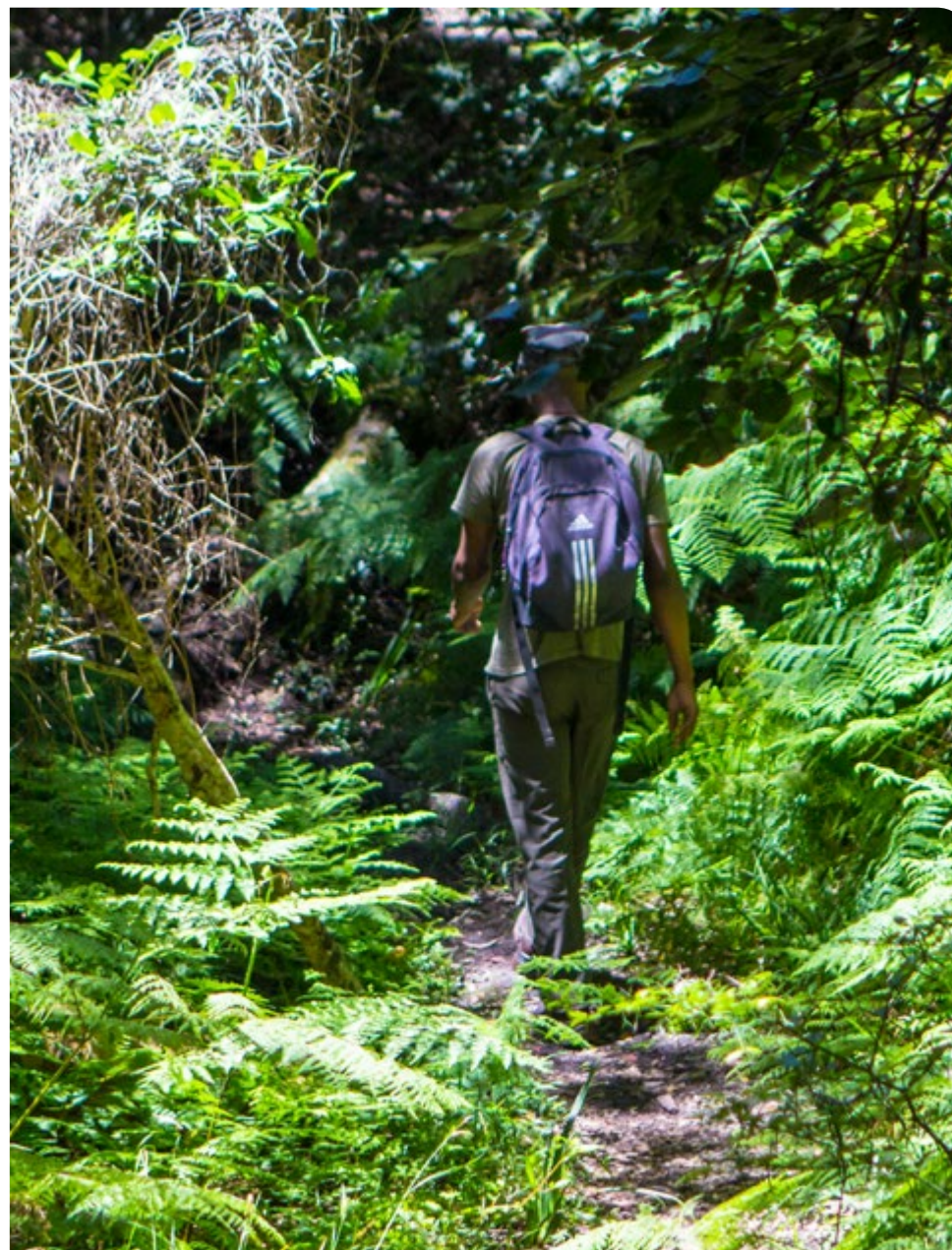
SET embarked on economic transformation roadshows to present SANParks opportunities to neighbouring enterprises and suppliers. The first roadshow engaged communities around Kruger National Park during 2021. The second, which was held in the Garden Route National Park in November 2022, was attended by 450 local business owners and suppliers. Following the roadshows, opportunities were identified and made available to local enterprises. As a result, 10 local enterprises were contracted to provide goods and services to Kruger National Park concessionaires and eight were contracted to construct a workshop in Bende Mutale. One enterprise was appointed to provide services for the Tsitsikamma Otter Trail and four to run shuttle services to the park, while a company owned by young women was awarded a car-wash opportunity.

The EPWP provided a total of 5 292 full-time equivalent (FTE) jobs and created job opportunities for 8 268 youth, 7 083 women and 265 people living with disabilities. A further 863 SMMEs from communities adjacent to the National Parks were contracted through the programme.

The year saw growing participation of both exempted micro enterprises (EMEs) and qualifying small enterprises (QSEs) in SANParks business. Participating EMEs increased from 648 in 2021/22 to 765 in 2022/23, while QSE participation grew from 132 to 260. Level 1 to 4 BBBEE contributors (100% black owned and 30% black-women owned) accounted for 90% of SANParks' total procurement spent.

SANParks' 2022/23 financial performance was better than in the previous financial year, mainly because tourism revenue exceeded expectations. As at the end of the year, SANParks realised a net surplus of almost R122 million against a budgeted break-even, and an income-to-cost ratio of 1,04:1.

Revenue raised through resource mobilisation exceeded R140 million in the financial year. This noteworthy achievement is the result of the realisation of commitments made on multi-year donations.

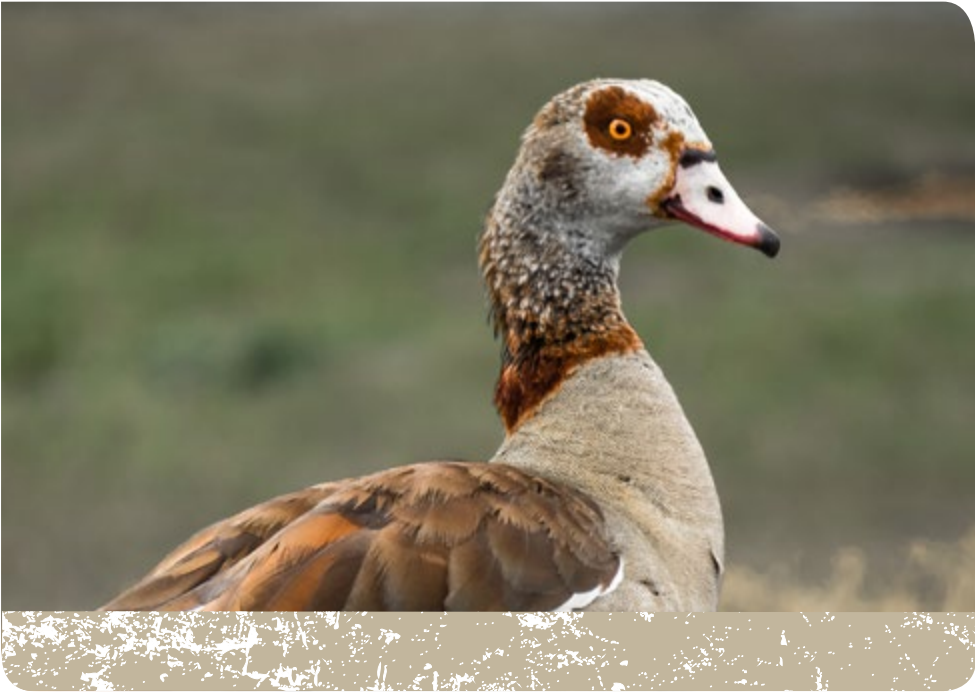


2.2 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

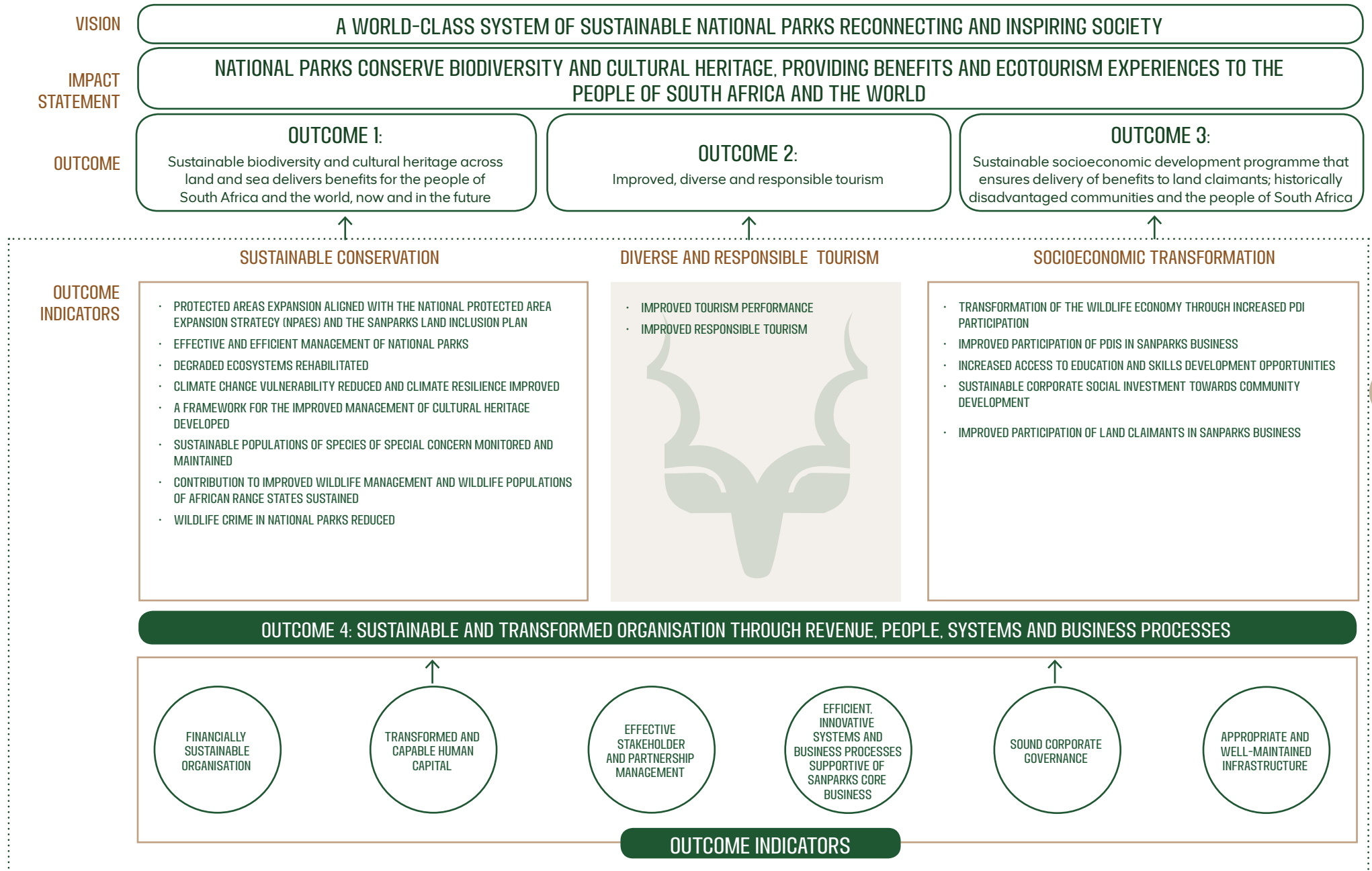
There has been no changes in applicable national, provincial or local government policy or legislation that significantly affected operations during the period under review. However, changes to conservation, climate change, procurement and other relevant areas of policy and legislation approved during the year, have been taken into consideration both in the planning processes of SANParks and its internal policy review and development schedule.

SANParks conducts its policy development and review programme in accordance with the National Policy Development Framework of December 2020. The framework seeks to standardise policy formulation processes across all spheres of government in South Africa, including policy coordination and policy-making cycles. SANParks is implementing this framework through the development, implementation and monitoring of an annual policy development and review schedule coordinated by a dedicated policy compliance unit. In summary, the following policies and procedures were reviewed/developed during the year to ensure currency, address policy gaps and align with legislative changes.

Approved policies and procedures 01 April 2022 – 31 March 2023	Approved policies and procedures 01 April 2022 – 31 March 2023
<ul style="list-style-type: none"> • Ethics Management & Governance Strategy • Transformation Charter and Integrated Strategy • Ethics Management & Governance Policy • Ex-Gratia Policy • ICT Security Policy • Internal Audit Methodology (SOP) • Internal Audit SOP • ICT Steering Committee SOP • POPI Act Data Breaching SOP • POPI Act Clean Desk Top SOP • SANParks Green Energy Strategy • Universal Access SOP • Tourism Standards SOP • Tourism Research SOP • Visitor Interpretation SOP • Pricing and Yielding SOP 	<ul style="list-style-type: none"> • SANParks Africa Strategy • Management and Conservation of Cultural Heritage Policy • SOP for Conducting Aerial Surveys in SANParks • Capture and Manipulation of Fish • Lethal Management of Wildlife SOP • Assessment for Implementation of Park Management Plans SOP • Donations and Sponsorship SOP • Research Project Registration • Guidelines for Burials, Scattering of Cremated Ashes, Erecting of Memorials, Placing of Plaques and Access to Gravesites in National Parks • Customer Care SOP • Media Relations SOP • Tourism Stats SOP • Visitor Management SOP



STRATEGIC MAP



Covid-19 (and associated alert level regulations) brought about key policy focus issues within SANParks, including defeating the Covid-19 pandemic, economic (revenue) recovery, implementing economic reforms through the organisation's transformation strategy to create sustainable jobs and drive inclusive growth and continuing to fight corruption and criminal activities.

The different alert level-related Covid-19 disaster management regulations and directives from the minister of employment and labour, had a definite impact on the operations of SANParks. Relevant protocols were developed and implemented to ensure full compliance with the legislative changes and directives. Movement restrictions, restrictions on occupation levels (both at places of work and tourism infrastructure) and restrictions and temporary suspension of some economic activities had and continue to have an impact on SANParks operations and especially its ability to generate revenue. While not regulated by the Public Administration Management Act or regulations specific to the public service, SANParks fully aligned its workplace practices during the pandemic with guidance and guidelines published by the Department of Public Service and Administration.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

In order to realise SANParks' vision and fulfil its public-good mandate, SANParks developed four outcome goals, each supported by sub-outcomes. While Outcome Goal 1 is focused on realising the core conservation and sustainable environmental management mandate, it is primarily resourced through the Tourism work of the organisation directed through Outcome Goal 2.

Outcome Goal 3 ensures that the sustainable-use principle implemented through both Outcome Goal 1 and Outcome Goal 2 not only delivers benefits for communities, but also actively contributes to socioeconomic transformation.

These three goals are enabled by Outcome Goal 4, or the organisational goal working towards an efficient, effective, world-class organisation through our people, finances, systems, stakeholder engagement and good governance.





3.1 SUSTAINABLE CONSERVATION

OUTCOME GOAL 1: SUSTAINABLE BIODIVERSITY AND CULTURAL HERITAGE ACROSS LAND AND SEA DELIVERS BENEFITS FOR THE PEOPLE OF SOUTH AFRICA AND THE REST OF THE WORLD, NOW AND IN THE FUTURE.

PURPOSE:

Sustainable biodiversity and cultural heritage across land and sea deliver benefits for the people of SA and the world, now and in the future.

SUB-OUTCOMES:

- Protected area expansion aligned with the National Protected Area Expansion Strategy (NNPAES) and the SANParks Land Inclusion Plan.
- Effective and efficient management of National Parks.
- Degraded ecosystems rehabilitated.
- Climate change vulnerability reduced and climate resilience improved.
- A framework towards improved management of cultural heritage developed.
- Sustainable populations of species of special concern monitored and maintained.
- Contribution to improved wildlife populations of African range states sustained.
- Wildlife crime in National Parks reduced.

Outcome Goal 1 is implemented through the Parks and Kruger National Parks operations in Parks and Kruger National Park, the Special Projects and Infrastructure programmes and Conservation Services.

INTRODUCTION

Conservation is a complex public-good mandate with diverse outcomes. SANParks effectively enables and delivers on this mandate through a system of 21 National Parks, including three world heritage sites and 10 marine protected areas (in terms of the National Environmental Management: Protected Areas Act (Act No. 57 of 2003)). This represents approximately 70% of state-owned terrestrial protected areas and 22% of state-managed marine protected areas (MPAs), comprising over 4 million ha on land and almost 3700 km² km at sea. In addition, five parks are integral components of transfrontier conservation areas with Namibia, Botswana, Zimbabwe, Mozambique and Lesotho.

An intrinsic value consideration for National Parks and marine protected areas as a public good is their promotion of shared natural and cultural heritage and their contribution to building national solidarity, enjoyment and pride.

South Africa's National Parks conserve the country's rich diversity of flora and fauna. They also contribute significantly to the preservation of water resources, protect the archaeological and historical record and safeguard endangered ways of life. Located largely in rural areas, they are catalysts for economic growth that can create employment and transformation in areas that generally lack such opportunities.

SANParks Operations is responsible for managing the organisation's 21 National Parks and 10 MPAs. These are organised into two divisions: Kruger National Park and the Parks Division. The latter is divided into the Arid, Cape, Frontier, Garden Route and Northern regions.

The Arid Region consists of six parks. Kalahari Gemsbok National Park, the largest, covers almost one-third of a sand-filled basin in the west of southern Africa and supports diverse fauna and flora. Because of its importance to the Khomani San, the park is also a UNESCO Cultural Heritage Landscape site. Augrabies Falls National Park has a representation of lower-Gariep broken veld, Bushmanland arid grasslands, Blouputs thornveld, lower-Gariep alluvial vegetation, and Kalahari karroid shrubland. Namaqua National Park lies within the succulent karoo biome and areas of significant geological interest. The Namaqua MPA extends from the Groen to the Spoeg rivers and provides an important link to the terrestrial component of the park.

Contractual agreements are in place with local communities in three of the Arid Region parks: the Khomani San and Mier communities in Kgalagadi Transfrontier Park; the Riemvasmaak community in Augrabies Falls National Park; and the Richtersveld community in /Ai/Ais

Richtersveld National Park. Joint management boards enable engagement on matters of mutual interest, including social and economic development projects.

Mokala National Park supports diverse ecosystems in the transition zone between the nama-karoo and the arid-savanna bushveld biomes. The declaration of the Meerkat National Park around the development of the Square Kilometer Array (SKA) in the Northern Cape is a milestone that expands the conservation asset base to include an international science hub.

Three of the parks in the Cape Management Region, namely Agulhas National Park, Table Mountain National Park and West Coast National Park, include MPAs. The latter incorporates Robben Island MPA which adjoins the existing Table Mountain MPA. Parts of the West Coast National Park and MPA are important non-breeding sites for hundreds of thousands of Palaearctic migrant waders during the austral summer. The area also contains about 32% of South Africa's saltmarshes and is recognised by the Ramsar Convention as a wetland of international importance.

Table Mountain National Park, Agulhas National Park and Bontebok National Park 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.

The Frontier Region consists of four parks located in the Western and Eastern Cape provinces. The Addo Elephant National Park's diverse landscape includes marine areas, thicket, forest, fynbos, nama-karoo, grassland and azonal wetlands. The MPA in the Addo Elephant National Park, previously known as Bird Island MPA, was repealed and is now included in the Addo Elephant National Park MPA.

Camdeboo National Park is located in the karoo biome, which is recognised as a world conservation priority. Karoo National Park is in the semi-arid Nama-Karoo and falls within the nama-karoo and grassland biomes. Mountain Zebra National Park is in a transitional area between the grassland, nama-karoo, thicket and savanna biomes. This allows for an interesting mix of flora and fauna, as well as important ecological and landscape processes.

The Garden Route Region is a complex of protected areas managed as a single entity. It includes the previously proclaimed Tsitsikamma National Park and Wilderness National Park, forests and mountain catchment areas, as well as the Knysna National Lake Area. The

park incorporates approximately 45 000 ha of indigenous forest. The region, and therefore the park, is highly fragmented and has a diversity of natural habitats and social systems.

The Northern Management Region consists of three parks. Golden Gate Highlands National Park in the north-eastern Free State forms the watershed between the Vaal and Orange rivers and the Maloti Drakensberg catchment complex, which is considered one of the most important water catchments in southern Africa. It is the only grassland park in the SANParks estate, and is where the world's oldest dinosaur eggs, with embryos, were discovered. The park furthermore represents a rich and diverse cultural history, spanning early Stone Age, San and Basotho people, as well as early European settlers. It also contains important rock-art paintings and Anglo-Boer War sites.

The importance of Mapungubwe National Park and World Heritage Site lies in its more than 400 archaeological sites. The park is part of the Greater Mapungubwe Transfrontier Conservation Area that spans Zimbabwe, Botswana and South Africa. It supports communities and ecosystems, while unlocking sustainable socioeconomic benefits.

Marakele National Park is situated in the extreme south-western quadrant of the Waterberg massif and its adjoining lowlands to the west. A rich diversity of plant species, typical of fynbos and forest systems as well as species typical of the kalahari system on the edge of the central bushveld biodiversity hotspot, gives Marakele its high conservation value. Because the Waterberg is an important transitional zone in the distribution of mammals, Marakele supports a large diversity of species.

The 10 MPAs, totaling 3 700km², managed by SANParks play an important role in the country's marine conservation and protection efforts.

PROTECTED AREA EXPANSION AND CONSOLIDATION

Expansion of the conservation estate: new ways of land inclusion

SANParks contributes to the implementation of South Africa's National Development Plan 2030 and the United Nations sustainable development goals. The National Development Plan underscores the importance of protected area expansion as part of South Africa's development path to eliminate poverty and reduce inequality. The National Protected Area Expansion Strategy (NPAES) provides a strategic framework to achieve this. It sets out area-based targets for each of the major terrestrial, freshwater and marine ecosystem types for a 20-year period, as well as longer term targets, and highlights priority areas for protection.

The ambitious 30-by-30 global biodiversity target recognises that to avert further serious biodiversity loss, countries will have to expand protected areas and other effective conservation measures (OECMs) through innovation and sustainably financed landscape-based approaches. SANParks contributes to this by improving the national and global conservation estate through land-inclusion mechanisms that promote ecological and climate change resilience.

During this financial year, more than 5 404 ha of conservation land was added to South Africa's protected area system through the expansion of four National Parks, namely, Addo Elephant, Tankwa Karoo, Table Mountain and Agulhas.



PHYSICAL GROWTH: EXPANSION OF SANPARKS' ESTATE



5 403,6 Ha

of conservation
land added

4

National
Parks

TABLE MOUNTAIN NATIONAL PARK

inclusion of 31,1 ha



Received the donation of the Stonehurst property for inclusion in the Table Mountain National park

AGULHUS NATIONAL PARK

inclusion of 1 180 ha



Purchased via funding from the National Parks Trust SA (NPTSA)

ADDO ELEPHANT NATIONAL PARK

inclusion of 924 ha



Acquired through the Department of Forestry, Fisheries and Environment's (DFFE) Land Acquisition Grant

TANKWA KAROO NATIONAL PARK

inclusion of 3 268,5 ha



Contract agreement with a private landowner

New national park in the grasslands of the northern part of the Eastern Cape

Despite their importance for biodiversity, climate change adaptation and mitigation, water security and agriculture, South Africa's grasslands are under-protected. South Africa has 22 strategic water source areas. They encompass only 10% of the land surface area yet provide some 50% of the freshwater South Africans depend on. The grasslands biome of the Eastern Cape Drakensberg form one such strategic water source area. To protect this precious resource SANParks, in partnership with WWF-SA and a range of government and non-government partners, is establishing a new national park in terms of the NEM:PAA. The model used for this undertaking is new in that it combines land purchase with the declaration of state land, state-owned communal land and private land.

Enhancing capacity in the Grasslands Park and rangeland monitoring

During this year, four SANParks staff members were appointed on fixed-term, donor-funded contracts to drive the planning and establishment of the new Grasslands National Park in partnership with WWF-SA. Extensive stakeholder engagement took place through a series of workshops that focused on the development of the park purpose and vital attributes that will, in turn, form the basis of the park management plan (PMP). The draft PMP will only be finalised once the initial declaration has been undertaken. Stakeholders will then be invited to review and comment on the PMP before it is finalised and submitted to the minister for approval.



The Maclear team in the Eastern Cape Grassland National Park.

BIOREGIONAL INTEGRATION

Catalysing financing and capacity for the biodiversity economy around protected areas

The five-year project funded by the Global Environmental Facility seventh cycle (GEF7) through the World Bank Project P170213 and called “Catalysing Financing and Capacity for the Biodiversity Economy around Protected Areas”, was launched on 17 and 18 November 2022. The project will help to transform South Africa’s wildlife economy by supporting land-reform beneficiaries and other communities in Limpopo, KwaZulu-Natal and the Eastern Cape to enter the wildlife ranching, game-processing, hunting and ecotourism sectors, and by setting aside land for habitat conservation.

The project will also support the rollout of biodiversity economy nodes across South Africa by unlocking public and private sector resources and matching projects with investors. Financing platforms and knowledge exchange will enable scaling, while national-level capacity development will help to strengthen the biodiversity economy vision across the implementing partners. These are DFFE, SANBI, SANParks, iSimangaliso Wetland Park Authority and provincial conservation agencies.

SANParks is responsible for two of the project nodes, namely Addo-to-Amathole and Kruger. The nodal coordinators for SANParks were appointed in Kruger in October 2022 and in Addo in November 2022. Once project funds were received on 21 December 2022, the coordinators started putting systems and structures in place, recruiting project staff and procuring office equipment. The project has been presented and integrated into SANParks’ Park Planning and Development and Socioeconomic Transformations units.

The GEF7 Project seeks to ensure the success of anchor community projects (a meat-processing facility and SMME development) around the Addo Elephant National Park. As such, terms of reference (TOR) for the appointment of a consultant to develop the necessary feasibility studies were drafted.

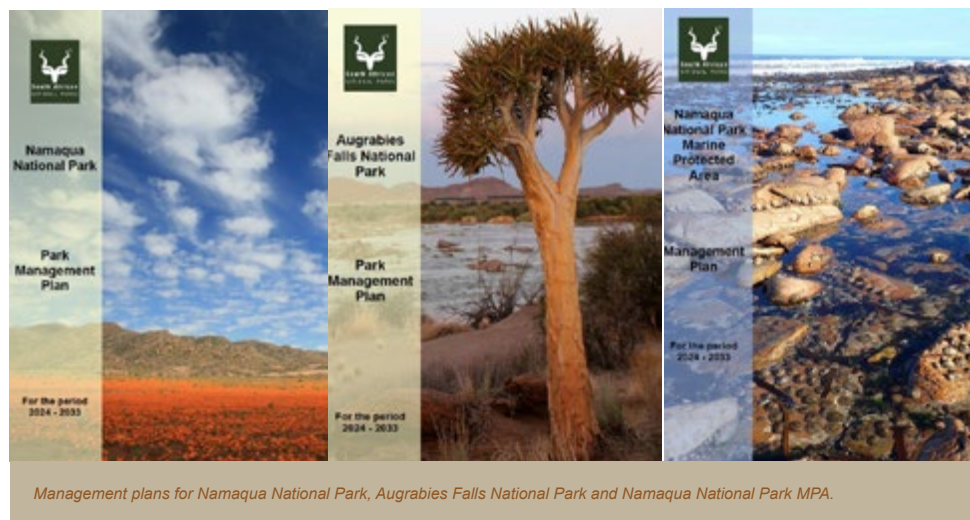
EFFECTIVE AND EFFICIENT MANAGEMENT OF NATIONAL PARKS

Management plans

SANParks regularly updates and revises the park management plans (MPs) of terrestrial and marine protected areas. The development of MPs is a legal requirement as stipulated in sections 39, 40 and 41 of the NEM:PAA. The Namaqua National Park MPA Management Plan was completed during 2022/23 and submitted to DFFE for review. It is the first MPA management plan SANParks has developed.

As the NEM:PAA also requires management authorities to have a coordinated policy framework for park management plans, the 2018 framework is currently being revised.

The Khomani Cultural Landscape Integrated Management Plan was completed and supported by the SANParks Board.



INCREASED FINANCIAL RESOURCES FOR CONSERVATION

Biodiversity Finance Initiative (BIOFIN) Project

SANParks is actively involved in six biodiversity offset processes, ranging from negotiation through to implementation stage. Given the number of offsets required in South Africa, the growing renewable energy and mining sectors, and the emerging policy framework and improved compliance in this regard, SANParks expects to be asked to accept more offsets in future. This has been particularly true in the Northern Cape, where the Namaqua National Park’s approved park expansion footprint and buffer area face significant development pressures. This presents SANParks with an opportunity to use offsets more strategically to realise the NPAES and secure long-term management funding for new protected areas.

In this context, SANParks is currently piloting a proactive biodiversity offset and financing mechanism (previously referred to as “habitat banking”) with support from the BIOFIN. A landscape for the pilot was identified and agreed to under the BIOFIN project. It is around Marakele National Park and rests on a voluntary offset and strategic partnership with Anglo Platinum. Additionally, the SANParks and BIOFIN team are compiling a portfolio of sites around various National Parks that may be included in a proactive offset-mechanism system. Further in-depth engagements with the Integrated Environmental Authorisations (IEA) division of DFFE are planned to co-develop an approach to proactive offsetting.

Carbon credits prefeasibility assessment

Following multiple engagements with nature-based carbon-credit project developers, intermediaries, NGOs and authorities, a draft prefeasibility was completed that outlines the potential for SANParks to generate and sell carbon credits from additional/alternative management actions. The report shows a promising opportunity for SANParks to unlock an additional revenue stream for existing and new national park areas through targeted management practices and discrete monitoring and reporting.

State of Area Integrity Management (SoAIM)

SoAIM has been identified as a tool to assess and evaluate area integrity management effectiveness relating to safety and security within the organisation. Over the past decade, SoAIM assessments have been undertaken at park or section level to evaluate management’s operational interventions and to establish the ability of parks to function effectively and efficiently. There is a particular focus on ensuring that people, systems, processes and resources are in place and in use to achieve the desired ecological, safety and security status of a protected area. After analysis, each park identifies corrective measures against which progress is monitored and reported on quarterly.

A full-scale SoAIM audit was conducted between September 2022 and March 2023 in Kruger National Park. Performance was measured against applicable national legislation, SANParks policies and standard operating procedures (SOPs). All ranger sections except three, scored higher in this assessment than in the previous one. Areas of non-conformance were highlighted and corrective actions and measures were identified for implementation.

EFFECTIVE SPECIES AND ECOSYSTEM CONSERVATION AND MANAGEMENT

Scientific Services coordinates the bulk of SANParks’ research and monitoring in the biophysical and social sciences in National Parks in South Africa. The knowledge generated informs park management and decision making, and promotes the conservation of biodiversity, landscapes and heritage assets across SANParks.

National park networks are influenced by factors such as climate change, habitat loss and transformation, invasive species, pollution, illegal and over-harvesting of natural resources, ecological degradation, and the decline of ecosystem services and ecological infrastructure. This makes them complex and a challenge to manage. Implementing measures to halt biodiversity loss and degradation therefore requires collective efforts from the government, conservation entities, the private sector and traditional and indigenous communities.





The White Paper on Conservation and Sustainable Use of South Africa's Biodiversity contains four overarching goals, namely:

1. Enhancing biodiversity conservation;
2. Sustainable use;
3. Equitable access and benefit sharing; and
4. Transformed biodiversity conservation and sustainable use.

It also considers the historical, socioeconomic and environmental context of South Africa, and the aspirations and needs of its people.

The Kunming-Montreal Global Biodiversity Framework sets 23 global targets to be achieved by 2030. Within the South African context, the apex target (target 3) relevant to biodiversity and conservation states that by 2030 at least 30% of terrestrial and inland water areas, and of marine and coastal areas, must be effectively conserved and managed. Equally important is target 2, which states that by 2030 at least 30% of degraded terrestrial, inland water and marine and coastal ecosystems must be under effective restoration.

The goal is to enhance biodiversity and ecosystem functions and services, ecological integrity and connectivity.

To achieve these global targets to halt and reverse biodiversity loss and to grow the National Parks estate, SANParks will need to consider innovative ways of expanding its estate beyond its current boundaries. The SANParks 2040 Vision to re-imagine and co-create a new future for conservation will require transformative cooperation with the government, sub-national and local authorities, and society as a whole.

KNOWLEDGE SHARING, NETWORKING, COLLABORATION AND CAPACITY BUILDING

Contribution of science to support decision making

The knowledge production activities of SANParks scientists involve designing and implementing research projects and monitoring programmes and analysing and publishing findings in credible peer-reviewed journals. Publishing either as senior authors or co-authors consolidates learning, ensures that credible information underpins management decisions and policy and contributes to the larger scientific knowledge base.

Monitoring projects that are conducted by staff covers a wide range of terrestrial and marine activities. The data assists in management decision making, especially in the smaller parks, and keeps SANParks informed of the impact of threats such as alien invasions and global climate change.

In addition, staff conduct their own research projects to broaden their scientific understanding and collaborate with external researchers on projects. Research is encouraged by giving external researchers access to long-term datasets, subsidised accommodation in some parks and staff expertise. During 2022, staff completed 185 monitoring programmes, produced 53 peer-reviewed articles of which 10 had senior-author status, and conducted 492 active projects.

The contribution of science to knowledge production in sanparks

Peer-reviewed publications



53 peer-reviewed publications (10 as senior authors)

RESEARCH PROJECTS



492 registered research projects

MONITORING



185 monitoring activities across National Parks





Monitoring in the Eastern Cape Grassland Park.

Collaboration with other institutions

The Skukuza Science Leadership Institute (SSLI) completed a 10-year review report to inform the next 10-year memorandum of agreement. This initiative has contributed to a hub for science leadership in Skukuza that brings together local and international scientists and park managers, and ensures that intellectual capital and science skills are transferred to South African science students and technicians. Over the 10 years, 2 500 students have been supported (1 050 from SADC; 1 133 international) through 165 programmes. There has been a three-fold increase in the number of students since the building of the SSLI green campus.

Marine environment knowledge sharing

The Cape Research Centre marine team presented fish and shark population monitoring results to the Saldanha Bay and Langebaan communities at a State of the Bay open day hosted by the Saldanha Bay Water Quality Trust. Over 200 stakeholders attended, including representatives from fisher groups, tourism and the harbour industry. Executive mayor André Truter congratulated the team on the work done in the West Coast National Park. SANParks staff commented on a new 10-year monitoring plan for the greater Saldanha Bay area, including monitoring of the Langebaan Lagoon and the West Coast National Park islands. The marine team made additional presentations to several other audiences and Netwerk24 gave coverage to the team's work on the West Coast.

Knowledge translation and application activities

Science-management engagements are valuable ways to assess the progress and challenges associated with implementing park management plans. Evidence that is consolidated and synthesised by scientists and then translated into management options and performance indicators, help to develop and improve management plans.

SANParks' in-house scientists also make scientific knowledge accessible for print and broadcast media, while the expert input they provide for EIAs influence policy and contribute to national and international advisory or working groups.

Embedded scientists connect SANParks with the global knowledge network by participating in science-policy networks (e.g., the Intergovernmental Platform on Biodiversity and Ecosystem Services), collaborating on research initiatives ranging from global (e.g., IUCN) to park-based, and presenting at national and international conferences and symposia. In addition, adjunct positions with universities open doors to scientific literature, postgraduate students and research funding opportunities.

Engagement with the scientific community also comes with a responsibility to contribute to capacity building. SANParks scientists do this by peer reviewing papers and/or serving on the editorial boards of scientific journals, presenting guest lectures, supervising, mentoring and/or examining postgraduate students or theses/dissertations for various universities, as well as reviewing research proposals and grant and/or rating applications for bodies such as the National Research Foundation.

NETWORK MEETINGS

The International Savanna Science Networking Meeting

The International Savanna Science Networking Meeting took place from 05 to 09 March 2023 in Skukuza, Kruger National Park. This was the 20th anniversary of the forum and, with sponsorship from TotalEnergies, it featured a sponsored dinner and a game drive. The 214 delegates represented 18 countries and 84 different institutions. A record 150 platform presentations and 18 posters were accepted for the event. In keeping with the new hybrid conferencing formats, all sessions were streamed live on YouTube. The meeting was also covered in an article published in the *Lowvelder* newspaper.



The International Savanna Science Networking Meeting took place from 05 to 09 March 2023.

The Garden Route Interface and Networking Meeting

The Garden Route Interface and Networking Meeting, affectionately known as GRIN, is a science-management-policy platform for sharing experiences, dialogue and learning.

After the two-year Covid-19 pause, the 4th GRIN was held in Sedgefield from 11 to 13 October 2022 with 74 delegates from various management agencies, NGOs and academia. In a novel partnership with ShareScreen Africa, GRIN was filmed to give students and agencies across Africa access to its cutting-edge research and dialogues on the social-ecological aspects of conservation.

As the Garden Route National Park is largely unfenced, it depends on relationships and co-learning to manage its many uncertainties. GRIN facilitates this through the formal meeting, and informal discussions and networking. Social interactions during a field excursion, which this year involved kayaking and walking in the Wilderness section of the park, are also invaluable.

This flagship meeting brings scientific credibility and demonstrates SANParks' science leadership in conservation locally and internationally. GRIN is coordinated and co-hosted by SANParks, Nelson Mandela University, the French National Centre for Scientific Research (CNRS), and the Southern African Programme on Ecosystem Change and Society.



Delegates who attended the 2022 Garden Route Interface and Network Meeting at Pine Lake Marina, Sedgefield.

REPRESENTATION ON NATIONAL AND INTERNATIONAL ADVISORY OR WORKING GROUPS

South African delegation to CITES COP-19 and CBD COP-15

SANParks provided scientific support to the South African delegation at the COP-19 meeting of CITES in Panama from 14 to 25 November 2022. The meeting reached a record number of 365 decisions to safeguard threatened wildlife species, while allowing the international trade that underpins human wellbeing and contributes to conservation efforts. Of concern was the conference's rejection of proposals for mechanisms that would allow local and principally affected people to participate in CITES. It was deemed that local people participating in national processes would cause too many complications when one country makes a proposal for a species managed by another country – a common feature of proposals affecting African species in the SADC region. Yet, CITES allows observers and NGOs to participate in CITES processes, which too often allows NGOs to pursue vested interests.

SANParks provided scientific inputs and led some of the negotiations at CBD COP-15 in Montreal, Canada, from 05 to 18 December 2022 where the Kunming-Montreal Global Biodiversity Framework and the Biodiversity Monitoring Framework were adopted. This was followed by a meeting organised by DFFE on 27 March 2023 with all the delegates who attended COP-15 to draft the national implementation plan and discuss the implementation of the Kunming-Montreal Global Biodiversity Framework. Implementing the framework is expected to involve all levels of government, women, youth, indigenous peoples and local communities, civil society organisations, and the private and financial sectors.

BIODIVERSITY MONITORING

Marine and estuarine

New Robben Island and Namaqua MPAs

Baseline surveys of fish, abalone and west coast rock lobster in the Robben Island MPA was completed, thanks to a generous donation from a private supporter through the Honorary Rangers. Funding was secured from the TotalEnergies Fund for similar surveys in the Namaqua National Park MPA. Baseline marine biodiversity assessments are important to measure protected area effectiveness and management actions. They also identify the benefits of marine resources to local communities.

The project will address several key objectives of the Namaqua MPA management plan completed in 2022/23 and provide essential information for the development of the Robben Island MPA management plan.

African penguins and avian flu management

Annual outbreaks of avian botulism among waterbirds on three estuarine waterbodies in the Wilderness Lakes have occurred regularly since 2015, mostly during warmer summer months. Over this time, 1 679 affected waterbirds from 29 species were removed as part of a disease management programme.

During the avian flu outbreak in the Boulders African penguin colony in Table Mountain National Park in the past year, at least 61 birds tested positive (41 dead; 20 sick and euthanised). Actions included the removal of sick and dead birds from the colony, regular testing and suspension of research that involved handling birds. Close collaboration with the City of Cape Town, SANCCOB and Western Cape state veterinarians, managers and scientists contributed significantly to the successful management of the outbreak, which appears to have receded.



Baited remote underwater video (BRUV) monitoring around Robben Island.



Red-knobbed coot, the species most affected by avian botulism in the Wilderness Lakes. (Photo credit: Ian Russell)

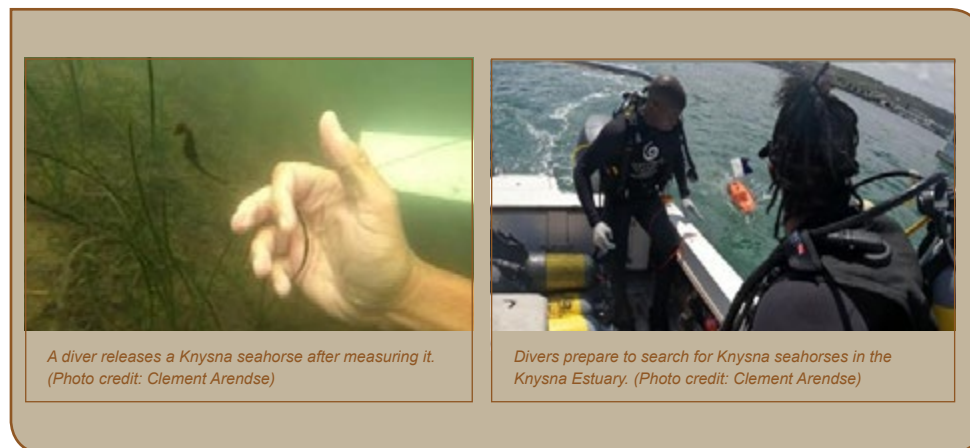
Blue stingrays in Knysna Estuary

The Knysna Estuary contains an estimated 42% of South Africa's estuarine biodiversity. A less well-known species using the estuary is the blue stingray. Despite being classified a marine species, an annual aggregation of these stingrays has occurred within the Knysna Estuary over the past few years. This behaviour is of great interest, given that blue stingrays are listed as near threatened on the IUCN red data list and that their aggregation in the estuary is the only one known to occur in an estuarine environment. To better understand this, 15 blue stingrays were fitted with internal acoustic tags and 17 receivers deployed in the estuary to capture data on their movement patterns. The project promises to provide important data on habitat usage and connectivity that could be used in future spatial planning.



Re-assessment of the endangered Knysna seahorse

SANParks, in collaboration with Oceans Alive Conservation Trust, have embarked on the first population assessment of the Knysna seahorse in over 20 years. The assessment focusses on two of the three estuaries hosting the Knysna seahorse, both of which fall within the Garden Route National Park. This multi-year assessment was initiated in 2022 and will determine the status of this endangered species. The team consist of SANParks divers and skippers, as well as dive supervisors and divers from Oceans Alive Conservation Trust, and dedicate approximately 20 days a year to the population assessment.



To complement research in the estuary, SANParks revived a citizen science programme (initially run between 2001 and 2003) that enlists volunteers to find seahorses that are left stranded on the banks of the Swartvlei Estuary after breaching. The programme is carried out after every breaching event and, with the help of up to 300 volunteers, aims to estimate the seahorse population size and distribution within the estuary and to reduce seahorse mortality when the water level in the estuary suddenly drops. Citizen scientists have proven invaluable in helping to manage these stranding events – both to return living seahorses to deeper water and to collect dead seahorses for further analysis.



Freshwater

South Africa's National Biodiversity Assessments of 2004, 2011 and 2018 have highlighted the dire state of most rivers, wetlands and estuaries in the country. To what extent does the SANParks estate, and individual National Parks, contribute to the conservation of these ecosystems? That is the question being answered in a new report that resulted from a two-year collaborative initiative between SANParks, SANBI and the CSIR.

Rivers: The SANParks estate encompasses about 4% (6 050 km) of the total river length in the country. Together, these represent only 86 (39%) of the 222 river ecosystem types in South Africa. However, on average, rivers in National Parks are in a better ecological condition than outside of parks, with 63% and 25% of river length in a natural or near-natural condition respectively. Four National Parks host 11 of South Africa's 62 remaining free-flowing (un-dammed) rivers, namely Garden Route (6), Kruger (3), Table Mountain (1) and the proposed Grasslands National Park (1). These include three flagship free-flowing rivers: the Mutale River in Kruger, Groot River in the Garden Route, and the tributaries of the Kraai River within the Grasslands National Park.

Wetlands: Even though over half (72) of South Africa's 135 wetland ecosystem types occur in National Parks, approximately 75% of the country's wetland ecosystem types are regarded as both threatened and under-protected. Based on modelled data, this is because few wetland types have 20% or more of their extent in any form of protected area and/or wetlands occurring in protected areas are not necessarily in a good ecological condition. To test the accuracy of modelled condition data, an initiative is underway to develop basic inventories showing the different wetland types and their locations and ecological conditions in selected parks.



A high-altitude national park in the northern part of the Eastern Cape is key for the conservation of grasslands and water security.



Scientific report on freshwater and estuary conservation in SANParks.

Estuaries: The majority of the 22 estuaries falling in, or overlapping with, the SANParks estate are in a natural to near-natural ecological state. This reflects the higher level of protection that inclusion in a national park offers. Estuaries are prime examples of multiple-use common-pool resources that come under pressure because of the ways in which the surrounding land, freshwater, coastal and marine ecosystems are used. Therefore, the roles and responsibilities of all the agencies involved in the management and conservation of estuaries must be clearly defined and executed.

Strategic water source areas (SWSAs): SWSAs represent approximately 10% of the land area that provides 50% of South Africa's water and are therefore critical to water security. Only 9% of these areas are formally protected, with the SANParks estate contributing a mere 2% towards the total area for SWSAs. The 2% includes the proposed Grasslands National Park, which by itself contributes almost the same as all the other National Parks combined.

While global and national conservation targets for aquatic ecosystems cannot be achieved by relying on protected areas alone, they are a cornerstone for the conservation of these threatened ecosystems. The freshwater and estuarine report concludes with recommendations on how park planning, park management and research and monitoring functions can help to optimise SANParks' contribution to aquatic ecosystem conservation in South Africa.

Terrestrial systems – support for managing charismatic large mammals

Charismatic large mammals are key to SANParks' ability to achieve its objectives, mandate and responsibility to society through the implementation of its Wildlife Management Policy. The policy has two strategic focuses: ensuring persistence while managing the ecological roles of species within ecosystems; and the responsible use of wildlife resources as envisaged in South Africa's constitution. This aligns well with the recently approved White Paper on Biological Diversity and Sustainable Use. In managing charismatic large mammals, SANParks contributes to transformation, socioeconomic development, good governance, evidence-based decision making and a duty of care and animal welfare ethics.

Dynamic elephants

Elephants contribute to the objectives of five National Parks. SANParks realises the need to strike a balance between mitigating the influence of elephants on biodiversity and the risks and opportunities for people living next to the National Parks, while ensuring the persistence of elephants and carrying out all necessary activities with compassion.

In Kruger National Park, SANParks recorded between 28 000 and 32 000 elephants in the past three years. Annual numbers are influenced by how elephants move in and out of the park, especially across the Greater Limpopo Transfrontier Park. Even so, population changes also reflect responses to elephant densities, particularly close to permanent water. At Mapungubwe National Park, the availability of resources similarly determines how much time elephants spend in Mapungubwe and the impacts they have. Here SANParks noted that 350 elephants spend time in the dry season in the park each year.

The influence of gradients of water, food and safety is not significant in small parks like Addo and Marakele. At Addo, SANParks placed elephant cows on contraception to overcome the challenge of resource gradients that are not large enough to force elephants to use landscapes differently, which impacts on the survival of weaned calves. Contraceptive vaccines are administered annually in the three sections where elephants occur (Main Camp/Colchester, Nyathi and Darlington). A total of 259 elephant cows were vaccinated during the 2022/23 financial year.

Although this population control programme started at different times in the various sections, fewer yearlings were recorded in the Main Camp/Colchester section during the vaccination operation and in the aerial survey conducted in October 2022. The data indicates variable use of different parts of the park by the 743 elephants that occurred in Addo by the end of 2022. Marakele has 355 elephants and cows are not on contraception yet. The Garden Route only has one elephant. Extensive stakeholder engagement has shown that the public wants elephants to return to the forests.

SANParks revised all the elephant management plans in view of how elephants influence and contribute to the objectives of a park. While these plans await approval, contraception in the smaller National Parks continues, along with restoring and maintaining resources such as water in key areas. In addition, seasonal dung surveys in Kruger will be used to link changes in biodiversity to intensity of use in these localities. Innovations include elephant dung collection in collaboration with local healers for use in traditional medicine.

SANParks plays a key role in South Africa's contribution to regional and continental elephant conservation outcomes. By the end of 2022, SANParks managed close to 70% of South Africa's 43 884 to 44 775 elephants whose lives are increasingly at odds with patterns in the rest of Africa. SANParks continued to support South Africa in technical aspects and information required to meet various international commitments.

Recovering rhinos

SANParks' National Parks play different roles in the conservation of the country's south-western and south-central black rhinos as well as southern white rhinos. Six parks outside of Kruger National Park manage important rhino populations, i.e., Addo, Karoo, Mapungubwe, Marakele, Mokala and Mountain Zebra. During the past reporting year, a total of 48 births were recorded, 21 of which were white rhino and 27 black rhino. During the same period eight deaths occurred as a result of natural causes and conflict among bulls.

Overall, growth in rhino numbers in small parks exceeded the annual performance target of 4%. This highlights the need to find more space for rhinos in the National Parks.

SANParks ear-notched 30 individuals to simplify identification and monitoring, and collected biopsy dart samples from 10 rhinos in aid of a DNA-profiling project in the Frontier Region. At Mokala National Park, SANParks notched 91 white rhinos. All the black rhinos were already notched previously.

Challenges linked to the size of Kruger National Park remains. The Kruger Rhino Management Plan focuses on resizing the park into core focal areas with suitable habitat that rhinos prefer. The further 702 rhinos that were strategically dehorned meant that by the end of 2022, approximately 70% of the park's rhinos had no horns. Poaching rates of white rhinos have been declining since 2015 and stood at 7,1% by the end of 2022. For black rhinos poaching rates were at 3,4%, which is below the threshold at which populations will start increasing again.



A dehorned rhino in Mokala National Park.

The lag effects of droughts make it difficult to optimise focal operational areas in Kruger National Park and contributed to the continuing decline in white rhino numbers to between 1 711 and 1 988 in 2022. In contrast, black rhinos did not experience the drought effect and births were slightly higher than total losses. For the past three years black rhinos remained at an estimated 210 individuals.

SANParks has started to remove disease-free rhinos from Kruger but this has limited options and can affect the dynamics between the remaining rhinos.

During 2022, a further 26 black and 184 white rhinos were tested for bovine tuberculosis; 19 white rhinos returned positive results.

In collaboration with the Wilderness Foundation, an initiative was launched to establish rhino strongholds to encourage range expansion. This entailed a detailed assessment of suitable safe rhino habitats across South Africa. In addition, SANParks is an active participant in the national desert rhino action group that is developing a metapopulation approach to enhance the conservation outcomes for south-western black rhino. Other national projects included SANParks giving guidance on the re-wilding of rhinos bred and raised in captivity. This is particularly challenging due to the low priority given to captive breeding of white rhinos; however, the many rhinos living in captivity offer opportunities in terms of transformation, socioeconomic development and duty of care. SANParks staff members were, therefore, included in formal delegations that represented South Africa at various international meetings to consider technical requirements.

Rhino Impact Bond

SANParks is the custodian of most of the south-western black rhino population within Addo Elephant National Park (AENP). To optimally increase black rhino numbers, AENP was identified as a site for the implementation of a rhino impact bond. This initiative, hosted by United for Wildlife, the Royal Foundation and the Zoological Society of London, aims to demonstrate a scalable, outcomes-based financing mechanism that directs additional private and public-sector funds to better manage priority rhino populations. The initiative relies on verified and audited population growth to assess results. Following ongoing work and negotiations, the rhino impact bond initiative has been consolidated into a wildlife conservation bond (WCB).

Dense vegetation hides animals in AENP, hence monitors rely on 65 cameras to photograph the average of 1 300 black rhino sightings per month. Aerial patrols are used to monitor specific individuals. Since the start of the project, monitoring achieved 99,2% evidence for all the individual rhinos in the park, which is better than the 85% requirement. The AENP rhino population's growth rate for the year averaged 10%. Aligned with the WCB project requirements, staff were appointed and operational equipment procured to support the project.



Rhino monitoring in Addo Elephant National Park. (Photo credit: SANParks)

Robust predators

SANParks manages lions, spotted and brown hyaenas, leopards, wild dogs and cheetahs across several National Parks and in support of various objectives. Within Kruger, Mapungubwe and Kgalagadi National Parks, these large carnivores span transfrontier conservation areas and large landscapes with abundant populations of prey.

In collaboration with the Endangered Wildlife Trust, SANParks monitors lions in northern Kruger where localised, targeted poisoning poses a significant threat to their continued presence. Carnivore management in three of the four frontier parks includes satellite tracking collars, relocation to private reserves to mimic males leaving the pride and contraception.



As spotted hyaena densities increase in Kruger National Park, interventions focus on how to mitigate increasing conflict between the animals and local people, especially on the park's north-western boundary. A similar dynamic was noted in Marakele. SANParks are using the results of focal lion and spotted hyaena surveys to design interventions to reduce risks to rhino calves in Kruger National Park.

Ongoing monitoring of wild dogs helps to identify individuals at risk. SANParks, with the help of state veterinarians, freed 11 wild dogs and nine spotted hyaenas from snares. By the end of 2022, wild dog and cheetah populations were dynamic and stable. At Marakele National Park SANParks recorded seven cheetahs. The leopard population in Kruger is doing well, although SANParks had to respond to six incidences of leopards threatening people. The Kgalagadi had no incidences of transgressing lions. The carnivore populations in Kgalagadi are dynamic and continue to provide noteworthy experiences for tourists.

Damage-causing animals remain a concern in all smaller parks. Engagement with farmers around the Karoo National Park continued to build good relationships and to manage the risks associated with lions and brown hyaenas leaving the park. A focal study on lion diet and how it changes in different seasons are helping to identify potential risk areas and times of the year.

SANParks also manages several smaller carnivores like jackals and caracals, particularly in the context of dealing with damage-causing animals. A key aspect is the need for transparent decision-making trees when dealing with problem or damage-causing predators.

Contributing herbivores

Most herbivore populations in the National Parks are dynamic and maintain themselves in various biomes. A key challenge, however, is the absence of some ecological processes, e.g., not enough large predators in some parks. In such instances, SANParks removes individuals of certain species to mimic ecological processes. This provides opportunities to support wildlife management objectives, such as transformation and the wildlife economy. SANParks removed 354 individuals from parks as part of the wildlife economy initiative.

Ecological management relies heavily on aerial herbivore surveys. Such surveys were conducted in three of the four frontier parks, i.e., Mountain Zebra, Addo and Camdeboo, during the 2022/23 financial year. In several parks, the lack of recent surveys introduces an element of risk in predicting management interventions. In large intact parks, primarily Kruger, ecological processes play out by and large without intervention. Wildlife management

contributes to the use of wildlife resources and the removal of individuals in ways that do not place the dynamics and persistence of species at risk.

SANParks generated R8,25 million in revenue from game sales. This is in addition to the indirect revenue benefit derived from tourists who visit parks to experience dynamic and diverse herbivore populations in free-range conditions.

The contribution of science to knowledge translation in SANParks



Science management engagement

58 engagements across parks



Communication

35 popular press articles **10** radio & television interviews **52** talks, lectures, webinars & other online communication engagements



Park management plans & MPA management plans

Development of Namaqua NP MPA completed

Revision of Augrabies Falls and Namaqua management plans completed



Assessment of park management plans

Tracking tool assessment to evaluate Agulhas, Addo Elephant, Mountain Zebra & Karoo National Parks

Goal Audit for Camdeboo National Park completed



Environmental impact assessments & environmental plans

32 activities across **11** parks



Estuary management plans

Public participation for South (Oos) Estuary Management Plan finalised



Skukuza Science Leadership Institute.



State of the Bay open day for Saldanha Bay and Langebaan communities.

Protection of African penguin colonies

Scientific Services staff continue with strategic discussions on the closure of small-pelagic fishing around the last remaining African penguin colonies. These discussions were initiated following an urgent appeal from SANParks to the DFFE minister, calling for action as penguin numbers had declined by up to 90% in five years in some colonies. Restricting fishing within core penguin foraging areas for up to 10 years around the six largest remaining colonies is now proposed. This is largely based on research and monitoring that Scientific Services carries out collaboratively with external scientists. Care is taken to ensure that the conservation of penguins is balanced with the socioeconomic needs of fishing communities.



African penguin breeding pair on Bird Island, Addo Elephant National Park MPA. (Photo credit: Cloverley Lawrence)

ENGAGEMENTS AND SERVICE TO THE SCIENTIFIC COMMUNITY



Peer-reviewed articles

53 scientific articles across disciplines **41** diverse journals **2** book chapters



Editorial functions

16 associate/section editors for diverse journals



Postgraduate supervision

27 students (including 12 PhDs & 10 MSc) across **14** institutions



Postgraduate examination

4 1 Hons, 2 MSc & 1 PhD. across **4** institutions



Teaching, moderation & qualification review

50 activities **9** institutions



International conferences hosted:

2 Savanna Science Network Meeting & Garden Route Interface & Network Meeting



Presentations at conferences, symposia, specialist meetings & workshops

47 presentations



National/international advisory or working groups

101 engagements



Policy formulation and/or legislative instruments

Inputs on **24** organisational and national instruments





Delegates who attended the 2022 Garden Route Interface and Network meeting at Pine Lake Marina, Sedgefield.

DEGRADATION AND REHABILITATION

South Africa, as a signatory to the Convention on Biological Diversity (CBD), is committed to rehabilitating and restoring degraded ecosystems. This is also aligned with ecosystem-based and adaptation (EbA) objectives as outlined in the National Adaptation Strategy and the SANParks Climate Change Adaptation Framework and Implementation Plan. Target 15.3 of sustainable development goal 15 sets a new global objective to achieve a land-degradation neutral (LDN) world by 2030. The LDN response strategy revolves around avoiding and reducing degradation, and restoring degraded lands.

At a corporate level, SANParks contributes to achieving these targets by restoring degraded lands across all National Parks through programmes funded by the Expanded Public Works Programme (EPWP). Clearing of alien invasive vegetation is the main activity through the Working for Water programme.



Working for ecosystem restoration of degraded areas.

In Mokala and Richterveld National Parks, a restoration assessment was conducted as part of a long-term plan to monitor and manage erosion. In Namaqua National Park, soil-erosion monitoring and installation of new pegs were done, as well as a landscape function assessment using point-centred quadrant and soil-surface assessment monitoring. The landscape organisation index was completed in December 2022.

Initial and follow-up clearing of alien invasive vegetation was implemented according to the approved annual operational plans. It targeted mainly wattle species and pine in the Cape and Garden Route parks, *Prosopis* in Arid Region parks, cactus species in Frontier Region parks and pompom weed and *Parthenium* in Northern Region parks. In Kruger National Park the focus was on the removal of *Parthenium* and other herbaceous species.

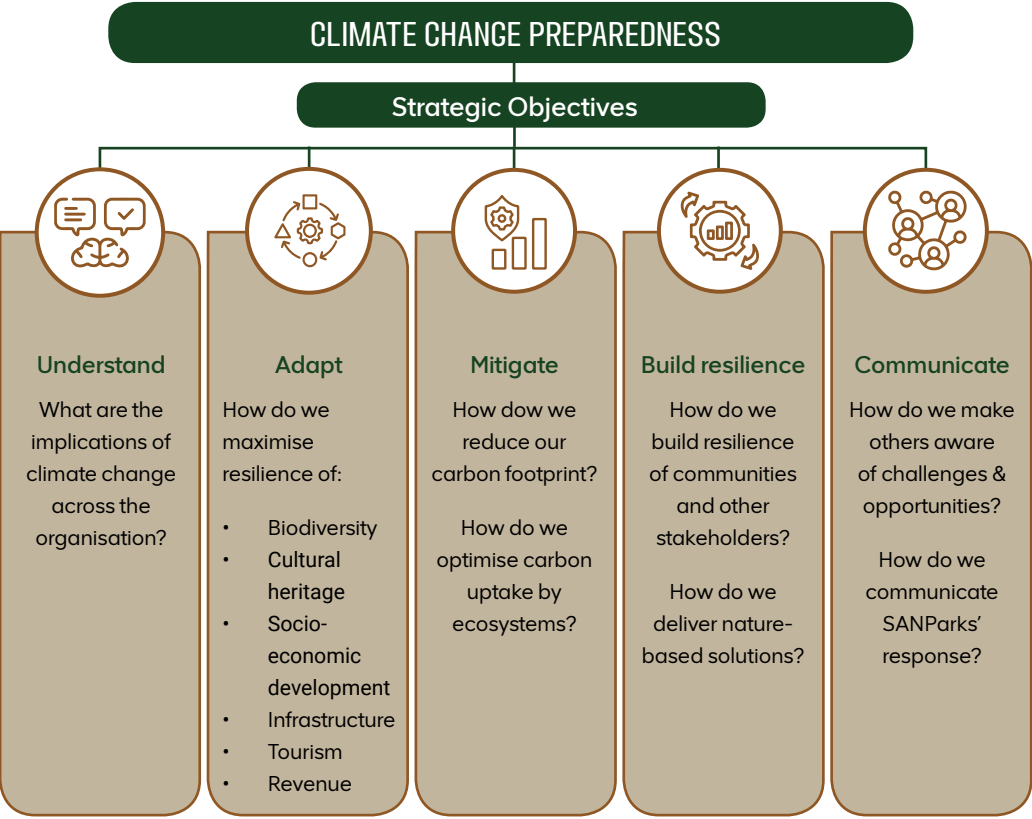
Activities in the Working for Ecosystems programme addressed bush encroachment and soil erosion in Kruger National Park and the parks in the Frontier, Arid and Northern regions. Land-rehabilitation activities were also implemented in the integrated zones of Kruger, Addo Elephant and Garden Route National Parks, as well as the Kruger to Canyons Biosphere Reserve.

Rehabilitation of wetlands was undertaken in Kruger, Agulhas, Mapungubwe, Golden Gate Highlands, Marakele and Table Mountain National Parks. Interventions included construction of concrete erosion-prevention structures, earthworks, gabions, eco-logs and rock packing. In the 2022/23 financial year, SANParks rehabilitated 24 160 initial ha of degraded land, 64 215 follow-up ha, and 9 327 m³ of degraded wetlands.

CLIMATE CHANGE VULNERABILITY

Climate Change Preparedness Strategy and vulnerability assessment

SANParks' Climate Change Preparedness Strategy was approved by the Board in December 2022. The strategy outlines a vision in which SANParks is resilient and responsible in a rapidly changing world and sets out a framework for the actions and approaches needed to achieve this.



The five strategic objectives that underpin SANParks' Climate Change Preparedness Strategy, and the key questions and knowledge needs that they address.

Vulnerability

Working with the University of Cape Town, SANParks researchers assessed the vulnerability of parks' biodiversity to climate change. Potential climate change impacts on species, habitats and resource pressure demands were compared with each park's adaptive capacity. The latter was measured in terms of management effectiveness, the type of land use around the park and its financial resilience. Recognising SANParks' reliance on tourism revenue, its climate change resilience was calculated as a combination of the likelihood of changes in key tourist features (e.g., the presence and visibility of attractions), avoidance of climate extremes and evasion of malaria. In addition, the value of park infrastructure (e.g., roads and lodges) that is highly exposed to increasing flooding and rising sea levels was also calculated.

Although broad scale, the study provides a framework to understand climate change vulnerability across National Parks and guides decisions to minimise negative impacts.



HOW VULNERABLE TO CLIMATE CHANGE IS THE BIODIVERSITY IN MY PROTECTED AREA?

Potential impacts



Species change

How many species will lose or gain sustainable climate within the PA?



Habitat change

How much will the habitat change?



Resource pressure change

How will human demand for the PA's resources change?

Adaptive capacity



Management effectiveness

How well can PA managers plan and action conservation responses?



Adjacent land use

Do adjacent areas allow for species dispersal and enlargement of protection?



Financial resilience

How will income generation and costs change?

Climate comfort

How closely will the climate match tourists' preferences?

Key attractions

Will key tourist attractions remain?

Disease safety

How will the risk of contracting a disease change?

Viewing experience

Will these attractions remain accessible?

Tourism resilience

How will tourists experiences change?

Infrastructure resilience

How will PA infrastructure be impacted, particularly by extreme events?

Over the last year, new assessment reports were completed for Kruger and Augrabies Falls National Parks, adding to the seven already available for Tankwa Karoo, Richtersveld, Golden Gate, Garden Route, Camdeboo, Namaqua and Agulhas National Parks. Adaptation planning for these parks is being done and the next important stage is workshops with the parks' managers and scientists in July 2023.

A SANParks-led Table Mountain Fund project enabled a comprehensive climate change vulnerability assessment of the mega-diverse Table Mountain National Park. The assessment identified plants, reptiles and amphibians vulnerable to climate change, explored risks to people and infrastructure, and assessed the climatic uniqueness of particular areas in the park. While not all components of the project are complete, key learnings are already captured in climate change adaptation plans for Table Mountain and other parks.



The iconic Table Mountain ghost frog occurs only at the top of Table Mountain where it is highly vulnerable to the impacts of warming streams and reduced cloud cover due to climate change. (Photo credit: Josh Weeber)

Adaptation

SANParks is exploring nature-based solutions (NbS) that can enhance ecosystem services, such as water provision and carbon sequestration, to help people prepare for climate change. Research done this year quantifies the organisation's contributions to protecting strategic water source areas and the carbon stocks stored in soil and vegetation.

A US Embassy-funded collaboration between SANParks and the United States National Park Service began in September, with the objective of sharing knowledge about climate change adaptation. The two-year project includes scientist exchanges with the strong 16-person Climate Change Response Programme, participation in the US National Forum, and short fellowships with US institutions focusing on climate change research and management. As part of the collaboration, information gathered during the SANParks park-level vulnerability assessment has been workshopped further for four case-study parks. The aim is to test an adaptation method used in US parks and adapt it to local conditions. The Embassy funding has also enabled the development of a new specialist scientist position, filled in February, which is the first to focus on climate change.

Green Energy Strategy implementation

The implementation plan for the Green Energy Strategy (2021) included energy saving, energy efficiency and renewable energy projects. Green energy awareness efforts in all National Parks included informing staff of the strategy and measures to reduce electricity use. All geyser thermostats were set to 50 - 55°C to effect energy savings and a tender was awarded for the installation of photovoltaic solar plants in the Mata Mata and Nossob rest camps of the Kgalagadi Transfrontier Park.

The infrastructure investment allocation currently funds all the green energy initiatives as the United Nations Environmental Programme (UNEP) and Jobs Fund funding applications were not successful and no further funding has been secured. The memorandum of understanding with Eskom for micro-grid solar plants in Kruger National Park has not been concluded. Project planning continues, however, while issues around ownership of the assets, the size of the plant and the resultant cost per kilowatt hour are being resolved.

CULTURAL HERITAGE MANAGEMENT

Archaeological research

Archaeological excavations at the Letaba Iron Age site in Kruger National Park carried on for the second year. The research, conducted in partnership with the University of Pretoria, continues to unearth and add new knowledge on the Iron Age period in southern Africa, including the important Indian Ocean trade. Artefacts from the site include items from as far as Iran. Findings from the ongoing work were widely publicised in different media, including print and television, following a guided tour of the media in September 2022.

Working with the National Archives Oral History Unit, SANParks carried out oral-history research with communities linked to Mount Tshikumbu.



A guided media tour at the Letaba Iron Age site was led by Dr Xander Antonites from the University of Pretoria and Dr Ndokuyakhe Ndlovu from SANParks.



Oral-history research with elders associated with Mount Tshikumbu in Kruger National Park.

Survey and assessment of cultural heritage in the Augrabies, Bontebok and Camdeboo National Parks

Surveys and assessments of cultural heritage resources were carried out in three National Parks, i.e., Augrabies, Bontebok and Camdeboo. The assessments improved understanding of the heritage resources in each park, their state of conservation and potential to contribute to tourism, and how they link with park stakeholders. The assessments will help raise the cultural heritage management effectiveness scores for the three parks and thus improve overall park management.



Stone Age hand axe at Augrabies National Park.



Historic granite rock with cupules at Camdeboo National Park.

Conservation of heritage sites

Conservation measures were implemented at several sites, including archaeological sites in Mapungubwe and Kruger. These include erosion control, site protection and the restoration of thatch-roof structures, furnaces and stone walls at Iron Age sites. This labour-intensive work also contributes to job creation and opportunities to impart skills such as thatching and stone-wall restoration



Implementation of elephant prevention measures at rock-art sites in Mapungubwe.



Refurbished Iron Age furnace protection structure at Masorini in Kruger National Park



Restoration and maintenance of dry-stone walls at Mount Tshikumbu in Kruger National Park.

Collections management

Many years of research have yielded significant artefact collections in the different National Parks. A few of these collections are held in storage and/or are exhibited in parks, but most are held at third-party institutions. During the financial year, stewardship activities were carried out in Kruger, Mapungubwe, Mokala and Table Mountain National Parks.



Heritage objects on display at Masorini in Kruger National Park.



Boxes with Mapungubwe collections currently held at the Ditsong Museum in Pretoria.

Cultural heritage tourism products

Efforts to bring more cultural heritage into mainstream tourism in parks have continued with new products made available to park visitors. Roadside interpretation is being introduced, starting with the northern parts of the Kruger National Park. One such interpretation facility was built and launched at the Mount Tshikumbu Iron Age site and more sites have been earmarked for similar developments. Other exhibitions, e.g., Rabelais Hut in Kruger National Park, were developed.

Rock-art trails are now available for both Mapungubwe and Kruger, including a trail to Shilowa Hill from the Mopani rest camp.



Roadside interpretation shed at Mount Tshikumbu in Kruger National Park.



Testing the Shilowa Hill trail with members of the Shilowa family in Kruger National Park.



An exhibition at Rabelais Hut in Kruger National Park pays tribute to retired rangers.

Community involvement

Many heritage sites in National Parks are of significance to local people. SANParks therefore creates opportunities for communities to interact with and celebrate their cultural heritage in parks. The annual celebration of Thulamela in Kruger National Park took place on Heritage Day 2022 and was attended by more than 120 members of the Makahane community. On the same day, about 100 people attended a celebration held with Mapungubwe communities.



Heritage Day celebration with the Makahane family at Thulamela in Kruger National Park.

SUSTAINABLE RESOURCE USE

Growing resources for people and nature

Giving people access to the natural resources in parks in a way that enhances their value and relevance remains a focus area for SANParks. Guided by its policy on the consumptive use of renewable and non-renewable natural resources, SANParks manages current resource-use projects and tests and develops new initiatives.

New initiatives during the year under review, such as the collection and distribution of over 100 kg of elephant dung for traditional medicine use, have grown the scale and scope of resource harvesting. This contributes tangibly to local support for the conservation cause.

Another initiative is the controlled harvesting of grasses to improve the veld condition and meet the needs of local communities. Workshops were held with community leaders to develop the conditions of access and to identify the traditional harvesters. Permits are issued annually and SANParks Scientific Services monitors the veld condition to ensure sustainable harvesting practices. The nearly 9 000 bundles of thatching grass harvested from Golden Gate Highlands National Park in the past financial year provided important local business opportunities. After a break of several years, 10 000 bundles of thatching grass were harvested from the Kruger National Park to develop SMMEs and support livelihoods and the continuation of traditional practices.



Grass harvesting in Golden Gate Highlands National Park. (Photo credit: SANParks)

A good rainfall season enabled two mopane-worm harvests in Kruger National Park, one in December 2022 and the other in March 2023.

Wildflower, sour fig and alien plant harvesting in Agulhas National Park unlocked various socioeconomic benefits for participants. Marine harvesting continues with new projects being implemented to monitor impact and enhance benefits. Over 350 animals from nine mammal species were either donated or loaned to developing entrepreneurs, with the aim to transform and share the benefits of the wildlife economy.



Kruger rangers and scientist with the first batch of elephant dung (left) and a traditional healer from Mpumalanga holding her SANParks-branded bag of dried elephant dung harvested sustainably from the Kruger National Park, to use in traditional medicine.

KRUGER NATIONAL PARK SOCIOECONOMIC REPORT

54

This report covers highlights of a sustainable socioeconomic development programme that benefits historically disadvantaged communities in the Kruger National Park. The programme includes environmental awareness, capacity building and training, sustainable resource use, economic transformation workshops, community nurseries, food gardens, bioenergy and bioprospecting. The Kruger National Park *warburgia salutaris* conservation programme distributes nursery-grown saplings to user groups to help reduce illegal harvesting inside the park.



SANPARKS - KNP SOCIOECONOMIC CONTRIBUTIONS TO LOCAL COMMUNITIES

TRAINING AND CAPACITY BUILDING



WORKSHOP FOR LOCAL COUNCILLORS ON ORGANISATIONAL FUNCTIONS

101 municipalities



MENTORSHIP & COACHING

31 companies from National Department of Tourism (NDT) teams



CORPORATE GOVERNANCE TRAINING

30 people from the forum's area



BUSINESS MANAGEMENT TRAINING

40 youths from **4** municipalities

ENVIRONMENTAL EDUCATION & OUTREACH PROGRAMMES



SCHOOLS VISITED THE PARK

715 Groups
42 784 Pupils

KNP SUSTAINABLE RESOURCE USE



SCHOOL MEAL PROGRAMME

31 companies from National Department of Tourism (NDT) teams

ECONOMIC TRANSFORMATION



ROUND TABLE WORKSHOP

600 SMMEs
12 strategic funders
23 external stakeholder

Kruger National Park

NURSERIES, FOOD GARDENS, BIOENERGY & BIOPROSPECTING PROJECTS

338 JOBS CREATED

facilitated and supported with equipment:



9 SCHOOLS

5 municipalities

8 villages
8 traditional councils



4 NURSERIES

2 municipalities

4 villages
21 participants



4 FOOD GARDENS

3 municipalities
3 traditional councils

3 villages
43 participants



4 BIOENERGY PROJECTS

3 municipalities
4 traditional councils

4 villages
15 participants



2 BIOPROSPECTING PROJECTS

2 municipalities

2 villages
2 traditional councils



5 MEDICINAL TREE PLANTING PROJECTS

4 municipalities
4 traditional councils

5 municipalities
80 participants & **1** school



WILDLIFE AND ENVIRONMENTAL CRIMES

The incidence of environmental crime varies considerably between parks and regions. The theft of fencing that is on the rise in several parks not only damages property, but also allows wild animals to leave the parks and livestock to enter. Fence theft and snaring are often associated. Illegal resource use remained a challenge over the past financial year, with the focus yet again on high-value species, including rhino, elephant and abalone. The poaching of pangolin is also seemingly on the increase.

Kruger National Park

Large-scale dehorning was done to complement existing anti-poaching tactics in Kruger National Park. Special Operations deployments were concentrated in the southern region where rhino populations are high. SANParks removed one snare from a black rhino, treated 17 injured white and two black rhinos and recovered five white rhino orphans in the park. Many of these cases were linked to snaring targeting other species. Snaring for bushmeat in and around parks, especially Kruger, is fast becoming a significant threat to biodiversity.

56

Rangers reported 856 poacher activities, down from 1 262 in the previous fiscal year. In response, 24 arrests were made and 15 firearms recovered, down from 58 and 31 respectively in 2021/22. Elephant deaths increased from nine to 32, but the 98 rhinos poached were significantly less than the 195 of the previous year.

Richtersveld National Park

Resources and innovative strategies, including meaningful local participation, are needed to curb succulent poaching in the |Ai-|Ais/Richtersveld Transfrontier Park and World Heritage Site, Karoo and Namaqualand areas. The South African Police Services endangered species and stock theft unit works tirelessly to address the poaching problem; however, syndicates operate over vast areas of the Northern Cape and are extremely cunning. Two of the four poachers who were arrested in the |Ai-|Ais/Richtersveld Transfrontier Park in 2020 were found guilty and sentenced to seven years in prison for attempting to illegally remove “Halfmens” *Pachypodium namaquanum* trees from the park. They were the first succulent poachers sentenced to imprisonment.

With the valuable assistance of SANBI, the SA Hunters and Game Conservation Association, SANParks Honorary Rangers and the British Cactus and Succulent Society, numerous plants were rescued and kept in safe storage. The mother plants will be used for propagation and possible replanting in botanical gardens.



Confiscated Halfmens trees (*Pachypodium namaquanum*) in the Richtersveld National Park. (Photo credit: SANParks)

Table Mountain National Park

Criminal activities continue to plague Table Mountain National Park (TMNP). Several successful abalone law-enforcement operations resulted in arrests and the confiscation of abalone and equipment.

The overall decline in criminal activities over the past year can be attributed to the activities of a specialised group of rangers called the Sea, Air and Mountain (SEAM) team. The team helps TMNP to gather and interpret intelligence and to coordinate the response to criminal activities and emergencies across the park. A central command and operational centre and closer collaboration with neighbourhood-watch groups have significantly improved safety and security around the park. The unit's flexibility is a great asset. Examples are small-team deployments to target specific crimes, extended deployments or waylays and planned operations for more complex crime-prevention interventions.

Through Operation Phakisa, SANParks and other government agencies collaborate to combat illegal activities. SANParks participated in a DFFE workshop to compile a draft strategy and action plan to curb the trade in illegally harvested South African abalone.

Bark stripping occurs in TMNP in the pockets of indigenous forests along Chapmans Peak Drive and Echo Valley, but mainly in the Newlands Forest. The illegally collected bark is sold for medicinal use. The practice also occurs on properties managed by the City of Cape Town and in Kirstenbosch Botanical Gardens. An integrated strategy to tackle bark stripping in TMNP was adopted and includes visible ranger patrols, intelligence-driven SEAM operations, joint community safety patrols and the monitoring of affected trees. Volunteer groups are involved in preventative measures, and workshops are being planned to make traditional healers aware of the impact of illegal bark stripping. A nursery is also being established to rehabilitate affected trees.

Mapungubwe National Park

Illegal immigrants and cigarette smugglers that enter the park from Zimbabwe remain a serious problem in the Greater Mapungubwe Transfrontier Conservation Area. Herding livestock, also coming from Zimbabwe, increases the risk of foot-and-mouth disease outbreaks.

Local state veterinarians conduct monthly sampling and have vaccinated herds of cattle in the area. Over the past 12 months vast quantities of illicit goods, primarily cigarettes, were seized. SANParks collaborates with the South African National Defence Force to combat these crimes.

Golden Gate Highlands National Park

Golden Gate Highlands National Park is still being used as a thoroughfare for stolen livestock between Lesotho and South Africa. This practice is also associated with arson; no less than 13 arson fires were extinguished during the period under review. The park is currently evicting six illegal occupants and their grazing livestock.

Rangers at our service

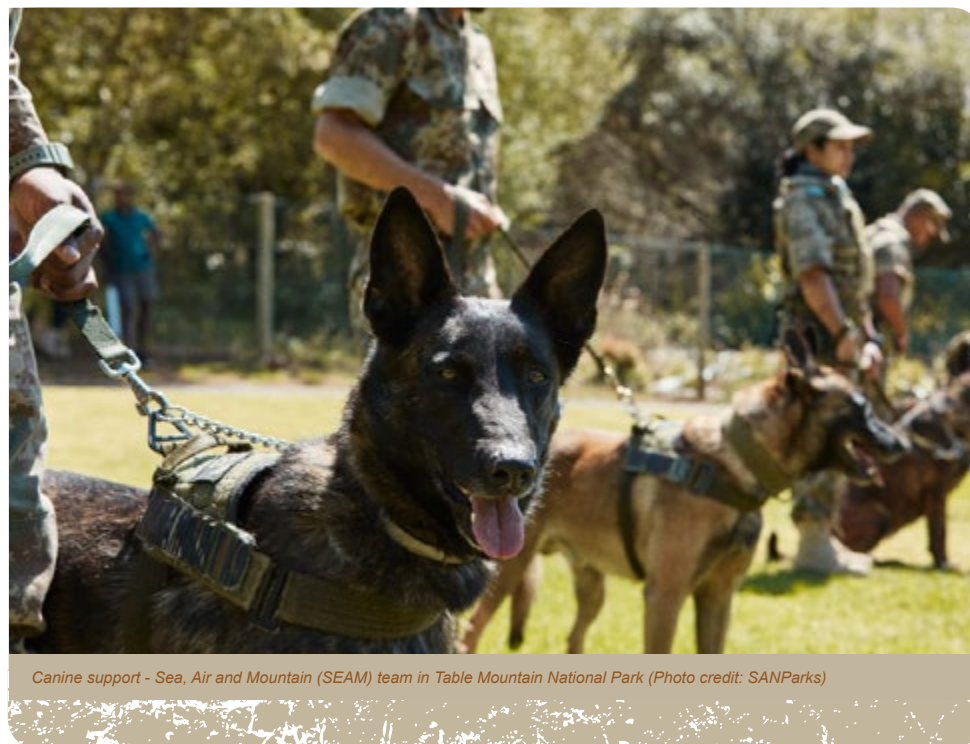
Rangers' duties vary widely depending on whether a park is rural, peri-urban or urban. Tasks they have in common are area-integrity patrols, law enforcement and compliance, and the observation and monitoring of fauna and flora. Rangers also monitor and maintain fences, water supply and roads, manage alien invasive animals and plants, capture game, ensure visitor safety, fight fires, do boating work and ensure gate security.

In parks that include the Big Five, most rangers are heavily engaged in anti-poaching activities.

SANParks furthermore employs specialised rangers such as specialist trackers, visitor-safety rangers, pilots, vessel skippers and crew and dog handlers.

The Kruger National Park's Ranger Services Integrity Management Plan (RS-IMP) has four strategic objectives:

- Improve professionalism, motivation and trust by embedding core values, key attributes and skills development.
- Develop ranger resilience.
- Establish a transparent and fair integrity testing system.
- Strengthen anti-corruption investigations and prosecution support.



Canine support - Sea, Air and Mountain (SEAM) team in Table Mountain National Park (Photo credit: SANParks)

Aerial support

Aerial support is key to maintaining area integrity. The South African Civil Aviation Authority audited SANParks Air Services in the past financial year and recorded no major findings. The concerns that were noted are being addressed. TotalEnergies donated R4,5 million to SANParks Air Services for aircraft fuel and Anglo American Platinum sponsored Kruger National Park with four ultra-light aircraft.



Sponsored ultra-light aircraft.

PARKS SPECIAL EVENTS AND HIGHLIGHTS

Kruger National Park

Record rainfall saw Tshokwane measuring 604 mm, Malelane 651 mm and Stolznek 553 mm in February 2023. These rains caused extensive damage to management roads and tourist gravel roads.

Tourism monitors graduation

SANParks and the National Department of Tourism hosted a graduation ceremony at the Berg en Dal Conference Centre on 21 February 2023 to celebrate the 106 students from Limpopo and Mpumalanga who completed the Tourism Monitor Programme. The training programme is part of the National Tourism Sector Strategy to equip young people with the professional skills needed to deliver world-class visitor experiences.

Launch of Rabelais Interpretation Centre

The management of Kruger National Park, in partnership with the SANParks Honorary Rangers, hosted the official handover of the historic Rabelais Hut on 11 September 2022. The Rabelais Interpretation Centre is next to the Orpen Gate and is one of the tourism attractions around the Orpen camp in the southern part of the park.



The tourism monitors graduation ceremony was held at the Berg en Dal Conference Centre in Kruger National Park.



Launch of the Rabelais Interpretation Centre.

African Medicine Day

Kruger National Park and the SADC Unified Ancestors Traditional Practitioners Association hosted a successful and well-attended two-day event in Phalaborwa to celebrate African Traditional Medicine Day on 31 August 2022. The event was attended by the Limpopo MEC of Health Dr Phophi Ramathuba, various members of the Mpumalanga House of Traditional and Khoisan Leaders, chiefs of various traditional councils in Limpopo, traditional health practitioners and guests from Mozambique.



Celebration of African Medicine Day in Kruger National Park.

Celebrating former Kruger National Park employees

Kruger National Park honoured 12 employees who had retired after diligently serving the park for between 40 and 50 years. The 12 men and their partners were hosted at the Skukuza Safari Lodge and enjoyed a game drive and boma braai. The retirees each received a certificate of appreciation and a blanket, representing the warmth of their service to the park.



Honouring retired Kruger National Park employees.

Addo Elephant National Park

After a decade of very low rainfall and poor veld conditions, Darlington Section in the Addo Elephant National Park received heavy rain over January and February 2023. The resulting flash floods caused extensive damage to fences, roads and river crossings. Around 6 km of boundary fence line was under water for a month and had to be replaced.



Fence damage in Addo Elephant National Park.

Kgalagadi Transfrontier Park

The long-term (1921 to 2018) average rainfall in Kgalagadi Transfrontier Park is 205 mm per annum. In 2019 and 2020, only 56 mm and 176 mm of rain was recorded respectively, and in 2021 the total was 365 mm. The 287 mm rainfall measured in the first six months of 2022 resulted in significantly improved veld and animal conditions. The widespread availability of grazing and water led to extensive movement of animals across the park. The lush vegetation also increased the fire risk and in September 2022 extensive natural wildfires occurred. Although the fires were largely contained, approximately 130 000 ha of veld was burnt. These natural savanna fires occur every 20 to 25 years and are most prevalent in years following good rains. A fire of this magnitude was last recorded in 1995.



Wildfires raging in the Kgalagadi Transfrontier Park. (Photo credit: SANParks)

Augrabies Falls National Park

The park suffered an extended drought over the past 10 years. Compared to the usual average rainfall of 125 mm, only 41 mm was recorded in 2020. The average flow over the Augrabies waterfall is usually between 25 to 50 cubic metres per second (m^3/s).

This all changed early in 2022 and again in 2023, when the Free State and Gauteng received abundant rain that caused three dams in the Orange River system (Bloemhof, Van der Kloof and Gariep) to fill up. Water was released from the Bloemhof and Van der Kloof dams and Gariep Dam soon started overflowing. Flow in the Orange River rapidly rose to 3 150 m^3/s and water thundered over the 56 m high Augrabies waterfall and continued down the 18 km long gorge. At the peak of this event, 3 846 m^3/s was recorded at the falls, but the flow subsided in January 2023 to 344 m^3/s .

In late January and early February 2003 rains in the Orange River catchment area caused the river flow to spike to 4 596 m³/s. The spectacle drew large numbers of visitors to the park, but unfortunately also caused significant damage to the boardwalks, viewing decks and other tourist infrastructure in the park.



Augrabies Falls National Park. (Photo credit: SANParks)

SANParks Week

Augrabies Falls National Park hosted the launch of SANParks Week on Sunday, 11 September 2022. The week was an overall success with free entrants increasing from 28 018 in 2021 to 72 166 in 2022. This can be attributed to the post-Covid recovery of tourism and free movement, as well as the participation of schools in the proximity of parks.

The launch event was attended by the minister of DFFE, the premier of the Northern Cape and several MECs, as well as the event sponsors TotalEnergies and First National Bank. Members of the SANParks Board and SANParks executives were also in attendance.



Launch of SANParks Week at Augrabies Falls National Park. (Photo credit: SANParks)

Golden Gate Highlands National Park

Construction of the dinosaur interpretation centre was recently completed. The next phase is the appointment of a company to design and install the artwork, displays and models. It is anticipated that the supplier will need eight to 12 months to complete the displays.

Golden Gate Highlands National Park is best known for its geological, geomorphological and palaeontological heritage. Its rich geology is divided into five formations – four sedimentary (Tarkastad, Molteno, Elliot and Clarens formations) and one igneous (Drakensberg formation) – that date back 195 to 210 million years. The Elliot formation is particularly rich in dinosaur fossils. The discovery of fossilised dinosaur eggs with foetal skeletons inside, dating back to the Late Triassic period (200 to 230 million years ago), sparked global palaeontological interest.

An international palaeontology conference brought top palaeontologists from around the world to the park, highlighting the global significance of the rich fossil and geological heritage of the eastern Free State.



The Dinosaur Centre at Golden Gate Highlands National Park. (Photo credit: SANParks)

Camdeboo National Park

The panoramic view over the Valley of Desolation is a major tourism drawcard of the quaint Karoo town of Graaff-Reinet. Given an ever-increasing number of elderly and mobility-impaired visitors over the years, the need for universal access to the world-renowned lookout point, along with ablution facilities and a new viewing platform, became apparent. Granaat, a Graaff-Reinet club that has supported the Camdeboo National Park for the past 20 years, took the lead in 2017 to develop a proposal in collaboration with SANParks experts.

The first deliverable – upgraded ablution facilities at the parking area – were handed over to the park in 2019. The second step, a new viewing platform to the value of R250 000, was recently completed and handed over to SANParks in May 2022. Both projects were fully funded by the SANParks Honorary Rangers and managed by Granaat using local contractors.

Granaat is currently sourcing funding for the construction of a 250 m universal access pathway to the new viewing platform, which will see the dream of a fully accessible Valley of Desolation realised.



Golden Gate Highlands National Park hosted international palaeontologists. (Photo credit: SANParks)



Viewing deck at the Valley of Desolation in Camdeboo National Park. (Photo credit SANParks)



Garden Route National Park

During the review of the Garden Route National Park management plan in 2019, angler communities were included in the stakeholder focus groups that was part of the public participation process. This interaction led to the establishment in 2022 of an angler support programme for a group of women fishers from Smutsville. Traditionally the fisherwomen of the towns around the Swartvlei Lake depended on the fish they caught to put food on the table for their families. Their dependence became more pressing and evident during the height of the Covid-19 pandemic, leading to more pressure on the system and conflict with law enforcers in the area. This highlighted the need for a co-learning platform.

To capture the core of the angler-support programme, inspiration was taken from “sankofa”, a word in the Twi language of Ghana that means “go back and get it”. The spirit of sankofa entails taking from the past what is good and bringing it into the present to enable progress in the future.

The main objectives of the programme are the preservation of indigenous knowledge; co-production of knowledge and sharing of skills through mutual learning; empowerment of women and youth; advancing health and resilience in communities; ensuring that communities derive educational and socioeconomic benefits from protected areas; promoting the sustainable use of natural resources; and exposure to the Blue Economy concept through capacity development.

During the year under review, the 30 Smutsville fisherwomen and young people who have joined the programme attended various training sessions. There has been a remarkable change in attitude, relationships and goodwill between all involved. Interactions with this important Wilderness stakeholder group are ongoing and will serve as a template as this highly successful legacy project is duplicated in other marine sections of the Garden Route and Frontier regions.



Angler support project in the Garden Route National Park. (Photo credit: SANParks)

Tsitsikamma National Park

The Tsitsikamma section of the Garden Route National Park embarked on a socioeconomic transformation drive to mitigate the massive job losses caused by the Covid-19 lockdown. One of the outcomes was a creative collaborative initiative called “Be Kind” that was undertaken with one of the local concessionaires. “Be Kind” uplifts emerging businesses through training that includes writing business plans and exposure to the tourism market. Since the programme’s inception in August 2022, various businesses such as the Kasi Corner township restaurant, Tsitsi Carwash and Ingrid’s High Tea have started operating in the community. To encourage product diversification, projects such as slack packing on the Otter Trail and portering and shuttle services for Otter Trail hikers were initiated inside the park. Four SMMEs have been helped to operate independently and have already created employment for approximately 26 previously disadvantaged people from their community.



Kasi Corner is one of the emerging businesses supported in Tsitsikamma. (Photo credit: SANParks)



Tsitsi Carwash now operates in the Tsitsikamma section of the Garden Route National Park. (Photo credit: SANParks)

Collaborative efforts with the National Sea Rescue Institute (NSRI)

The Tsitsikamma section of the Garden Route National Park has become the first park to establish a rescue base with the National Sea Rescue Institute (NSRI). The main objective of the collaboration effort is to help surrounding communities and local and international tourists should emergencies occur in the park. The initiative has resulted in the training of field rangers, concessionaires and community volunteers to qualify as competent sea rescuers.



The NSRI rescue base in the Tsitsikamma section of the Garden Route National Park. (Photo credit: SANParks)

Kgalagadi Transfrontier Park

The Khomani Cultural Landscape World Heritage Site forms part of the Kgalagadi Transfrontier Park with Botswana. The significance of the park lies in its compelling history and a rich cultural heritage that is kept alive thanks to the proximity of the original inhabitants, the Khomani San, who contribute to the interpretation of the park.

During 2022 the state-of-the-art Twee Rivieren Interpretative Centre was completed with the objective to help visitors fully understand and appreciate the park's cultural landscape. The facility includes a collection of narratives of the Khomani San communities of the Kgalagadi region, as well as an interactive exhibition and presentations.



Twee Rivieren Interpretative Centre in the Kgalagadi Transfrontier Park. (Photo credit: SANParks)

MANAGEMENT FRAMEWORKS AND STRATEGIES

Tokai-Cecilia Management Framework

The Tokai-Cecilia Management Framework (TCMF) emerged from the national government's decision in 2004 to phase out commercial plantations in the Western Cape, including the Tokai and Cecilia plantations. This will guide the transition of the Cape Peninsula from commercial forestry to national protected area in line with establishing a national park as part of the Cape Floral Region World Heritage Site.

In this context, the TCMF (2005-2025) is a framework for the future management of the Tokai and Cecilia areas as integral parts of Table Mountain National Park. It also articulates a 20-year vision by setting out landscape-level proposals to guide the transition.

In the year under review, SANParks undertook to review the TCMF (2005-2025) through a transparent and interactive stakeholder and public engagement process. A draft Tokai-Cecilia Implementation Plan (TCIP) was circulated for public comment in April 2022, after which further engagements with stakeholders took place. The draft plan is currently under internal review and will be released in late May 2023 for a further round of public and stakeholder comment.

Strategic baboon management

Chacma baboon numbers on the Cape Peninsula have grown over the last few decades. Refuse bins, residential gardens with vegetables and fruit trees and the attraction of commercial and domestic kitchens, shops and agricultural land cause baboons to forage in urban areas. Conflict arises when the animals move between wild and urban areas and become a nuisance, damage property and threaten the safety of people.

In an effort to find sustainable solutions to baboon management on the Cape Peninsula, a round table discussion was held in June 2022 with interested and affected parties, state entities, local municipality representatives, experts, NGOs and citizen groups. The three management authorities (SANParks, CapeNature and the City of Cape Town) agreed to establish the Cape Peninsula Baboon Management Joint Task Team (CPBMJTT) to facilitate joint decision making and to oversee the implementation of the baboon strategic management plan (BSMP).

Progress to date includes:

- The task team terms of reference has been finalised.
- A memorandum of agreement between the three authorities has been finalised.
- A draft strategic management plan for the sustainable management of baboons on the Cape Peninsula has been prepared and released for stakeholder and public comment.
- A stakeholder and public engagement meeting was held in March 2023 to workshop and refine the draft BSMP.
- Written comments received are under review in order to finalise the BSMP. The City of Cape Town is investigating the extension of the current baboon management programme (baboon monitors).



Public meetings as part of the Cape Peninsula Baboon Management Joint TaskTeam engagements. (Photo credit: SANParks)

PARKS SPORTING EVENTS

Adventure sporting events

A number of annual adventure sporting events were held in several parks. These types of events are gradually regaining popularity after the Covid-19 lull.

Garden Route National Park

The Knysna Extreme is a tough, self-supported race that takes place annually in the Garden Route National Park. The course starts with a 5 km swim in the Knysna Estuary, followed by a 174 km cycle through coastal, mountain and semi-desert scenery, and finishes with a 50 km run through the Knysna forest.

Otter African Trail Run

This remains one of the flagship events in the Garden Route National Park and one of the most sought-after trail runs in the world. The 2022 event had a local-beneficiation focus on job creation, enterprise development and support for the Covie community land claimants.

Mapungubwe National Park and World Heritage Site

The Nedbank Tour de Tuli has been going for 16 years and is renowned for taking mountain bikers through some of Africa's most pristine wilderness areas in Botswana, Zimbabwe and South Africa. Participants enjoy privileged access to exclusive, unmarked routes and ancient game trails for four days and five nights. The event is a major fundraiser for the Children in the Wilderness (CITW) programme, helping to ensure its sustainability across seven regions of operation. Fourteen community members were appointed to assist with event preparations for a period of two weeks.



Tour De Tuli in Mapungubwe National Park. (Photo credit: SANParks)

Marakele Marathon

The ever-popular Marakele Marathon took place in March 2023 and was well supported with runners coming from as far afield as Cape Town. A highlight for the town of Thabazimbi, the event experienced a significant increase in entries in 2023.



Marakele Marathon. (Photo credit: SANParks)

The Golden Gate Extreme Challenge

The Golden Gate Extreme Challenge was successfully held in October 2022. The event draws runners from around the country who are willing to take on the challenging, high-altitude route to be rewarded with spectacular views over the national park.



Golden Gate Extreme Challenge. (Photo credit: SANParks)

Augrabies Falls National Park

Augrabies Falls National Park hosted three successful sporting events, namely the Klipspringer Challenge in April 2022, the Trans Augrabies Mountain Bike stage race in June 2022, and the Kalahari Augrabies Extreme Marathon. The increased numbers of participants were a clear indication that these types of events are regaining their popularity.



Klipspringer Challenge in Augrabies Falls National Park. (Photo credit: SANParks)



OUTCOME GOAL 1: SUSTAINABLE BIODIVERSITY AND CULTURAL HERITAGE ACROSS LAND AND SEA DELIVERS BENEFITS FOR THE PEOPLE OF SA AND THE WORLD, NOW AND IN THE FUTURE

Outcomes, outputs, output indicators, targets and actual achievements

SUB- OUTCOME 1: PROTECTED AREAS EXPANSION IN LINE WITH THE NATIONAL PROTECTED AREAS EXPANSION STRATEGY (NPAES) AND SANPARKS LAND INCLUSION PLAN																																										
Output Indicator	Annual Target	Annual Progress and Analysis																																								
1.1 Number of hectares added to national parks	4 000 ha	Target exceeded Agreements for 5 404,4 ha concluded																																								
Performance analysis	During this year SANParks achieved a total of 5 404,4ha toward the land inclusion targets, comprising of the properties in tables 1 and 2 below. Table 1. Property purchases concluded <table><tr><th>Property details</th><th>Size</th><th>Achieved</th></tr><tr><td colspan="3">Agulhas National Park</td></tr><tr><td>Brak Fontein No 284</td><td>512,2 ha</td><td rowspan="3">Q3</td></tr><tr><td>Portion 11 of Paapekuil Fontein No 281</td><td>555,5 ha</td></tr><tr><td>Portion 48 (a portion of portion 14) of Paapekuil Fontein No 281</td><td>113,2 ha</td></tr><tr><td colspan="3">Addo Elephant National Park</td></tr><tr><td>Portions of the Farm Strathsomers Estate No 42 and portion 3 of Farm No 45 Woodlands</td><td>923,9 ha</td><td>Q2</td></tr><tr><td colspan="3">Table Mountain National Park</td></tr><tr><td>Stonehurst remainder of Erf 177522 and Erf 177523 Cape Town</td><td>31,1 ha</td><td>Q3</td></tr><tr><td>TOTAL</td><td>2 135,9 ha</td><td></td></tr></table> Table 2: Contract national park agreements concluded <table><tr><th>Property details</th><th>Size</th><th>Achieved</th></tr><tr><td colspan="3">Tankwa Karoo National Park</td></tr><tr><td>Farm Os Vley Hoogtens No. 1123</td><td>3268,5 ha</td><td>Q2</td></tr><tr><td>TOTAL</td><td>3268,5 ha</td><td></td></tr></table>		Property details	Size	Achieved	Agulhas National Park			Brak Fontein No 284	512,2 ha	Q3	Portion 11 of Paapekuil Fontein No 281	555,5 ha	Portion 48 (a portion of portion 14) of Paapekuil Fontein No 281	113,2 ha	Addo Elephant National Park			Portions of the Farm Strathsomers Estate No 42 and portion 3 of Farm No 45 Woodlands	923,9 ha	Q2	Table Mountain National Park			Stonehurst remainder of Erf 177522 and Erf 177523 Cape Town	31,1 ha	Q3	TOTAL	2 135,9 ha		Property details	Size	Achieved	Tankwa Karoo National Park			Farm Os Vley Hoogtens No. 1123	3268,5 ha	Q2	TOTAL	3268,5 ha	
Property details	Size	Achieved																																								
Agulhas National Park																																										
Brak Fontein No 284	512,2 ha	Q3																																								
Portion 11 of Paapekuil Fontein No 281	555,5 ha																																									
Portion 48 (a portion of portion 14) of Paapekuil Fontein No 281	113,2 ha																																									
Addo Elephant National Park																																										
Portions of the Farm Strathsomers Estate No 42 and portion 3 of Farm No 45 Woodlands	923,9 ha	Q2																																								
Table Mountain National Park																																										
Stonehurst remainder of Erf 177522 and Erf 177523 Cape Town	31,1 ha	Q3																																								
TOTAL	2 135,9 ha																																									
Property details	Size	Achieved																																								
Tankwa Karoo National Park																																										
Farm Os Vley Hoogtens No. 1123	3268,5 ha	Q2																																								
TOTAL	3268,5 ha																																									
Reason for variance	The specific properties to be incorporated cannot be determined with certainty, primarily due to the lack of control SANParks has over property negotiations. As a result, the achieved number of hectares will be impossible to accurately determine. Land inclusion remains a dynamic and unpredictable activity with numerous identified acquisitions and contractual inclusions frequently not being achieved due to either the unwillingness of landowners to sell or the land in question being too highly priced.																																									
Planned improvement/corrective actions	No corrective actions required.																																									



SUB – OUTCOME 2: EFFECTIVE AND EFFICIENT MANAGEMENT OF NATIONAL PARKS		
Output Indicator	Annual Target	Annual Progress and Analysis
2.1 National parks and MPAs assessed	National parks and MPAs that scored below 67% to be reassessed	Target removed during midterm review
Performance analysis	N/A	
Reason for variance	N/A	
Planned improvement/corrective actions	N/A	
2.2 Percentage of activities on policies related to elephant, rhino, lion and leopard linked to outcomes of the high-level panel implemented	Policy support implementation plan developed and 70% of activities implemented	On target 75% (9/12 activities) were implemented
Performance analysis	<p>On target</p> <p>Nine out of 12 activities, which translates to 75% for the year, were implemented. These include ongoing implementation of the UNEP GEF 7 project on human-wildlife conflict by supporting land-reform beneficiaries and other communities in target landscapes in Limpopo, KwaZulu-Natal and the Eastern Cape to enter the wildlife ranching, game-processing, hunting and ecotourism sectors, and to set aside land for habitat conservation.</p> <p>A policy statement on damage causing animals was developed. SANParks has submitted a US\$19 million draft project concept on a mega conservation area to the DFFE for consideration for the GEF 8 funding cycle. The project, entitled Re-imagining National Parks for People and Nature, aims to catalyse the realisation of a dynamic green re-imagined national conservation landscape for South Africa through securing biodiversity in mega landscape conservation areas that become an integral part of the country's sustainable development trajectory, resulting in thriving people and nature.</p> <p>The final internal audit report on the SANParks Wildlife Economy Window 1 and Window 2 programme was completed.</p> <p>The draft Land Inclusion Plan for 2023-26 identified several properties for inclusion in National Parks via voluntary agreements that include both privately and community owned areas. Ongoing work on the establishment of a new national park in the grasslands is based on a combination of land purchase and the declaration of state land, private land and state-owned communal land that can be incorporated into the national park system with full access and benefit opportunities.</p> <p>Consultation with relevant stakeholders is ongoing on the KNP beneficiation scheme aligned with species within the park.</p> <p>The SANParks Rhino Conservation Strategy was completed. One pillar of the overall strategy pertains to a rhino range-expansion project that seeks to identify and ground truth safe spaces for expanding the range of SANParks' three rhino taxa, while simultaneously delivering on the National Protected Areas Expansion Strategy.</p>	
Reason for variance	Concerted efforts by the Conservation Services team to implement all planned activities	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 3: DEGRADED ECOSYSTEMS REHABILITATED

Output Indicator	Annual Target	Annual Progress and Analysis
3.1 Number of degraded hectares of land under rehabilitation	31 500 initial ha (target was reviewed during the midterm review)	Off target 24 160 initial ha (77%)
Performance analysis	The annual target was not achieved in that 7 340 initial ha land rehabilitation was not done as planned. The overall performance of 77% is an improvement on the previous quarter.	
Reason for variance	Three projects, i.e., Golden Gate Highlands, Kruger and Garden Route National Parks, contributed to the under-achievement over the past year. By the end of the year, Kruger and Golden Gate Highlands National Parks had not achieved the planned initial hectares rehabilitation due to the heavy rains and flooding in KNP. To a lesser degree, the K2C project prevented teams to finalise the <i>Parthenium</i> clearing, among others.	
Planned improvement/corrective actions	The outstanding initial hectares will be included in the 2023/24 plan	
3.2 Number of degraded hectares of land under rehabilitation	142 400 follow-up ha (cumulative)	Target achieved 164 215 follow-up ha (115%)
Performance analysis	The annual target was exceeded by 21 815 ha or 15%	
Reason for variance	<p>The follow-up hectares were exceeded by 15%, an achievement that is related to:</p> <ul style="list-style-type: none"> The good performance in the Cape and Garden Route regions where projects performed better and more work could be done with the additional funds received. Some changes in environmental conditions, i.e., less rainfall resulted in lower densities encountered, allowing more hectares to be cleared, i.e., <i>Parthenium</i> densities in KNP. The rehabilitation in some areas, notably the K2C biosphere, cost less, resulting in more follow-up hectares. 	
Planned improvement/corrective actions	No corrective actions required	
3.3 Number of m ³ of degraded wetlands under rehabilitation	7 200 m ³ of degraded hectares of wetlands under rehabilitation (target was reviewed during the midterm review)	Target exceeded 8 023 m³ of degraded hectares of wetlands under rehabilitation (111%)
Performance analysis	<p>Target exceeded</p> <p>8 023 m³ of degraded hectares of wetlands under rehabilitation (111%)</p>	
Reason for variance	<p>The wetlands target planned for 2022/23 was exceeded with 30%.</p> <ul style="list-style-type: none"> The Mapungubwe National Park and World Heritage Site project exceeded its planned volume of earthworks and included the removal of a dam wall in the project, thus adding further m³. In Marakele National Park, an additional earth beam was constructed to rehabilitate a road used for the delivery of material. 	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 4: CLIMATE CHANGE VULNERABILITY REDUCED AND CLIMATE CHANGE RESILIENCE IMPROVED		
Output Indicator	Annual Target	Annual Progress and Analysis
4.1 Number of parks assessed for climate change vulnerabilities	Climate change preparedness strategy approved	On target The Climate Change Preparedness Strategy was approved by the Board
	Climate change vulnerability assessments compiled for two National Parks	On target Climate change vulnerability assessments for Kruger and Augrabies Falls National Parks were compiled
	Template for park implementation plans developed and approved	On target Template for park implementation plans developed and approved by exco
Performance analysis	<ul style="list-style-type: none"> The Climate Change Preparedness Strategy was approved by the Board. Climate change vulnerability assessments for Kruger and Augrabies Falls National Parks were finalised. Template for park implementation plans was developed and approved by exco. 	
Reason for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	
4.2 Number of initiatives as per the Green Energy Implementation Plan implemented	Four initiatives as per the Green Energy Implementation Plan implemented	On target Four (4) initiatives as per the Green Energy Implementation Plan were implemented, namely: Green energy awareness; temperature settings for geysers in parks; service provider appointed for the Kgalagadi National Park solar plants; and implementation plan for 2023/24 approved.
Performance analysis	On target Four (4) initiatives as per the Green Energy Implementation Plan were implemented Green energy awareness; temperature settings for geysers in parks; service provider appointed for the Kgalagadi solar plants; and implementation plan for 2023/24 approved.	
Reason for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 5: A FRAMEWORK TOWARDS IMPROVED MANAGEMENT OF CULTURAL HERITAGE DEVELOPED

Output Indicator	Annual Target	Annual Progress and Analysis
5.1 Number of cultural heritage assessments conducted	Survey and assessments conducted in two parks (West Coast and Augrabies Falls National Parks)	On target Survey and assessments conducted in two parks (Camdeboo and Augrabies Falls National Parks)
Performance analysis	On target Survey and assessments conducted in two parks (Camdeboo and Augrabies Falls National Parks)	
Reason for variance	While West Coast National Park was identified for survey and assessments, Camdeboo National Park was prioritised as its park management plan was due for review.	
Planned improvement/corrective actions	No corrective actions required	
5.2 Percentage of annual Cultural Heritage Action Plan implemented	90% of the annual Cultural Heritage Action Plan implemented	On target 92% (11/12 activities) implemented
Performance analysis	92% (11/12) activities implemented. These include: <ul style="list-style-type: none"> • Planning for the next phase of the Letaba Iron Age site excavations was done successfully. • The Cultural Heritage Information Management System was successfully tested and deployed, including communication to parks and a training session with socioeconomic transformation (SET) officers. • The ‡ Khomani San Interpretation Centre in Kgalakgadi Transfrontier Park was completed and is now open to visitors. • Technical drawings for boardwalks and viewing decks for the Tshikumbu Iron Age site in the KNP have been completed. • Testing of the rock-art sites trail in Mapungubwe National Park and World Heritage Site was done in February. The trails are ready for visitors and marketing will now be done. The guides have also been trained on conducting tours to the rock-art sites. • A report on SANParks heritage collections in third-party institutions was compiled. A report has also been generated for parks with fewer collections. 	
Reason for variance	The targets were exceeded due to additional Norwegian grant funding that enabled additional activities	
Planned improvement/corrective actions	No corrective actions required	



SUB-OUTCOME 6: SUSTAINABLE POPULATIONS OF SPECIES OF SPECIAL CONCERN MONITORED AND INCREASED		
Output Indicator	Annual Target	Annual Progress and Analysis
6.1 Percentage annual increase in rhino population in identified core rhino areas in Kruger National Park	Rhino population trends in core Kruger National Park areas increase at 0,5% per annum	Off target There was a 19,58% decline in rhino population trends in core Kruger National Park areas
6.2 Percentage annual increase in rhino population in other parks	Rhino population in other parks increasing at 4%	Target exceeded 7% overall population growth
Performance analysis	<p>There is an overall 19,58 % decline in the rhino populations trends in the core Kruger National Park areas.</p> <p>% population change = $[1 - (1820/1522)] \times 100 = [1 - 1,1957950066] \times 100 = [-0,1957950066] \times 100 = -19,58\%$</p> <p>Trends within the conservation zones, compared to areas beyond these zones, provide assessment of the annual performance plan indicators:</p> <ul style="list-style-type: none"> Since 2020, white rhinos declined at 16,50% per annum within the conservation zones compared to 29,2% declines in other areas. This reflects a 12,7% improvement in the conservation zones on average. In two of the conservation zones (Low Priority Zone North and Low Priority Zone South) population growth was positive and populations increased above the annual target; however, populations in other zones continued to decline. This may be due to a combination of poaching and movement of rhino out of these zones. For example, the increase in rhino in the eastern conservation zones may reflect colonisation dynamics of suitable and preferred habitat from other zones. Within the conservation zones, black rhinos increased since 2020 (12,0%), compared to declines in other areas (-13,5%). This correlates with substantial increases in priority zones 1, 2 and the white rhino zone, and declines in the black rhino zone. <p>Trends for species in the Parks Division:</p> <ul style="list-style-type: none"> South-western black rhinos increased by 7,0% overall despite two of the parks being below 4,0% (Karoo and Mokala National Parks). South-central black rhinos increased in Marakele National Park at 6,4% per annum. Southern white rhinos are increasing at 8,3% per annum with no increase in Mapungubwe National Park and World Heritage Site. 	
Reason for variance	<p>KNP: The varying results within the different conservation zones result from movement responses, with rhinos shifting into previously occupied zones with suitable habitats, and variable poaching pressure. In addition, recruitment rates of white rhinos are illustrating synchronous births with a year of high recruitment followed by a year of low recruitment since the drought of 2015 to 2017. 2022 was a year of low recruitment. As a result, recruitment (6,0%) was far lower than losses (13,5%), resulting in an overall population decline. For black rhino, recruitment (7,8%) was slightly higher than total losses (6,9%).</p> <p>Parks: Successful implementation of the rhino management plan.</p>	
Planned improvement/corrective actions	<p>KNP: Monitoring of rhinos should be adapted to focus on emerging zones, given that rhinos are colonising depopulated suitable habitats. Continued implementation of the rhino management plan.</p> <p>Parks: No corrective actions required.</p>	

SUB-OUTCOME 7: CONTRIBUTION TO IMPROVED WILDLIFE POPULATIONS OF AFRICAN RANGE STATES SUSTAINED

Output Indicator	Annual Target	Annual Progress and Analysis
7.1 Number of approved animals delivered to African range states as per ministerial approval	≥ 40 giraffe delivered to Zinave National Park	Target removed during midterm review
Performance analysis	N/A	
Reason for variance	N/A	
Planned improvement/corrective actions	N/A	

SUB-OUTCOME 8: WILDLIFE CRIME IN NATIONAL PARKS REDUCED

Output Indicator	Annual Target	Annual Progress and Analysis
8.1 Number of rhinos poached in KNP and six other rhino parks reduced	KNP: Cumulative rhinos poached reduced to ≤ 175	Within target 98 rhinos poached in total
	Other rhino parks: Reduce the number of rhinos poached to less than 5 animals	Within target No rhinos poached in parks
8.2 Number of elephants poached reduced	KNP: Number of elephants poached reduced to less than 40 animals	Within target 32 elephants poached in total
	Other parks: Number of elephants poached reduced to less than four animals	Within target 1 elephant poached in 2022/23 in the Greater Mapungubwe Transfrontier Park
Performance analysis	<p>KNP: At a total of 98, there has been a decrease of 49.74% in the number of rhinos poached, compared to 195 for the same period in 2021/22.</p> <p>The 32 elephants poached was an increase of 255.56% as compared to nine for the same period in 2021/22.</p> <p>Parks: No rhinos were poached in Mapungubwe, Mokala, Marakele, Addo, Karoo and Mountain Zebra National Parks.</p> <p>Only one elephant was poached during Q3 in Greater Mapungubwe Transfrontier Park.</p>	
Reason for variance	The continued implementation of the multi-pronged anti-poaching plan	
Planned improvement/corrective actions	The continued implementation of the multi-pronged anti-poaching plan	



3.2 DIVERSE AND RESPONSIBLE TOURISM

OUTCOME GOAL 2: IMPROVED DIVERSE AND RESPONSIBLE TOURISM

PURPOSE:

To enhance tourism in order to maximise economic returns and social and environmental benefits, by creating diversified and better tourism products for people to enjoy, visit and appreciate.

SUB-OUTCOMES:

- Improved tourism performance
- Improved responsible tourism

Outcome Goal 2 is implemented through a number of interrelated units that drive specific tourism-related functions across the organisation:

- The Marketing unit positions parks, raises awareness and generates sales,
- The Visitor Services unit provides meaning and direction to the interpretation experience and regulation of visitors, particularly those requiring universal accessibility, and coordinates tourism research in the organisation,
- The Revenue and Yield unit monitors revenue generated by tourism and regulates tourism standards across the organisation,
- The Wild Card Programme is SANParks' loyalty programme through which the public can affiliate themselves to the parks and to conservation,
- The Business Development unit manages public-private partnerships as part of SANParks' commercialisation strategy,
- The Corporate Communications unit manages internal and external communication with various audiences and is a crucial support function to the entire organisation, but to the Tourism division in particular.



INTRODUCTION

Tourism performance continued to recover with improvement on the performance of 2021/22. Local tourists made up 80% of SANParks' guests while, starting from a low base, international visitor numbers increased by 226,3%. This, however, is still 50% lower than pre-Covid levels. The recovery of international tourist numbers to pre-pandemic levels is expected to continue to lag relative to overall travel indicators, although steady growth is anticipated as travellers' confidence returns. Globally, destinations welcomed almost three times as many international arrivals in the first quarter of 2022 as in the same period in 2021, but by May 2022, international arrivals worldwide were still down by 54% compared to 2019 levels (UNWTO,2022a).

The number of visitors to parks increased from 3 482 514 in 2021/22 to 4 962 074 in 2022/23. This reflects a growth of 42,49%. Accommodation unit occupancy rose to 63,1% an increase of 9,55% relative to the same period for the previous year.

Tourism revenue increased by 46,1% on the previous year, yielding R1,741 billion compared to R1,191 billion in 2021/22. Current revenue projections for the 2024/25 financial year show a full recovery to pre-Covid numbers.

Five new public-private partnerships (PPPs) were concluded for the year, namely, Skukuza Safari Lodge, Golden Gate Dinosaur Centre kiosk and curio shop, Kruger National Park North spa, Augrabies restaurant and retail facilities and the Golden Gate zipline.

Following two years of study during the most trying times of lockdown, 69 hospitality managers successfully completed a higher certificate in hospitality management.

Digital and social media campaigns were run to stimulate sales by creating demand for distressed inventory. By the end of 2022/23 these campaigns had generated sales of R6,9 million in accommodation bookings.

SA National Parks Week resulted in 72 166 free visitors to National Parks.

SUB-OUTCOME: IMPROVED TOURISM PERFORMANCE

Key tourism indicators began to register improvement in April 2022, as the world continued to overcome the lingering effects of the Covid-19 pandemic. A holistic view of 2022/23 showed a slight decline in accommodation and camping, but growth in other areas, notably activities that showed an increase of 67,1%.



SUB-OUTCOME: FINANCIALLY SUSTAINABLE ORGANISATION

- Total tourism revenue: For the period under review, total revenue from tourism was R1,741 billion. This was 46,1% above the R1,191 billion achieved in the previous year and 11,3% better than the budget of R1,564 billion. The comparative realised figure pre-Covid for April 2019 to March 2020 was R1,887 billion.
- Accommodation: Revenue from accommodation, including camping, increased by 14,4% from R721,9 million to R825,7 million, and exceeded the budget of R812,6 million by 1,6%. The comparative realised figure for April 2019 to March 2020 was R780 million.
- Conservation fees: Revenue from conservation fees, including Wild Card, increased by 119,2% from R271,6 million to R595,2 million, which exceeded the budgeted amount of R520,6 million by 14,3%. The comparative realised figure for April 2019 to March 2020 was R761,1 million.

Activities

- Revenue from activities increased by 54,0% from R60,4 million to R93 million. The budgeted amount for activities – R82,0 million – was exceeded by 13,4%. The comparative realised figure for April 2019 to March 2020 was R107,1 million.

Retail gross profit

- Revenue from retail activities increased by 9,92% from R36,3 million to R39,9 million, resulting in an over-achievement of 10,6% against the budget of R36,1 million. The realised figure for April 2019 to March 2020 was R40,3 million.

Concession fees

- Revenue from concession operators increased by 170,2% from R37,9 million to R102,4 million, which exceeded the budgeted R44,1 million by 132,0%. The realised figure for April 2019 to March 2020 was R98 million. The budgeted amount was exceeded as conservative budgeting was implemented due to the uncertainty of the pandemic.

Facilities rental

- Actual revenue from retail and food and beverage operators increased by 102,1% from R23,9 million to R48,3 million, exceeding the budget of R29,9 million by 61,4%. Comparatively, the realised figure for April 2019 to March 2020 was R43,1 million.

- The combined revenue from restaurant, shop, lodge and other concession operators (concession fees plus facilities rental) totalled R150,7 million in 2022/23, 103,7% above the budgeted figure of R74 million. This represents an increase of 144,25% compared to 2021/22 and is 6,73% above the figure realised in 2019/20.

Other tourism income

- Revenue from sundry sources and cancellation fees increased by 28,0% from R39,7 million to R50,7 million, which was 31,2% better than the budgeted amount of R38,7 million. The comparative realised figure for April 2019 to March 2020 was R57,4 million.



Tourism Revenue		TOTAL APRIL 2022-MARCH 2023			TOTAL APRIL 2021-MARCH 2022			2022/23 VS 2021/22	
		Actual	Budget	Budget Variance	Actual	Budget	Budget Variance	Actual vs Actual	Budget 2022/23 vs Actual 2021/22
A001 - Conservation fees	A001 - Conservation Fees	-R 594 859 736	-R 520 287 901	14,3%	-R 271 468 692	-R 287 440 415	5,6%	119,1%	91,7%
	A001 - Wild Card income	-R 68 297 859	-R 60 999 996	12,0%	-R 56 175 216	-R 24 801 550	126,5%	21,6%	8,6%
	A002 - Conservation Fees	-R 512 736 650	-R 447 351 231	14,6%	-R 204 852 848	-R 250 610 243	-18,3%	150,3%	118,4%
	B011 - Entrance Fees	-R 13 825 227	-R 11 936 674	15,8%	-R 10 440 628	-R 12 028 662	-13,2%	32,4%	14,3%
	CONSERVATION FEES	-R 595 257 747	-R 520 622 381	14,3%	-R 271 577 551	-R 288 668 619	-5,9%	119,2%	91,7%
A005 - Concession fees	A005 - Concession Fees	-R 141 962 993	-R 74 055 762	91,7%	-R 61 730 125	-R 64 078 278	-3,7%	130,0%	20,0%
	A005 - Facilities Rental	-R 47 447 392	-R 29 923 968	58,6%	-R 23 862 968	-R 21 877 944	9,1%	98,8%	25,4%
	C025 - Concession Fees	-R 94 515 600	-R 44 131 794	114,2%	-R 37 867 157	-R 42 200 334	-10,3%	149,6%	16,5%
A010 - Retail gross profit	A010 - Retail Gross Profit	-R 34 387 220	-R 36 104 253	-4,8%	-R 35 821 614	-R 35 076 470	2,1%	-4,0%	0,8%
	A010 - Sales - Trading	-R 354 387 220	-R 243 628 190	45,7%	-R 254 640 793	-R 240 647 650	5,8%	39,4%	-4,3%
	A020 - Cost of Sales - Trading	-R 320 523 302	-R 207 523 936	54,5%	-R 218 819 179	-R 205 571 180	6,4%	46,5%	-5,2%
B010 - Tourism income	B010 - Tourism income	-R 969 990 154	-R 933 740 965	3,9%	-R 822 109 905	-R 794 865 606	3,4%	18,0%	13,6%
	B010 - Accommodation	-R 825 707 517	-R 812 631 868	1,6%	-R 721 887 219	-R 697 600 266	3,5%	14,4%	12,6%
	B011 - Entrance Fees	-R 398 011	-R 334 480	19,0%	-R 108 859	-R 1 288 204	-91,1%	265,6%	207,3%
	B012 - Trail Fees	-R 36 593 715	-R 36 802 867	-0,6%	-R 30 254 725	-R 30 280 892	-0,1%	21,0%	21,6%
	B014 - Drive Fees	-R 56 497 853	-R 45 252 948	24,8%	-R 30 191 840	-R 39 824 432	-24,2%	87,1%	49,9%
	ACTIVITIES	-R 93 091 569	-R 82 055 815	13,4%	-R 60 446 565	-R 70 105 324	-13,8%	54,0%	35,7%
	B015 - Sundry Tourism Income	-R 27 183 240	-R 25 020 981	8,6%	-R 21 249 754	-R 11 131 873	90,9%	27,9%	17,7%
	B016 - Cancellations & Forefeitures	-R 23 609 817	-R 13 697 820	72,4%	-R 18 417 508	-R 14 799 939	24,4%	28,2%	-25,6%
	OTHER TOURISM INCOME	-R 50 793 057	-R 38 718 801	31,2%	-R 39 667 262	-R 25 931 812	53,0%	28,0%	-2,4%
TOTALS		-R 1 741 200 103	-R 1 564 188 881	11,3%	-R 1 191 130 336	-R 1 181 460 769	0,8%	46,2%	31,3%

Tourism Revenue		TOTAL APRIL 2022-MARCH 2023			TOTAL APRIL 2021-MARCH 2022			2022/23 VS 2021/22
		Actual	Budget	Budget Variance	Actual	Budget	Budget Variance	Actual vs Actual
A001 - Conservation fees	A001 - Conservation Fees	-R 594 859 736	-R 520 287 901	14,3%	-R 760 575 265	-R 748 726 487	1,6%	-21,8%
	A001 - Wild Card income	-R 68 297 859	-R 60 999 996	12,0%	-R 74 817 769	-R 71 925 292	4,0%	-8,7%
	A002 - Conservation Fees	-R 512 736 650	-R 447 351 231	14,6%	-R 676 366 520	-R 666 777 1742	1,4%	-24,2%
	B011 - Entrance Fees	-R 13 825 227	-R 11 936 674	15,8%	-R 9 390 976	-R 10 029 453	-6,4%	47,2%
	CONSERVATION FEES	-R 595 257 747	-R 520 622 381	14,3%	-R 761 100 215	-R 749 508 861	1,5%	-21,8%



Tourism Revenue		TOTAL APRIL 2022-MARCH 2023			TOTAL APRIL 2021-MARCH 2022			2022/23 VS 2021/22
		Actual	Budget	Budget Variance	Actual	Budget	Budget Variance	Actual vs Actual
A005 - Concession fees	A005 - Concession Fees	-R 141 962 993	-R 74 055 762	91,7%	-R 141 167 294	-R 143 363 847	-1,5%	0,6%
	A005 - Facilities Rental	-R 47 447 392	-R 29 923 968	58,6%	-R 43 141 607	-R 45 605 293	-5,4%	10,0%
	C025 - Concession Fees	-R 94 515 600	-R 44 131 794	114,2%	-R 98 025 687	-R 97 758 554	0,3%	-3,6%
A010 - Retail gross profit	A010 - Retail Gross Profit	-R 34 387 220	-R 36 104 253	-4,8%	-R 40 273 518	-R 50 425 733	-20,1%	-14,6%
	A010 - Sales - Trading	-R 354 387 220	-R 243 628 190	45,7%	-R 263 528 970	-R 299 385 679	-12,0%	34,7%
	A020 - Cost of Sales - Trading	-R 320 523 302	-R 207 523 936	54,5%	-R 223 255 452	-R 248 959 946	-10,3%	43,6%
B010 - Tourism income	B010 - Tourism income	-R 969 990 154	-R 933 740 965	3,9%	-R 945 105 317	-R 1 047 290 410	-9,8%	2,6%
	B010 - Accomodation	-R 825 707 517	-R 812 631 868	1,6%	-R 780 043 021	-R 887 739 140	-12,1%	5,9%
	B011 - Entrance Fees	-R 398 011	-R 334 480	19,0%	-R 524 950	-R 782 374	-32,9%	-24,2%
	B012 - Trail Fees	-R 36 593 715	-R 36 802 867	-0,6%	-R 39 124 930	-R 44 554 553	-12,2%	-6,5%
	B014 - Drive Fees	-R 56 497 853	-R 45 252 948	24,8%	-R 68 059 015	-R 68 447 194	-0,6%	-17,0%
	ACTIVITIES	-R 93 091 569	-R 82 055 815	13,4%	-R 107 183 945	-R 113 001 747	-5,1%	-13,1%
	B015 - Sundry Tourism Income	-R 27 183 240	-R 25 020 981	8,6%	-R 25 618 322	-R 27 448 012	-6,7%	6,1%
	B016 - Cancellations & Forfeitures	-R 23 609 817	-R 13 697 820	72,4%	-R 31 735 079	-R 18 319 137	73,2%	-25,6%
	OTHER TOURISM INCOME	-R 50 793 057	-R 38 718 801	31,2%	-R 57 353 401	-R 45 767 149	25,3%	-11,4%
TOTALS		-R 1 741 200 103	-R 1 564 188 881	11,3%	-R 1 887 121 394	-R 1 989 806 477	-5,2%	-7,7%

Tourism revenue for 2022/23 compared to 2021/22 and 2019/20.

WILD CARD REVENUE

- Wild Card membership turnover

	Revenue			Members		
	2021/22	2022/23	% Change	2021/22	2022/22	% Change
Quarter 1	R22 069 330	R32 132 140	+45,6%	18 178	20 770	+14,3%
Quarter 2	R26 720 190	R40 360 510	+51%	21 033	22 687	+8%
Quarter 3	R30 007 803	R33 255 066	+10,8%	21 123	18 894	-10,6%
Quarter 4	R28 306 251	R29 269 710	+3,4%	18 717	16 522	-11,7%
TOTAL	R107 103 574	R135 017 426	+26,1%	79 051	78 873	-0,2%

- The 2022/23 total sales revenue amounted to R135 017 426 (+26,1% YoY) and membership stood at 78 870 (-0,2% YoY). The year-under-review statistics are compared to pre-Covid 2019.
- Revenue from international membership was up by 166,0% from R18,9 million in 2021/22 to R50,2 million in 2022/23. Revenue from the Wild Card partner parks cluster contributed 0,61%. The couple membership category remained the highest at 64,24%. Family membership stood at 20,45%

SUB-OUTCOME: EFFECTIVE STAKEHOLDER & PARTNERSHIP MANAGEMENT

Corporate Communications

The 2022/23 financial year saw SANParks frequently featured in local and national media.

As the world continued its return to travel after the global shutdown, media stories likewise returned to normality with a focus on issues of environmental, conservation and investment concern.

SANParks retained an overall positive media reputation for the period under review with a cumulative 99,0% positive or neutral sentiment. Negative coverage dropped from 2,0% in 2021/22 to 1,0% in 2022/23.

Key positive and neutral coverage drivers were linked to:

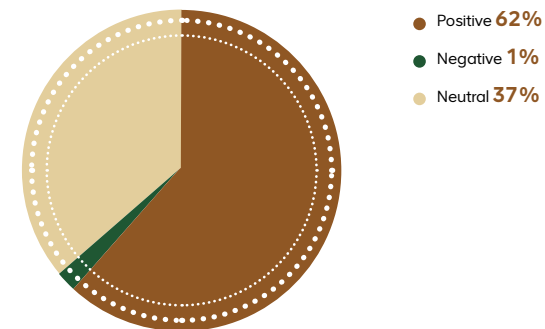
- The tourism investment summit.
- Collective celebratory occasions such as National Parks Week, World Wildlife Day, World Ranger Day, World Rhino Day, Heritage Month and World Wetlands Day.
- Enhanced conservation management practices, such as fire, penguin and baboon management and anti-poaching initiatives.
- Corporate social responsibility and strategic partnerships, particularly with communities, and setting up township booking offices.
- Research initiatives in parks, and academic and operational staff gatherings such as the Savanna Science Network Meeting.
- The Kudu Awards.
- The Marakele and West Coast marathons.
- The creation of a Dinosaur Interpretation Centre in Golden Gate.
- Miscellaneous other issues such as safety awareness campaigns, tourism monitors training programme, and employee-upliftment programmes.

Risks through negative coverage were identified in terms of the mountain user group's concerns at Table Mountain National Park, the general deterioration of infrastructure in parks, baboon-management failure, incidents of GBV in Kruger, and alleged large-scale corruption among Kruger staff.

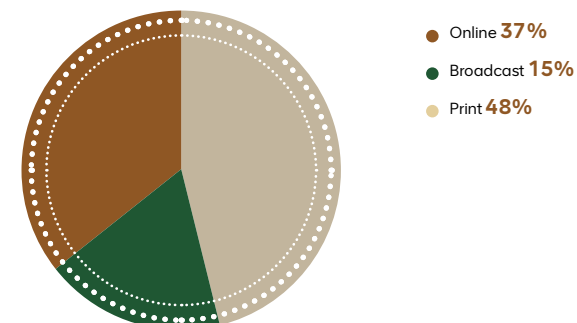
During the year under review, share of voice was predominantly in print media.

Webinars, often hosted in conjunction with the SANParks Honorary Rangers, continued to provide an excellent platform for communicating with the public on topics of relevance and environmental interest.

Overall Brand Sentiment: %



Share of Voice: %



	Positive	Negative	Neutral	Print	Broadcast	Online
Q1	3 817	94	1 320	3 410	335	1 486
Q2	4 579	62	2 636	3 699	1 249	2 329
Q3	2 991	80	3 491	2 702	1 395	2 465
Q4	4 621	112	1 958	2 562	837	3 292
Overall	16 008	348	9 405	12 373	3 816	9 572

Social media statistics

Network	28 March 2022	31 March 2023	Increased by	Percentage %:	Annual Target Increase
Forum members	38 200	39 272	1 072	2,7%	N/A
Facebook fans	270 898	333 616	62 718	18,8%	0,7%
Twitter followers	99 513	104 553	5 040	4,8%	0,5%
Instagram followers	149 768	172 035	22 267	12,9%	2%
YouTube subscribers	15 434	27 200	11 766	43,2%	0,5%
LinkedIn followers	43 795	54 030	10 235	18,9%	3%
TOTAL	617 608	730 709	101 309	14,1%	N/A

Awareness campaigns (media events)

For this reporting period, SANParks hosted eight corporate media events:

1. Tourism investment media trip (08 to 10 June 2022).
2. Sunday Times visit to Cape Point, Boulders and Agulhas (25 and 26 July 2022).
3. SANParks and Suzuki influencer road trip (11 to 15 August 2022).
4. Launch of National Parks Week in Augrabies Falls National Park (10 and 11 September 2022).
5. National Parks Week in Tsitsikamma section of the Garden Route National Park (11 to 14 September 2022).
6. Kudu Awards media event (24 November 2022).
7. Marakele Marathon and pool opening (3 and 4 March 2023).
8. Hospitality managers graduation (7 March 2023).

Media releases

- SANParks supports communities around Garden Route (11/04/2022)
- Two convicted of poaching succulents in IAi-IAis/Richtersveld Transfrontier Park (25/04/2022)
- Two members of abalone syndicate arrested in Gqeberha, Eastern Cape Province (11/05/2022)
- Celebrating conservation heroes across the globe on World Ranger Day (28/07/2022)
- Border posts reopen in Kgalagadi Transfrontier Park (31/07/2022)
- Student travel bargains galore at SANParks as Soweto office opens (04/08/2022)
- SA National Parks Week free access shows tourism recovery (30/09/2022)
- SANParks celebrates conservation heroes at the annual Kudu Awards 2022 (28/11/2022)
- Ranger severely injured by elephant (20/12/2022); Minister Creecy pays hospital visit to SANParks ranger injured by elephant (21/01/2023)
- The gift of a pair of shoes goes a long way (23/12/2022)
- High intensity fires do not reverse bush encroachment in an African savanna (18/1/2023)
- Poachers get effective 22 and 33-year jail sentences (19/01/2023)
- Joint statement between SANParks, City of Cape Town and CapeNature - Proposed Baboon Strategic Management Plan now available for public comment (27/01/2023)
- Limited space left to mountain bike among Addo's big five (01/02/23)
- Roads closed in Kruger National Park due to heavy rain (9/2/2023); SANParks re-opens some of the KNP camps which were temporarily closed (21/2/2023)
- Mpumalanga and Limpopo youth get skills boost through Tourism and SANParks empowerment initiative (21/2/2023)
- Origins of early Southern sapiens behaviour exhibition – Cape of Good Hope (17/02/2023)
- Global scientists gather in the KNP (07/03/2023)
- Cycling through Camdeboo National Park now only allowed with a permit (13/03/23)
- Table Mountain National Park goes cash free (17/03/2023)
- A sustainable solution to tackle illegal bark stripping activities in Newlands Forest (20/03/2023)
- On the Brink: Can the African Penguin be saved from extinction? (30/03/23)

SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2023 FOR SOUTH AFRICAN NATIONAL PARKS

PARK	ACCOMMODATION (EXCL CAMPING)						CAMPING					GUESTS TO PARK	% CHANGE	TOTAL ACTIVITIES	% CHANGE
	UNIT NIGHTS SOLD	% CHANGE	UNIT OCCUPANCY	BED NIGHTS SOLD	% CHANGE	BED OCCUPANCY	SITE NIGHTS SOLD	% CHANGE	COMP SITE OCC	PERSON NIGHTS SOLD	% CHANGE				
ADDO	24,553		72,2%	56,440		58,8%	8,490		45,2%	21,856		195,474		20,969	
2021-2022	20,762	18,3%	61,0%	48,266	16,9%	50,0%	9,122	-6,9%	48,1%	23,744	-8,0%	136,570	43,1%	7,603	175,8%
2019-2020	28,990	-15,3%	79,8%	66,204	14,7%	64,3%	9,885	-14,1%	54,6%	25,184	13,2%	277,350	-29,5%	30,770	-31,9%
AGULHAS	2,911		40,8%	7,433		31,3%	0		0,0%	0		26,506		0	
2021-2022	2,910	0,0%	42,7%	7,647	-2,8%	34,1%	0		0,0%	0		23,331	13,6%	0	0,0%
2019-2020	30,097	-6,0%	42,8%	8,251	-9,9%	33,8%	0		0,0%	0		38,271	-30,7	0	0,0%
AUGRABIES	8,893		40,6%	18,992		37,7%	4,328		23,7%	12,823		88,529		88	
2021-2022	8,855	0,4%	40,4%	19,679	-3,5%	39,1%	5,659	-23,5%	31,0%	15,215	-15,7%	101,312	-12,6%	273	-67,8%
2019-2020	7,663	16,1%	34,9%	15,593	21,8%	30,9%	3,690	17,3%	20,2%	9,946	28,9%	55,375	59,9%	1,242	-92,9%
BONTEBOK	1,976		38,7%	4,761		28,7%	2,399		26,4%	6,032		16,675		0	
2021-2022	2,075	-4,8%	38,1%	4,600	3,5%	27,4%	2,608	-8,0%	28,6%	6,929	-12,9 %	15,091	10,5 %	0	
2019-2020	1,926	2,6%	37,6%	4,721	0,8%	28,1%	2,168	10,7%	23,7%	5,804	3,9 %	21,999	-24,2 %	0	
CAMDEBOO	1,513		48,1%	2,172		25,9%	2,117		38,7%	4,787		31,208		0	
2021-2022	783	93,2%	53,6%	1,502	44,6%	51,4%	2,352	-10,0%	43,0%	5,437	-12,0%	30,149	3,5%	0	
2019-2020	761	98,8%	52,0%	1,460	48,8%	49,9%	1,872	13,1%	34,1%	4,441	7,8%	33,851	-7,8%	0	
GOLDEN GATE	12,174		30,9%	24,713		20,1%	2,597		23,7%	6,913		45,082		1,080	
2021-2022	10,917	11,5%	26,4%	23,496	5,2%	19,7%	2,693	-3,6%	26,5%	7,468	-7,4%	38,103	18,3%	1,503	-28,1 %
2019-2020	17,734	-31,4%	34,1%	37,543	-34, %	25,2%	2,590	0,3%	23,6%	7,187	-3,8%	45,996	-2,0%	1,433	-24,6 %
GARDEN ROUTE	24,806		45,2%	56,859		37,6%	27,775		24,1%	73,498		372,218		16,031	
2021-2022	21,656	14,6%	44,3%	53,386	6,5%	37,5%	28,125	-1,2%	24,0%	79,818	-7,9%	288,655	28,9%	12,056	33,0%
2019-2020	24,889	-0,3%	51,3%	58,399	-2,6%	42,3%	24,881	11,6%	20,8%	71,463	2,8%	471,510	-21,1%	11,174	43,5%
KAROO	8,454		62,0%	20,282		40,8%	6,236		51,7%	13,053		29,503		1,345	
2021-2022	8,698	-2,8%	62,9%	21,576	-6,0%	42,9%	6,345	-1,7%	58,0%	15,077	-13,4%	30,635	-3,7%	575	133,9%
2019-2020	7,582	11,5%	55,7%	18,786	8,0%	38,0%	5,614	11,1%	51,3%	13,658	-4,4%	30,270	-2,5%	699	92,4%
KGALAGADI	33,521		88,5%	75,545		66,2%	26,984		84,7%	74,367		49,068		4,733	
2021-2022	32,848	2,0%	89,2%	74,010	2,1%	68,4%	27,734	-2,7%	85,4%	78,329	-5,1%	49,008	0,1%	4,050	16,9%
2019-2020	32,069	4,5%	82,7%	73,100	3,3%	63,7%	25,229	7,0%	76,0%	70,702	5,2%	48,280	1,6%	5,662	-16,4%
KRUGER	343,514		68,8%	817,556		53,6%	163,005		67,5%	430,633		1,603,521		151,752	



PARK	ACCOMMODATION (EXCL CAMPING)						CAMPING					GUESTS TO PARK	%	TOTAL ACTIVITIES	%
	UNIT NIGHTS SOLD	% CHANGE	UNIT OCCUPANCY	BED NIGHTS SOLD	% CHANGE	BED OCCUPANCY	SITE NIGHTS SOLD	% CHANGE	COMP SITE OCC	PERSON NIGHTS SOLD	% CHANGE				
2021-2022	312,298	10,0%	61,0%	747,427	9,4%	48,4%	173,022	-5,8%	71,9%	453,341	-5,0%	1,322,817	21,2%	91,861	65,2%
2019-2020	386,429	-11,1%	78,0%	918,682	-11,0%	60,6%	162,837	0,1%	67,4%	427,090	0,8%	1,833,061	-12,5%	207,014	-26,7%
MARAKELE	4,073		48,4%	8,845		37,0%	4,179		31,8%	10,607		20,757		2,354	
2021-2022	3,589	13,5%	47,2%	8,159	8,4%	34,1%	4,407	-5,2%	33,5%	11,397	-6,9%	19,023	9,1%	1,560	50,9%
2019-2020	4,222	-3,5%	55,2%	9,585	-7,7%	39,9%	4,259	-1,9%	32,3%	11,294	-6,1%	25,974	-20,1%	2,547	-7,6%
MAPUNGUBWE	5,265		47,8 %	11,547		43,8 %	2,166		59,3 %	5,678		27,660		13,448	
2021-2022	4,971	5,9 %	47,3%	11,173	3,3 %	44,0%	2,546	-14,9%	69,8%	6,576	-13,7%	17,527	57,8%	4,906	174,1%
2019-2020	5,940	-11,4%	51,5%	12,916	-10,6%	47,1%	2,278	-4,9%	62,2%	5,748	-1,2%	42,081	-34,3%	24,503	-45,1%
MOKALA	5,086		43,2%	11,286		34,7%	2,314		44,9%	5,555		12,699		869	
2021-2022	5,952	-14,5%	49,7%	13,264	-14,9%	41,0%	1,901	21,7%	47,3%	4,620	20,2%	13,994	-9,3%	608	42,9%
2019-2020	5,742	-11,4%	50,6%	12,390	-8,9%	39,8%	1,823	26,9%	45,8%	4,504	23,3%	15,817	-19,7%	690	25,9%
MOUNTAIN ZEBRA	7,468		67,5 %	19,284		41,4 %	4,174		48,3 %	9,758		23,765		3,334	
2021-2022	7,800	-4,3%	69,0%	20,544	-6,1 %	42,7%	5,194	-19,6%	56,9%	12,637	-22,8%	22,168	7,2%	2,536	31,5%
2019-2020	8,456	-11,7%	75,3%	21,937	-12,1%	45,8%	4,747	-12,1%	51,9%	11,440	-14,7%	27,110	-12,3%	3,172	5,1%
NAMAQUA	828		55,6%	1,641		36,7%	4,620		25,2%	12,581		14,334		0	
2021-2022	877	-5,6%	48,1%	1,770	-7,3%	27,0%	5,976	-22,7%	33,3%	16,761	-24,9%	20,851	-31,3%	0	
2019-2020	806	2,7%	44,2%	1,729	-5,1%	26,3%	3,921	17,8%	22,1%	10,949	14,9%	15,554	-7,8%	0	
RICHTERSVELD	2,058		29,3%	3,821		23,8%	2,237		11,8%	7,788		3,569		50	
2021-2022	2,161	-4,8%	33,3%	4,500	-15,1%	28,3%	4,443	-49,7%	21,7%	14,122	-44,9%	5,394	-33,8%	45	11,1%
2019-2020	2,100	-2,0%	32,1%	4,391	-13,0%	27,5%	3,473	-35,6%	17,0%	10,758	27,6%	5,231	-31,8%	43	16,3%
TABLE MOUNTAIN	2,493		31,4%	9,249		29,1%	0		0%	0		2,240,788		1,124	
2021-2022	2,281	9,3%	28,5%	8,324	11,1%	26,0%	0		0,0%	0		1,136,352	97,2%	1,736	-35,3%
2019-2020	2,730	-8,7%	35,8%	9,042	2,3%	29,5%	0		0,0%	0		3,083,142	-27,3%	1,330	-15,5%
TANKWA KAROO	2,404		41,2%	6,317		21,9%	1,191		24,5%	3,167		4,279		0	
2021-2022	2,594	-7,3%	52,7%	7,054	-10,4%	31,7%	1,647	-27,7%	32,5%	4,216	-24,9%	6,139	-30,3%	0	
2019-2020	1,577	52,4%	39,7%	4,014	57,4%	22,2%	1,049	13,5%	20,5%	2,702	17,2%	4,925	-13,1%	0	
WEST COAST	1,121		64,4%	3,579		43,0%	0		0%	0		156,439		1,441	
2021-2022	1,111	0,9%	64,8%	3,703	-3,3%	45,5%	0		0,0%	0		205,395	-23,8%	1,540	-6,4%
2019-2020	995	12,7%	55,0%	3,22	7,7%	38,2%	0		0,0%	0		250,638	-37,6%	1,283	12,3%

PARK	ACCOMMODATION (EXCL CAMPING)						CAMPING					GUESTS TO PARK	%	TOTAL ACTIVITIES	%
	UNIT NIGHTS SOLD	% CHANGE	UNIT OCCUPANCY	BED NIGHTS SOLD	% CHANGE	BED OCCUPANCY	SITE NIGHTS SOLD	% CHANGE	COMP SITE OCC	PERSON NIGHTS SOLD	% CHANGE				
TOTAL 2022/23	493,113		57,6%	1,160,322		45,6%	264,812		52,9%	699,096		4,962,074		218,618	
TOTAL 2021/22	453,138	8,8%	29,4%	1,080,080	7,4%	23,7%	283,774	-6,7%	30,2%	755,687	-7,5%	3,482,514	42,5%	130,852	67,1%
TOTAL 2019/20	543,708	-9,3%	69,4%	1,282,065	-9,5%	54,0%	260,316	1,7%	48,2%	692,870	0,9%	6,326,435	-21,6%	291,562	-25,0%

Guests to parks

For the period under review, a total of 4 962 074 guests were recorded entering through SANParks' gates, compared to 3 482 514 in 2021/22, which is an excellent sign of market recovery.

Kruger National Park recorded 1 603 521 guests, compared to 1 322 817 for 2021/22 and 830 392 for 2020/21, but still below the 1 833 061 in pre-Covid 2019/20.

For the same period, Parks Division recorded similar trends with 3 358 553 visitors in the 2022/23 year compared to 2 159 697 and 1 166 275 in 2021/22 and 2020/21 respectively. The 2019/20 figure was 4 493 374

TOP FIVE PARKS - HIGHEST GUESTS TO PARKS FOR 12-MONTH TERM

Position	Park	Guests to park (12 months) 2021/22 in brackets	% of total 2021/22 in brackets
1	Table Mountain	2 444 687 (1 136 352)	49,3% (32,6%)
2	Kruger	1 603 521 (1 322 817)	32,3% (38,0%)
3	Garden Route	372 218 (288 655)	7,5% (8,3%)
4	Addo	195 474 (136 570)	3,9% (3,9%)
5	West Coast	156 439 (205 395)	3,2% (5,9%)
Total		4 777 339 (3 089 789)	96,27% (88,7%)

Unit occupancy

SANParks recorded an accommodation unit occupancy rate of 57,6% in the reporting period, compared to 29,4% in 2021/22 and 69,4% in 2019/20. (2020/21 is unrecorded due to the Covid-19 pandemic.)

The Kruger National Park recorded unit occupancy of 68,8% by the end of 2022/23, compared to 61,0% in 2021/22, 29,6% in 2020/21 and 78,0% in 2019/20. Parks Division's unit occupancy rate of 52,8% by the end of 2022/23 compared favourably to 51,2% in 2021/22, 29,2% in 2020/21 and 54,5% in 2019/20.

TOP FIVE PARKS - HIGHEST UNIT OCCUPANCY (%) FOR 12-MONTH TERM

Position	Park	Occupancy (12 months) 2021/22 in brackets
1	Kgalagadi	88,5% (89,2%)
2	Addo	72,2% (61,0%)
3	Kruger	68,8% (61,0%)
4	Mountain Zebra	67,5% (69,0%)
5	West Coast	64,4% (64,8%)

TOP FIVE CAMPS - HIGHEST UNIT OCCUPANCY (%) FOR 12-MONTH TERM

Position	Park	Occupancy (12 months) 2021/22 in brackets
1	Grootkolk	97,7% (94,8%)
2	Kieliekrankie	97,6% (97,2%)
3	Urikaruus	95,9% (99,0%)
4	Nossob	94,3% (93,9%)
5	Gharagab	94,2% (93,0%)

Bed occupancy

SANParks recorded an accommodation bed occupancy rate of 45,6% in the reporting period, showing significant growth compared to 23,7% in 2021/22, but still below the 54,0% recorded in 2019/20. (2020/21 is disregarded because of the pandemic.)

The Kruger National Park's bed occupancy of 53,6% by the end of 2022/23 was above the 48,4% in 2021/22 and 23,8% in 2020/21, but below the 60,6% in 2019/20. Parks Division had bed occupancy of 40,2% by the end of 2022/23. This was fractionally below the 40,4% recorded in 2021/22 and well above 23,6% in 2020/21, but not yet up to the 42,3% in 2019/20.

TOP FIVE PARKS - HIGHEST BED OCCUPANCY (%) FOR 12-MONTH TERM

Position	Park	Occupancy (12 months) 2021/22 in brackets
1	Kgalagadi	66,2% (68,4%)
2	Addo	58,8% (50,0%)
3	Kruger	53,6% (48,8%)
4	Mapungubwe	43,8% (44,0%)
5	West Coast	43,0% (45,5%)

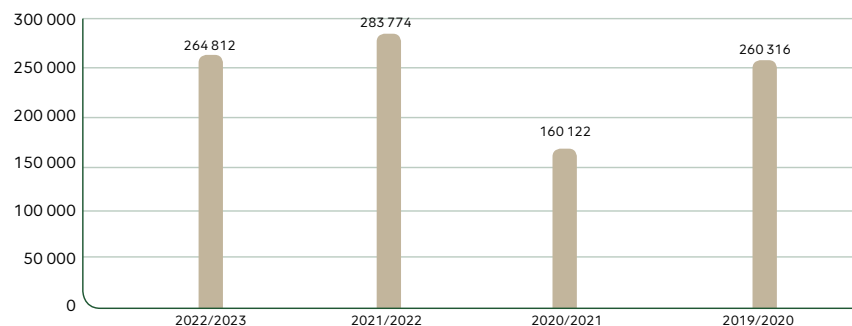
TOP FIVE CAMPS - HIGHEST BED OCCUPANCY (%) FOR 12-MONTH TERM

Position	Park	Occupancy (12 months) 2021/22 in brackets
1	Kieliekrankie	94,2% (93,6%)
2	Grootkolk	94,0% (91,6%)
3	Urikaruus	92,7% (94,9%)
4	Gharagab	92,1% (90,7%)
5	Bitterpan	86,1% (85,3%)

Camping

For the period under review, a total of 264 812 camping site nights were sold, compared to 283 774 in 2021/22 and 160 122 in 2020/21. It was also higher than the 260 316 nights sold in 2019/20.

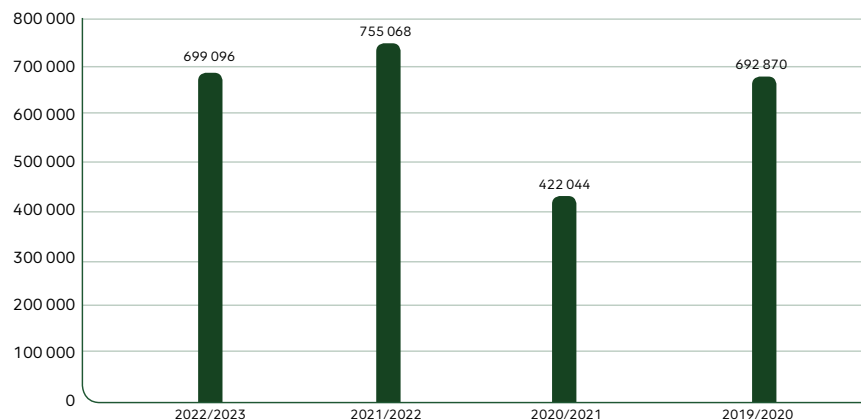
Camping Site Nights Sold



In the case of Parks Division, recorded camping site nights sold was 101 807, higher than the pre-Covid number of 97 479 recorded in 2019/20. It was lower than the 110 752 in 2021/22 but significantly higher than the 69 796 in 2020/21. The Kruger National Park recorded 163 005 site nights sold this year, compared to 173 022 in 2021/22, 90 326 in 2020/21 and 162 837 in 2019/20.

For the period under review, a total of 699 096 camping person nights sold were recorded for SANParks overall, compared to 755 687 in 2021/22, 422 044 in 2020/21 and 692 870 in 2019/20.

Camping Person Nights Sold



Parks Division's share of camping person nights sold came to 268 463 in the reporting period, compared to 302 346 in 2021/22, 188 219 in 2020/21 and 265 780 in 2019/20. The Kruger National Park recorded 430 633 this year, compared to 435 341 in 2021/22, 233 825 in 2020/21 and 427 090 in 2019/20.

The campsite occupancy rate for SANParks as a whole was 52,9% in the reporting period, compared to 30,2% in 2021/22, and above the 48,2% in 2019/20. The Kruger National Park's campsite occupancy was 67,5% by end 2022/23 versus 71,9% in 2021/22, 38,7% in 2020/21 and 67,4% in 2019/20. The Parks Division had campsite occupancy of 34,5% by the end of 2022/23, compared to 37,4% in 2021/22, 23,5% in 2020/21 and 32,6% in 2019/20.

The healthy camping figures suggest that the tourism market is feeling more confident to travel.

TOP FIVE PARKS - HIGHEST CAMP SITE OCCUPANCY (%) FOR 12-MONTH TERM

Position	Park	Occupancy (12 months) 2021/22 in brackets
1	Kgalagadi	84,7% (85,4%)
2	Kruger	67,5% (71,9%)
3	Mapungubwe	59,3% (69,8%)
4	Karoo	51,7% (58,0%)
5	Mountain Zebra	48,3% (56,9%)

TOP FIVE CAMPS - HIGHEST CAMP SITE OCCUPANCY (%) FOR 12-MONTH TERM

Position	Park	Occupancy (12 months) 2021/22 in brackets
1	Nossob	91,0% (89,7%)
2	Crocodile Bridge	82,7% (88,6%)
3	Mata Mata	81,5% (83,6%)
4	Twee Rivieren	81,0% (82,3%)
5	Lower Sabie	77,3% (82,7%)

Activities

During the reporting period, 218 618 guests participated in activities in all the National Parks, compared to 130 852 in 2021/22 and 55 752 in 2020/21. Despite the healthy increase, the number is still below the 291 562 recorded in 2019.

The Kruger National Park figure recorded by the end of 2022/23 was 151 752, compared to 91 861 in 2021/22, 35 864 in 2020/21 and 207 014 in 2019/20. Parks Division recorded 66 866 participants by the end of 2022/23, compared to 38 991 in 2021/22, 19 888 in 2020/21 and 84 548 in 2019/20.

Demographics

Black guests

Between April 2018 and June 2019, reporting on race demographics of South Africans was based on voluntary disclosure by guests, instead of the observations of gate officials as was done previously. Due to the changed methodology, no valid comparisons can be made with the 2019/20 financial year.



During 2022/23, National Parks hosted a total of 617 379 black South Africans, which was 32,5% of total South African guests. Of these, 553 209 were day visitors and 64 170 stayed overnight. Black guests comprised 38,0% of total South African day visitors and 14,6% of total South African overnight guests.

TOP FIVE PARKS - HIGHEST % TOTAL SA BLACK GUESTS OF TOTAL SA GUESTS

Position	Park	% Black guests of total sa guests (12 months)	Number of black guests
1	Mapungubwe	67,1%	16 660
2	Golden Gate	41,6%	12 368
3	Kruger	36,9%	462 979
4	Augrabies	37,1%	30 544
5	Marakele	29,3%	5 316

Composition of Guests

Category		Q4 2022/23 Year	Q4 2021/22 Year	% Change
SA residents	Number	2 251 852	2 565 395	-12,2%
	% of total	62,68%	87,3%	
SADC nationals	Number	66 257	24 779	167%
	% of total	1,84%	0,8%	
Other countries	Number	1 274 520	350 225	263%
	% of total	35,48%	11,9%	

Category		Q4 2022/23 Year	Q4 2021/22 Year
Day visitors	Number	1 916 687	1 817 016
	% of total	81,31%	77,5%
Overnight visitors	Number	440 666	529 146
	% of total	18,7	22,6%

Data on day vs. overnight guests is not captured at Table Mountain National Park

South African Provinces

Position	Province	Guest numbers 2021/22 in brackets	% Change
1	Gauteng	516 892 (553 460)	-6,6%
2	Mpumalanga	449 643 (439 854)	+2,2%
3	Western Cape	294 947 (351 279)	-16,0%
4	Limpopo	236 979 (203 461)	+16,5%
5	Eastern Cape	172 847 (200 167)	-13,6%
6	Free State	69 066 (66 704)	+3,5%
7	KwaZulu Natal	63 252 (63 503)	-0,4%
8	Northern Cape	49 454 (57 597)	-14,1%
9	North West	44 362 (41 077)	+8,0%

Data on guests' home province is not captured at Golden Gate Hotel, Table Mountain National Park and West Coast National Park

International Markets – Top Five Countries

Position	Country	% Of total foreign guests 2021/22 in brackets	Number of guests 2021/22 in brackets
1	Germany	40,9% (42,1%)	260 513 (65 301)
2	United Kingdom	7,8% (6,3%)	49 514 (9 739)
3	Netherlands	7,4% (6,3%)	47 237 (9 762)
4	France	6,0% (5,9%)	38 055 (8 694)
5	United States	5,9% (7,6%)	37 619 (11 750)

Data on international guests' home country is not captured at Golden Gate Hotel, Table Mountain National Park and West Coast National Park

SUB-OUTCOME: NEW AND DIVERSE TOURISM PRODUCTS

SANParks hosted an investment summit during March 2022 where more than 100 opportunities were presented to invest in accommodation, activities, restaurant, retail and multi-use facilities in various National Parks. Opportunities for virtual game drives, glamping adventures, treetop chalets, motorcycle tours, cultural heritage experiences, underground hides, activity hubs, sports tourism, paragliding, cable cars, suspension bridges and helicopter flips reflected the SANParks of the future. The pipeline of new PPP opportunities to be implemented over the next 10 years, will widen the appeal of the parks to new markets.

The 2022/23 year saw a lot of activity on the PPP front, including the following noteworthy outcomes:

- Appointment of transaction advisors for the re-tender of six of the Kruger National Park concessions lodges, namely Lukimbi Safari Lodge, Imbali Safari Lodge, Jock Safari Lodge, Shishangeni Lodge, Lion Sands KNP and Rhino Walking Safaris.
- Phalaborwa Activity Hub: Construction of the gate, reception area, bulk services and fencing is well underway, and the development will continue in the new financial year.



- Shingwedzi treehouse product: The tender has been awarded, allowing the preferred bidder to source the required funding.
- Letaba concession: The EIA process is underway and once environmental approval is obtained, construction will commence.
- Phalaborwa Safari Lodge: Following issues with the site that was allocated, an alternative site was approved and the EIA process re-ignited.
- Golden Gate Dinosaur Centre kiosk and curio shop: The opportunity was awarded to a suitable operator.
- Golden Gate zipline activity: The opportunity was awarded to a suitable operator.
- Augrabies Falls National Park restaurant and retail: The opportunity was awarded to a suitable operator.
- Outsourcing of Skukuza golf course, clubhouse, and pro-shop.

- Construction of the Nkuhlu Tented Camp in Kruger National Park is underway; opening of the camp is expected by mid-2023.

INTERVENTIONS TO IMPROVE HOSPITALITY

Customer relations management and loyalty

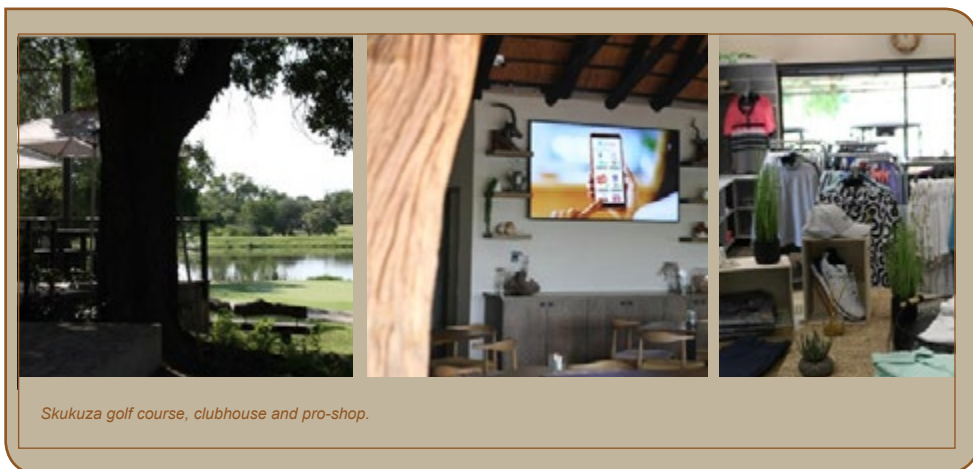
One of SANParks Tourism's notable digital transformation initiatives over the last few years has been the development of a customer relationship management (CRM) system that allows for a greater understanding of, and better interaction with, our guests. The CRM and loyalty solution went live in November 2022. For the first time, SANParks has a 360-degree view of the customer across all contact points, making it easier and more efficient for guests to interact with the parks, whether it is to make or amend reservations, update profiles, purchase Wild Cards or make payment.

Also in November, the Wild Card system was replaced to be compatible with the new CRM and loyalty system. The change paves the way for the flexible functionality that will be needed when SANParks introduces a fully-fledged loyalty programme.

Hospitality leadership development programme

In 2021 hospitality services managers (HSMs) from across all parks enrolled for the higher certificate in hospitality management, a comprehensive two-year hospitality leadership development programme. In March 2023, 69 HSMs graduated at a ceremony that included the candidates presenting their research tasks on improving operational efficiencies to Board members, executives and senior management.

Assessment surveys were done with candidates and their supervisors to determine the impact of the training on performance. The training impact assessment report will inform the redeployment of HSMs.



Skukuza golf course, clubhouse and pro-shop.

- A spa facility in the north of the Kruger National Park in the Olifants, Letaba and Mopani camps: The opportunity was awarded to a suitable operator.
- Seasonal luxury tented safari camps in the Kruger National Park and Garden Route National Park: With the EIA process completed, operations in the Kruger National Park will start in July 2023.

A variety of opportunities are planned for the new year, which could include but are not limited to the following:

- Table Mountain National Park Rhodes Memorial restaurant and tearoom: The development is being scoped for a new tender that requires a private party to take full responsibility for operation and maintenance.
- Tokai Manor PPP: The project has been submitted to National Treasury for approval. Once approval is received, the tender process will proceed.
- A Halaal lodge in Marakele National Park: The bid specifications committee has completed the project specifications and tender documents are being developed.
- Thesen Island in Knysna Lakes: Three projects are in process, including an apartment hotel, a restaurant and paddle activity centre, and the release of the Thesen Island jetty to allow the Knysna yacht-building industry to commission yachts.

Several existing commercial opportunities will reach their termination dates in the new financial year and need to be re-tendered.



SANParks Tourism's hospitality leadership graduates.

Tourism Property Management System (TPMS)

The TPMS launch workshop took place in May 2022 at Golden Gate and was attended by tourism staff from Parks Division, Kruger National Park, Corporate IT and SANParks partners Gijima, Ankerdata and Plankton. The TPMS encompasses four subsystems, namely, activity and inventory management (including gate management), property management, stock control and point of sale. The project team conducted site visits to gather the different parks' IT, connectivity, gate, power and infrastructure requirements.

As part of the overall solution, online ticketing was piloted at Table Mountain National Park in December 2022, allowing visitors to buy tickets on mobile devices for Cape of Good Hope, Boulders Beach and West Coast National Park. This will be followed by the introduction of a portal for corporates and the online management of activities and permits.

DIGITAL AND SOCIAL MEDIA CAMPAIGNS AND REVENUE

The Marketing unit planned and executed various digital and social media campaigns during 2022/23 to fulfil its mandate of initiating and implementing activities that contribute to improved tourism performance.

Online promotional campaigns generated more than R38,5 million in revenue during the year:

REALISED 2022-2023	
Away For Repair	R 1 259 439
Black Friday 2022	R4 764 221.80
Camping Campaign	R 3 715 162.21
December Holidays	R 5 030 701.40
Expanded Senior Citizen Discounts	R 13 533 475
Long-stay Camping	R 701 773
Short-notice Bookings	R 6 905 266
Stokvels & Travel Clubs	R 14 224
Valentine's Day	R 2 035 973.45
Varsity Vibe	R55 653.40
Winter Holidays	R 484 630
Total	R38 500 519





Ditch your phone, it's time to use WhatsApp on its own

By Kyle Venkatesh | Published 100s ago

The WhatsApp locomotive looks set on full steam ahead, with even more features looming – while parent company, Meta, shows no signs of slowing down.

WATCH: Is it really so wrong for married couples to sleep in different rooms?

By Bonny Fourie | Published 2h ago

Bad news for homeowners: Today's massive rate hike will bite – hard

By Bonny Fourie | Published 16h ago

Game reveals the best Black Friday deals in five years

By Brandstories | Published 17h ago

Landlords, this is how you evict a tenant who stops paying rent

By IOL Reporter | Published 20h ago

Introducing Jabra PanaCast 50 - the video conferencing pain problem solver

By Brandstories | Published 21h ago





Significant achievements

- An advertising agency was appointed for a period of two years to support the expansion of the SANParks brand into new markets.
- A new SANParks website was developed that will go live to the public in 2023. The redesign included an overhaul of the website framework and user interface. Content is displayed in a simplified menu structure, allowing for better site navigation and easier access to content. The new framework enhances the user journey, with the aim to convert more leads via the online sales channel.
- The camping campaign and associated competition in partnership with Camp Master, delivered more than R3,7 million in revenue against a campaign target of R2 million.
- SANParks' sponsorship of the Y-Travel segment on YFM over a four-week period allowed the promotion of four parks, namely, Golden Gate Highlands, Garden Route, Mapungubwe and Marakele, and featured the Skukuza Safari Lodge. The platform extended the camping campaign and competition to YFM's listeners. This resulted in high engagement and the campaign trending on Twitter.

- The Suzuki and SANParks Road Trip promoted travel to SANParks destinations.
- The Away for Repair special offer, which ended on 30 September 2022, generated more than R1,2 million in revenue during 2022/23.
- SANParks launched a partnership with Varsity Vibe at the Soweto office in July 2022.
- The Black Friday campaign generated more than R4,7 million, which exceeded the 2021/22 revenue by 6,4%.
- The Valentine's Day campaign exceeded its target by R800 000 by generating more than R2 million in revenue.
- A SANParks Vision 2040 micro site was developed to showcase the project and enable stakeholder registration and participation.





VISION
2040

REGISTER

HOME

ABOUT

GOVERNANCE

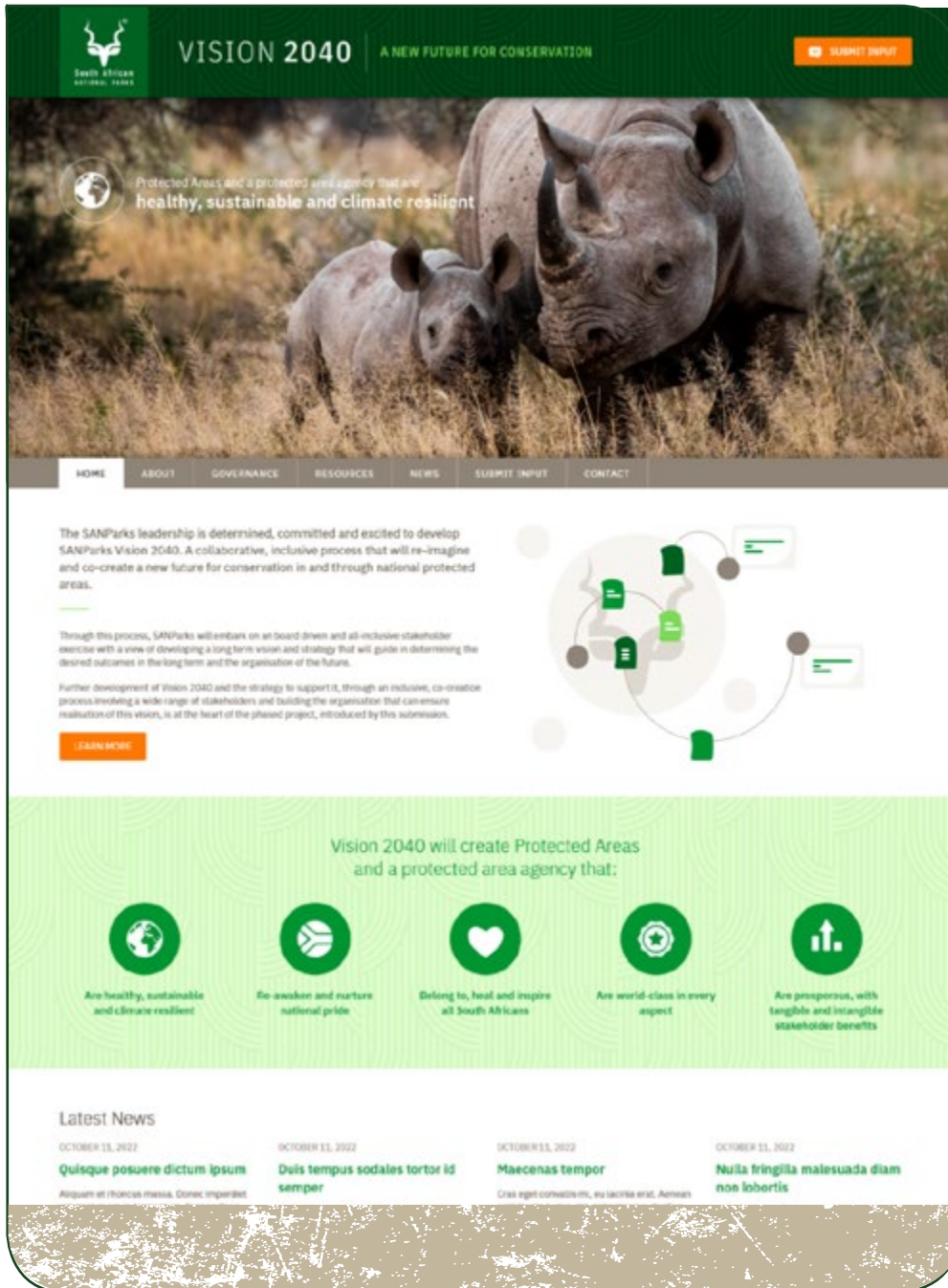
RESOURCES

NEWS

CONTACT

IMAGINE A WORLD WHERE...

The SANParks leadership is determined, committed and excited to develop SANParks Vision 2040. A collaborative, inclusive process that will re-imagine and co-create a new future for conservation in and through national protected areas.



SUB-OUTCOME: IMPROVED RESPONSIBLE TOURISM

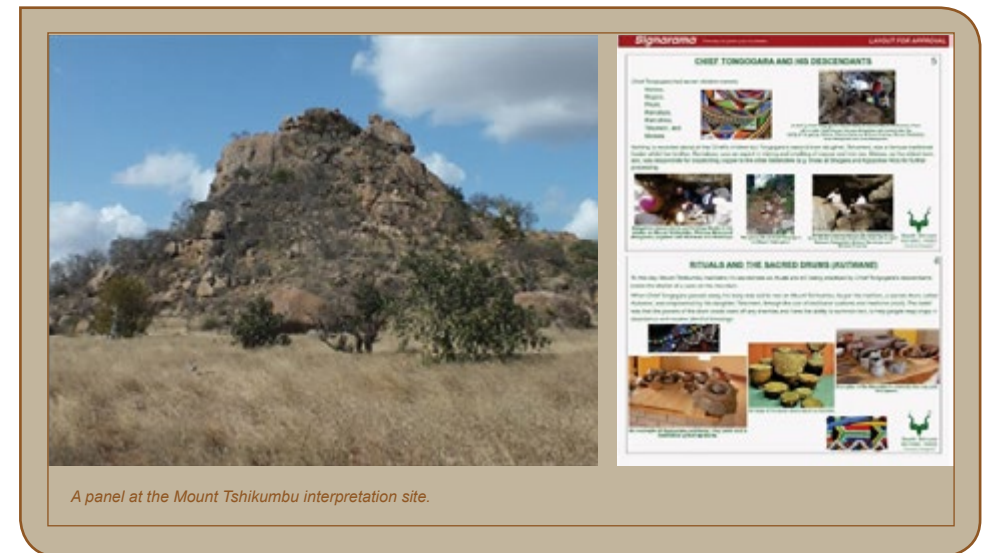
Interpretation centres and displays

Kruger National Park

National Parks Week in September was used to hand over and officially open two cultural heritage interpretation sites in the Kruger National Park.

- The Rabelais Hut interpretation site on the old Orpen/Satara road was revamped to include displays on the contribution of the Orpen family to the park, the park's water policy, the evolution of tourism in the Kruger National Park, and biodiversity and ranger services in the section, with a focus on the history of black rangers.
- Around 70 people attended the opening of the Mount Tshikumbu interpretation site, located at the base of Mount Tshikumbu. The audience included a contingent of Bakgalaka community members, dignitaries and tourism operators from Phalaborwa, SANParks staff and Honorary Rangers and journalists. The site's eight panels recognise the story of Chief Tongogara, the Bakgalaka people and the legacy of five other chiefs who historically resided in the area.

Maintenance and restoration of several cultural heritage interpretation sites in Kruger National Park began during 2022/23 in partnership with the SANParks Honorary Rangers.



A panel at the Mount Tshikumbu interpretation site.

Kgalagadi Transfrontier Park

- The Twee Rivieren Interpretation Centre (TRIC), which pays tribute to the #Khomani San Cultural Landscape World Heritage Site, the #Khomani people and the history of the Kgalagadi Transfrontier Park, was completed.



One of the imposing display panels at the TRIC showcases how the #Khomani language N!uu evolved from bird sounds



A page from the Twee Rivieren Interpretation Centre brochure that captures the spirit of the #Khomani Cultural Landscape.

Scenes from the film that plays on constant loop in the Twee Rivieren Interpretation Centre.



Print media interpretation

SANParks has provided Birdlife South Africa with material to publish interpretative articles on some of the hidden gems of the three National Parks in Limpopo in its bi-monthly publication *The Lark*.



Online interpretation: SANParks webinars

SANParks runs its webinars in partnership with the SANParks Honorary Rangers and regularly features conservation and tourism initiatives of interest.

Tourism research

Tourism research is used as a management tool to enhance performance. Key research areas during 2022/23 included:

- Insights into how the travel behaviour of national park visitors has changed.
- China as a source market for SANParks.
- Estimating the value of the natural characteristics of a national park.
- Visitor expectations and perceptions of a heritage site within a South African national park.
- The tourism attraction value of rhino for the Kruger National Park.
- Project-related engagements involved the Vaal University of Technology, University of the Free State, Butler University, University of Queensland, Oklahoma State University, University of Macau, University of Central Florida, University of the Sunshine Coast, Griffith University, Hamburg University of Applied Sciences, University of Pretoria, University of Johannesburg, Tshwane University of Technology, the North-West University and UNISA.

Visitor management

- Responsible-tourism assessments were successfully completed for the three sections of Garden Route National Park as individual entities (namely Knysna, Tsitsikamma and Wilderness), and for Addo Elephant, Karoo and Mountain Zebra National Parks.
- At the Valley of Desolation in the Camdeboo National Park, a new universally accessible deck was handed over to the park as the result of a three-way project between Granaat, SANParks and SANParks Honorary Rangers. The next phase of the project entails the installation of an accessible walkway from the parking area to the viewing deck.
- SANParks adopted the Universal Access in Tourism standard operating procedure (SOP) as an upgrade of the 2015 protocol and guidelines on universal access.



The new viewing deck that overlooks the Valley of Desolation.



HONORARY RANGERS REPORT

SANParks Honorary Rangers (SHRs) are a collection of 31 regions of volunteers who assist in enhancing the performance of SANParks, particularly in conservation and tourism.

The SHRs release their own annual integrated report every September. Available on the SHR website, the report documents their performance for the previous year.

Highlights from the financial year ending March 2023 include the immense capital contribution the SHRs consistently make to SANParks.

Financial contribution	
Financial inputs	
Fundraising projects:	R14 371 million
Donations:	R4 425 million
Merchandise sales:	R0 948 million
Financial outputs	
Goods and services to SANParks:	R9 565 million

SHR members contribution

- SHRs have a contractual association with SANParks and operate under the trademarked SHR brand and logo.
- Over 2 020 volunteers assist SANParks with their time and expertise.
- Value of the contribution by SHR members supporting SANParks amounted to R55 million at year end March 2023.
- Experience and specialist skills that members bring to our National Parks as SANParks' 59-year-old official volunteer organisation.
- Continually updated and evolving training courses for members in line with SHR and SANParks policies and procedures.
- Board and Board committees comprised of SHR and independent members contribute further expertise and take responsibility for governance and strategy.
- The stakeholder network of SANParks and the SANParks Honorary Rangers includes donors and sponsors, communities, other conservation partners and NGOs.

The total contribution by the SHRs to SANParks for the financial year ending March 2023 amounted to R80 050 million

Over the past five years, the SHRs have contributed more than R330 million to SANParks in both financial and in-kind terms.

Member Contribution Project

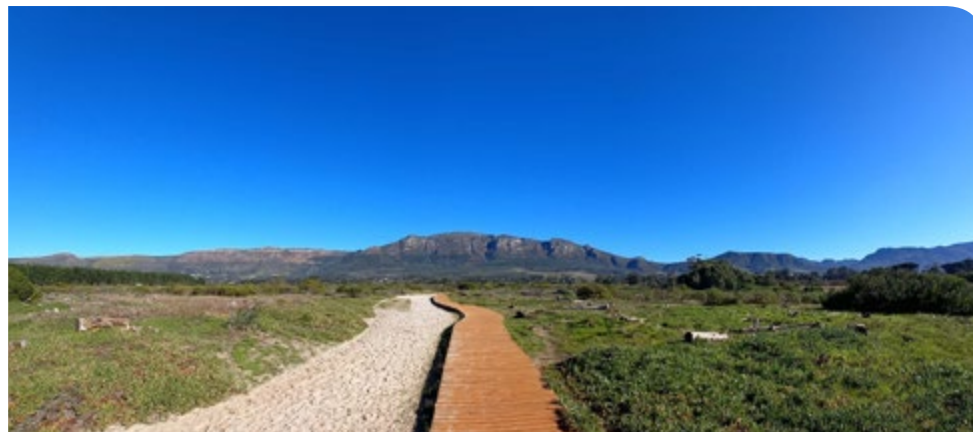
The Table Mountain Region of the SHRs has always been involved in footpath and boardwalk work, but this last year saw an exponential increase in the path maintenance work undertaken directly by the SHR team led by Toby Adams.

At the start of the year, SHR only had R10 000 in its path-maintenance kitty. However, the close relationship with Friends of Table Mountain (FOTM) resulted in a further R300 000 for the work raised mainly by FOTM from numerous sources, including a crowd-funding initiative. With these funds, 17 of the most heavily used and

degraded paths on Table Mountain were upgraded and maintained. The physical path building was done by a small team of three professional path builders, called the Trail Apostles, while SHRs helped to carry equipment, poles and stakes up to mountain. Not only were the paths restored, but the three Trail Apostles found permanent employment in Table Mountain National Park. The 2 300 man hours they worked were logged under the guidance of FOTM's Andy Davies and SHR's Toby Adams. The two men collectively dedicated more than 400 hours to fundraising, inspections, supervision, transport, preparation work and procurement.

This project has garnered much public recognition as it is a splendid example of the power of collaboration and how our reach as an organisation can be extended through working with partners.





One of the boardwalks in Table Mountain National Park that was restored by the SHRs.



A SANParks Honorary Ranger hard at work at the restoration of the boardwalks in Table Mountain National Park.



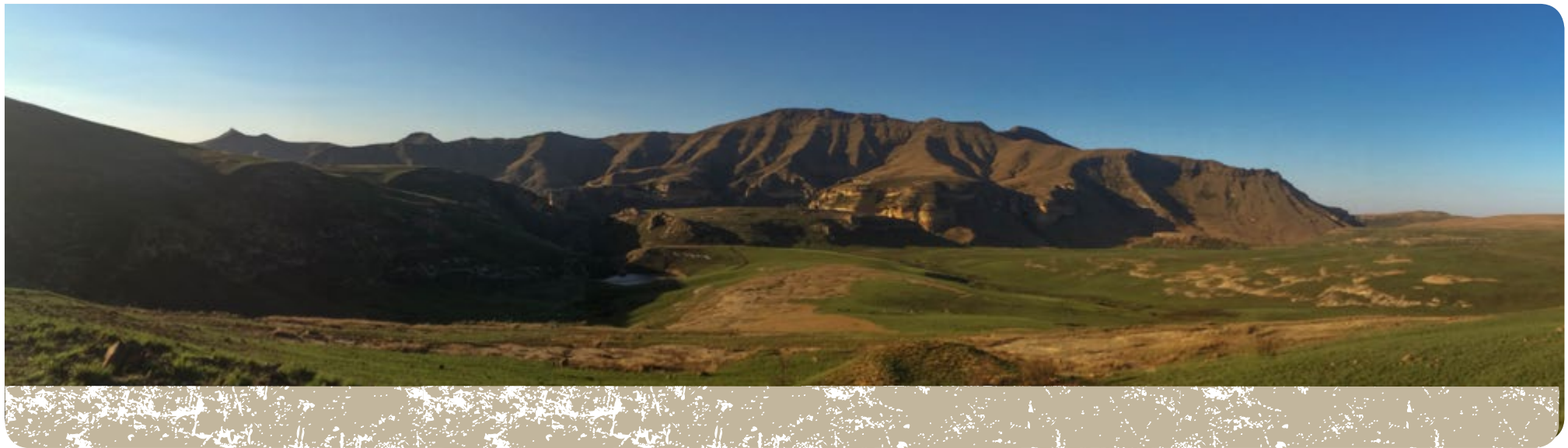
OUTCOME GOAL 2: IMPROVED DIVERSE RESPONSIBLE TOURISM

SUB-OUTCOME 9: IMPROVED TOURISM PERFORMANCE		
Output Indicator	Annual Target	Annual Progress and Analysis
9.1 Percentage improvement in CSI rating	0,5% improvement on the 2021/22 baseline	On target 0,47 % improvement on the previous year
Performance analysis	On target The 2022/23 customer satisfaction index (CSI) is 77,4%. Compared to 2021/22 (76,9%), there is a slight improvement of 0,47%.	
Reason for variance	The performance for the year is driven by key customer touch points that include nature experiences, shopping, dining, activities and overall experience. Compared to the annual target, the year-end score is on target.	
Planned improvement/corrective actions	No corrective actions required	
9.2 Percentage increase in number of visitors to National Parks year on year	25% up on the previous year (target amended during midterm review)	Target exceeded A 42,48% increase was achieved relative to the previous year A total of 4 961 906 visitors were recorded
Performance analysis	Target exceeded A 42,48 % increase was achieved relative to the previous year A total of 4 961 906 visitors were recorded at the end of year, compared to 3 482 514 visitors in 2021/22	
Reason for variance	2023 saw more travel across different regions. The visitor numbers reflect exponential growth in regional and international visitors. Table Mountain National Park continues to see much higher guest numbers than in the previous year.	
Planned improvement/corrective actions	No corrective actions required	
9.3 Percentage increase in accommodation occupancy	7,5% up on previous year <i>(target reviewed during midterm review)</i>	Target exceeded A 9,55% increase was achieved
Performance analysis	Target exceeded The total units available for 2022/23 was 797 139 and units booked 502 871. In 2021/22 the total units available amounted to 786 606 and total units booked to 453 138. With a 9,55% increase on the previous year, the target was achieved	
Reason for variance	Addo Elephant and Kruger National Parks continued their solid unit-occupancy recovery. Minimal Covid regulations and restrictions aided in the recovery.	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 9: IMPROVED TOURISM PERFORMANCE		
Output Indicator	Annual Target	Annual Progress and Analysis
9.4 Total number of new and diverse tourism products implemented	Five (<i>target was revised during the midterm review</i>)	On target Five new and diverse tourism products implemented in the year
Performance analysis	On target Five new and diverse tourism products were implemented, i.e., Skukuza Safari Lodge, Golden Gate Highlands National Park Dinosaur Centre kiosk and curio shop facility, the Auwabies Falls National Park restaurant and retail facility, the spa in KNP north, and the Golden Gate Highlands National Park zipline.	
Reason for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	
9.5 Integrated marketing and communication plan approved, and number of interventions implemented	Integrated marketing and communication plan approved Four integrated marketing communication interventions implemented	Target exceeded The integrated marketing and communication plan was approved Seven digital seasonal promotions were implemented. Additionally, the team participated at the Meetings Africa and ITB Berlin tradeshow. The appointment of a digital advertising agency was concluded during the period under review. Three communication interventions were implemented, i.e., the Kudu Awards, SANParks Week launch and the Suzuki/SANParks road trip.
Performance analysis	Target exceeded Seven digital promotion campaigns were implemented: <ul style="list-style-type: none"> Black Friday, including an online display and radio campaign; Short-notice specials; December holidays #Camp Convert camping special offer and competition, which included an online display and radio campaign; stokvels and travel clubs; long-stay camping. An advertising agency was appointed for a period of two years. Three national communication interventions were implemented, i.e., the Kudu Awards; SANParks Week launch; and the Suzuki/SANParks road trip.	
	Ad hoc initiatives were considered to stimulate revenue generation from distressed inventories in parks as advised by the revenue yield team.	
9.6 Number of interventions towards improved hospitality service delivery standards implemented	Two interventions towards improved hospitality service delivery standards implemented	On target Two interventions towards improved hospitality standards were implemented: <ul style="list-style-type: none"> 69 candidates graduated with a higher certificate in hospitality management. Successful launch of customer relationship management (CRM) system in Q3.

SUB-OUTCOME 9: IMPROVED TOURISM PERFORMANCE		
Output Indicator	Annual Target	Annual Progress and Analysis
Performance analysis	Two interventions towards improved hospitality standards were implemented: <ul style="list-style-type: none"> 69 candidates graduated with a higher certificate in hospitality management. Successful launch of customer relationship management (CRM) system in Q3. 	
Reasons for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 10: IMPROVED RESPONSIBLE TOURISM		
Output Indicator	Annual Target	Annual Progress and Analysis
10.1 A responsible auditing framework implemented	Responsible tourism audit conducted in six National Parks	On target Audits completed in Addo Elephant, Mountain Zebra, Knysna, Tsitsikamma, Karoo and Wilderness National Parks
Performance analysis	On target Audits completed in Addo Elephant, Mountain Zebra, Knysna, Tsitsikamma, Karoo and Wilderness National Parks	
Reason for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	





3.3 SOCIOECONOMIC TRANSFORMATION

OUTCOME GOAL 3: SUSTAINABLE SOCIOECONOMIC DEVELOPMENT PROGRAMME THAT ENSURES DELIVERY OF BENEFITS TO LAND CLAIMANTS, HISTORICALLY DISADVANTAGED COMMUNITIES AND THE PEOPLE OF SA

PURPOSE:

Bring about transformation within surrounding communities by providing increased opportunities to engage and reap benefits from SANParks business, and facilitate training aimed at creating awareness and enhancing knowledge and skills of targeted groups.

SUB OUTCOMES:

- Transformation of wildlife economy through increased participation by previously disadvantaged individuals (PDIs).
- Improved participation of PDIs in SANParks.
- Increased access to education and skills development opportunities.
- Sustained CSI towards community development.
- Improved participation of land claimants in SANParks business.

Outcome Goal 3 is implemented by the Socioeconomic Transformation Department (SET) with support from various units.





INTRODUCTION

SANParks recognises that most of its National Parks are located in rural areas with limited opportunities for development, and high levels of poverty, unemployment and inequality. It also acknowledges the injustices of the past that saw most of the National Parks established on land dispossessed from the rightful owners under apartheid-era legislation.

The objective of Outcome Goal 3 is therefore to ensure implementation of programmes and projects that will contribute to local economic development and growth, sustainable job creation, enterprise development, skills training and social development in communities living in the vicinity of National Parks. Special programmes and projects targeted at land claimants are also implemented to ensure that they derive benefits from the land they made available for conservation use.

Intervention programmes implemented to address this outcome goal are wildlife economy, enterprise and supplier development, environmental awareness, corporate social investment and land claims. Significant progress has been made and growth realised with the implementation of these programmes.



TRANSFORMATION OF THE WILDLIFE PROGRAMME FOR INCREASED PARTICIPATION OF PDIS

The aim of the wildlife economy programme is to facilitate the entry and participation of emerging game farmers and communities in activities related to the stocking, trading, breeding and hunting of game, and all other services and goods required to support this value chain. It promotes fair access to, and equitable sharing of, benefits arising from the wildlife economy, expansion of protected areas through incorporation of communally owned areas, restoration of degraded environments and improvement of infrastructure and land use. The programme furthermore encourages broader and more meaningful participation of youth and women in the mainstream wildlife economy.

Disease-free game is donated and/or loaned to qualifying game farmers and communities to produce products that ensure the financial sustainability of local enterprises and growth in the industry. The programme further supports the development of enterprises from other value-adding products, such as artefacts made from bone, skin, horn and animal hides, as well as game meat. It further provides communities and emerging game farmers with the capacity and expertise required for the entrepreneurial development of the donated or loaned wildlife.

The 2022/23 year saw the programme progressing from game translocations only to also include the development of tools to provide post-donation support and programme-impact monitoring.

Animals delivered from 2021/22 financial year to end March 2023

Province	W1 Delivered	W2 Delivered (2021/22)	W2 Delivered (2022/23)
North West	190	522	354
Eastern Cape		218	
Limpopo & Mpumalanga	208	307	
Free State & Northern Cape	940	579	
Total	1 338	1 627	354

National Game Donation Programme

As part of its contribution to the implementation of Operation Phakisa Biodiversity Economy Lab outcomes, DFFE made available R10 million to support all participating agencies, namely, Ezemvelo, ECTPA, MTPA, DENC and DESTEA. SANParks was appointed the implementing agent and game capture and translocation will be done in the 2023/24 year.

Pre- and post-donation support

Local communities and emerging game farmers are at different levels of development in terms of their understanding of the wildlife economy industry and their readiness to receive a wildlife donation or loan. Support in the form of training, mentorship and technical services is therefore provided before and after game donations.

A game farm management checklist and daily observation sheets were developed to assist game farmers to manage their farms and monitor the growth of their animals. The toolkit was tested at Sepelong Game Farm, Imvelo Safaris and Kalema Boerdery. The farm visits gave SANParks and emerging farmers a good understanding of the kind of post-donation support and advice required. A memorandum of understanding was signed with Wildlife Ranching South Africa to collaborate in the provision of technical, marketing and other support to help emerging game farmers develop and grow their farms.

Wildlife economy infrastructure projects

It is anticipated that these projects will contribute towards:

- Development of the eco-tourism and wildlife economy programme in the area.
- Creation of jobs (approximately 100 000 combined person days) during construction, upgrades and operation.
- Support for between 15 and 20 SMMEs and small contractors. SANParks has developed a model to train SMMEs and provide them with the skills to become independent service providers.
- Providing tourism accommodation units and entertainment for locals and other visitors.
- Providing economic benefits to the communities through tourism development and wildlife economy.

Progress made on the development of the projects

Baphalane project

The project was unfortunately put on hold due to conflict among the community leaders.

Awelani lodge development

Designs and costing were completed, presented to, and approved by the beneficiaries. Construction work will include extension of the perimeter fence, construction and refurbishment of the water and sewer systems, alterations to three backpacker rooms, extension of five safari tents, alterations to and extension of the existing restaurant, a picnic site and cave ablutions. A memorandum of undertaking to commit 1 100 ha of land to the wildlife economy project was signed between SANParks and the Awelani Community Trust during a meeting held on 02 February 2023.

Riemvasmaak lodge and hot springs

Designs and costing were completed, presented to, and approved by the community. Construction work will include extension of the perimeter fence, construction and refurbishment of the water and sewer systems, alterations to four chalets and the upgrading of the water reticulation and bulk water-storage system, a portion of the road and an electrical installation.

Makuya community reserve

Based on the land survey report, the proposed construction will include a perimeter fence and entrance gate, new bulk services, two family chalets and one single chalet, a swimming pool and lapa, roads, male and female ablutions and an administration block.

The following was completed:

- Infrastructure plotting/mapping.
- An MoU between SANParks and the Makuya Community Trust.

Mahumani community reserve

The community has agreed on the most appropriate site for the proposed development.

Training will be provided during construction in the following areas:

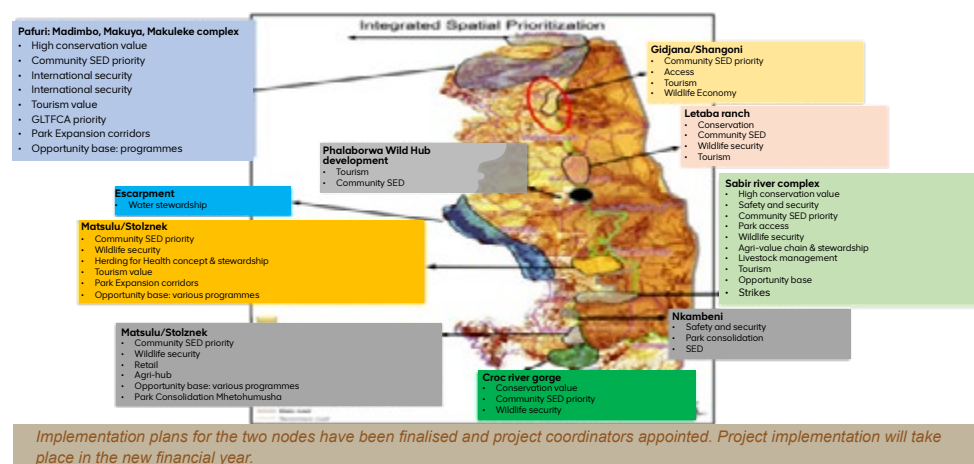
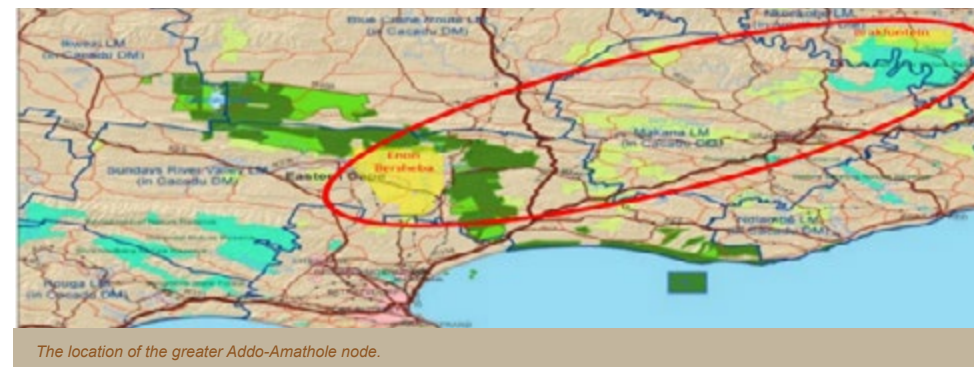
- Basic construction skills in trades such as painting and plastering.
- Basic project management skills for SMMEs and small contractors.
- Emerging contractor development and the creation of new SMMEs.

The labour force for the construction, upgrades and other infrastructure projects will be sourced from local communities as per EPWP requirements and conditions. Permanent staff will also be recruited mainly from the local community. No scarce skills that cannot be sourced from the area have been identified.

Operationalisation of the biodiversity economy nodes

DFFE has received US\$8,99 million to implement the project to catalyse financing and capacity for the biodiversity economy around protected areas.

Two biodiversity economy nodes were launched in the greater Addo and greater Kruger National Parks areas in February 2023. The greater Kruger node includes the Gidjana-Bevhula communities and the park's Shangoni gate. The greater Addo-Amathole biodiversity node includes the Enon-Bersheba community land south of the Zuurberg section of Addo Elephant National Park. The opportunities or projects that could be funded through this programme are game fencing, gate access, roads and tourism products at greater Kruger, and fenced game ranching with off-take of high-value species, a game lodge and guided game drives for greater Addo-Amathole.



Marine Economy Programme

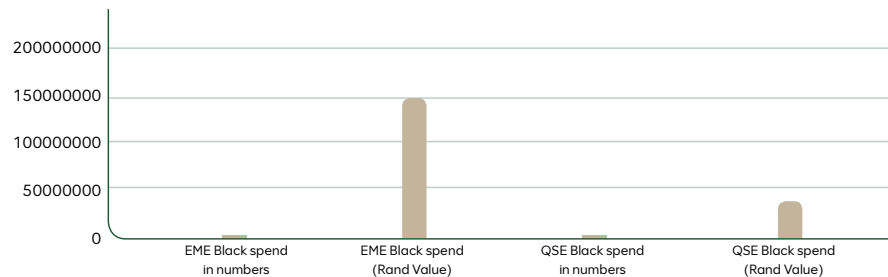
Inclusive growth and transformation in the marine economy, as well as timber harvesting and processing, were targeted in the 2022/23 year to make a significant contribution to job creation, entrepreneurship, food security and skills training.

SANParks manages five marine protected areas and, like most of the National Parks, these are surrounded by poor communities who depend on natural resources for survival.

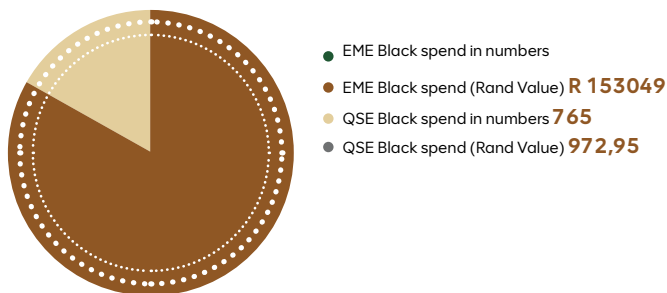
Against this backdrop, an anglers project was launched in the Wilderness area of the Garden Route to empower women in the fisheries sector by strengthening their role in decision making and education. Thirty women anglers were assisted in applying for fishing permits and provided with fishing equipment and training to become qualified fisherwomen. The programme will be expanded into other areas of the Garden Route.



Condition of nature conservation in South Africa



Growth analysis of EMEs and QSEs.



Number of EMEs and QSEs contracted for goods and services

A total of 765 local EMEs were contracted to provide goods and services to National Parks to the value of R153 049 972, while goods and services to the value of R31 546 654 were delivered by 260 QSEs.

There was growth in the participation of both EMEs and QSEs in the 2022/23 financial year. EMEs increased from 648 in 2021/22 to 765 in the year under review, and QSE participation grew from 132 to 260.

Economic transformation roadshows

SET embarked on economic transformation roadshows to present SANParks opportunities to neighbouring enterprises and suppliers. The first roadshow was in Kruger National Park and the second, attended by 450 local businesses, was held in the Garden Route National Park in November 2022.

Following the roadshows, the following opportunities were identified and made available to local enterprises:

Kruger National Park: Ten local enterprises were contracted to provide goods and services to concessionaires to the value of R2 million. A further eight enterprises constructed the workshop in Bende Mutale, creating 27 jobs in the process.

Knysna National Park: Six local enterprises were provided with pop-up stalls, enabling them to generate R250 000 in income.

Agulhas National Park: Five fully black-owned companies participated in flower harvesting and generated an income of R1,5 million. One of the women involved was invited to a flower exhibition in the Netherlands in partnership with Cape Flora. One local enterprise was given an opportunity to harvest sour figs to produce and supply jam to local consumers, as well as the Durban market. The opportunity created 20 jobs.

Tsitsikamma National Park: One local enterprise provided services for the Otter Trail over a seven-day period and generated an income of R500 000. A further four local enterprises were given an opportunity to provide shuttle services to the park, while a car-wash business owned by a young woman made R19 740 in February and March 2023.

ENTERPRISE AND SUPPLIER DEVELOPMENT PROGRAMME

The Enterprise and Supplier Development Programme empowers local enterprises to participate in business opportunities in and around National Parks through skills training and transfer, coaching and mentoring, as well as the fostering of partnerships and alliances with government business units, community trusts, the private sector and strategic funding agencies to support the development of local entrepreneurs.

Various models, including community public-private partnerships and community public partnerships, are explored and implemented to promote broad-based, meaningful participation in the economy. Local spend and procurement from black- and women-owned companies are encouraged and monitored to support the financial growth and sustainability of local and emerging enterprises.



ACCESS TO EDUCATION AND SKILLS DEVELOPMENT OPPORTUNITIES

Environmental Awareness Programme

Environmental education and awareness and skills training and transfer programmes encourage communities and National Parks to share the responsibility for caring for the environment and support the implementation of sound environmental management practices.

The objectives of the SANParks Environmental Awareness (EA) Programme include identifying environmental issues and challenges and mobilising stakeholder action to implement programmes that increase the societal response to these issues. It also provides an opportunity for schools to participate in environmental education.

Initiatives implemented with schools during 2022/23 were Kids in Parks (KiP), Walk and Learn on the Wild Side and the Heritage Education School Outreach Programme (HESOP).

KiP is a partnership initiative implemented with the Department of Basic Education (DBE) and DFFE and funded by DFFE. It promotes visits to parks for primary school learners, particularly those from disadvantaged backgrounds, for environmental education and awareness programmes. A total of 110 school groups, 3 750 learners and 185 educators participated in KiP in the year under review.

Walk and Learn on the Wild Side supports teaching and learning in subjects such as natural sciences (conservation and ecology), ecotourism and hospitality, and benefits learners studying tourism in grades 10 and 11. More than 380 learners from the Mopani, Vhembe, Ehlanzeni and Bohlabela districts participated in the programme in 2022/23.

HESOP exposes learners to National Parks as heritage and cultural sites. This collaborative initiative with the National Heritage Council (NHC), DBE, Brand SA and the South African Heritage Resource Agency (SAHRA) is run as a competition. Schools compete on a cultural heritage topic to decide provincial winners that represent their provinces in the national competition. The 2022/23 national event was held at Marakele National Park and the first prize went to a school from Mpumalanga.

Capacity building

The capacity building and training programme seeks to develop and increase the skills and competencies of individuals, groups and communities living adjacent to National Parks to effectively participate in opportunities in and around the parks. It contributes to the realisation of the four national development objectives, namely, socially transformed and transitioned communities, inclusive rural economy, sustainable environmental management and nation building and social cohesion. Strategic partnerships are forged with government departments, private sector institutions and development agencies such as the Services SETA, DFFE, NYDA, NDA, INDALO and local municipalities to implement the training programme.

In 2022/23, the programme focused on:

- Governance training to build the capacity of community structures to liaise and effectively engage with National Parks on issues of mutual concern, and the implementation of programmes and projects beneficial to communities. Targeted structures included park forums, traditional authorities or councils, youth structures, CPAs and trusts.
- Empowering interested groups and individuals to actively participate in biodiversity economy programmes to establish sustainable livelihood projects, such as food gardens and angling.
- Enterprise and supplier development to help small businesses become competitive and grow into sustainable enterprises.

A total of 256 individuals, of which 115 were young people, were trained in governance (NQF level 6), business and project management (NQF level 4) and new venture creation.

CORPORATE SOCIAL INVESTMENT

The corporate social investment (CSI) programme advances SANParks' vision of "A world-class system of sustainable National Parks reconnecting and inspiring society" by contributing to the development of communities living adjacent to the National Parks through the provision of much-needed facilities and services. These projects are funded from the 1% tourism levy on all accommodation bookings and activities in National Parks, as well as a percentage of the income derived from the sale of high-value species.

Project requests are prioritised in consultation with community authorities and structures, and implemented subject to approval from SANParks executive management.

Projects implemented in the 2022/23 year:

- Four schools in communities neighbouring the West Coast, Karoo, Mountain Zebra and Golden Gate Highlands National Parks each received two mobile science laboratories.
- An office for the principal, an administration office and storeroom were completed at Kranenburg Primary School close to Mapungubwe National Park.
- A kitchen was provided for the feeding scheme at Sekweng Intermediate School close to Marakele National Park.
- Houtbay Secondary School, close to Table Mountain National Park, received a library.
- Bunny Khosa and Jacob Mdluli high schools, close to Kruger National Park, each received a science laboratory.
- 54 water tanks were donated to communities next to Addo Elephant and Camdeboo National Parks. The water supply at the Kommagas Healthcare Centre, close to Namaqua National Park, was upgraded and a 5 200-litre water tank, with fitted gutters and pressure pump, was installed at Vredesvallei Primary School. The school was also connected to the municipal water infrastructure to ensure consistent supply for the ablution facilities.
- 75 plastic chairs were donated to Riemvasmaak Primary School. This donation, and the infrastructure at Vredevallei Primary School, were made possible with Norwegian funding.

IMPROVED PARTICIPATION OF LAND CLAIMANTS

Most of South Africa's protected areas were established under laws that unjustly dispossessed people of their land. SANParks acknowledges that some of its National Parks were established under these unfair laws and implements a land claims programme in collaboration with the Land Claims Commission to restore land rights to the rightful owners. SANParks collaborates with the commission to facilitate and coordinate the negotiation and settlement of land claims lodged against National Parks. Mutually agreed beneficiation packages furthermore enable claimants to benefit from the use of their land for conservation and related value-chain activities.

They have access to ancestral land for spiritual and cultural practices and are offered preferential employment opportunities where available. The land claim programme builds bridges between National Parks and communities, brings about healing and restores landowners' dignity and sense of pride in National Parks.

Land claims handled in 2022/23:

COLCRA

The Colchester Land and Community Restoration Association (COLCRA) supports 61 people's claim to two properties inside Addo Elephant National Park, namely, Vetmaakvlakte and a portion of the remainder of the Olifantsplaats farm (the site of the Mathyolweni rest camp). This claim was duly considered and agreed to by the commission and SANParks.

SANParks proposed a beneficiation package for the claimants comprising of:

- Revenue sharing on a scale of between 8% and 12% in Mathyolweni camp's existing 15 chalets, and additional chalets that might be built in future.
- A percentage of the gate fees at Mathyolweni, based on a proportion of the land claimed (to be negotiated).
- A 1% share in income from the sale of high-value species in Addo Elephant National Park.
- The opportunity to operate game drives from Mathyolweni camp.
- A share in future developments at Mathyolweni camp.

The claimants did not agree to the package and negotiations for a revised offer are ongoing.

Tsitsikamma Covie (post restitution)

This land claim was settled with financial compensation to the Covie community. SANParks and other government departments were required to provide the Covie community with post-settlement support outside Tsitsikamma National Park. The draft Covie development plan was completed and is being finalised in consultation with the Covie CPA. Entrepreneurs from Covie participated in the SANParks enterprise development roadshow, where economic opportunities were presented that will be ringfenced for their benefit.

QwaQwa land claim

This was a land claim lodged by communities living adjacent to Golden Gate Highlands National Park. Some of the claimants chose financial compensation, which was paid out, but the Dithabeng CPA, representing 36 households, opted for the restoration of land rights in the park. After lengthy negotiations, SANParks, Dithabeng CPA and the commission agreed to a settlement of three properties inside the park, namely, the remainder of the farm Eerstegeluk 131, a portion of Eerstegeluk 131 and farm Uitkyk 673, totalling 1 670 ha.

The benefits to accrue to the claimants were also agreed and included in the settlement agreement. The benefits package entails the following:

- Guided hiking trails.
- Opportunity to run 4x4 drives or trails on claimed land traversing the park.
- Mountain biking on claimed land.
- Quad biking on claimed land.
- Camping sites on claimed land.
- Cultural events on claimed land.
- Abseiling on claimed land.
- Opportunity to sell craft work at the Dinosaur Precinct within the park.
- Small craft centre to be established on claimed land.
- 5% share of income from game off takes from the park.
- Access to the park for spiritual purposes.
- Access to natural resources in the park.
- Access to job opportunities shared equally between claimants and non-claimants.
- Continuous skills training.
- Game donation to establish wildlife economy on community land outside the park.
- 5% preferential equity share in selected future commercial opportunities in the park.
- Horse riding and facilities (SANParks will advise on veterinary requirements).

The settlement agreement and beneficiation package were signed by the claimants and the Minister of DFFE on behalf of SANParks. The documents are with the Land Claims Commission for finalisation.

SPECIAL PROJECTS PROGRAMMES

Expanded Public Works Programme

Introduction

The SANParks Expanded Public Works Programme (EPWP) created temporary employment for 16 635 people from communities close to National Parks. Its footprint in municipal areas increased after the start of the Municipal Cleaning and Greening Programme in November 2022. Additional funding of R23 million from DFFE was received for the Working for Water, Working for Ecosystems and Eco-furniture programmes.

More than 1,2 million person days were worked, resulting in 6 065 full-time equivalent (FTE) jobs created and supported for the year. The programme also supported 863 small, micro and medium enterprises (SMMEs). These small contractors received payment of R273 million for activities ranging from removal of alien and invasive vegetation to erosion control, wetland rehabilitation, conservation support, tourism support, maintenance and upgrade of infrastructure and litter removal. The EPWP employed 8 268 youth (61%), 7 083 women (52%) and 265 (2%) people with disabilities.



The Working for Water, Working for Ecosystems and Working for Wetlands programmes play a major role in biodiversity management in National Parks and enabled initial land rehabilitation of 24 160 ha and follow-up land rehabilitation of 164 215 ha in 2002/23. Various rehabilitation activities were implemented in 17 wetlands in six National Parks, i.e., Agulhas, Kruger, Mapungubwe, Marakele, Kruger and Table Mountain. Structures totalling 8 023 m³ were built to reverse and curb erosion.

EPWP projects played a part in the maintenance of infrastructure. This contributed to the visible difference that the SANParks infrastructure maintenance programme, funded by the Department of Tourism, made in parks. The Municipal Cleaning and Greening Programme employed more than 1 000 people to pick up litter and remove illegal dump sites. Many municipalities have expressed their gratitude for this project and the difference it made in towns and villages.

Training remains an important element of the EPWP programme with various accredited and non-accredited courses achieving 61 009 training days. Sixty SMMEs employed for maintenance of infrastructure received accredited training in new venture creation (NQF level 2) and supervision of construction processes (NQF level 4).





Table 1: Overview of EPWP programmes and achievements in 2022/23

EPWP programme	Activities	Implementation overview	Deliverables achieved
DFFE Working for the Coast (WftC)	Cleaning of beaches, rehabilitation of coastal systems and tourism infrastructure.	A new cycle of WftC started in July 2022 and will continue for 24 months. The programme is fully active in the eight coastal parks.	Beach clean-up = 9 327 km
DFFE environmental monitors (EMs)	Support conservation functions in parks, integrated zones, provincial nature reserves and private nature reserves.	A new three-year cycle of the SANParks EM programme started on 1 April 2022. EMs are employed in all National Parks to support conservation management functions through performing ranger, security guard, administration and research support services.	616 EMs employed
DFFE People and Parks (P&P)	Infrastructure development and improving integrity of protected areas.	<ul style="list-style-type: none"> The upgrade of the Oceanettes was completed and a completion report prepared for the project. The contractor in Mokala defaulted and did not complete the works. Planning for the Ai- Ais! Richtersveld project was revised and the business plan process started. Final payment was received for the fencing and land rehabilitation project in the Bushbuckridge Nature Reserve and the project was closed. 	Four staff houses were completed in Mokala National Park
DFFE Working for Ecosystems (WfE)	Land rehabilitation projects and bush encroachment control.	This programme was implemented in the Frontier, Arid and Northern regions, K2C and integrated zones and addressed erosion control and bush encroachment.	Initial land rehabilitation = 418 ha Follow-up land rehabilitation = 571 ha
DFFE Working for Wetlands	Rehabilitation of wetland systems.	Rehabilitation activities took place in 17 wetland sites in Mapungubwe, Marakele, Golden Gate, Agulhas, Kruger and Table Mountain National Parks. Interventions included gabions, earth works, rock packs and geo-cells construction.	Wetland rehabilitation = 8 023 m ³
DFFE Municipal Cleaning & Greening Programme	Waste removal activities.	SANParks was requested to implement a pilot project of this programme in 27 municipalities.	941 people employed to pick up litter and remove illegal dump sites.
DFFE Eco-furniture Programme (EFP)	Manufacturing of school desks and furniture from alien vegetation.	This programme focused on alien and invasive alien vegetation clearing, with limited harvesting in Albasini and dry-mill operations in George and Ficksburg. A new tender was issued to transfer the programme to a different implementer and the evaluation process had advanced to the bid evaluation committee by the end of March 2023.	Initial alien invasive clearing = 1 850 ha Follow-up alien invasive clearing = 357 ha Harvested material = 3 851 m ³

EPWP programme	Activities	Implementation overview	Deliverables achieved
DFFE Working on Fire	Fire prevention and control in National Parks, and removal of alien vegetation from inaccessible mountain areas and cliffs.	SANParks continued the collaborative relationship with WoF to ensure firefighting capacity remains intact in eight parks, i.e., Table Mountain, Mapungubwe, Marakele, Golden Gate, Wilderness, Tsitsikamma, Knysna and Addo.	Initial alien invasive clearing = 481 ha Follow-up alien invasive clearing = 1 474 ha
DT Social Responsibility Programme	Development and maintenance of tourism infrastructure.	<ul style="list-style-type: none"> A contractor was appointed for the construction of the additional chalets funded by the Addo extension of rest camp project. Good progress was made on the Agulhas Lighthouse precinct construction. The tender for the construction of the Mapungubwe youth facility was issued. <p>The SANParks infrastructure maintenance programme ended on 31 March 2023. The work done by these teams in the parks contributed significantly to the maintenance of buildings, roads, fences, electrical infrastructure and terrain landscaping.</p>	<p>Agulhas Lighthouse construction progress = 43%</p> <p>Addo chalets = site handover completed</p> <p>Mapungubwe youth facility = tender issued</p> <p>Maintenance of 4 195 buildings</p> <p>Internal painting of 840 units</p> <p>External painting of 968 units</p> <p>Maintenance of 842 km of roads</p> <p>Maintenance of 624 km of fences</p>
DT tourism monitors	Employment of especially young people to support tourism functions.	The tourism monitors assisted with various tourism-related functions in the parks. The project ended on 31 March 2023. A proposal was submitted and approved in principle to continue the project for another three years. This programme recorded the highest number of EPWP participants to exit into more permanent positions over time, i.e., 132.	302 TMs employed

Table 2: Social deliverables of EPWP programmes for 2022/23

Programme	Number of people	Person days	FTEs	Training	SMMEs	Amount paid to SMMEs ('000)	Expenditure R '000
Planned 2022/23	7 514	1 187 968	5 165	63 634	575	R239 797	R556 724
DFFE Environmental Protection & Infrastructure Programme							
Working for the Coast	762	82 742	360	4 078	50	R19 755	R24 896
Environmental monitors: SANParks	616	104 631	455	612	23	R1 728	R27 521
Municipal Cleaning & Greening	941	44 478	193	2 682	72	R6 026	R13 311
Sub-total	2 319	231 851	1 008	7 372	145	R27 509	R66 689



DFFE Natural Resource Management Programme							
Working for Water	5 274	402 592	1 750	24 225	256	R103 956	R166 240
Working for Ecosystems	1 480	126 887	552	7 328	87	R34 271	R46 660
K2C	488	43 281	188	1 277	30	R10 075	R13 810
Integrated zones	581	56 095	244	3 694	40	R14 792	R20 601
Working for Wetlands	467	36 114	157	5 905	90	R11 633	R14 241
Eco-Furniture Programme	1 330	120 316	523	6 370	83	R32 930	R79 620
Sub-total	9 620	785 285	3 414	48 799	586	208	R341 17
Department of Tourism: Social Responsibility							
Tourism monitors	511	70 918	308	1 870	29	R2 704	R20 451
Agulhas Lighthouse precinct	87	8 741	38	135	3	R886	R15 419
Infrastructure Maintenance Project	615	112 970	491	2 833	65	R32 023	R36 425
PES Fund phase 2	365	7 944	35	-	35	R2 153	R7 531
Sub-total	1 578	200 573	872	4 838	132	R37 766	R81 278
Working on Fire (host arrangement)							
WoF: High-altitude teams	118	15 940	69	-			
Sub-total	118	15 940	69	-	-		
TOTAL	13 635	1 233 649	5 364	61 009	863	R272 932	R489 138
Percentage	181%	104%	104%	96%	150%	114%	88%

INFRASTRUCTURE PROGRAMME

The available budget of R391 569 000 for the MTEF 2022/23 – 2024/25 cycle was confirmed, and a list of projects approved for implementation over the next three years. Due to the redirection of the infrastructure investment allocation for the previous two financial years, the past financial year was used for planning to finalise designs and bills of quantities for tender purposes. Expenditure of R129 million was achieved on the infrastructure programme.

Kruger National Park concluded the appointment of contractors for the various projects from the contractor panel and managed 65 active projects over the past year. These included the reconstruction of the Lower Sabie fuel station, replacement of the Letaba shop, upgrade of the Shingwedzi main building and the new Mooiplaas lapa.

At the Shangani Gate project, construction started on the reception area, ablutions and shop, but challenges arose around the siting of the gate, camp and picnic sites. Overall progress of 65% was achieved in the Phalaborwa activity-node project with the civil works; the administration and ablution buildings are behind schedule.

In the Parks Division, good progress was made on the Tsitsikamma restaurant (53%), Agulhas Lighthouse precinct (43%), Camdeboo perimeter fence (52%) and Addo Kabouga fence (25%) projects. Slow progress was reported for the Dawid Kruiper Rest Camp (21%) in the Kgalagadi Transfrontier Park and the new Addo wastewater treatment plant (90%) was not completed. The upgrade of the Marakele offices and entrance gate was completed.

Tenders were issued for the upgrade of the Golden Gate Hotel chalets, construction of a wastewater treatment plant at Lilydale (Mokala), water purification plants in Kgalagadi, additional chalets at Addo Main Camp, a youth facility in Mapungubwe and the

Gidjana-Bevhula fence, and to source a new service provider for the display and exhibition of the Dinosaur Interpretive Centre in Golden Gate. Tenders were also issued to establish new construction professionals panels, including civil and structural, electrical and mechanical engineers, quantity surveyors and architects.

In terms of the Green Energy Strategy, the tender process for photovoltaic solar plants for the Mata Mata and Nossob rest camps in the Kgalagadi Transfrontier Park was concluded.

Specifications of various solar water-heating systems were evaluated to find the most suitable system for SANParks. Loadshedding has a huge impact on SANParks operations and recommendations were made for UPS systems to provide remote offices with lighting and power for computers. Kruger National Park reviewed existing solar installations to do the necessary maintenance and upgrades when additional funds are made available. The MoU with Eskom to provide mini-grid solar plant systems at selected sites in the park was not concluded, with issues around ownership and costs to be resolved.





OUTCOME GOAL 3: SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT PROGRAMME THAT ENSURES DELIVERY OF BENEFITS TO LAND CLAIMANTS, HISTORICALLY DISADVANTAGED COMMUNITIES AND THE PEOPLE OF SA

SUB-OUTCOME 11: TRANSFORMATION OF WILDLIFE ECONOMY THOUGH INCREASED PDI PARTICIPATION		
Output Indicator	Annual Target	Annual Progress and Analysis
11.1 Number of animals delivered to communities and individual emerging game farmers	350 animals delivered to communities and individual emerging game farmers (target amended during midterm review)	On target 354 animals were delivered to communities and individual game farmers during the year
Performance analysis	On target	
Reason for variance	No variance	
Planned improvement/corrective actions	A slight variance was recorded as it is impossible to predict the exact number of animals that will be captured during a particular operation No corrective actions required	
11.2 Number of full-time equivalent employment (FTE) job opportunities created through EPWP	EPWP FTEs: 4 907 (target amended during midterm review)	Target exceeded 5 364 FTEs (109%) job opportunities were created through EPWP
Performance analysis	Target exceeded 457 more FTEs jobs were created cumulatively during the year, exceeding the target by 9%	
Reason for variance	The revised FTE target for the year was exceeded by 8% and is related to additional funding of R27 million and savings on projects that allowed EPWP participants to work longer on the Department of Tourism (DT)/SANParks Infrastructure Maintenance Programme, the Eco-furniture programme (EFP) and the Natural Resource Management (NRM) Working for Water/Working for Ecosystems (WfW/WfE) programmes. Additional person days were worked as the DT Presidential Economic Stimulus (PES) phase 2 project continued into the financial year under review.	
Planned improvement/corrective actions	No corrective actions required	
11.3 Number of jobs created for youth, women and people with disabilities	Youth EPWP: 5 942	Target exceeded Youth EPWP: 8 268 (39%)
	Women EPWP: 5 447	Target exceeded Women EPWP: 7 083 (30%)
	People with disabilities EPWP: ≥ 160	Target exceeded People with disabilities EPWP: 265 (66%)
Performance analysis	As part of the midterm review, an adjustment to the annual targets was approved for youth, women and people with disabilities employed in the EPWP. The targets for jobs created for youth, women and people with disabilities were all exceeded during the year, i.e., 2 326 more youth were employed, 1 636 more women and 105 more people with disabilities.	
Reason for variance	The number of jobs created for youth, women and people with disabilities exceeded the quarterly targets, i.e., 39% more youth were employed, 30% more women and 66% more people with disabilities. More people were employed in projects thanks to additional funding of R27 million, while a late start required additional people to catch up on the Working for the Coast and Natural Resource Management (WfC, NRM) programmes. There was also increased turnover in the tourism monitors programme due to the project ending in March 2023. The DT PES phase 2 project that continued into 2022/23 and supported jobs for 231 youth, 164 women and four people with disabilities added to the figures.	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 12: IMPROVED PARTICIPATION OF PDIs IN SANPARKS BUSINESS

Output Indicator	Annual Target	Annual Progress and Analysis
12.1 Number of small, medium and micro enterprises (SMMEs) contracted for provision of services and goods through EPWP	550 SMMEs contracted (target amended during midterm review)	Target exceeded 863 SMMEs supported in EPWP (157%)
Performance analysis	Target exceeded by 313 SMMEs or 57%	
Reason for variance	A total of 863 SMMEs were supported and R274,5 million was paid to these small contractors. The number of SMMEs increased as more teams needed to be employed for remedial purposes where project implementation was delayed due to reasons including capacity (Golden Gate Highlands National Park and Arid Region) and approval of business plans (WftC). Additional funds of R27 million enabled appointment of more SMMEs. The DT PES phase 2 project continued into the financial year under review and supported 35 SMMEs that were not included in the original target.	
Planned improvement/corrective actions	No corrective actions required	
12.2 Percentage of goods and services contracted to EMEs and QSEs	60% of all annual goods and services contracted to EMEs	On target 60% awarded to EMEs
	40% of goods and services below R1 million contracted to QSEs	Off target 11% awarded to QSEs
	30% of procurement above R1 million awarded to EMEs	Target exceeded 66% awarded to EMEs
	40% of procurement above R1 million awarded to QSEs	Off target 15% awarded to QSEs
Performance analysis	<u>Below R 1 million</u> On target: 60% awarded to EMEs Off target: 11% awarded QSEs <u>Above R 1 million</u> On target: 66% awarded to EMEs Off target: 15% awarded to QSEs	
Reason for variance	Regarding the annual targets for procurement below R1 million, the underachievement on QSEs is attributed to the halting of bids by National Treasury in Q1. SANParks is finding it challenging to attract QSEs below R1 million because their interest is on high-value bids. The under-achievement on bids above R1 million resulted from slow progress with the procurement plan.	
Planned improvement/corrective actions	Inefficiencies in the SCM process will be addressed to assist the achievement of targets. Target for procurement from QSEs below R1 million was revised in the new APP.	



SUB-OUTCOME 12: IMPROVED PARTICIPATION OF PDIs IN SANPARKS BUSINESS		
Output Indicator	Annual Target	Annual Progress and Analysis
12.3 Percentage of expenditure on affirmative procurement	75% of procurement spent on designated groups	Target exceeded 90% of procurement spent on designated groups
Performance analysis	The overall percentage spent on designated groups (37% black-owned and 34% black women-owned) is 90%, exceeding the target by 15%	
Reason for variance	The over-achievement is attributed to the commitment of business units and supply chain management (SCM) to ensure that applicable procurement opportunities are identified to advance designated groups, taking into consideration that the preferential procurement regulations were in place until 25 January 2023, and to apply the pre-qualification criteria where applicable.	
Planned improvement/corrective actions	No corrective actions required	
12.4 Percentage of transformation implementation plan implemented	Annual transformation implementation plan developed 80% of the annual transformation implementation plan implemented	Target exceeded An annual transformation plan was developed and 86% (6/7 activities) of the annual transformation implementation plan was implemented
Performance analysis	Target exceeded. 86% (6/7 activities) of the annual transformation implementation plan implemented	
Reason for variance	Transformation hub meetings were included in the development of employment equity (EE) plans in the regions and parks	
Planned improvement/corrective actions	No corrective actions required	

SUB- OUTCOME 13: INCREASED ACCESS TO EDUCATION AND SKILLS DEVELOPMENT OPPORTUNITIES		
Output Indicator	Annual Target	Annual Progress and Analysis
13.1 Number of beneficiaries from targeted groups trained	≥ 110	Target exceeded 256 beneficiaries were trained
Performance analysis	Target exceeded 256 beneficiaries were trained <ul style="list-style-type: none"> • 61 beneficiaries were trained • 30 SET officers were trained on community development • Business management (31 youth entrepreneurs around KNP) training was funded by the National Youth Development Agency (NYDA) 	
Reason for variance	Additional funding for training was received from DFFE, the NYDA and SETAs, resulting in a greater number of beneficiaries trained	
Planned improvement/corrective actions	No corrective actions required	
13.2 Number of schools accessing the National Parks for educational purposes	400 schools accessing National Parks for educational purposes (target amended during midterm review)	Target exceeded A total of 1 086 schools visited National Parks for educational purposes during the year

SUB- OUTCOME 13: INCREASED ACCESS TO EDUCATION AND SKILLS DEVELOPMENT OPPORTUNITIES

Output Indicator	Annual Target	Annual Progress and Analysis
Performance analysis	Target exceeded A total of 1 086 school groups visited National Parks for educational purposes during the year	
Reason for variance	The reintroduction of the Kid in Parks (KIPs) and heritage education schools outreach programmes following Covid-19 resulted in more school groups visiting National Parks	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 14: SUSTAINED CORPORATE SOCIAL INVESTMENT TOWARDS COMMUNITY DEVELOPMENT

Output Indicator	Annual Target	Annual Progress and Analysis
14.1 Number of individuals/communities where social legacy projects have been completed	Six	On target Six social legacy projects were implemented during the year
Performance analysis	On target <ul style="list-style-type: none"> Mobile labs were procured and delivered to four schools in communities neighbouring West Coast, Karoo, Mountain Zebra and Golden Gate Highlands National Parks (two per school) and handover ceremonies were held. Project at Kranenburg Primary School to build a principal's office with administration and storeroom facilities close to Mapungubwe National Park and World Heritage Site was completed. Construction of Sekweng Intermediate School's kitchen building close to Marakele National Park was completed. The Komaggas Healthcare Centre water supply and upgrade project close to Namaqua National Park was completed. The Houtbay Secondary School library project close to Table Mountain National Park was completed. The Bunny Khoisan High School science laboratory close to Kruger National Park was completed. 	
Reason for variance	no variance	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 15: IMPROVED PARTICIPATION OF LAND CLAIMANTS IN SANParks BUSINESS		
Output Indicator	Annual Target	Annual Progress and Analysis
15.1 Percentage of claimant beneficiation scheme developed and implemented as per land claims identified	50% of activities in the Qwaqwa land claim beneficiation package annual plan implemented	On target 4/4 = 100% of the activities in the Qwaqwa land claim beneficiation package annual plan were implemented during the year, namely, community engagement; community profiling and skills audit; signing of the agreement; and a training needs report developed in line with the committed beneficiation activities
Performance analysis	On target 4/4 = 100% of the activities in the Qwaqwa land claim beneficiation package annual plan was implemented during the year, namely, community engagement; community profiling and skills audit; signing of the agreement; and a training needs report developed in line with the committed beneficiation activities	
Reason for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	





3.4 SUSTAINABLE AND TRANSFORMED ORGANISATION

OUTCOME GOAL 4: SUSTAINABLE AND TRANSFORMED ORGANISATION THROUGH REVENUE, PEOPLE, SYSTEMS AND BUSINESS PROCESSES

PURPOSE:

- To create a robust finance strategy for the financial sustainability of the organisation
- To create and maintain a conducive workplace for a skilled and capable workforce able to support a responsive, accountable, effective and efficient National Parks system.

SUB-OUTCOMES:

- Financially sustainable organisation.
- Transformed and capable human capital.
- Efficient and innovative business processes supportive of SANParks core business.
- Sound corporate governance.
- Effective stakeholder and partnership management.
- Appropriate and well-maintained infrastructure.

Implementation of Outcome Goal 4 is done through diverse departments and units within departments, and is therefore reported in various parts of this report. Transformed and capable human capital is reported in Part D, corporate governance in Part C while full financial information appears in Part E.





OUTCOME GOAL 4: SUSTAINABLE AND TRANSFORMED ORGANISATION THROUGH REVENUE, PEOPLE, SYSTEMS AND BUSINESS PROCESSES

SUB-OUTCOME 16: SANPARKS TURNAROUND AND FINANCIAL RECOVERY		
Output Indicator	Annual Target	Annual Progress and Analysis
16.1 Percentage organisational re-engineering completed (target removed during midterm review)	95% of the project plan for organisational re-engineering programme completed	Indicator and target removed during midterm review
Performance analysis	N/A	
Reason for variance	N/A	
Planned improvement/corrective actions	N/A	

SUB-OUTCOME 17: FINANCIALLY SUSTAINABLE ORGANISATION		
Output Indicator	Annual Target	Annual Progress and Analysis
17.1 Revenue raised through resource mobilisation	R85 million	Target exceeded A total of R140 083 147 was raised through resource mobilisation
Performance analysis	Target exceeded A total of R140 083 147 was raised through resource mobilisation	
Reason for variance	Concerted efforts by the resource mobilisation team to actively identify donors and partnerships	
Planned improvement/corrective actions	No corrective actions required	
17.2 Percentage of revenue raised through tourism performance	30% increase on 2021/22 actual (target amended during midterm review)	Target exceeded There is a 48% increase year on year
Performance analysis	Target exceeded Revenue from tourism performance (conservation fees, concessions, retail, accommodation, activities and other tourism income) increased by 48% year on year. 2021/22 – R1 042 billion 2022/23 – R1 762 billion	
Reason for variance	The performance was improved through the increase in visitor numbers. This had a ripple effect on all other activity and accommodation-related indicators. The improvement is attributed to the significant relaxation of Covid-19 related restrictions relative to the previous year.	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 17: FINANCIALLY SUSTAINABLE ORGANISATION		
Output Indicator	Annual Target	Annual Progress and Analysis
17.3 Revenue raised through wildlife sales	R3 million revenue raised (target amended during midterm review)	Target exceeded R8 253 837 revenue raised
Performance analysis	Target exceeded R8 253 837 was raised through wildlife sales. R2 885 350 released to seller and R5 368 487 outstanding to seller.	
Reason for variance	The target was exceeded due to good bidding prices. Auctions usually increase prices as bidders bid against each other. Reasons for outstanding payment of R5 368 487 are: (a) Not all capture operations have been completed. The capture team is currently busy with capture and translocations, and will submit delivery notes as they complete successful drop-offs. (b) Some of the buyers experienced a delay in obtaining translocation permits due to the applications backlog at the relevant provincial offices. Animals can only be delivered upon proof of permit. (c) Buffaloes are kept in a boma at Kimberley for TB testing as per DAFF protocols, awaiting the outcome of a three-month testing process carried out at Onderstepoort.	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 18: TRANSFORMED AND CAPABLE HUMAN CAPITAL		
Output Indicator	Annual Target	Annual Progress and Analysis
18.1 Percentage of women in management positions	40%	On target: 40,4%
Performance analysis	Target slightly exceeded by 0,4% at 40,4%	
Reasons for variance	Only a slight variance recorded	
Planned improvement/corrective actions	Monitor adherence to the EE plan; design EE monitoring tool to assist in achieving EE targets; in collaboration with regional HCM, build the management pipeline through early talent identification and target setting.	
18.2 Percentage of people with disabilities increased	1,3%	Off target: 1,0%
Performance analysis	Off target: 1,0%	
Reasons for variance	Target was not met as no new appointments, including people with disabilities, were made. The stigma still associated with disability makes non-declarations from current employees a possibility.	

SUB-OUTCOME 18: TRANSFORMED AND CAPABLE HUMAN CAPITAL		
Output Indicator	Annual Target	Annual Progress and Analysis
Planned improvement/corrective actions	<ul style="list-style-type: none"> • Include the sourcing of people with disabilities in divisions' performance indicators. • Partner with institutions/organisations that could provide names/databases of persons living with disabilities who can be interviewed for possible employment. • Conduct disability awareness sessions in the regions and divisions and assist employees to declare disabilities and obtain medical certificates through internal processes. 	
18.3 Black people as a percentage of management increased	63%	Target exceeded by 3,7% 66,7% achieved
Performance analysis	Target exceeded by 3,7%	
Reasons for variance	Concerted efforts to conduct employment equity plan awareness sessions and encourage managers to adhere to the EE targets	
Planned improvement/corrective actions	No corrective actions required	
18.4 Percentage of payroll spent on skills development programmes	≤ 1% cumulatively	On target R12 256 826 (1%) was spent on skills development programmes
Performance analysis	On target A total of R12 256 826 (1%) was spent on skills development programmes	
Reasons for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions are required	
18.5 Percentage of the Human Capital Management (HCM) annual implementation plan implemented	95% of the annual HCM plan implemented	Off target The HCM strategy was approved by the Board and the implementation plan submitted to Exco for approval. 72% (36/50 activities) of implementation plan implemented.
Performance analysis	Off target The HCM strategy was approved by the Board and the implementation plan submitted to Exco for approval 72% of implementation plan achieved	
Reasons for variance	As the HCM strategy was only approved during Q4, only 72% of actions in the implementation plan were implemented	
Planned improvement/corrective actions	The 19% that was not achieved will be included in the 2023/24 annual implementation plan	

SUB-OUTCOME 18: TRANSFORMED AND CAPABLE HUMAN CAPITAL

Output Indicator	Annual Target	Annual Progress and Analysis
18.6 Percentage of initiatives to enhance the culture of performance management	80% of initiatives to enhance the culture of performance management	On target 80% of the initiatives in the plan to enhance the culture of performance were implemented, namely, finalisation of performance agreements for E and F band staff; configuration of the performance management model in SAGE across Q2 and Q3; and testing of the performance management system.
Performance analysis	On target 80% of the initiatives in the plan to enhance the culture of performance were implemented, namely, finalisation of performance agreements for E and F band staff; configuration of the performance management model in SAGE across Q2 and Q3; and testing the performance management system	
Reasons for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	
18.7 Number of wellness initiatives implemented towards the management of employee health and wellbeing (indicator amended during midterm review)	Four annual interventions	Target exceeded Five wellness initiatives were implemented during the year, namely, heart health; financial skills; will sessions; healthy living awareness; and family support for gender-based violence and divorce.
Performance analysis	Target exceeded Five initiatives were implemented, namely, heart health; financial skills; will sessions; healthy living awareness; and family support for gender-based violence and divorce	
Reasons for variance	The sessions are virtual and managed through ICAS, thus saving time and budget	
Planned improvement/corrective actions	No corrective actions required	
18.8 Number of succession planning interventions implemented (indicator and target were removed during the midterm review)	N/A	Target was removed during the midterm review
Performance analysis	N/A	
Reasons for variance	N/A	
18.9 Percentage of bursaries allocated to employees and employee dependents studying in fields related to core SANParks functions	10% of bursaries allocated	Target was removed during the midterm review
Performance analysis	N/A	
Reasons for variance	N/A	
Planned improvement/corrective actions	N/A	



SUB-OUTCOME 19: EFFICIENT, INNOVATIVE BUSINESS PROCESSES SUPPORTIVE OF SANPARKS CORE BUSINESS		
Output Indicator	Annual Target	Annual Progress and Analysis
19.1 SANParks Digital Strategy implemented	Digital Strategy implemented	Off target The Digital Strategy was not implemented
Performance analysis	Off target The Digital Strategy was not implemented	
Reasons for variance	The configuration for the user-acceptance testing environment had to be recreated, resulting in delays. The integration between the document routing process and signing hub had to be finalised.	
Planned improvement/corrective actions	User-acceptance testing will be completed by mid-April/May 2023	
19.2 Number of cyber controls implemented	One cyber control implemented, namely, a network access control system	On target One cyber control, namely, a network access control system, was implemented
Performance analysis	On target Network access control system implemented	
Reasons for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	
19.3 Phases of enterprise resource planning (ERP) implemented	Phase 1 implemented: ERP service provider appointed	Off target Phase 1: ERP service provider was not appointed Bid was advertised, but the closing date for the bid was extended in Q4. Bid evaluation has been scheduled for Q1 of 2023/24 to ensure adequate time for the evaluation
Performance analysis	Off target Bid was advertised but the closing date for the bid was extended during Q4. Bid evaluation has been scheduled for Q1 of 2023/24 to ensure adequate time for the evaluation	
Reasons for variance	The specification for the ERP required further consultation before being approved by the bid specification committee (BSC). This delayed the advertising of the specification. Bidders also requested an extension on the bid closing date, which was subsequently approved.	
Planned improvement/corrective actions	The bid evaluation will be completed by 30 June 2023, after which the service provider should be appointed	

SUB-OUTCOME 20: SOUND CORPORATE GOVERNANCE

Output Indicator	Annual Target	Annual Progress and Analysis
20.1 Unqualified audit opinion	Unqualified audit	On target Unqualified audit opinion received for 2021/22
Performance analysis	On target Unqualified audit opinion received for the 2021/22 financial year	
Reasons for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	
20.2 Percentage of the approved internal audit plan implemented	75% implementation of the approved internal audit plan	Target exceeded 78% (25/32) of the planned audits for the 2022/23 financial year were completed
Performance analysis	Target exceeded 78% (25/32) of the planned audits for the 2022/23 FY were completed	
Reasons for variance	The implementation of the standard legal agreement (SLA) with divisions has enhanced cooperation, which in turn enabled the implementation of the plan	
Planned improvement/corrective actions	No corrective actions required	
20.3 Matured ERM with rating level 5 according to the DFFE governance maturity framework achieved	95% of the approved annual maturity improvement and implementation plan implemented	Target exceeded 100% (17/17) of the ERM maturity improvement and annual implementation plan was implemented
Performance analysis	Target exceeded 100% (17/17) of the ERM maturity improvement and annual implementation plan was implemented	
Reason for variance	A small positive variance due to a concerted effort between DFFE and risk champions to ensure the implementation of the plan in order to improve the organisation's risk maturity	
Planned improvement/corrective actions	No corrective actions required	
20.4 Matured ethics management with rating level 4 according to the DFFE governance maturity framework achieved	95% implementation of the approved annual management maturity implementation plan	Target exceeded 98% of approved annual ethics management maturity improvement and implementation plan implemented
Performance analysis	Target exceeded: 98% of approved annual ethics management maturity improvement and implementation plan implemented	
Reason for variance	A very slight positive variance due a concerted effort from DFFE with the support of all divisions to ensure the implementation of the plan in order to improve the organisation's ethics management maturity	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 20: SOUND CORPORATE GOVERNANCE		
Output Indicator	Annual Target	Annual Progress and Analysis
20.5 Percentage of an integrated compliance promotion, monitoring and reporting system developed and implemented	100% of the integrated compliance promotion, monitoring and reporting system developed	On target 100% of the integrated compliance promotion, monitoring and reporting system developed
Performance analysis	On target 100% of the integrated compliance promotion, monitoring and reporting system developed	
Reason for variance	No variance recorded	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 21: EFFECTIVE STAKEHOLDER AND PARTNERSHIP MANAGEMENT		
Output Indicator	Annual Target	Annual Progress and Analysis
21.1 Percentage of the annual stakeholder and partnership management plan implemented	95% of the annual stakeholder and partnership management plan implemented	Off target 94% of the annual stakeholder and partnership management plan implemented
Performance analysis	Off target 94% of the annual stakeholder and partnership management plan implemented	
Reason for variance	Only a slight variance recorded	
Planned improvement/corrective actions	The 1% not achieved will be included in the annual stakeholder and partnership management plan for 2023/24	
21.2 Number of SANParks Week free visitors to National Parks	20 000	Target exceeded 72 166 visitors recorded during the SANParks Week
Performance analysis	Target exceeded 72 166 visitors were recorded during the SANParks Week	
Reason for variance	During the last two years SANParks Week was postponed to November due to Covid-19 regulations and travel restrictions, which saw only 39 841 visitors in 2020 and 28 018 in 2021/22. The target was set very low, considering the baseline.	
Planned improvement/corrective actions	No corrective actions required	

SUB-OUTCOME 22: APPROPRIATE AND WELL-MAINTAINED INFRASTRUCTURE

Output Indicator	Annual Target	Annual Progress and Analysis
22.1 Percentage improved condition and maintenance of prioritised infrastructure	90% of the annual infrastructure programme implemented (<i>target and description amended during midterm review</i>)	Target exceeded 94% of the annual infrastructure programme implemented
Performance analysis	Target exceeded 94% of all planned quarterly activities were implemented in Kruger National Park and Parks Division. Kruger National Park had to make some changes to its implementation plan, given the need to redirect resources to repair flood damage.	
Reason for variance	The target was exceeded due to the reprioritisation of infrastructure programme projects to accommodate the longer business plan development process, which impacted on the implementation of the biodiversity infrastructure projects. An effort was made to catch up on activities not achieved in earlier quarters, which added to the better performance. Projects brought forward assisted with exceeding the target.	
Planned Improvement/corrective actions	No corrective actions required	



OUTCOME, OUTPUTS, OUTPUTS INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT TABLE (INITIAL APP & MIDTERM REVIEWS)

OUTCOME GOAL 1: SUSTAINABLE BIODIVERSITY AND CULTURAL HERITAGE ACROSS LAND AND SEA DELIVERS BENEFITS FOR THE PEOPLE OF SA AND THE WORLD, NOW AND IN THE FUTURE

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 2: EFFECTIVE AND EFFICIENT MANAGEMENT OF NATIONAL PARKS	METT assessments	Percentage of parks with a METT score of $\geq 67\%$ of marine protected areas assessed, 50% with METT score of $\geq 67\%$	70% progress against METT corrective actions A total of 20 parks and MPAs were assessed in Q4. Manually adjusted scores indicated that 85% of parks, and 33% of MPAs scored above the $\geq 67\%$ threshold score.	73,3% progress against identified METT corrective actions implemented One park (Namaqua NP) was reassessed in quarter 4	There were no targets for Q1 and Q2	National Parks and MPAs that scored below 67% to be reassessed	None required	None required	<p>The AGSA qualified the METT performance indicator in the final audit management report and raised major concerns about the reliability of the digital platform which is used in the DFFE to report on METT as a basis for the qualification. Internal Audit advised that if SANParks reassesses parks based on the current METT outcome, the organisation might run into problems with the AG because of the unreliable scoring used: the original score was flawed, and the manual recalculation also showed some errors. There was therefore no reliable basis for the reassessment in the current financial year.</p> <p>Given it relates to a key strategic area directly linked to the mandate of SANParks, the organisation remains committed to undertaking manual assessments for all 20 National Parks and 6 MPAs in 2023/2024.</p>

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 3: DEGRADED ECOSYSTEMS REHABILITATED	Hectares of land rehabilitated	Number of degraded hectares of land under rehabilitation	7 880 initial ha	11 731 initial ha	9 878 initial ha were rehabilitated	11 800 initial ha rehabilitated	The target for Q2 was exceeded with 6 818 ha or 223%.	The cumulative target for the year was determined before the budget confirmation and was submitted to be revised. In-field work started earlier this year in mid-April 2022 after funds were received to start implementation.	The target for 2022/23 was determined before the final allocation letter was received from DFFE to confirm the budget and programmes/ projects approved.
	m ³ of wetlands rehabilitated	m ³ of degraded wetlands under rehabilitation	5 862m ³	5 100 m ³	4 090 m ³ of degraded wetlands were rehabilitated	5 600 m ³ wetlands	The Q2 target was exceeded with 2 410 m ³ or 143%.	The target for the quarter was conservatively determined due to past experiences where funds were received late from DFFE, and designs of structures took longer. In-field work could start much earlier (15 April 2022), with funding received.	The target for 2022/23 was determined before the final allocation letter was received from DFFE to confirm the budget and programmes/ projects approved.



OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 7: CONTRIBUTION TO IMPROVED WILDLIFE POPULATIONS OF AFRICAN RANGE STATES SUSTAINED	Number of animals delivered	Number of approved animals delivered to African range states as per ministerial approval	No deliveries were made due to Covid-19 restrictions	89 animals delivered to Zinave National Park	The quarterly and annual target was not met due to Mozambique state veterinary permit requirements.	≥ 40 giraffe delivered to Zinave National Park	No deliveries were made to Zinave National Park	Mozambique state veterinary import permits necessitate for giraffe to originate from a TB-free zone before it can be translocated to Zinave. South African state vets cannot meet this requirement as Kruger NP is under TB quarantine. South African state vets, VWS and Peace Parks Foundation have not been successful in requesting exemption for Kruger from TB testing of giraffe. It is impossible for SANParks to achieve this target due to factors beyond its control.	The Mozambique state vet import permit requirement is for giraffe to originate from a TB-free zone before it can be translocated to Zinave. South African state vets cannot meet this requirement as KNP is under TB quarantine. South African state vets, VWS and Peace Parks Foundation have not been successful in requesting exemption for KNP from TB testing of giraffe. It is therefore impossible for SANParks to achieve this target due to factors beyond its control.

OUTCOME GOAL 2: IMPROVED DIVERSE RESPONSIBLE TOURISM

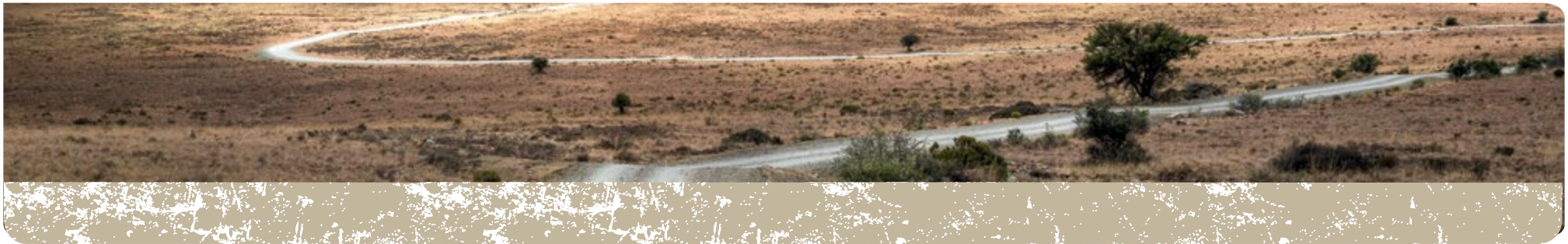
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 9: IMPROVED TOURISM PERFORMANCE	Visitors to National Parks	Percentage increase in number of visitors to National Parks year on year	Visitors declined by 68,4% from 6 326 435 to 1 996 667	83,3% up on previous year. Forecast at 35% (1 800 000)	A 45,48% increase was achieved relative to the previous year.	20% up on previous year	25,48% increase in number of visitors	None recorded	The target to be increased from 20% to 25% up on previous year. 37% more guests visited the parks in the first quarter compared to a target of 20%. Extrapolating the Q1 variance of current financial year compared to Q1 of pre-pandemic 2019/20 to the remaining 8 months of the current financial year will result in growth of 27,8% year-on-year, compared to the APP target of 20% growth.
SUB-OUTCOMED 9: IMPROVED TOURISM PERFORMANCE	Overnight visitors to the parks	Percentage increase in accommodation occupancy	29,4% accommodation unit occupancy	57,6%, calculated as 453 138 unit nights occupied from a total of 786 606	11,1 % increase on previous year achieved.	10% up on previous year	Accommodation unit occupancy up to end September was 64,7% in the reporting period, compared to 58,2% recorded in 2021/22. Achieved percentage increase relative to the previous year is 11,1%	Only a slight variance recorded.	The Q1 performance reflected severe under-performance relative to the target. Achieved occupancy growth = 2,4% for Q1 instead of the 10% target. The domestic market remains under strain which has resulted in less disposable income. The broader global geopolitical situation limits the growth of international markets as it has impacted the cost of fuel, which increases the cost of travel. Additionally, the units available increased in the current year relative to previous year by 3,7% (YTD).
SUB-OUTCOMED 9: IMPROVED TOURISM PERFORMANCE	Tourism products	Total number of new and diverse tourism products implemented	4 Tourism products were completed.	4 Tourism products were completed.	2 Tourism products were completed.	7	1 additional product from Q1 was completed in Q2	The outstanding product from Q1 was also implemented.	The target of 7 new and diverse tourism products to be reduced to 5 as the PPP project for Golden Gate Spa was advertised but no tenders were received from the market.



OUTCOME GOAL 3: SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT PROGRAMME THAT ENSURES DELIVERY OF BENEFITS TO THE LAND CLAIMANTS, HISTORICALLY DISADVANTAGED COMMUNITIES AND THE PEOPLE OF SA

Page 58 of the Annual Performance Plan, incorrectly reflects output indicator 10.1 (Responsible Auditing Framework Implemented) under Outcome Goal 3; it should be reflected under Outcome Goal 2.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 11: TRANSFORMATION OF WILDLIFE ECONOMY THROUGH INCREASED PDI PARTICIPATION	Animals delivered to SMMEs and PDIs	Number of animals delivered to communities & individual emerging game farmers.	≥1 000 animals delivered	742 animals delivered	173 animals delivered.	1 000 animals delivered to communities and individual emerging game farmers	173 animals were delivered instead of ≥500 animals.	There is a general shortage of animals from the earmarked National Parks. Most of the targeted animals are now calving and heat levels were very high in Marakele. The fewer animals captured and delivered in Q2 were due to a shortage of animals from the earmarked National Parks, including drought-stricken parks like Addo Elephant, Camdeboo and Mountain Zebra in the Eastern Cape, and Karoo National Park in the Western Cape.	The revision is a result of a general shortage of animals from the earmarked National Parks which include some of the drought stricken National Parks like Addo Elephant, Camdeboo and Mountain Zebra National Parks in the Eastern Cape, and Karoo National Park in the Western Cape.



OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 11: TRANSFORMATION OF WILDLIFE ECONOMY THROUGH INCREASED PDI PARTICIPATION	Job opportunities created	Number of full-time equivalent employment (FTE) job opportunities created through EPWP	EPWP FTEs: $\geq 4\,500$	6 065 FTEs created through EPWP	2 509 FTE jobs were created	EPWP FTEs: $\geq 4\,500$	709 more FTE jobs were created cumulative in Q2 and exceeded the target with 39%.	The targets for FTEs created as part of the Expanded Public Works Programme were determined before the final budget allocation confirmation from DFFE. Achievement of FTEs is better than planned since people started working in April 2022 due to the funding made available earlier. The PES Phase 2 project funded by the Department of Tourism continued into the first quarter and contributed 35 FTEs more than anticipated.	The target for 2022/23 was determined before the final allocation letter was received from DFFE to confirm the budget and programmes/projects approved.





OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 11: TRANSFORMATION OF WILDLIFE ECONOMY THROUGH INCREASED PDI PARTICIPATION	Job opportunities created	Number of jobs created for youth, women, and people with disabilities through EPWP	Youth EPWP: ≥ 6 927 Women EPWP: ≥ 5 844 People with disabilities EPWP: ≥ 271	Youth EPWP: 8 614 Women EPWP: 6 877	6 212 jobs for youth 5 278 jobs were created for women 213 jobs were created for people with disabilities	Youth EPWP: ≥ 4 615 Women EPWP: ≥ 3 810 People with disabilities EPWP: ≥ 160	The targets for jobs created for youth, women and people with disabilities were all exceeded during Q2, with 2 289 more youth employed, 2 039 more women employed and 77 more people with disabilities	The targets for youth, women, and people with disability employment as part of the Expanded Public Works Programme were determined before the final budget allocation. These targets are under revision and Q3 reports will use the new targets. Employment of EPWP participants in active programmes were concluded in mid-April 2022 as funds were received timeously. The Working for the Coast programme became fully active in Q2 and further contributed to the figures. The Department of Tourism PES Phase 2 project continued into the first quarter of 2022/23, supporting 231 jobs for youth, 164 for women and 4 for people with disabilities.	The target for 2022/23 was determined before the final allocation letter was received from DFFE to confirm the budget and programmes/projects approved.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 11: TRANSFORMATION OF WILDLIFE ECONOMY THROUGH INCREASED PDI PARTICIPATION	SMMEs contracted	Number of SMMEs contracted for provision of services and goods through EPWP	433 SMMEs contracted through the EPWP	835 SMMEs	622 SMMEs were contracted through the EPWP	433 SMMEs contracted through the EPWP	The Q2 target was exceeded with 211 SMMEs or 51%	The target for SMMEs in the Expanded Public Works Programme was determined before final budget allocation confirmation. This target was revised, and approval is awaited. The Department of Tourism PES Phase 2 project continued into the first quarter of 2022/23 supporting 35 SMMEs that were not planned for. The Working for the Coast programme became active in Q2 and contributed to the total SMMEs appointed and supported with R129 million paid to these small contractors.	The target for 2022/23 was determined before the final allocation letter was received from DFFE to confirm the budget and programmes/projects approved.
SUB-OUTCOME 13: INCREASED ACCESS TO EDUCATION AND SKILLS DEVELOPMENT OPPORTUNITIES	Schools accessing parks for educational purposes	Number of schools accessing National Parks for educational purposes	83 schools accessed National Parks for educational purposes	211 schools and other groups visited the National Parks for educational purposes.	518 schools accessed National Parks	275 schools accessing National Parks for educational purposes	Q2 target was exceeded by 418 schools.	A large number of schools visited National Parks during SANParks Week	The target was to be increased from 275 to 400 school as the relaxation of Covid-19 regulations allowed for more schools to visit the National Parks.



OUTCOME GOAL 4: SUSTAINABLE AND TRANSFORMED ORGANISATION THROUGH REVENUE, PEOPLE, SYSTEMS AND BUSINESS PROCESSES

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 16: SANPARKS TURNAROUND AND FINANCIAL RECOVERY	Re-engineered organisation	Percentage organisation re-engineering completed	New indicator	New indicator	20% of the project plan was not completed	95% of the project plan on the organisation re-engineering completed	45% of the project plan was not completed.	The approach to the organisational re-engineering process has been reconsidered to be aligned with the broader Vision 2040 project. It will now form part of the second phase of Vision 2040 which will be pursued in subsequent financial years.	The target to be removed from the APP because the re-engineering project will be implemented as part of the second phase of the Vision 2040 project. Re-prioritisation of budget in favour of phase 1 of Vision 2040



OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 17: FINANCIALLY SUSTAINABLE ORGANISATION	Own revenue generated	Percentage of revenue raised through tourism performance	9.5% increase	R1,206 billion realised through tourism performance for 2021/22 is 14,2 above the target of R1,056 billion and previous year actual of R622,6million.	39,7% increase YoY	20% increase on actual 2021/22	Revenue from tourism performance (conservation fees, concessions, retail, accommodation, activities and other tourism income) increased by 39,7% year on year. (2021/22 – R573 million; 2022/23 – R804 million)	Tourism performance continued to show signs of recovery. Local guests make up 80% of SANParks' guests to parks. Starting from a low base, the international visitor numbers are seeing growth in this current year. The easing of Covid-19 restrictions has aided in increased numbers of SADC and international visitors. International visitors (excluding SADC) showed a significant positive change of 226,3 % relative to the same period in 2021/22, while domestic guests increased by 16,4% YoY.	The increase in target is aligned to the projected budget. The 20% was based to increase on number of people to parks.





OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 17: FINANCIALLY SUSTAINABLE ORGANISATION	Own revenue generated	Revenue raised through wildlife sales	New indicator	R9 639 million raised	The culling tender was not awarded. The online sales auction was not held.	R6 million	The culling tender was not awarded. The online sales auction was not held.	Number of animals available for sale (culling and online auction) had to be revised down due to challenges brought about by prevailing drought in the Eastern Cape. This delayed the appointment of the culling service provider and the online auctioneer.	The target to be changed from R6 million to R3 million due to the general shortage of animals from the earmarked National Parks which include some of the drought stricken National Parks like Addo Elephant, Camdeboo and Mountain Zebra National Parks in the Eastern Cape, and Karoo National Park in the Western Cape
SUB-OUTCOME 18: TRANSFORMED AND CAPABLE HUMAN CAPITAL	Enhanced wellness of employees	Number of wellness initiatives implemented to manage Covid-19	New indicator	New indicator	2 wellness initiative were implemented	4 annual interventions	The indicator to be amended by replacing Covid-19 with employee health and wellbeing	2 wellness initiative were implemented	The indicator to be amended by replacing Covid-19 with employee health and wellbeing because Covid is part of employee health and wellbeing.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 18: TRANSFORMED AND CAPABLE HUMAN CAPITAL	Succession planning implemented	Number of succession planning interventions implemented	New indicator	New indicator	The succession plans per divisions are not developed.	4 annual interventions	While the succession SOP was approved and the template for such plans was developed, divisional succession plans were not developed.	The SOP for succession planning had to be developed prior to the development of divisional plans	The target is operational, and it should be removed from the APP as it is already included in the HCM annual strategic and operational implementation plans





OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	ACTUAL ACHIEVEMENT	PLANNED ANNUAL TARGET 2022/23	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENTS	REASON FOR DEVIATION	REASON FOR REVISION TO OUTPUTS/ OUTPUT INDICATORS/
SUB-OUTCOME 18: TRANSFORMED AND CAPABLE HUMAN CAPITAL	Bursaries allocated	% of bursaries allocated to employees & employee dependants studying in fields related to core SANParks functions	New indicator	New indicator	74% of employees and dependants are studying in fields related to core SANParks functions.	10% of total bursary awarded.	The Q2 target of 2% was exceeded by 72%	Target exceeded: Of the 50 employees and dependants of employees listed in the SANParks Bursary Reconciliation Document 74% (37/50) are studying in fields related to core SANParks functions	The target was to be removed from the APP due to budget constraints and budget amendments. The Groen Sebenza programme is to be used to create a pipeline of professionals in areas related to the mandate of the organisation.
SUB-OUTCOME 22: APPROPRIATE AND WELL-MAINTAINED INFRASTRUCTURE	Improved condition of infrastructure	Percentage improved condition and maintenance of prioritised infrastructure	63% conditional assessment completed	The 5-year Maintenance & Recapitalisation Plan was approved	49% of the identified infrastructure projects were implemented.	95% of the identified infrastructure projects implemented	The 40% quarterly target was exceeded by 9%	The planned activities for Q2 were implemented, except for a few where the tenders must still be issued, or the evaluation submitted to the BEC. A catch-up plan is in place for these projects.	The indicator was reworded to explain the intent to achieve the target. The evaluation of the infrastructure programme implementation will be done against the plan for the year, since projects are implemented over time and not necessarily concluded during a financial year.

4. STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

OUTCOME GOAL 1: SUSTAINABLE BIODIVERSITY AND CULTURAL HERITAGE ACROSS LAND AND SEA DELIVERS BENEFITS FOR THE PEOPLE OF SA AND THE WORLD, NOW AND IN THE FUTURE

SUB-OUTCOME 3: DEGRADED ECOSYSTEMS REHABILITATED

Initial ha under rehabilitation

The annual target for initial ha under rehabilitation was not achieved with 7 340 initial ha land rehabilitation not done as planned. This under-achievement was caused by heavy rains in the KNP.

Measures to improve:

The outstanding initial hectares will be included in the 2023/24 plan.

SUB-OUTCOME 6: SUSTAINABLE POPULATIONS OF SPECIES OF SPECIAL CONCERN MONITORED AND INCREASED

Rhino populations in core Kruger National Park areas increase at 0,5% per annum.

There is an overall 19,58% decline in the rhino populations in the core Kruger National Park areas. The different trends within the different conservation zones result from movement responses, with rhinos shifting into previously occupied zones with suitable habitats, and variable poaching pressure.

Measures to improve:

- Monitoring of rhinos should be adapted to focus on emerging zones, given that rhinos are colonising depopulated suitable habitats.
- Continued implementation of the rhino management plan.

OUTCOME GOAL 3: SUSTAINABLE SOCIOECONOMIC DEVELOPMENT PROGRAMME THAT ENSURES DELIVERY OF BENEFITS TO THE LAND CLAIMANTS, HISTORICALLY DISADVANTAGED COMMUNITIES AND THE PEOPLE OF SA

SUB-OUTCOME 12: IMPROVED PARTICIPATION OF PDIs IN SANPARKS BUSINESS

40% of goods and services below R1 million contracted to QSEs: Off target: 11% awarded QSEs

40% of procurement above R1 million awarded to QSEs: Off target: 15% awarded to QSEs

Regarding the annual targets for procurement below R1 million, the under-achievement on QSEs is attributed to the halting of bids by National Treasury in Q1. SANParks is finding it challenging to attract QSEs below R1 million because their interest is in high-value bids. The under-achievement on bids above R1 million: inefficiencies in the SCM process will be addressed to enable the achievement of targets.

Measures to improve:

The target for procurement from QSEs below R1 million was revised in the new APP. Strict adherence to the demand and procurement plan.

OUTCOME GOAL 4: SUSTAINABLE AND TRANSFORMED ORGANISATION THROUGH REVENUE, PEOPLE, SYSTEMS AND BUSINESS PROCESSES

SUB-OUTCOME 18: TRANSFORMED & CAPABLE HUMAN CAPITAL

Percentage of people with disabilities increased to 1,3%: Off target: 1,0%

This target was not met as the vacancy rate of SANParks remains high, in addition to a slow turnover of staff and no new recruitment of people with disabilities. The stigma still associated with disability makes non-declarations from current employees a possibility.

Measures to improve:

- Partner with institutions/organisations that could provide names/databases of persons living with disabilities who can be interviewed for possible employment.
- Conduct disability awareness sessions in the regions and divisions and assist employees to declare disabilities and obtain medical certificates through internal processes.

Percentage of the Human Capital Management (HCM) annual implementation plan implemented

The HCM strategy was approved by the Board and the implementation plan submitted to Exco for approval. 72% (36/50 activities) of implementation plan implemented.

Measures to improve:

The 19% that was not achieved are included in the 2023/24 annual implementation plan.

SUB-OUTCOME 19: EFFICIENT, INNOVATIVE AND BUSINESS PROCESSES SUPPORTIVE OF SANPARKS CORE BUSINESS

The SANParks Digital Strategy was not implemented as the configuration for the user-acceptance testing environment had to be recreated, resulting in delays. The integration between the document routing process and signing hub had to be finalised.

Measures to improve:

User-acceptance testing will be completed by mid-April/May 2023.

The ERP service provider (Phase 1) was not appointed

The bid was advertised, but the closing date for the bid was extended in Q4. Bid evaluation has been scheduled for Q1 of 2023/24 to ensure adequate time for the evaluation. The specification for the ERP required further consultation before being approved by the bid specification committee (BSC). This delayed the advertising of the specification. Bidders also requested an extension on the bid closing date, which was subsequently approved.

Measures to improve:

The bid evaluation will be completed by 30 June 2023, after which the service provider should be appointed.

SUB-OUTCOME 21: EFFECTIVE STAKEHOLDER AND PARTNERSHIP MANAGEMENT

94% of the planned 95% of the annual stakeholder and partnership management implementation plan was implemented

Measures to improve:

The 1% not achieved will be included in the annual stakeholder and partnership management plan for 2023/24.



5. REVENUE COLLECTION

LINKING PERFORMANCE WITH BUDGETS

Programme activity/objective	Budget	Financial year 2021/22	
		Actual expenditure	(Over)/under-expenditure
Protected areas expansion aligned with the national protected area expansion strategy (NPAES) and SANParks land inclusion plan	R49 726 500	R57 228 060	-R7 501 560
Effective and efficient management of National Parks	R770 760 750	R887 034 930	-R116 274 180
Degraded ecosystems rehabilitated	R49 726 500	R57 228 060	-R7 501 560
Climate change vulnerability reduced and climate resilience improved	R24 863 250	R28 614 030	-R3 750 780
A framework towards improved management of aquatic systems developed	R24 863 250	R28 614 030	-R3 750 780
A framework towards improved management of cultural heritage developed	R24 863 250	R28 614 030	-R3 750 780
Sustainable rhino populations monitored and increased	R24 863 250	R28 614 030	-R3 750 780
Contribution to improved wildlife populations of African range states sustained	R24 863 250	R28 614 030	-R3 750 780
Wildlife crime in National Parks reduced	R24 863 250	R28 614 030	-R3 750 780
Improved tourism performance	R124 316 250	R143 070 150	-R18 753 900
Improved responsible tourism	R174 042 750	R200 298 210	-R26 255 460
Transformation of wildlife economy through increased PDI participation	R99 453 000	R114 456 120	-R15 003 120
Improved participation of PDIs in SANParks business	R24 863 250	R28 614 030	-R3 750 780
Improved education and skills	R24 863 250	R28 614 030	-R3 750 780
Sustained corporate social investment towards community development	R49 726 500	R57 228 060	-R7 501 560
Improved participation of land claimants in SANParks business	R24 863 250	R28 614 030	-R3 750 780
Financially sustainable organisation	R223 769 250	R257 526 270	-R33 757 020
Transformed and capable human capital	R248 632 500	R286 140 300	-R37 507 800
Efficient, innovative systems and business processes supportive of SANParks core business	R198 906 000	R228 912 240	-R30 006 240
Sound corporate governance	R49 726 500	R57 228 060	-R7 501 560
Effective stakeholder and partnership management	R49 726 500	R57 228 060	-R7 501 560
Appropriate and well-maintained infrastructure	R174 042 750	R200 298 210	-R26 255 460
Total expenditure	R2 486 325 000	R2 861 403 000	-R375 078 000



Programme activity/objective	Budget	Financial year 2022/23	
		Actual expenditure	(Over)/under-expenditure
Protected areas expansion aligned with the national protected area expansion strategy (NPAES) and SANParks land inclusion plan	R38 896 700	R35 463 900	R3 432 800
Effective and efficient management of National Parks	R388 967 000	R354 639 000	R34 328 000
Degraded ecosystems rehabilitated	R32 673 228	R29 789 676	R2 883 552
Climate change vulnerability reduced and climate resilience improved	R29 250 318	R26 668 853	R2 581 466
Green energy programme developed for SANParks	R4 415 301	R4 025 632	R389 669
A framework towards improved management of cultural heritage developed	R21 143 624	R19 277 609	R1 866 015
Sustainable populations of species of special concern monitored and maintained	R30 545 715	R27 849 925	R2 695 790
Contribution to improved wildlife populations of African range states sustained	R19 381 427	R17 670 934	R1 710 494
Wildlife crime in National Parks reduced	R5 186 227	R4 728 520	R457 707
Improved tourism performance	R77 793 400	R70 927 800	R6 865 600
Improved responsible tourism	R115 635 221	R105 429 919	R10 205 302
Transformation of wildlife economy through increased PDI participation	R62 234 720	R56 742 240	R5 492 480
Improved participation of PDIs in SANParks business	R15 397 712	R14 038 798	R1 358 914
Increased access to education and skills development opportunities	R33 038 188	R30 122 426	R2 915 761
Sustainable corporate social investment towards community development	R46 676 040	R42 556 680	R4 119 360
Improved participation of land claimants in SANParks business	R27 844 659	R25 387 249	R2 457 410
SANParks turnaround and financial recovery	R140 028 120	R127 670 040	R12 358 080
Financially sustainable organisation	R155 586 800	R141 855 600	R13 731 200
Transformed and capable human capital	R31 117 360	R28 371 120	R2 746 240
Sound corporate governance	R124 469 440	R113 484 480	R10 984 960
Efficient, innovative systems and business processes supportive of SANParks core business	R46 676 040	R42 556 680	R4 119 360
Effective stakeholder and partnership management	R108 910 760	R99 298 920	R9 611 840
Appropriate and well-maintained infrastructure	R38 896 700	R35 463 900	R3 432 800
Total expenditure	R1 555 868 000	R1 418 556 000	R137 312 000

Financial year 2022/23				Financial year 2021/22		
Sources of revenue	Estimate) (R'000)	Actual amount collected (R'000)	(Over)/under-collection (R'000)	Estimate (R'000)	Actual amount collected (R'000)	(Over)/under-collection (R'000)
Tourism, retail, concession and other	1 623 889	1 853 648	(229 759)	1 523 379	1 589 480	(66 101)
Sales - fauna and flora	4 000	655	3 345	8 000	9 693	(1 693)
Other operating income	28 493	64 237	35 744	33 041	57 003	(23 962)
Interest received	49 638	61 521	(11 883)	46 980	45 277	1 703
Government grants and other funding	1 116 854	821 457	295 397	856 103	935 691	(79 588)
Donations	28 757	34 990	(6 233)	19 000	28 955	(9 955)
Total revenue	2 851 631	2 836 508	15 123	2 486 503	2 668 998	(179 596)

Material differences between budget and actual amounts:

- Revenue from exchange transactions is more than budget because of better than expected tourism-related revenue as more visitors came through SANParks gates than anticipated.
- Government grants and other funding are below budget mainly because the additional infrastructure grant of R235 million that was allocated to SANParks was received late and thus not spent in full.
- Donations reflect a positive variance due to inflows from newly signed agreements.
- Employee-related costs savings are mainly attributed to the employee benefit obligation actuarial gain of R83 million.
- The depreciation budget was based on the assets SANParks anticipated to purchase in the financial year under review. Depreciation is below budget as not all the assets were acquired and capitalised by year end.
- Finance costs reflect a saving of R1 243 million, which is attributed to a lower capital finance lease balance.
- Operating lease payments exceeded the budget as the amount allocated was not enough to cover actual operating leases.
- The operating costs saving is as a result of maintenance projects not yet completed.
- Loss on disposal of assets is more than projected due to impaired assets that had to be retired as a result of unforeseen circumstances.



6. CAPITAL INVESTMENT

Infrastructure project	Financial year 2021/22			Financial year 2022/23			Expected completion date
	Budget	Actual expenditure	(Over)/under-collection	Budget	Actual expenditure	(Over)/under-collection	
KRUGER NATIONAL PARK							
IP4 Nxanatseni Region Staff Accommodation Upgrade	R 847 340	R 434 702	R 412 638	R 5 626 017	R 320 434	R 5 305 583	31-Mar-24
IP4 Nxanatseni Water and Sewer Infrastructure Upgrade	R 1 900 196	R 95 184	R 1 805 012	R 950 000	R 0	R 950 000	31-Mar-24
IP4 Marula Corporate Infrastructure	R 1 810 976	R 592 542	R 1 218 434	R 200 000	R 0	R 200 000	31-Mar-24
IP4 Marula Region Staff Accommodation Upgrade	R 3 741 821	R 1 226 903	R 2 514 919	R 4 415 074	R 2 215 074	R 2 200 000	31-Mar-24
IP4 Marula Tourism Upgrade	R 6 317 451	R 5 756 971	R 560 480	R 2 006 342	R 156 342	R 1 850 000	31-Mar-24
IP4 Marula Water & Sewer Infrastructure				R 900 000		R 900 000	31-Mar-24
IP4 Skukuza Lodge Support Services	R 293 789	R 0	R 293 789	R 982 977	R 982 977	R 0	Completed
IP4 Skukuza Lodge Staff accommodation	R 10 601 479	R 9 564 193	R 1 037 287	R 1 675 493	R 1 675 493	R 0	Completed
IP4 Skukuza Staff Accommodation, Clinic and Sports Centre	R 4 104 332	R 0	R 0	R 67 632	R 67 632	R 0	Completed
IP4 Skukuza Tourism Upgrade	R 1 652 432	R 74 506	R 1 577 926	R 1 579 106	R 1 579 106	R 0	Completed
IP4 Skukuza Laundry upgrade and Water Infrastructure Upgrade	R 233 486	R 233 486	R 0	R 6 193 373	R 279 373	R 5 914 000	31-Mar-24
Sub-Total IP4	R 31 503 303	R 17 978 487	R 9 420 484	R 24 596 012	R 7 276 429	R 17 319 583	
IP5 Corporate Staff Accommodation	R 11 704 894	R 10 734 562	R 970 333	R 1 467 215	R 1 467 215	R 0	Completed
IP5 Marula Staff Accommodation	R 10 532 964	R 8 723 659	R 1 809 304	R 2 427 622	R 1 877 622	R 550 000	31-Mar-24
IP5 Nxanatseni Roads	R 2 681 447	R 2 681 447	R 0	-R 2 000 000	-R 2 000 000	R 0	Completed
IP5 Nxanatseni Staff Accommodation	R 15 455 650	R 15 378 265	R 77 385	R 4 727 544	R 0	R 4 727 544	31-Mar-24
Sub-Total IP5	R 40 374 955	R 37 517 933	R 2 857 022	R 6 622 381	R 1 344 837	R 5 277 544	
IP6 KNP Tourism Accommodation				R 13 004 190	R 10 407 672	R 2 596 518	31-Mar-25
IP6 KNP Staff Housing				R 15 546 969	R 15,083,637	R 463 332	31-Mar-25
IP6 KNP Electrical Infrastructure				R 1 000 000	R 848 883	R 151 117	31-Mar-25
IP6 KNP Phalaborwa Activity Node				R 2 000 000		R 2 000 000	31-Mar-25
Sub-Total IP6	R 0	R 0	R 0	R 31 551 159	R 26 340 192	R 5 210 967	
Department of Tourism							
NDT - KNP Shongoni Gate Development	R 15 385	R 15 385	R 0	R 12 448 192	R 6 950 096	R 5 498 096	31-Dec-22
NDT - KNP Phalaborwa Activity Hub	R 295	R 295	R 0	R 19 105 526	R 21 012 267	-R 1 906 741	31-Dec-22
Sub-Total	R 15 680	R 15 680	R 0	R 31 553 717	R 27 962 362	R 3 591 355	
Total KNP	R 71 893 938	R 55 512 100	R 12 277 506	R 94 323 269	R 62 923 820	R 31 399 449	

Infrastructure project	Financial year 2021/22			Financial year 2022/23			Expected completion date
	Budget	Actual expenditure	(Over)/under-collection	Budget	Actual expenditure	(Over)/under-collection	
PARKS DIVISION							
IP4 & 6 Addo Lendlovu Community Lodge	R 1 767 511	R 1 492 268	R 275 243	R 1 140 274	R 1 109 163	R 31 111	31-Mar-24
IP5 Addo Construct Wastewater Plant	R 6 200 002	R 4 692 358	R 1 507 644	R 2 926 811	R 2 136 518	R 790 293	31-May-23
IP6 Addo Upgrade Electrical Reticulation	R 108 594	R 108 594	R 0	R 197 285	R 0	R 197 285	31-Mar-24
IP3-5 Tsitsikamma Restaurant & Precinct Development	R 8 958 786	R 8 445 855	R 512 930	R 17 395 459	R 16 859 701	R 535 757	31-Mar-24
IP5 Tsitsikamma Oceanettes Upgrade	R 5 436 656	R 5 248 470	R 188 186	R 1 551 530	R 530 383	R 0	Completed
IP4 Bontebok Die Stroom Swimming pool & Day Visitor Site	R 5 124 297	R 61 548	R 0	R 51 243	R 0	R 51 243	31-Dec-24
IP4 West Coast Geelbek Activity Node	R 7 927 285	R 0	R 0	R 198 182	R 178 585	R 19 598	31-Dec-24
1P4 West Coast Upgrade R27 Entrance Gate	R 2 935 848	R 84 459	R 0	R 73 396	R 7 250	R 66 146	30-Sep-24
IP1 West Coast: Kraalbaai Day Visitor Site	R 1 258 339	R 43 636	R 1 214 703	R 1 316 689	-R 149 429	R 1 466 118	31-Dec-23
IP4&5 Kgalagadi Construct Dawid Kruiper Rest Camp	R 3 389 278	R 839 725	R 2 549 553	R 9 830 035	R 5 718 182	R 4 111 853	31-Mar-24
IP5 Kgalagadi Construct Craig Lockhardt Camp Site	R 3 007 143	R 295 239	R 2 711 904	R 4 209 561	R 295 239	R 3 914 323	31-Mar-24
IP4 Kgalagadi Water Purification Plants	R 160 665	R 118 353	R 42 312	R 1 506 716	R 181	R 1 506 534	31-Mar-24
IP4 Mokala Upgrade Lilydale Water & Sewer infrastructure	R 201 250	R 128 150	R 73 100	R 2 746 850	R 98 904	R 2 647 947	31-Mar-24
IP4 Mapungubwe: Construct Park Management Offices	R 164 593	R 0	R 164 593	R 119 473	R 0	R 119 473	30-Jun-24
IP4 Mapungubwe: Upgrade Hamilton Day Visitor Site	R 150 390	R 0	R 150 390		R 0	R 0	30-Jun-24
IP4 Mapungubwe: Expand Mazhou Camp Site	R 88 425	R 0	R 88 425		R 0	R 0	30-Jun-24
IP4 Marakele: Upgrade Offices & Entrance Gate	R 1 362 549	R 205 055	R 1 157 493	R 805 247	R 733 338	R 71 909	Completed
IP4 Marakele: Construct staff accommodation	R 15 003 423	R 0	R 0	R 0	R 0	R 0	31-Mar-25
IP3 Golden Gate Hotel Chalets, Parking & BCV Entrance Gate Upgrade & Construction	R 5 867 657	R 0	R 0	R 1 411 262	R 2 149	R 1 409 113	31-Mar-24
IP6 Addo Main Camp Electrical Upgrade				R 200 000	R 0	R 200 000	30-Sep-24
IP6 Camdeboo Perimeter Fence				R 6 695 652	R 6 285 178	R 410 474	31-Aug-23
IP6 Knysna Floating Jetty				R 50 000	R 44 075	R 5 925	31-Mar-25
IP6 Kgalagadi Mata Mata Solar Plant				R 60 000	R 0	R 60 000	31-Mar-24
IP6 Kgalagadi Nossob Solar Plant				R 60 000	R 0	R 60 000	31-Mar-24
Ivory Fund - Kabouga Fence construction, AENP				R 17 242 718	R 6 919 892	R 10 322 826	31-Aug-23
Sub-Total	R 69 112 688	R ,763 709	R 10 636 478	R 69 788 383	R 40 769 307	R 27 997 929	



Infrastructure project	Financial year 2021/22			Financial year 2022/23			Expected completion date
	Budget	Actual expenditure	(Over)/under-collection	Budget	Actual expenditure	(Over)/under-collection	
Department of Tourism							
Golden Gate Dinosaur Centre	R 5 280 147	R 3 282 502	R 1 997 644	R 4 772 662	R 1 377 358	R 3 395 304	30-Sep-24
Addo Extension of Rest Camp	R 1 827 110	R 1 785 643	R 41 467	R 356 749	R 349 060	R 7 690	31-May-24
Mapungubwe Youth Facilities	R 222 079	R 1 431	R 220 648	R 2 070 386	R 1 103 583	R 966 802	31-Dec-24
Agulhas Lighthouse	R 1 051 103	R 599 676	R 451 428	R 17 160 008	R 15 441 226	R 1 718 782	31-May-24
Sub-Total	R 8 380 439	R 5 669 252	R 2 711 186	R 24 359 805	R 18 271 227	R 6 088 578	
Parks Division	R 77 493 127	R 27 432 961	R 13 347 664	R 94 148 189	R 59 040 534	R 34 086 507	
TOTAL	R 149 387 064	R 82 945 060	R 25 625 170	R 188 471 458	R 121 964 354	R 65 485 956	

Progress made on implementing the capital investment and asset management plan

SANParks received a capital investment allocation for 2022 of R 124,9 million and an MTEF 2022/23 – 2024/25 allocation of R391 million. The Department of Forestry, Fisheries and the Environment (DFFE) made R80 million available specifically for the upgrade of existing tourism infrastructure. Capital projects were selected for all available funds, and implementation started during 2022 with planning and award of work orders to contractors in Kruger National Park. The level of service/re-capitalisation backlog was determined to be R 3,4 billion and a 10-year plan was proposed. According to this plan, R722 million was needed in 2022 to address the backlog, while re-capitalisation needs continue to grow year on year.

The bulk of the infrastructure investment funds received was prioritised for upgrades and re-capitalisation. The adjacent table reflects the re-capitalisation needs for three years, as well as the available funds. The implementation of approved projects increased during the year, after the re-direction of the investment allocations of the two prior years. Good progress was made in Kruger with many work orders issued to the panel of contractors appointed for the park. The planned progress for the year was hampered by tenders that could not be awarded due to unacceptable prices received, as well as poor performance of some contractors.

Re-capitalisation plan	2022/23	2023/24	2024/25
Backlog C/O		R 658 418	R 610 041
Backlog level of service/re-capitalisation needs	R 721 871	R 541 403	R 541 403
Re-capitalisation	R 61 448	R 240 626	R 408 729
Total	R 783 319	R 1 440 447	R 950 132
Infrastructure investment allocation	R 124 901	R 130 406	R 136 262
Infrastructure backlog allocation		R 700 000	
Shortfall	R 658 418	R 610 041	R 813 870
Percentage of needs	15,95%	48,60%	14,34%

A three-year view of SANParks' recapitalisation needs and the available funds.

Infrastructure projects that are currently in progress

In KNP, the programmes to upgrade and renovate tourism units, upgrade and build new staff accommodation, maintain roads and upgrade bulk services infrastructure continued with contractors appointed from the panel of contractors. Within the Parks Division, progress on the larger projects such as the replacement and upgrade of the Tsitsikamma restaurant and precinct and Agulhas Lighthouse Development was good, with slow delivery of the Dawid Kruiper Rest Camp in Kgalagadi Transfrontier Park. Good progress was made on the construction of perimeter fences in Camdeboo National Park and the Kabouga Section of Addo Elephant National Park. The Addo wastewater treatment plant was largely

completed and commissioned. Poor tender results impacted the start of some projects, while three contracts were terminated due to the contractor abandoning site. Construction started on the Shongoni Entrance Gate and Phalaborwa Activity Hub projects funded by the Department of Tourism, while the tender was awarded for the eight additional chalets in Addo Main Camp.

Plans to close down or downgrade current facilities

No facilities were downgraded or closed in 2022/23.

Progress made on the maintenance of infrastructure

The operational maintenance expenditure on infrastructure was R152,459 million (including veld maintenance). While an increase on the past two years, it was still far below the required amount of R268 million as determined according to the condition assessment and 5-year maintenance plan. Sixty SMMEs employed in the SANParks Maintenance Programme funded by the Department of Tourism, assisted with routine and preventative maintenance in parks to the value of R36,424 million.

Developments relating to the above that are expected to impact on the public entity's current expenditure

The completion of new facilities will require operational maintenance budgets, and this will be offset against additional income generated by some of the facilities. The maintenance project funded by the Department of Tourism ended on 31 March 2023 and in effect will reduce expenditure on maintenance with R35 million. Appointment of much needed human capital capacity to implement maintenance, upgrades and new infrastructure projects will require operational and project funding.

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft

All new assets and upgraded infrastructure were capitalised. New infrastructure assets capitalised during the year included the Dinosaur Interpretive Centre in Golden Gate Highlands National Park of R84 million, new infrastructure at Marakele Entrance Gate of R2,5 million, while the Tsitsikamma Oceanettes was re-capitalised after an R11 million upgrade. Kruger capitalised infrastructure assets (staff accommodation and tourism units) to the value of R70,210 million.

Measures taken to ensure that the public entity's asset register remained up to date during the period under review

Assets created and procured as part of the funding received for infrastructure were capitalised and included in the asset register. National parks were visited over a period of 12 months, with teams spending a total of 294 days to verify and do condition assessments of all above-ground infrastructure up to component level. This information was captured in a database, geo-referenced, photographed and used to determine the condition, replacement values (current and depreciated) and remaining useful life.

The current state of the SANParks' capital assets

The asset portfolio health grade of above-ground infrastructure was determined to be 56.86% or "Good" overall. Capital investment funding is used to upgrade/re-capitalise priority infrastructure. The annual allocation of R124 million for 2022/23 will have a limited impact on a new and re-capitalisation infrastructure plan of R16 billion. The additional allocation of R700 million for 2023/24 will assist to address the R3,4 billion backlog for level of service/re-capitalisation.

Major maintenance projects that have been undertaken during the period under review

KNP continued with the normal maintenance and renovations programmes in the park to address tourism accommodation, staff accommodation, roads and bulk services infrastructure, while the rest of the parks implemented maintenance within operational budgets. No major maintenance projects were implemented in the past year.

Progress made in addressing the maintenance backlog

The 5-year Maintenance and Recapitalisation Management Plan was approved in March 2022. According to this plan, SANParks needed R268 million in 2022/23 for routine maintenance of above-ground infrastructure in National Parks. The maintenance expenditure of R152,459 million against a required budget of R268 million resulted in a backlog of R115,541 million.

PART: C
Governance



1. INTRODUCTION

The Board is responsible for overseeing governance within SANParks in compliance with legal and governance prescripts as well as best practice.

2. PORTFOLIO COMMITTEE

SANParks reports to the Portfolio Committee for Environment, Fisheries and Forestry via the minister of forestry, fisheries and the environment. Quarterly and annual reports against the 2022/2023 annual performance plan were tabled before the portfolio committee.

3. EXECUTIVE AUTHORITY

The Board is appointed by and is accountable to the minister of forestry, fisheries and the environment (the minister) in the performance of its duties.

Annual strategic plans and budgets were submitted to the minister for approval as required by the PFMA.

4. THE ACCOUNTING AUTHORITY/ BOARD

All Board members, except the CEO, are non-executive members.

The Board provides strategic oversight and ensures that SANParks operates in a transparent, fair, and responsible manner for the benefit of all its stakeholders.

The role and responsibilities of the Board include the following:

- Provide effective leadership on an ethical foundation to SANParks as well as to general SANParks stakeholders.
- Contribute to and approve SANParks' strategic plan and annual performance plan for submission to the minister.
- Monitor and oversee organisational performance.
- Monitor progress on implementation of SANParks' long-term vision documents.

- Ensure that the organisational strategy is in line with government priorities, responds to its context, and will result in sustainable outcomes
- Uphold the Batho-Pele principles of government and Supports the vision of a developmental state to improve service delivery and access to services.
- Ensure compliance with all applicable black economic empowerment legislative frameworks and requirements.
- Strengthen stakeholder relations as per SANParks' stakeholder management strategy, and monitor the relationship between SANParks and its stakeholders.
- Ensure that SANParks is and is seen as responsible regarding not only the financial and regulatory aspects of SANParks, but also the impact that SANParks' operations have on the environment and the society within which it operates.
- Ensure that ethics are effectively managed within SANParks.
- Ensure that SANParks complies with applicable laws, and considers adherence to non-binding rules and standards.
- Act in the best interests of SANParks by ensuring that individual Board members adhere to requisite standards of conduct.

The following Board committees assist the Board in discharging its responsibilities:

- Audit and Risk Committee, which assists the Board in discharging its duties relating to the safeguarding of assets, operation of adequate systems, internal controls and control processes, preparation of accurate financial reports and statements in compliance with all applicable legal requirements, good governance, and accounting standards. This committee also assists the Board in respect of SANParks' risk management, IT governance and compliance.
- Human Capital Management Committee which assists the Board in discharging its duties relating human resources, remuneration, transformation, and ethics.
- Conservation and Socioeconomic Transformation Committee which assists the Board on matters relating to conservation and socioeconomic transformation. The committee also assists the Board to discharge its transformation and business sustainability responsibility on implementation of practices that are consistent with good corporate citizenship
- Tourism Committee which assists the Board on matters relating to tourism development and marketing. The committee also assists the Board to discharge its transformation and business sustainability responsibility with regard to the implementation of practices that are consistent with good corporate citizenship.

5. The Land Claims Committee was established in June 2022 to assist the Board on matters relating to land claims on protected areas for which SANParks is the management authority. This committee also assists the Board to discharge its transformation and business sustainability responsibility with regard to development and implementation of legacy socioeconomic development projects in line with good corporate citizenship practices.

Board and committee responsibilities are outlined in the respective charters. Committee chairpersons report quarterly to the Board on how each committee discharged responsibilities contained in its charter.

In order to augment skills on the Audit and Risk Committee as well as the Human Capital Management Committee, independent members were appointed to these committees in November 2022.

Member	Board	Audit and Risk Committee	Human Capital Management Committee	Conservation and Socioeconomic Transformation Committee	Tourism Committee	Land Claims Committee
Number of meetings held	14	9	6	5	4	2
Attendance by Board members						
P Yako	13	-	-	1	2	-
N Mayathula-Khoza	13	-	6	4	-	-
Z Ramasia	14	-	6	4	4	-
Y Friedmann	14	-	-	5	4	2
J Mashele	14	9	-			-
B Koyana	14	9	6			-
L Mogakane	13	8	-			2
B Ngobeni	14	9	-	5	-	2
H Mushiane	14	-	-	5	4	2
E Neluvhalani	13	7	5	-	4	-
L Matsila	14	-	6	5	-	2
*F Mokgohloa	12	-	4	3	-	-
Attendance by non-Board members						
*A Jass	-	3	-	-	-	-
**T Kgokolo	-	3	-	-	-	-
**M Ndaba	-	3	1	-	-	-

* Department of Forestry, Fisheries and the Environment representative

** Appointed on 23 November 2022

5. RISK MANAGEMENT

Although there has been improvement in SANParks' tourism revenue, the organisation's finances have not yet reached pre-Covid levels. Budget constraints have an effect on risks associated with insufficient human capital capacity to enable the organisation to fully discharge its responsibilities. The Board continuously monitors all strategic risks as well as attendant mitigation measure to ensure SANParks' sustainability.

Further details on this item are included in the Audit and Risk Committee report (Section 14 below).

6. INTERNAL AUDIT AND AUDIT COMMITTEE

Details on SANParks' Internal Audit function and the activities of the Audit and Risk Committee are contained in the Audit and Risk Committee report in Section 14 below. Members of the Audit and Risk Committee are listed in the table under item 4 above and further details of the composition of this committee are contained in the report in section 14 below.

7. COMPLIANCE WITH LAWS AND REGULATIONS

The Board, with the assistance of the Audit and Risk Committee, quarterly reviews reports on SANParks' compliance to relevant prescripts in accordance with its compliance universe. A report on SANParks' compliance with the PFMA was submitted to the minister at the end of each quarter.

8. FRAUD AND CORRUPTION

A report on fraud and corruption management is tabled before the Audit and Risk Committee and the Board every quarter.

Reporting of fraud or any alleged unethical conduct is facilitated through an ethics hotline and various other alternative means. A whistle-blowing protocol is in place to ensure confidential disclosure. Reports of fraud and other allegations of unethical conduct reported through the ethics hotline and/or any other means are investigated and where relevant, corrective measures or consequence management is implemented.

9. MINIMISING CONFLICT OF INTEREST

Board members are obliged to declare any directorship or business interest they may hold as well as interest in any matter to be discussed at Board and committee meetings, and to recuse themselves from meetings where such matters are discussed when appropriate. Declarations are recorded in meeting minutes.

Employees are also expected to complete an annual declaration of interest and to avoid conflict between their personal interests and those of SANParks. Policies and procedures are in place to ensure that all staff declare directorships or any other business interests on an annual basis.

SANParks' Supply Chain Management Policy requires all members of bid specification, bid evaluation and bid adjudication committees to declare any conflict of interest regarding matters before them and to recuse themselves from the meeting when such items are discussed.

10. CODE OF CONDUCT

SANParks has a Code of Ethics and Business Conduct as well as Code of Ethical Conduct. Breaches of the codes are regarded as breaches of SANParks' Disciplinary Policy and are dealt with in accordance with that policy.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

SANParks values its employees and recognises health and safety as critical to achieving its outcomes. Given its commitment to providing a safe working environment, SANParks views occupational health and safety (OHS) as integral to strategic organisational management under enterprise risk management. During the 2022/23 financial year, Exco reviewed the Safety, Health and Environmental Framework that supports the organisation's goal of achieving a sustainable zero-harm safety culture. Management and employees are required to take accountability for working as safely and responsibly as is reasonably and practically achievable.

SANParks' approach to health and safety is based on understanding the health and safety risks associated with its activities, in order to minimise risks and eliminate incidents. This is implemented by clarifying roles and responsibilities and implementing effective policies, procedures and structures, all in the context of leadership commitment that prioritises the continuous improvement of the organisation's safety culture.

12. BOARD SECRETARY

SANParks' board secretary is responsible for advising the Board on governance and compliance issues, and all Board members have access to her services and guidance.

13. SOCIAL RESPONSIBILITY

The corporate social investment (CSI) programme advances SANParks' vision of "A world-class system of sustainable National Parks reconnecting and inspiring society" by contributing to the development of communities living adjacent to the National Parks through the provision of much-needed facilities and services. These projects are funded from the 1% tourism levy on all accommodation bookings and activities in National Parks, as well as a percentage of the income derived from the sale of high-value species.

Project requests are prioritised in consultation with community authorities and structures, and implemented subject to approval from SANParks executive management.

Projects implemented in the 2022/23 year:

- Four schools in communities neighbouring the West Coast, Karoo, Mountain Zebra and Golden Gate Highlands National Parks each received two mobile science laboratories.
- An office for the principal, an administration office and storeroom were completed at Kranenburg Primary School close to Mapungubwe National Park.
- A kitchen was provided for the feeding scheme at Sekweng Intermediate School close to Marakele National Park.
- Houtbay Secondary School, close to Table Mountain National Park, received a library.
- Bunny Khosa and Jacob Mdluli high schools, close to Kruger National Park, each received a science laboratory.
- 54 water tanks were donated to communities next to Addo Elephant and Camdeboo National Parks. The water supply at the Kommagas Healthcare Centre, close to Namaqua National Park, was upgraded and a 5 200-litre water tank, with fitted gutters and pressure pump, was installed at Vredesvallei Primary School. The school was also connected to the municipal water infrastructure to ensure consistent supply for the ablution facilities.
- 75 plastic chairs were donated to Riemvasmaak Primary School. This donation, and the infrastructure at Vredevallei Primary School, were made possible with Norwegian funding.



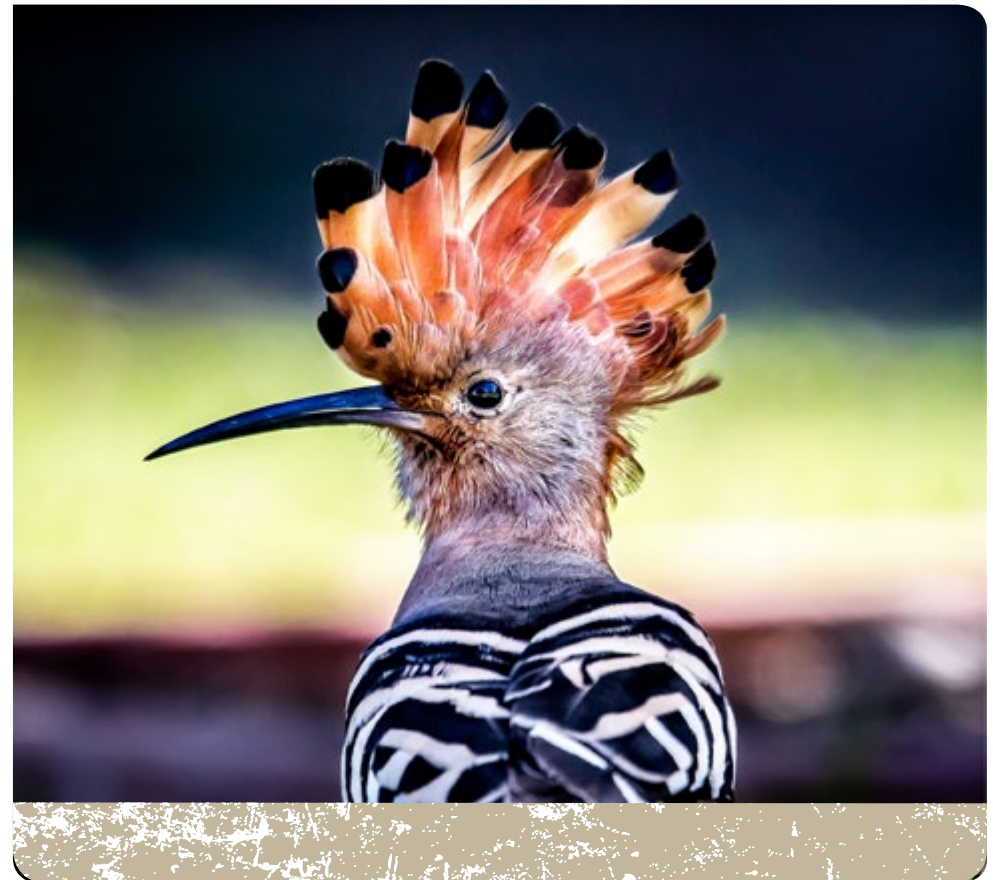
14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the public entity applied any relevant code of good practice (B-BBEE certificate levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	Every bid for concessions and management contracts requires bidders to meet a certain minimum B-BBEE level or subcontracting to EMEs and QSEs that are level 1 in terms of B-BBEE.
Developing and implementing a preferential procurement policy?	Yes	SANParks' supply chain management policy incorporates the PPPFA and its regulations and bids are evaluated for price and B-BBEE in an 80/20 or 90/10 ratio, depending on the threshold.
Determining qualification criteria for the sale of state-owned enterprises?	No	There has been no sale of enterprises, however, should the need arise to sell any asset of the organisation, the PPPFA regulations will apply.
Developing criteria for entering into partnerships with the private sector?	Yes	B-BBEE and the Preferential Procurement Policy Framework and its regulations are an integral part of evaluating any bid, PPP etc.

Has the public entity applied any relevant code of good practice (B-BBEE certificate levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	Yes	B-BBEE and Preferential Procurement Policy Framework and its regulations are an integral part of evaluating any bid, PPP etc.



PART: D

Human Capital Management



1. INTRODUCTION

During 2022 SANParks faced a leadership vacuum following the termination of the employment of the chief executive officer. However, under the oversight leadership of the Board, the executive management ensured that SANParks remained sustainable.

In these challenging times, we supported the professional functioning of SANParks by implementing an executive management development programme, a hospitality leadership development programme, a ranger leadership programme, business continuity measures and duty-of-care activities towards our staff across the organisation.

We continued to work tirelessly on the improvement of our procedures and conditions of service, tackling new challenges as they arose and creating conditions for growth where possible.

Employees remain our most precious resource. As we face 2023, having to deal with soaring inflation, the impact of socioeconomic factors such as loadshedding, and a limited-growth environment in terms of financial resources, we must focus our efforts where SANParks can have the most impact and make the biggest difference.



During the financial year under review, the human capital management (HCM) strategy was reviewed as a critical component of the organisational strategy. Enhanced staff performance assessment, reporting, the strengthening of a learning culture, remuneration management and employee wellness are the focus of measures adopted in the strategy to better align HCM policies with the implementation of the organisation’s objectives.

2. HUMAN CAPITAL MANAGEMENT OVERSIGHT STATISTICS

As a public entity, SANParks is required to provide the following information on human capital management, with all the amounts aligned with the amounts disclosed in the annual financial statements.

Personnel cost by programme/activity/objective	Total expenditure for the entity	Personnel expenditure	Number of employees	Average personnel cost per employee
	R1 231 127 069,30	100,00%	4 246	R289 949,85

Personnel cost by salary band

The figures in the following table are the amounts processed through the organisation’s SAGE 300 People payroll system and include subsistence and travel (including for kilometres travelled) claims.

The total expenditure disclosed in the 2021/22 financial year was R1 159 732 458,81. Total expenditure for the financial year in review is R1 231 127 069,30; it was R71 394 610,49 more than in the previous financial year.

Reasons for the variance:

1. Cost-of-living salary adjustments: 6% adjustment for employees on Paterson band A1 to C5 and 4% adjustment for employees on Paterson D1 to F-upper for the period April to September 2022. In October 2022, D1 to F-upper employees received an additional 2% adjustment, resulting in a 6% adjustment for the period October 2022 to March 2023.
2. 6% increase in the tool-of-trade allowance.
3. 6% increase in the danger allowance.
4. 6% increase in the housing allowance.
5. Payment of a uniform allowance for the 2021/2022 financial year.
6. Medical aid annual increase.



Occupation level	Personnel expenditure	Personnel expenditure as a % of total personnel costs	Number of employees	Average personnel cost per employee
F - top management/executives	R14 385 246,16	1,17%	8	R1 798 155,77
E - senior management	R67 654 802,61	5,50%	56	R1 208 121,48
D - professionally qualified & experienced specialists/ middle management	R223 564 677,28	18,16%	315	R709 729,13
C - skilled technical & academically qualified/junior management/supervisors/foremen/superintendents	R210 988 279,55	17,14%	593	R355 798,11
B - semi-skilled & discretionary decision making	R422 682 721,79	34,33%	1803	R234 433,01
A - unskilled & defined decision making	R291 851 341,91	23,71%	1471	R198 403,36
Total	R1 231 127 069,30	100,00%	4246	R289 949,85

Performance rewards

SANParks did not pay any bonuses during the financial year under review.

Training costs

SANParks allocates 1% of its payroll budget towards training. Learning and development focused mainly on compliance training due to the cost-curtailment process.

Programme/ activity/ objective	Personnel expenditure	Training expenditure	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee
	R1 231 127 069,30	R11 698 607,90	1%	2 959	R3 953,57



Employment and vacancies

At 14,79%, the vacancy rate in SANParks is high. Staff turnover has been the highest at top management level, followed by senior and middle management, due to several terminations during the reporting cycle.

Occupation level	Number of employees	Approved posts	Number of employees (filled posts)	Number of vacancies	Vacancies as a %
F - top management/ executives	5	9	5	4	44,44%
E - senior management	50	68	50	18	26,47%
D - professionally qualified & experienced specialists/middle management	287	380	287	93	24,47%
C - skilled technical & academically qualified/ junior management/ supervisors/foremen/ superintendents	565	701	565	136	19,40%
B - semi-skilled & discretionary decision- making	1 693	1 934	1 693	241	12,46%

Occupation level	Number of employees	Approved posts	Number of employees (filled posts)	Number of vacancies	Vacancies as a %
A - unskilled & defined decision-making	1 393	1 594	1393	201	12,61%
Total	3 993	4 686	3993	693	14,79%

Employment changes

During the period under review, SANParks experienced high staff turnover of top management. Budgetary constraints and implementation of cost-curtailement measures had an adverse effect on recruitment.

Occupation level	Employment at the beginning of the period (01 April 2022)	Appointments	Terminations	Employment at the end of the period (31 March 2023)
F - top management/ executives	7	1	4	5
E - senior management	49	3	3	50
D - professionally qualified & experienced specialists/middle management	290	14	21	287
C - skilled technical & academically qualified/ junior management/ supervisors/foremen/ superintendents	554	19	27	565
B - semi-skilled & discretionary decision-making	1 714	79	88	1 693
A - unskilled & defined decision-making	1 391	85	71	1 393
Total	4 005	201	214	3 993

Reasons for staff leaving

Reason	Number of terminations	% of total number of staff leaving
DC - Deceased	14	7%
DS - Discharged	51	24%
EC - End of contract	4	2%
IH - Ill health	11	5%
PS - Pensioned	53	25%
RD - Retired	2	1%
RS - Resigned	79	37%
Total	214	100%

The 214 terminations during the period under review translate into a staff turnover rate of 5,36%. Employees who participated in exit interviews cited personal reasons, benefits, better job opportunities that will contribute to career growth and higher salaries as reasons for termination of employment with SANParks. Steps are being taken by SANParks to improve the conditions of service to enhance employee retention.

Labour relations: misconduct and disciplinary action

Nature of disciplinary action	Number of cases
Verbal warning	23
Written warning	106
Final written warning	131
Dismissal	42
Total	302



Employment equity targets and status

MALE								
	African		Coloured		Indian		White	
Level	Current	Target	Current	Target	Current	Target	Current	Target
Top management	3	4	0	1	0	0	0	0
Senior management	15	22	5	4	1	1	8	10
Professional qualified	94	121	22	26	7	7	71	66
Skilled	245	258	73	73	1	8	33	44
Semi-skilled	993	1 053	240	255	1	12	16	56
Unskilled	998	1 105	150	136	0	5	3	18
Total	2 348	2 563	490	495	10	33	131	194

FEMALE								
	African		Coloured		Indian		White	
Level	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	3	0	0	0	0	1	1
Senior management	12	17	2	3	1	1	8	9
Professional qualified	61	98	22	28	2	3	43	50
Skilled	240	292	49	68	3	7	33	48
Semi-skilled	465	587	148	151	3	9	17	36
Unskilled	1 022	1 073	208	172	0	2	1	14
Total	1 801	2 070	429	422	9	22	103	158

	MALE		FEMALE	
Level	Current	Target	Current	Target
Top management	3	5	2	4
Senior management	29	37	23	30
Professional qualified	194	220	128	179
Skilled	352	383	325	415
Semi-skilled	1 250	1 376	633	783

	MALE		FEMALE	
Level	Current	Target	Current	Target
Unskilled	1 151	1 264	1 231	1 261
Total	2 979	3 285	2 342	2 672

The cost-curtailment measures introduced following the Covid-19 pandemic's impact on the tourism sector made it impossible for SANParks to meet its equity targets.

Occupation level	Male	Female
Top management	Target not met due to resignation and non-retention of executives.	Target not met due to scarcity of and competition for talent at this level.
Senior management	Target not met due to resignation and non-retention of senior managers.	Target not met due to scarcity of and intense competition for talent at this level, as well as non-retention of black females.
Professionally qualified	Target not met due to low turnover and non-retention of black males.	Target not met due to low turnover and non-retention of black females.
Skilled	Target not met due to low turnover and non-retention of black males.	Target not met due to low turnover and non-retention of black females.
Semi-skilled	Target not met.	Target not met.
Unskilled	Target not met.	Target not met.



PART: E

Financial Report



CFO FINANCIAL OVERVIEW



Financial results

For the period under review South Africa experienced difficult domestic and global economic conditions, prolonged and debilitating power failures, a weaker performance among the world's largest economies, higher inflation rates, resulting in a reduced GDP growth rate. Despite all these factors SANParks managed to achieve a net surplus of R126 million.

The reliance of SANParks on tourism revenues is a circumstance that will persist into the foreseeable future making the sustained growth of tourism therefore central to the survival of the organisation and its ability to fulfil its core conservation mandate. The centrality of tourism to the sustainability of SANParks was brought into sharp focus during the past 2 and a half years where the devastating blow to the tourism sector by the Covid-19 pandemic created an unprecedented threat to the survival of the organisation.

Three years after the Covid-19 pandemic led to severe travel restrictions and the periodic interruption of commercial tourism activity, SANParks stands at +/-90% of its traditional tourism volumes. This recovery is driven by the domestic market and investment into aggressive marketing; logic thus dictates that an increase in marketing activity may hasten recovery, which as matters stand, is anticipated to occur perhaps, from 2025 onwards. The organisation faces a dilemma, on the one hand, the delay of tourism recovery has major and adverse implications for the organisation; and on the other recovery is heavily dependent on investment within an environment of extreme austerity.

SANParks has managed to generate enough tourism revenue to cover its operational needs of SANParks, despite the economic downturn, and is continuing to steadily increase the tourism revenue growth rate, which is a good sign that SANParks is slowly returning to normal, as can be seen through achieving a net surplus when compared to the previous financial year's net deficit.

SANParks has realised a net surplus of R126 million for the first time since the pandemic, and has increased its bottom line by R380 million when compared to the net deficit of R253 million achieved in the previous financial year. The net surplus is as a result of an increase in tourism generated revenue, even though the tourism growth rate was slower than anticipated.

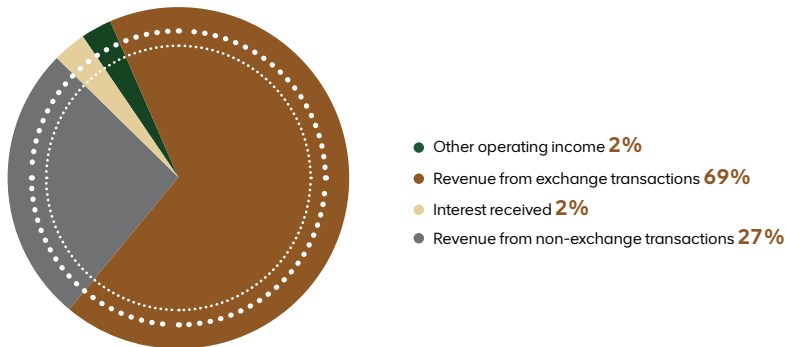
CFO FINANCIAL OVERVIEW

SANParks is pleased to have welcomed a total of 4,961,906 Guests to our National Parks which is 42% above the 3,482,514 achieved in 2021/2022. This is a significant improvement given the decrease in international visitors, and the economic downturn.

Total revenue for the year is R3, 2 billion (R2, 6 billion – 2021/2022) and indicates a 23% increase from the previous year. Revenue from exchange transactions for the current year totals R2, 3 billion (R1, 7 billion – 2021/2022) and is 35% more than the previous year due to in tourism growth rate.

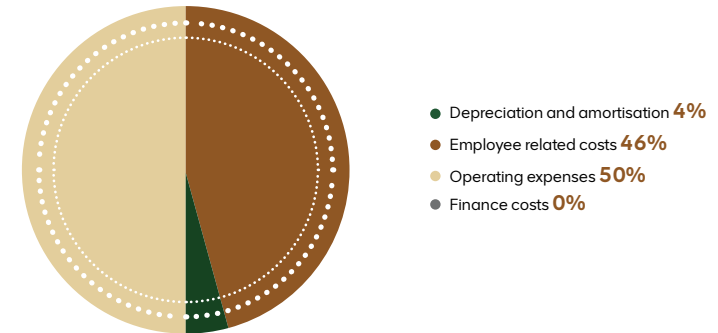
Revenue from non-exchange transactions amounts to R863 million (R964 million – 2021/2022) and is 10.5% less than the previous year, due to slow spending of the infrastructure grant.

Key revenue components



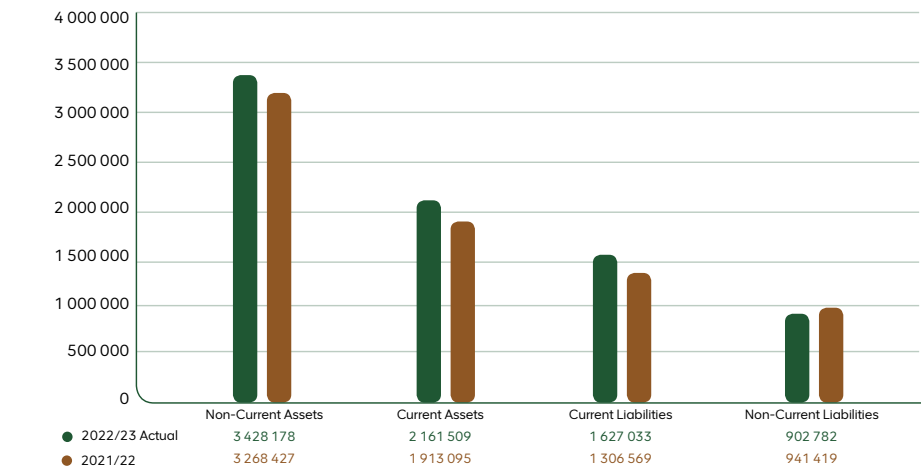
Total expenditure increased by 8% YoY while employee-related costs decreased by 2% compared to the previous financial year mainly as a result of vacancies for the current year. The 8% increase in expenditure is after taking into consideration the positive variance emanating from the unspent maintenance costs.

Key expenditure components



SANParks' main expenses are human resources and operating expenditure. The income to cost ratio is 1.01: 1, which results in a net surplus margin of 1%. This means that SANParks' total revenue is sufficient to cover its operational needs.

Financial analysis



Statement of Financial Position analysis



CFO FINANCIAL OVERVIEW

Non-current assets represent PPE, Intangible and Heritage Assets used in the organisation's operations. Total non-current assets amount to R3, 4 billion compared to the previous year's R3, 2 billion. The capital budget was increased in line with the capital needs of the organisation, including computer equipment.

Included in current assets is cash and cash equivalents total of R2 billion (R1, 7billion – 2021/2022), which indicates a 17% increase year on year. Cash reserves available are committed and set aside for capital and special projects. The debtors' collection period has declined from 67 to 76 days. This is mainly due to concessionaires who were refused to meet their obligations before they were granted a second relief.

Non-current liabilities amount to R902 million (R941 million – 2021/2022). The decrease is mainly due to a decrease in employee benefit obligation, and concession provision.

Current liabilities are R1, 6 billion (R1, 3 billion – 2021/2022) and are 22% more than the previous year, mainly due to an increase in unspent conditional grants. It takes on average 16 days to settle trade accounts payable. This complies with the PFMA and National Treasury Regulations, requiring invoices to be paid within 30 days.

As indicated by the working capital ratio of 1.33: 1, SANParks' current assets exceed its current liabilities, which means that SANParks current assets are sufficient to pay-off its current liabilities. The acid test ratio is 1.29: 1, which indicates SANParks ability to meet its current obligations using its liquid assets. The debt-to-equity ratio, which measures the degree to which the organisation's operations are funded by debt, is 0.83: 1. This is an indication that the organisation is not borrowing more than it can reasonably pay back.

We witnessed a substantial growth in the corporate giving, international donations as well as individual trusts giving this past financial year. We are appreciative of the generosity of all our donors and funders. SANParks received R110, 470 million which has positive contribution in the management of conservation estate including anti-poaching activities.

SANParks attracted international and local donors in critical areas such as climate change, conservation, and tourism in the past financial year. New resource mobilisation approaches such as crowd funded and cause related marketing were implemented successfully. SANParks will continue strengthening reporting, monitoring, evaluation systems to ensure it demonstrate impact of the donor funds.

The SANParks Honorary Rangers, Peace Parks Foundation, WWF and many organisations remain our pillar of strength in advancing our resource mobilisation ideals and contributing to the realisation of our public good mandate.

In Conclusion

Even though the organisation's statement of financial performance reflects slow financial recovery, the organisation remains liquid and meet its financial obligations as and when they become due. SANParks is on the right track with regards to tourism revenue growth and continues to explore opportunities that will generate even more tourism revenue which could potentially lead to the organisation being 100% self-sufficient.

Financial sustainability is at the core of the leadership of the organisation and the vision 2040 project, initiated by the Board, paves a way to build a future of conservation and tourism that we can all be proud of.

SANParks has an exemplary record for generating its own revenue. Before the pandemic, despite being a Schedule 3A entity, SANParks funded approximately 80% of its annual budget from self-generated revenue.

Acting Chief Financial Officer

Ms Rebecca Pillay

Date: 31 August 2023

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 the South African National Parks set out on pages xx to xx, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as 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 the South African National Parks as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 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 responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other 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.

Restatement of corresponding figures

7. As disclosed in note 39 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2023.

Significant uncertainties

8. With reference to note 34 to the financial statements, the public entity is the defendant in a number of lawsuit. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited irregular expenditure and fruitless and wasteful expenditure

10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in either the annual report or the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 29 to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of South African National Parks. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of South African National Parks. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SOUTH AFRICAN NATIONAL PARKS

Responsibilities of the accounting authority for the financial statements

11. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
12. 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 appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

13. 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.
14. 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

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected outcome goal presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

16. I selected the following outcome goal presented for auditing in the annual performance report for the year ended 31 March 2023. I selected the outcome goal that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Outcome goal	Page numbers	Purpose
Sustainable biodiversity and cultural heritage across land and sea delivers benefits for the people of SA and the world, now and in the future	30 - 73	Within this outcome area, the purpose is to (i) further expand the conservation estate, (ii) ensure effective management of national parks, (iii) promote and facilitate sustainable use of biodiversity and (iv) effectively manage species of special concerns, with the focus on rhino.

17. I evaluated the reported performance information for the selected outcome goal against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
- The indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
 - The indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes used for measuring achievements.
 - The targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
 - The indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
 - The reported performance information is presented in the annual performance report in the prescribed manner.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SOUTH AFRICAN NATIONAL PARKS

- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

20. I did not identify any material findings on the reported performance information of outcome goal 1: Sustainable biodiversity and cultural heritage across land and sea delivers benefits for the people of SA and the world, now and in the future other matter.

21. I draw attention to the matter below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.

REPORT ON COMPLIANCE WITH LEGISLATION

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statement and annual report

27. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements of revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

28. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 29 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with Preferential Procurement regulations on stipulated minimum threshold for local production and content.

Procurement and contract management

29. Bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year.

30. Some of the commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content in accordance with paragraph 3.4 of National Treasury Instruction Note 4 of 2015/2016. Similar non-compliance was also reported in the prior year.

31. Procurement by other means was not provided in the SCM policy of the institution or did not cover at least the minimum requirements as required by PFMA Instruction Note 3 of 2021/22 par. 4.3 and 4.4.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SOUTH AFRICAN NATIONAL PARKS

Consequence management

32. Investigations were not conducted into all allegations of financial misconduct committed by some of the officials, as required by treasury regulation 33.1.1.
33. Disciplinary steps were not taken against the officials who had incurred and/or permitted irregular expenditure, as required by section 51(1)(e)(iii) of the PFMA.

Revenue management

34. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

OTHER INFORMATION IN THE ANNUAL REPORT

35. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected outcome goal presented in the annual performance report that have been specifically reported on in this auditor's report.
36. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
37. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected outcome goal presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
40. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
41. Management did not conduct adequate reviews on the financial statements before submission for auditing to ensure that the financial statements are supported by correct schedules and are in line with applicable financial report standards.
42. Management did not ensure that consequence management is fully implemented for the irregular expenditure incurred in the previous financial year and that the recommendations from the loss control committee and investigation reports are fully implemented.
43. Management did not ensure that adequate oversight controls are in place to prevent, identify and record irregular expenditure

Auditor General

Pretoria
31 July 2023



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SOUTH AFRICAN NATIONAL PARKS

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

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 outcome goal and on the public entity's compliance with selected requirements in key legislation.

Financial statements

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.

- Conclude on the appropriateness of the 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 relating to events or conditions that may cast significant doubt on the ability of the public entity 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 my 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 operating as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SOUTH AFRICAN NATIONAL PARKS

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 50(3); 50(3)(a); 50(3)(b) Section 51(1)(a)(ii); 51(1)(a)(iii); 51(1)(a)(iv); 51(1)(b); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 52(b); Section 53(4); Section 54(2)(c’); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56; Section 57(b); 57(d); Section 66(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1 Regulation 31.2.5; 31.2.7(a) Regulation 33.1.1; 33.1.3
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5; Paragraph 9.1; 9.2 Paragraph 10.1; 10.2; Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2; 4.2 (b); 4.3; 4.4; 4.4 (c);4.4(d); 4.6 Paragraph 5.4
NT SCM Instruction 4A of 2016/17	Paragraph 6

Legislation	Sections or regulations
NT SCM Instruction Note 03 2019/20	Paragraph Par 5.5.1(iv); 5.5.1(x)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a); 3.4(b); 3.9: 6.1;6.2;6.7
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4

GENERAL INFORMATION

Country of incorporation and domicile	South Africa	Auditors:	Auditor-General of South Africa (AGSA) 4 Daventry Street, Lynnwood Bridge Office Park Lynnwood Manor Pretoria, SA
Legal form of entity	PFMA Schedule 3A entity		
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 (biodiversity).	Secretary	Ms M Mathabathe
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 Forestry, Fisheries and the Environment (DFFE) 473 Steve Biko Road Arcadia Pretoria 0083		
Bankers	First National Bank 1 First Place 7th Floor Bank City Johannesburg 2000		



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, the following can be confirmed:

- 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 issued by National Treasury and 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 the entity's 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 the entity.

The Board is well versed of its responsibilities as stipulated in the PFMA. Those responsibilities include, but are not limited to the following:

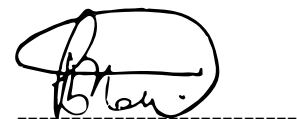
- Establishing and maintaining effective, efficient and transparent systems of financial, risk management and internal controls;
- Safeguarding of assets and the management of the revenue, expenditure and liabilities of the entity;
- Taking effective and appropriate steps to prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the entity;

- Taking effective and appropriate disciplinary steps against any employee(s) of the entity 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 the entity; or makes or permits irregular expenditure or fruitless and wasteful expenditure to be incurred;
- Keeping full and proper records of the financial affairs of the entity; and
- Preparation of financial statements for each financial year, in accordance with GRAP.

In the Board's opinion, the annual financial statements fairly presents in all material respects, the state of affairs of the entity, its business, its financial results, its performance against predetermined objectives for the year ended 31 March 2023 and its financial position as at 31 March 2023.



Chief Executive Officer
Ms Hapiloe Sello
Date: 31 July 2023



Accounting Authority
Ms Pam Yako
Date: 31 July 2023

AUDIT & RISK COMMITTEE REPORT

The committee primarily oversees the integrity of the entity's financial reporting, monitors the quality and integrity of the entity's financial statements and reviews the entity's internal controls and risk management.

In an effort to ensure that the committee fulfils its stated mandate above, two additional members were appointed on 23 November 2022. The committee now consists of seven independent non-executive members as well as a representative of the DFFE. Members of management and internal and external audit representatives are permanent invitees to the Audit and Risk Committee meetings.

The committee reviewed SANParks' financial reports as well as internal and external audit reports. The chairperson of the committee reported to the Board every quarter on how the Audit and Risk Committee discharged responsibilities contained in its charter.

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, 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 has adopted a co-sourced internal audit model to conduct its internal audit function. In the current financial year, the Internal Audit unit has concluded 78% of planned audits while some of the remaining audits were deferred to the 2023/24 financial year. Delays in conclusion of some audits were due to internal supply chain management challenges, and management has implemented measures to ensure that these do not recur.

Based on the results of the audits performed, the overall opinion on the adequacy and effectiveness of internal controls was determined as adequate but ineffective in ensuring achievement of SANParks' objectives.

In order to ensure that the designed controls are continuously working as intended, areas which require major improvements include occupational health and safety, infrastructure projects and maintenance, budget management and resource mobilisation, supply chain management specifically contracts management, enterprise risk management, IT project governance review, beneficiation schemes programme and tourism standards compliance processes.

Continuous monitoring by management to ensure compliance with key legislation and prescripts should be improved. Internal and external audit action plans and recommendations should be timeously implemented to ensure the effectiveness of the improved controls over a reasonable period.

The committee continued to monitor the implementation of the action plans throughout the financial year which led to most of the action plans being implemented within the financial year.

Governance of risk

The committee is responsible for overseeing the risk management process, and it considered the risk register every quarter during the financial year.

An internal audit review conducted during the year under review revealed that SANParks' enterprise risk management controls require major improvements to ensure effective risk management processes within the organisation. Some of the recommendations to management include: ensuring consistent risk definitions, timeous operational risk assessments, fraud risk identification, tracking of implementation of operational risk mitigation plans and risk evaluation as per the Enterprise Risk Management Framework.

The ARC will monitor implementation of measures to ensure adequate and effective enterprise risk management controls.

The committee monitored the implementation of SANParks' risk mitigation measures and noted that even though the planned mitigations were implemented, the risk exposure did not change for, among others, risks relating the slow revenue recovery, especially regarding risks associated with budgetary constraints. The committee will continue to monitor risk management and effectiveness of mitigation measures in these areas.



AUDIT & RISK COMMITTEE REPORT

Quality of management and quarterly reports submitted in terms of the PFMA

Although the position of chief financial officer became vacant in the last quarter of the financial year, the committee is satisfied:

- With the content and quality of management and quarterly reports prepared and issued by SANParks during the year under review, save for the matters contained in the audit report.
- That the finance function is adequately skilled and experienced.
- That the chief financial officer, and the person who acted as chief financial officer for the last three months of the financial year, has/had the appropriate skill, competence and experience to discharge their responsibilities.

Quality of budgets submitted in terms of the PFMA

Although SANParks has still not reached its pre-Covid revenue levels resulting in slight over-expenditure in some areas, the committee is satisfied that budgets were carefully and diligently considered and managed by SANParks during the financial year.

Evaluation of the annual financial statements

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 transactions 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.

Auditor-General's report

The external audit function which is 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 should be accepted and read together with the report of the Auditor-General. The committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues.

Key focus areas for the financial year 2023/2024

The committee will continue to monitor the implementation of measures to ensure adequate and effective enterprise risk management controls and mitigation measures. The committee will also continue to monitor risk compliance with the relevant legislative prescripts and ensure that the entity implements new accounting standards.

The committee will regularly monitor the implementation plan for both internal and external audit findings and continue to provide oversight through interrogation of the reports relating to compliance, risk management, performance and financial management submitted by the entity and provide independent advice to management and the accounting authority.



Chairperson

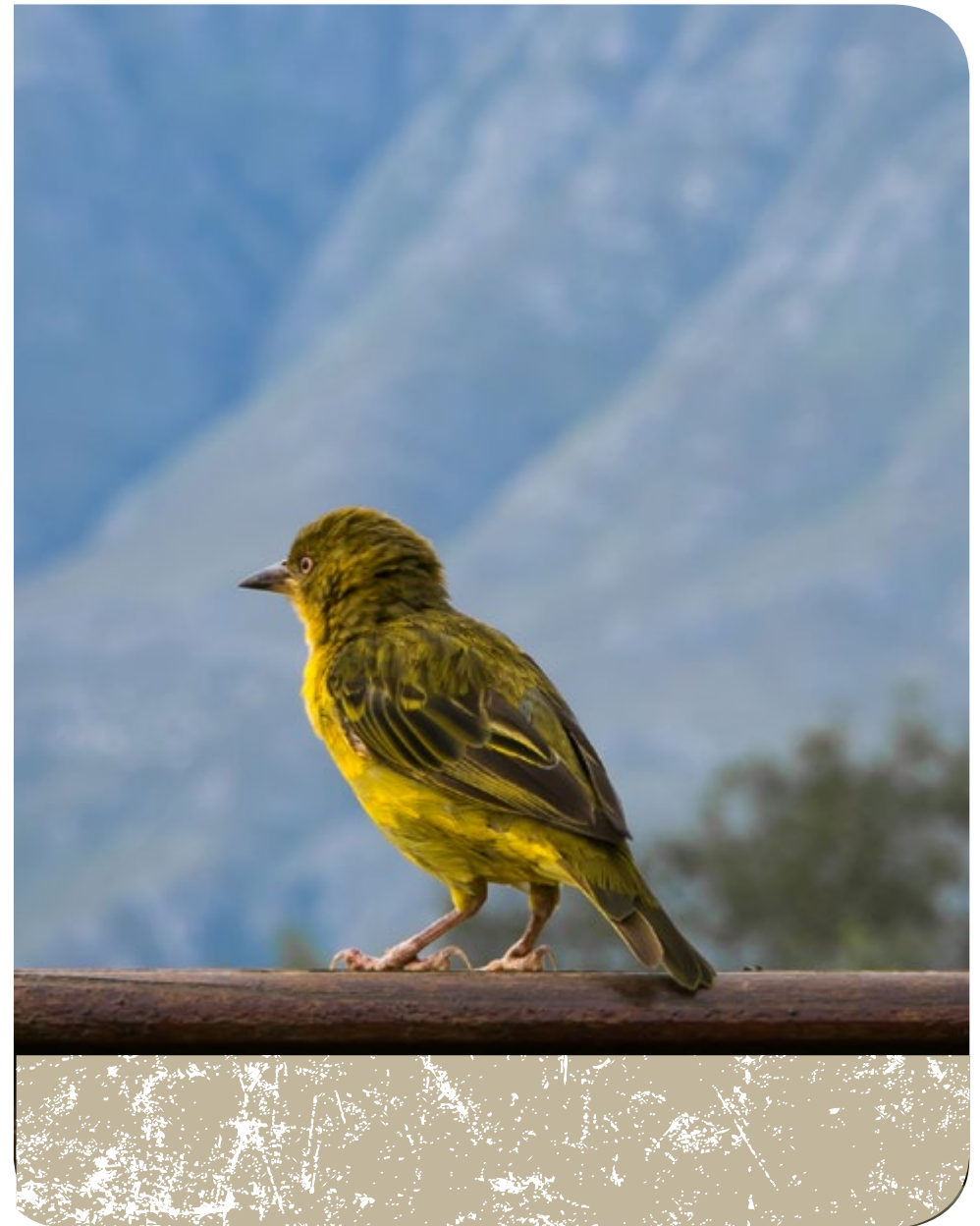
Mr J Mashele

Date: 31 August 2023

INDEX

The reports and statements set out below comprise the annual financial statements to be presented to Parliament:

	Page
Statement of responsibility and confirmation of accuracy of the annual report	173
Audit & risk committee report	174
Statement of financial position	177
Statement of financial performance	178
Statement of changes in net assets	179
Cash flow statement	180
Statement of comparison of budget and actual amounts	181
Accounting policies	182
Notes to the annual financial statements	213



STATEMENT OF FINANCIAL POSITION

	Note(s)	2023 '000	2022 Restated* '000
Assets			
Current Assets			
Inventories	2	62,420	66,162
Receivables from exchange transactions	3	94,356	100,747
Cash and cash equivalents	4	2,004,733	1,746,186
		2,161,509	1,913,095
Non-Current Assets			
Property, plant and equipment	5	2,200,125	2,105,151
Intangible assets	6	7,878	8,743
Heritage assets	7	868,787	813,953
Receivables from exchange transactions	3	351,388	340,580
		3,428,178	3,268,427
Total Assets		5,589,687	5,181,522
Liabilities			
Current Liabilities			
Finance lease obligation	10	11,153	42,741
Payables from exchange transactions	11	308,914	318,712
Unspent conditional grants and receipts	13	792,165	481,197
Accured leave	11	76,560	73,446
Reservation deposits	15	438,241	390,473
		1,627,033	1,306,569
Non-Current Liabilities			
Finance lease obligation	10	14,114	13,126
Employee benefit obligation	12	537,280	587,713
Provisions	14	351,388	340,580
		902,782	941,419
Total Liabilities		2,529,815	2,247,988
Net Assets		3,059,872	2,933,534

STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2023 '000	2022 Restated* '000
Revenue			
Revenue from exchange transactions			
Tourism, retail, concession and other	16	2,220,885	1,572,066
Sales - fauna and flora	17	655	9,693
Other operating income	18	64,237	90,044
Interest income	19	61,521	45,277
Total revenue from exchange transactions		2,347,298	1,717,080
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and other funding	20	821,457	939,650
Donations	21	42,073	25,165
Total revenue from non-exchange transactions		863,530	964,815
Total revenue		3,210,828	2,681,895
Expenditure			
Employee related costs	22	(1,443,200)	(1,411,072)
Depreciation and amortisation	23	(124,940)	(146,199)
Finance costs	24	(5,241)	(5,189)
Operating lease payments	25	(54,894)	(45,245)
Loss on disposal of assets	26	(1,754)	(714)
Cost of sales	39	(367,703)	(269,655)
Operating expenses	27	(1,170,694)	(1,050,098)
Total expenditure		(3,168,426)	(2,928,172)
Surplus (deficit)		42,402	(246,277)
Actuarial (gains)/losses	12	(83,935)	7,519
Surplus (deficit) for the year		126,337	(253,796)

STATEMENT OF CHANGES IN NET ASSETS

	Note(s)	Accumulated surplus '000	Total net assets '000
Opening balance as previously reported		3,187,332	3,187,332
Changes in net assets			
Deficit for the year		(223,116)	(223,116)
Prior period adjustment - Refer to Note 39		(30,682)	(30,682)
Total changes		(253,798)	(253,798)
Restated* balance at 01 April 2022		2,933,535	2,933,535
Changes in net assets Surplus for the year		126,337	126,337
Total changes		126,337	126,337
Balance at 31 March 2023		3,059,872	3,059,872

CASH FLOW STATEMENT

	Note(s)	2023 '000	2022 Restated* '000
Cash flows from operating activities			
Receipts			
Cash receipts from exchange transactions		2,292,168	1,661,068
Cash receipts from non-exchange transactions		1,146,898	706,931
Interest income		61,521	45,277
		<u>3,500,587</u>	<u>2,413,276</u>
Payments			
Employee costs		(1,409,698)	(1,379,437)
Suppliers		(1,548,464)	(1,253,036)
Finance costs		(2,153)	(304)
		<u>(2,960,315)</u>	<u>(2,632,777)</u>
Net cash flows from operating activities	30	<u>540,272</u>	<u>(219,501)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(221,615)	(162,209)
Proceeds from sale of property, plant and equipment	5	980	623
Purchase of intangible assets	6	-	(1,860)
Proceeds from sale of intangible assets	6	1	21
Purchase of heritage assets	7	(27,403)	(52,399)
Net cash flows from investing activities		<u>(248,037)</u>	<u>(215,824)</u>
Cash flows from financing activities			
Finance lease payments		(30,600)	(46,094)
Finance costs		(3,088)	(4,885)
Net cash flows from financing activities		<u>(33,688)</u>	<u>(50,979)</u>
Net increase/(decrease) in cash and cash equivalents		<u>258,547</u>	<u>(486,304)</u>
Cash and cash equivalents at the beginning of the year		1,746,186	2,232,490
Cash and cash equivalents at the end of the year	4	<u>2,004,733</u>	<u>1,746,186</u>

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on accrual basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Tourism, retail, concession and other	1,932,413	(101,000)	1,831,413	2,220,885	389,472	
Sales - fauna and flora	4,000	-	4,000	655	(3,345)	
Other operating income	28,493	-	28,493	64,237	35,744	
Interest received	49,638	-	49,638	61,521	11,883	
Total revenue from exchange transactions	2,014,544	(101,000)	1,913,544	2,347,298	433,754	Note 41 (A)
Revenue from non-exchange transactions						
Transfer revenue						
Government grants and other	993,263	123,591	1,116,854	821,457	(295,397)	Note 41 (B)
Funding donations	28,757	-	28,757	42,073	13,316	Note 41 (C)
Total revenue from non- exchange transactions	1,022,020	123,591	1,145,611	863,530	(282,081)	
Total revenue	3,036,564	22,591	3,059,155	3,210,828	151,673	
Expenditure						
Employee related costs	(1,342,602)	(100,295)	(1,442,897)	(1,359,265)	83,632	Note 41 (D)
Depreciation and amortisation	(162,491)	5,591	(156,900)	(124,940)	31,960	Note 41 (E)
Finance costs	(6,484)	-	(6,484)	(5,241)	1,243	Note 41 (F)
Operating lease payments	(47,567)	-	(47,567)	(54,894)	(7,327)	Note 41 (G)
Cost of sales	(207,524)	-	(207,524)	(367,703)	(160,179)	Note 41 (J)
Operating expenses	(1,269,645)	72,113	(1,197,532)	(1,170,694)	26,838	Note 41 (H)
Total expenditure	(3,036,313)	(22,591)	(3,058,904)	(3,082,737)	(23,833)	
Operating surplus	251	-	251	128,091	127,840	
Loss on disposal of assets	(251)	-	(251)	(1,754)	(1,503)	Note 41 (I)
Surplus for the year	-	-	-	126,337	126,337	
Actual amount on comparable basis as presented in the budget and actual comparative statement	-	-	-	126,337	126,337	

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the 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).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The effect of changes in estimates is accounted for on a prospective basis. Significant judgements include:

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the notes. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of post-retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions.



ACCOUNTING POLICIES

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Accounting for adjustments to revenue

Determining whether an adjustment to revenue charged in terms of legislation or similar means is a correction of an error or a change in an accounting estimate requires the application of judgement by management. When adjustments to revenue already recognised arise from new information that becomes known to the entity, the following considerations are applied to determine whether the adjustment to revenue already recognised is a correction of an error or a change in an accounting estimate:

- (a) If information becomes known to the entity, and the entity could reasonably have been expected to know of the information and/or the information used was incorrect, the adjustment to revenue is likely to be a correction of an error.
- (b) If information becomes known to the entity, but the entity could not reasonably have been expected to know of this information when the revenue was charged, the adjustment to revenue is likely to be a change in an accounting estimate.

Definition of an asset not being met for living resources or a group of living resources

Key judgements made and assumptions applied to conclude that the definition of an asset is not met are disclosed in the notes.

Impairment of receivables

In determining whether an impairment loss should be recognised, judgement is made as to whether there were observable data indicating a measurable decrease in the estimated future cash flows from receivables. Where there is objective evidence of impairment loss, the present value of the future cash flows discounted at the original effective interest rate is determined and compared to the carrying value of receivables

Heritage assets

Management has used judgement in applying the initial recognition criteria of GRAP 103 to land obtained from non-exchange transactions and other heritage assets which originate from National Parks and derive their significance from their association with a National Park.

The heritage value of National Parks is derived from the NEMPA (National Environmental 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. 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), therefore none of National Parks have been disposed. Also due to the size and magnitude of National Parks, the entity and the Office of the Valuer General (under the Department of Rural Development and Land Reform) 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. Therefore based on these judgements made, the entity's land acquired from non-exchange transactions could not be recognised in the annual financial statements.

Impairment of cash generating assets

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash generating assets, are as follows:

The designation of assets as cash and non-cash generating assets is based on how the assets are used, as required by the standards of impairment. For the majority of the assets held by the entity, the objective of using these assets is for service delivery purposes, rather than for a commercial return.

The assessment of buildings used for rental accommodation (including tented and timber structures), restaurant buildings, shop buildings, buildings that are tented and timber structures is park and demand driven. In line with the entity's responsible tourism mandate, there is rental accommodation that is used to generate cash flows, which are significantly higher than the cost of the asset.

ACCOUNTING POLICIES

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

These are primarily park, demand and accommodation type depended. Their use is to maximise commercialisation. Some accommodation will fall under accommodation used for service delivery purposes, as it is regarded as 'budget accommodation', which is meant to be accessible to all.

This type of accommodation is not used to generate positive cash flows, which are significantly higher than the cost of the asset. The smaller camps merely break even, therefore the restaurants and shops are being used for service delivery. The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, The entity estimates the recoverable amount of the asset. The recoverable amount of cash-generating assets or a cash-generating unit is determined on the higher its fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions. When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies an appropriate discount rate to those future cash flows.

Impairment of non-cash generating assets

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset. These calculations require the use of estimates and assumptions.

1.4 INVENTORIES

The entity's inventories include consumables, retail goods, fuel and military inventory

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 of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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.

The entity recognises the unused cutlery, crockery and linen as inventory in the statement of financial position. Once items are brought into use they are then expensed in the statement of financial performance.

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.



ACCOUNTING POLICIES

1.4 INVENTORIES (CONTINUED)

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.5 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 concessionary loan is a loan granted to or received by an entity on terms that are not market related. 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 entity.

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 an entity.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

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:

- the entity 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.

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.

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, the 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).

ACCOUNTING POLICIES

1.5 FINANCIAL INSTRUMENTS (CONTINUED)

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.

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.

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.

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.

Derecognition is the removal of a previously recognised financial asset or financial liability from the entity's statement of financial position.

Classification

The entity 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 amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

The entity 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
Trade and other payables from exchange transactions	Financial asset measured at amortised cost
Unspent conditional grants	Financial asset measured at amortised cost
Finance lease obligation	Financial asset measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The entity 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

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

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.



ACCOUNTING POLICIES

1.5 FINANCIAL INSTRUMENTS (CONTINUED)

Impairment and uncollectibility of financial assets

The entity assesses 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 through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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 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.

Derecognition

Financial assets

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, 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, the entity:

- derecognises the asset; and
- recognises separately any rights and obligations created or retained in the transfer.

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.

Financial liabilities

The entity 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 entity 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.

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.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity 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.

ACCOUNTING POLICIES

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Recognition

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Initial Measurement

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent Measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:



ACCOUNTING POLICIES

1.6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Item	Depreciation method	Average useful life
Buildings	Straight-line	5 to 50 years
Aircraft	Straight-line	2 to 20 years as componentised
Furniture and office equipment	Straight-line	5 to 25 years
Vehicles, machinery and mechanical equipment	Straight-line	5 to 40 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

1.7 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

ACCOUNTING POLICIES

1.7 INTANGIBLE ASSETS (CONTINUED)

- the cost or fair value of the asset can be measured reliably.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Initial Measurement

An intangible asset is measured initially at cost by the entity. 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

After initial recognition, an intangible asset is measured as follows:

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 Asset

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.

The entity assesses at each reporting date whether there is any indication that the computer software may be impaired

Derecognition

Intangible assets are derecognised:

- 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 an intangible assets is included in surplus or deficit when the asset is derecognised.

1.8 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.

A class of heritage assets is a grouping of heritage assets of a similar nature or function in entity's operations, that is shown as a single item for the purpose of disclosure in the financial statements.

The entity' classes of heritage assets include:

- Conservation areas such as National Parks.
- Archeological sites



ACCOUNTING POLICIES

1.8 HERITAGE ASSETS (CONTINUED)

- 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)

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.

The entity will assess the degree of certainty attached to the flow of future service potential or economic benefits:

- If the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.
- For recognition of heritage assets, the asset needs to be controlled by the entity as a result of past events. Such events may include purchase, donation, bequeath, loan or transfer.
- Particularly for archaeology, material is often retrieved in a fragmentary state – finding a completely articulated specimen is the exception rather than the rule. A great deal of knowledge is thus required to identify and systematise the collections. The research required to identify, analyse and classify heritage items is often a collaborative effort between local and international experts that span several months, even years. These items cannot be recognised in the financial statements, but will be recorded and controlled in the register. Relevant and useful information about them shall be disclosed in the notes to the annual financial statements.

The entity 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. These items are controlled in the heritage asset register.

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.

ACCOUNTING POLICIES

1.8 HERITAGE ASSETS (CONTINUED)

For collections assets, values have been assigned to the heritage assets, which are considered to be appreciating in value, and which values are to be reviewed from time to time. Wherever possible, the appraisers have adopted the discipline of open-market principles in determining value, however values derived are largely determined by the skill and experience applied by the appraiser at the date of valuation.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The entity assess at each reporting date whether there is an indication that heritage assets may be impaired. If any such indication exists, the entity 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

The entity 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.

Recognition and derecognition of land

Assessment of control of land

Control of land is assessed by the following criteria:

- legal ownership; and/or
- the right to direct access to land, and to restrict or deny the access of others to land.

Legal ownership

Legal ownership refers to the owner being the registered title deed holder of the land. Legal ownership also arises where the land is transferred from the legal owner to another entity or party, through legislation or similar means.

The right to direct access to land, and to restrict or deny the access of others to land

Where the entity has the right to direct access to, and restrict or deny the access of others to land while another is the legal owner of land, substance over form determines that the land is controlled by the entity that has the right to direct access to land, and to restrict or deny the access of others to land.

The ownership of all state land that is declared National Parks as per the National Environmental Management: Protected Areas (NEMPA) Act (2003), resides with the Department of Public Works (DPW). The entity is assigned the management authority for the land (once declared as a national park) in terms of section 38 of the NEMPA. The entity as the management authority for National Parks is declared 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. Once the national park is declared and the management is assigned to the entity, any withdrawal of national park status is done in accordance to section 21 of the NEMPA by resolution of the National Assembly. Therefore the entity as the management authority has rights or access to the service potential of land declared as National Parks.



ACCOUNTING POLICIES

1.8 HERITAGE ASSETS (CONTINUED)

Where the criteria for assessment of control land is met, the land is recognised as an asset in accordance with the applicable Standard of GRAP. National parks are classified as heritage assets and therefore the entity applies principles of GRAP 103 for accounting for the land.

1.9 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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).

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 used 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 (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.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Designation

At initial recognition, the entity designates an asset as non cash generating, or an asset or cash-generating unit as cash generating. The designation is made on the basis of entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows from continuing use and its ultimate disposal, which are expected to be significantly higher than the cost of the asset.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests 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.

ACCOUNTING POLICIES

1.9 IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

Value in use

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, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the entity:

- bases 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;
- bases 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
- estimates 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.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.



ACCOUNTING POLICIES

1.9 IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity 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.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The entity 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:

ACCOUNTING POLICIES

1.9 IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

- 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.

1.10 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).

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.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Designation

At initial recognition, the entity designates an asset as non cash generating, or an asset or cash-generating unit as cash generating. The designation is made on the basis of the entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service 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

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:



ACCOUNTING POLICIES

1.10 IMPAIRMENT OF NON-CASH-GENERATING ASSETS (CONTINUED)

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Recognition and measurement

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.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity 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.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service 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 non-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 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.

1.11 LEASES

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

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.

ACCOUNTING POLICIES

1.11 LEASES (CONTINUED)

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 entity's incremental borrowing rate.

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 of the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by the entity in exchange for service rendered by employees.

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 recognises 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, the entity recognises 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. The entity measures 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 recognises the expected cost of bonus, incentive and performance related payments when the 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.



ACCOUNTING POLICIES

1.12 EMPLOYEE BENEFITS (CONTINUED)

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 the 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 recognises 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.

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 the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

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.

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 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.

ACCOUNTING POLICIES

1.12 EMPLOYEE BENEFITS (CONTINUED)

The amount determined as a defined benefit liability may be negative (an asset). The entity 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.

The entity determines the present value of defined benefit obligations 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;
- 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 benefit obligations and the related current service cost and, where applicable, past service cost, the 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, the 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); 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 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, the entity 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).

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 [OR is not] presented as the net of the amount recognised for a reimbursement.

ACCOUNTING POLICIES

1.12 EMPLOYEE BENEFITS (CONTINUED)

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 (both funded and unfunded) 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
 - history, or other reliable evidence, indicates that those stated 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.

Termination benefits

The entity 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.

The entity is demonstrably committed to a termination when the entity 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.

1.13 PROVISIONS AND CONTINGENCIES

A provision is a liability of uncertain timing or amount.

Recognition

Provisions are recognised when:

- the entity 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.

ACCOUNTING POLICIES

1.13 PROVISIONS AND CONTINGENCIES (CONTINUED)

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.

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 the entity 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 surplus (deficit).

Contingent Assets

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.

Contingent Liabilities

- 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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

1.14 SERVICE CONCESSION ARRANGEMENTS: ENTITY AS GRANTOR

Identification

Service concession arrangements arise from the service concession agreements that the entity has with different public-private partnerships (PPPs). These arrangements give the operator the right to build and operate an infrastructure asset within the National Park. The operator also has to pay the entity 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:

Recognition of asset and liability

The entity recognises an asset provided by the operator and an upgrade to an existing asset of the entity, as a service concession asset if the entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the entity controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a “whole-of-life” asset).



ACCOUNTING POLICIES

1.14 SERVICE CONCESSION ARRANGEMENTS: ENTITY AS GRANTOR (CONTINUED)

If one, or both of the recognition criteria above are not met, the grantor considers the principles in the Interpretation of the Standards of GRAP on determining whether an arrangement contains a lease (IGRAP 3), Standard of GRAP on Leases (GRAP 13), Interpretation of the Standards of GRAP on service concession arrangements where the grantor controls a significant residual interest in an asset (IGRAP 17) to account for the service concession arrangement.

The entity 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 in the concessionaire assets at the end of the service concession arrangements. The entity is liable to compensate the concessionaire, a consideration equal to the residual value of the asset at the date of transfer.

In a service concession arrangement where the grantor controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the grantor recognises its right to receive the residual interest (i.e., a receivable) in the service concession asset at the commencement of the arrangement.

When the grantor recognises the right to receive a residual interest in the service concession asset, the grantor shall also recognise its performance obligation for granting the operator access to the service concession asset in accordance with the substance of the arrangement. The value of the performance obligation shall be the same as the receivable interest recognised at the commencement of the service concession arrangement.

The residual value, as per concessionaire contracts, is defined as the value of immovable concession assets, revalued for changes in the consumer price index (calculated from inception date to termination date). The value of immovable concession asset is calculated at a depreciation rate of 5%.

The performance obligation shall be reduced and revenue shall be recognised based on the substance of the arrangement.

Other revenues

The entity accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the Standard of GRAP on Revenue from exchange transactions.

1.15 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.

The entity 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 the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and

ACCOUNTING POLICIES

1.15 REVENUE FROM EXCHANGE TRANSACTIONS (CONTINUED)

- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity 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 the 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 received

Revenue arising from the use by others of the entity's 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.

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 the entity 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.



ACCOUNTING POLICIES

1.16 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, 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 arises when the entity 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.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity 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 entity.

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 the entity 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 the entity.

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 DFFE;
- 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 DFFE. 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
- 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 DFFE 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.

ACCOUNTING POLICIES

1.16 REVENUE FROM NON - EXCHANGE TRANSACTIONS (CONTINUED)

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.
- Entity recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria is met.

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.

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.

1.17 ACCOUNTING BY PRINCIPALS AND AGENTS

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether the entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

ACCOUNTING POLICIES

1.17 ACCOUNTING BY PRINCIPALS AND AGENTS (CONTINUED)

Where the terms of a binding arrangement are modified, the parties to the arrangement reassess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

Management assesses whether the entity is party to any principal-agent arrangements. Should the entity be party to such an arrangement, management will assess whether it is a principal or an agent in the arrangement, in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the entity is a principal or an agent is based on the following criteria:

- It does not have the power to determine the significant terms and conditions of the transaction;
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit; and
- It is not exposed to variability in the results of the transaction.

An entity is an agent when, in relation to transactions with third parties, all three of the above criteria are met. If the above criteria are not met, then the entity is considered to be a principal in the arrangement.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant standards of GRAP.

1.18 STATUTORY RECEIVABLES

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on revenue from non-exchange transactions (taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another standard of GRAP, the receivable is recognised when the definition of an asset is met and when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

ACCOUNTING POLICIES

1.18 STATUTORY RECEIVABLES (CONTINUED)

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, the entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable 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, the entity:



ACCOUNTING POLICIES

1.18 STATUTORY RECEIVABLES (CONTINUED)

- derecognises the receivable; and
- recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another standard of GRAP. Any difference between the consideration received and the amounts derecognised and those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.19 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady-state business of the entity.

The commitments disclosed in the disclosure note are the aggregate amount of capital expenditure approved and contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements.

1.20 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all related requirements, including, but not limited to, ruling legislation, regulations, frameworks, circulars, instruction notes, practice notes, guidelines (as applicable).

1.21 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- the PFMA; 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.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling legislation, regulations, frameworks, circulars, instruction notes, practice notes, guidelines (as applicable.)

1.22 SEGMENT INFORMATION

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.

ACCOUNTING POLICIES

1.22 SEGMENT INFORMATION (CONTINUED)

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

1.23 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.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.24 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.



ACCOUNTING POLICIES

1.24 EVENTS AFTER REPORTING DATE (CONTINUED)

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.25 LIVING AND NON-LIVING RESOURCES

Living resources are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by the entity of the biological transformation and harvest of biological assets for:

- (a) sale;
- (b) distribution at no charge or for a nominal charge; or
- (c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

- (a) is used in the production or supply of agricultural produce;
- (b) is expected to bear produce for more than one period; and
- (c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

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.

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the Annual Financial Statements.

Recognition

Non-living resources, other than land, are not recognised as assets. Required information are disclosed in the notes to the annual financial statements.

A living resource is recognised as an asset 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.

Where the entity is required in terms of legislation or similar means to manage a living resource, but it does not meet the definition of an asset because control of the resource cannot be demonstrated, relevant information are disclosed in the notes to the annual financial statements.

Where the entity holds a living resource that meets the definition of an asset, but which does not meet the recognition criteria, relevant information are disclosed in the notes to the annual financial statements.

Measurement at recognition

A living resource that qualifies for recognition as an asset is measured at its cost.

Where a living resource is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

The cost of a living resource comprises its purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the living resource to the location and condition necessary for it to be capable of operating in the manner intended by management.

1.26 NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations issued, but not yet effective

The following standards of GRAP and/or amendments thereto have been approved by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the minister of finance.

ACCOUNTING POLICIES

The entity has not early-adopted any of these new standards or amendments thereto, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

IGRAP 21: The Effect of Past Decision on Materiality

The effective date is 1 April 2023 and early adoption is encouraged. SANParks expects to adopt the amendment for the first time on 1 April 2023.

The adoption of this standard is not expected to impact on the results of SANParks, but may result in assets being recognised as minor assets under operating expenditure if they are below the maximum threshold set by SANParks management.

GRAP 25 - Employee Benefits (and IGRAP 7)

The effective date is 1 April 2023 and early adoption is permitted. SANParks expects to adopt the amendment for the first time on 1 April 2023.

The adoption of this standard is not expected to impact on the results of SANParks, but may result a different presentation and disclosure of the defined benefit obligation than is currently provided in the annual financial statement.

GRAP 103 - Heritage Assets

The effective date of the amendment is not yet set by the minister of finance. SANParks expects to adopt the amendment for the first time when the minister sets the effective date for the amendment.

The adoption of this standard is not expected to impact on the results of SANParks, but may result a different presentation and disclosure of heritage assets than is currently provided in the annual financial statements.

GRAP 1 - Presentation of Financial Statements

The effective date of the amendment is not yet set by the minister of finance. SANParks expects to adopt the amendment for the first time when the minister sets the effective date for the amendment.

The adoption of this standard is not expected to impact on the results of SANParks, but may result a different presentation and disclosure of the annual financial statements.

GRAP 104 - Financial Instruments

The effective date is 1 April 2025 and early adoption of the entire standard is permitted. SANParks expects to adopt the amendment for the first time on 1 April 2025.

The adoption of this standard is expected to have significant impact on the presentation and disclosure of SANParks financial instruments in the annual financial statements, hence adoption is deferred to the adoption date.

1.27 BUDGET INFORMATION

The approved budget is prepared on an accrual basis and classified according to nature of items. The approved budget covers the financial period from 1 April 2022 to 31 March 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
2. INVENTORIES			
Consumables		20 508	17 103
Retail goods and fuel		39 336	45 084
Military inventory		2 576	3 975
		62 420	66 162
Inventories recognised as an expense during the year		447 255	319 941
Inventory pledged as security			
There is no inventory pledged as security.			
3. RECEIVABLES FROM EXCHANGE TRANSACTIONS			
Trade debtors		75 430	80 150
Prepayments		26 808	24 485
Creditors with debit balances		218	-
Staff debtors and other		6 472	9 991
Provision for doubtful debts		(14 572)	(13 879)
Concession assets (non-current)		351 388	340 580
		445 744	441 327
Non-current receivables		351 388	340 580
Current receivables		94 356	100 747
		445 744	441 327

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
3. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)			
Credit quality of trade and other receivables			
The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to historical payment trends. Accordingly the credit quality of the customers included in the balance of trade and other receivables from exchange transactions is determined internally through applications of the entity's own credit policy.			
Trade receivables age analysis			
Current (0 - 30 days)		18 255	31 572
31 - 60 days		5 614	(4 886)
61 - 90 days		3 044	9 321
91 - 120 days		5 095	3 401
Over 120 days		43 422	40 742
		75 430	80 150

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 in the concessionaire assets at the end of the service concession arrangements. SANParks is liable to compensate the concessionaire a consideration equal to the residual value of the asset at the date of transfer.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
3. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)			
Trade and other receivables past due but not impaired			
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2023, R13 753 (31 March 2022: R41 896) were past due but not impaired.			
The ageing of amounts past due but not impaired is as follows:			
1 month past due		5 614	1 636
2 months past due		3 044	6 193
3 months past due		5 095	34 067
Trade and other receivables impaired			
As of 31 March 2023 trade and other receivables of R14 572 (March 2022: R13 879) were impaired and provided for.			
The amount of the provision was R14 572 as of 31 March 2023 (March 2022: R13 879).			
The ageing of these trade and other receivables is as follows:			
3 to 6 months		2 351	675
Over 6 months		13 879	13,204
Reconciliation of provision for impairment of trade and other receivables			
Opening balance		13 879	6 963
Provision for impairment		693	10 523
Amounts written off as uncollectible		-	(3 607)
		14 572	13 879

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022																																
	Note(s)	'000	Restated* '000																																
<h3>3. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</h3> <p>The Covid-19 pandemic and subsequent lockdown restrictions resulted in adverse effects on the tourism industry, thus placing certain concessionaires under financial difficulty. These concessionaires have not settled outstanding debts due. Other debtors impaired have been outstanding for over 1 year. SANParks has instituted legal action to recover outstanding amounts.</p>																																			
<h3>4. CASH AND CASH EQUIVALENTS</h3> <p>Cash and cash equivalents consist of:</p> <table> <tr> <td>Cash on hand</td><td></td><td>743</td><td>274</td></tr> <tr> <td>Bank balances</td><td></td><td>1 372 648</td><td>1 153 268</td></tr> <tr> <td>Short term investments</td><td></td><td>631 342</td><td>592 644</td></tr> <tr> <td></td><td></td><td>2 004 733</td><td>1 746 186</td></tr> </table> <p>Short term investments</p> <table> <tr> <td>Notice account: First National Bank</td><td></td><td>319 755</td><td>280 105</td></tr> <tr> <td>Notice account: ABSA Bank</td><td></td><td>293 895</td><td>295 810</td></tr> <tr> <td>Notice account: Standard Bank</td><td></td><td>17 692</td><td>16 729</td></tr> <tr> <td></td><td></td><td>631 342</td><td>592 644</td></tr> </table>				Cash on hand		743	274	Bank balances		1 372 648	1 153 268	Short term investments		631 342	592 644			2 004 733	1 746 186	Notice account: First National Bank		319 755	280 105	Notice account: ABSA Bank		293 895	295 810	Notice account: Standard Bank		17 692	16 729			631 342	592 644
Cash on hand		743	274																																
Bank balances		1 372 648	1 153 268																																
Short term investments		631 342	592 644																																
		2 004 733	1 746 186																																
Notice account: First National Bank		319 755	280 105																																
Notice account: ABSA Bank		293 895	295 810																																
Notice account: Standard Bank		17 692	16 729																																
		631 342	592 644																																

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

	31 March 2023			31 March 2022		
Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	
R'000	R'000	R'000	R'000	R'000	R'000	
Buildings and infrastructure	2 330 108	(647 784)	1 682 324	2 153 461	(584 988)	1 568 473
Vehicles and mechanical equipment	608 617	(424 963)	183 654	560 957	(393 316)	167 641
Furniture and office equipment	302 342	(208 726)	93 616	266 241	(192 846)	73 395
Aircraft	109 665	(91 782)	17 883	106 754	(83 298)	23 456
Work in progress	222 648	-	222 648	272 186	-	272 186
Total	3 573 380	(1 373 255)	2 200 125	3 359 599	(1 254 448)	2 105 151

Reconciliation of property, plant and equipment - March 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Buildings and infrastructure	1 568 473	-	(1 118)	178 094	(63 125)	1 682 324
Vehicles and mechanical equipment	167 641	49 599	(602)	-	(32 984)	183 654
Furniture and office equipment	73 395	40 548	(1 014)	168	(19 481)	93 616
Aircraft	23 456	2 912	-	-	(8 485)	17 883
Work in progress	272 186	128 556	-	(178 094)	-	222 648
Total	2 105 151	221 615	(2 734)	168	(124 075)	2 200 125

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment - March 2022

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Total R'000
Buildings and infrastructure	1 607 604	-	(270)	19 594	(58 455)	1 568 473
Vehicles and mechanical equipment	210 151	13 186	(257)	-	(55 439)	167 641
Furniture and office equipment	76 882	18 194	(812)	-	(20 869)	73 395
Aircraft	31 944	-	-	-	(8 488)	23 456
Work in progress	160 951	130 829	-	(19 594)	-	272 186
	2 087 532	162 209	(1 339)	-	(143 251)	2 105 151
Pledged as security						
No property plant and equipment are pledged under security.						
Assets subject to finance lease (net carrying amount)						
Motor vehicles	88 572	154 817				
Furniture and office equipment	-	-				
	88 572	154 817				

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
Property, plant and equipment in the process of being constructed or developed			
Cumulative expenditure recognised in the carrying value of property, plant and equipment			
Buildings		208 200	290 575
Expenditure incurred to repair and maintain property, plant and equipment			
Expenditure incurred to repair and maintain property, plant and equipment included in statement of financial performance			
Buildings and infrastructure		97 371	111 025
Vehicles and mechanical equipment		60 694	46,929
Furniture and office equipment		109	28
General expenses		15 091	13,712
		173 265	171 694

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. INTANGIBLE ASSETS

Patents, trademarks and other rights

Computer software

Total

Cost / Valuation	31 March 2023		Cost / Valuation	31 March 2022	
	Accumulated depreciation and accumulated impairment	Carrying value		Accumulated depreciation and accumulated impairment	Carrying value
R'000	R'000	R'000	R'000	R'000	R'000
2 736	-	2 736	2 736	-	2 736
55 636	(50 494)	5 142	55 648	(49 641)	6 007
58 372	(50 494)	7 878	58 384	(49 641)	8 743

Reconciliation of intangible assets - March 2023

Patents, trademarks and other rights

Computer software

Opening balance	Disposals	Amortisation	Total
R'000	R'000	R'000	R'000
2 736	-	-	2 736
6 007	(1)	(864)	5 142
8 743	(1)	(864)	7 878

Reconciliation of intangible assets - March 2022

Patents, trademarks and other rights

Computer software

Opening balance	Additions	Disposals	Amortisation	Total
R'000	R'000	R'000	R'000	R'000
2 736	-	-	-	2 736
7 116	1 860	(21)	(2 948)	6 007
9 852	1 860	(21)	(2 948)	8 743

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Cost / Valuation	31 March 2023		Cost / Valuation	31 March 2022	
	Accumulated depreciation and accumulated impairment	Carrying value		Accumulated depreciation and accumulated impairment	Carrying value
R'000	R'000	R'000	R'000	R'000	R'000

7. HERITAGE ASSETS

Collections	19 854	-	19 854	19 854	-	19 854
Monuments	174 367	-	174 367	174 536	-	174 536
Conservation areas	674 566	-	674 566	619 563	-	619 563
Total	868 787	-	868 787	813 953	-	813 953

Reconciliation of heritage assets March 2023

Collections
Monuments
Conservation areas

Opening balance	Disposals	Amortisation	Total
R'000	R'000	R'000	R'000
19 854	-	-	19 854
174 536	-	(169)	174 367
619 563	55 003	-	674 566
813 953	55 003	(169)	868 787

Reconciliation of heritage assets March 2022

Collections
Monuments
Conservation areas

Opening balance	Additions	Total
R'000	R'000	R'000
19 854	-	19 854
174 536	-	174 536
567 164	52 399	619 563
761 554	52 399	813 953

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

7. HERITAGE ASSETS (CONTINUED)

Heritage assets whose fair values cannot be reliably measured

Land and other heritage assets

A significant number and value of SANParks heritage assets were obtained through non-exchange transactions from various state-owned organisations and these include:

- Land
- Archaeological site
- 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)

For land obtained from non-exchange transactions, 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., the service potential of the land) of the National Parks is derived from the NEMPA (National Environmental 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 and the Office of the Valuer General (under the Department of Rural Development and Land Reform) are 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 the National Parks have been disposed of. However, information pertaining to such land has been disclosed below.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

7. HERITAGE ASSETS (CONTINUED)

Heritage assets per park	Size in Hectares
Kruger National Park	1 905 031
Augrabies Falls National Park	54 643
Kalahari Gemsbok National Park	962 027
Mokala National Park	25 903
Namaqua National Park	189 601
Richtersveld National Park	170 373
Agulhas National Park	20 412
Bontebok National Park	3 390
Table Mountain National Park	178 358
Tankwa Karoo National Park	140 652
West Coast National Park	63 139
Addo Elephant National Park	249 801
Camdeboo National Park	18 946
Karoo National Park	83 337
Mountain Zebra National Park	19 885
Golden Gate Highlands National Park	32 811
Mapungubwe National Park	15 075
Marakele National Park	58 157
Groenkloof National Park	7
Graspan/Vaalbos National Park	4 575
Garden Route National Park	128 014
Meerkat National Park	135 392

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
Note(s)	'000	'000

7. HERITAGE ASSETS (CONTINUED)

In addition SANParks has acquired other heritage assets which originate from National Parks, derive their significance from their association with 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 assets. For that reason SANParks could not recognise them in the annual financial statements. None of these heritage assets have been disposed of. However, see 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).
Augrabies Falls 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: Knysna; Tsitsikamma; Wilderness	Archaeological sites, collections, graves of cultural significance, historical buildings, historical sites, landscapes and natural features of cultural significance. Archaeological sites, graves of cultural significance, historical buildings, historical sites, landscapes and natural features of cultural significance. Archaeological sites, historical buildings, monuments



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

7. HERITAGE ASSETS (CONTINUED)

Other heritage assets per park	Description
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.

Expenditure incurred to repair and maintain heritage assets

8. NON-LIVING RESOURCES

Entity as custodian

SANParks exists in terms of the National Environmental Management: Protected Areas Act (NEM:PAA), 57 of 2003, with the mandate to conserve, protect, control and manage National Parks and other defined protected areas and their biological diversity (biodiversity).

SANParks executes its mandate in accordance with a management plan as required by section 41 of the NEM: PAA which aims to ensure the protection, conservation and management of the National Parks in a manner which is consistent with the objectives of the Act and for the purposes listed in section 17 of the Act. Section 17 of the NEM: PAA provides a list of purposes for the declaration of areas as protected areas, which includes the protection of biological diversity (Section 17(a) (c)), the preservation of ecological integrity (Section 17(b)), and the sustainable use of natural and biological resources (17(h)).

Nature and types of non-living resources for which the entity is responsible

Water

Within National Parks, water is found in its natural state in the form of boreholes. SANParks is permitted through the National Water Act, 1998 (Act No 36 of 1998) to abstract water from rivers flowing through National Parks for use within park operations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

8. NON-LIVING RESOURCES (CONTINUED)

Land

SANParks is assigned as the Management Authority of state land that is declared a national park in terms of the NEM: PAA.

9. LIVING RESOURCES

Entity as custodian

SANParks exists in terms of the National Environmental Management: Protected Areas Act (NEM:PAA), 57 of 2003, with the mandate to conserve, protect, control and manage National Parks and other defined protected areas and their biological diversity (biodiversity).

SANParks executes its mandate in accordance with a management plan as required by section 41 of the NEM: PAA which aims to ensure the protection, conservation and management of the National Parks in a manner which is consistent with the objectives of the Act and for the purposes listed in section 17 of the Act. Section 17 of the NEM: PAA provides a list of purposes for the declaration of areas as protected areas, which includes the protection of biological diversity (Section 17(a) (c)), the preservation of ecological integrity (Section 17(b)), and the sustainable use of natural and biological resources (17(h)).

Restrictions on use or capacity to sell

The following information relates to living resources that are subject to restrictions on use or capacity to sell:

Animals in the Kruger National Park

The Kruger National Park falls within the region identified as a high-risk area for the disease TB. As a result there is a restriction placed which prevents the trading and donation of animals within this region.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
Note(s)	'000	'000

9. LIVING RESOURCES

Living resources not recognised

SANParks did not recognise the following living resources, due to the definition of an asset not being met:

Flora and Fauna

The nature and type are as follows:

Fauna

The following types of fauna is found in National Parks:

- Mammals
- Reptiles
- Birds
- Fish
- Invertebrates
- Amphibians
- Scorpions
- Spiders
- Butterflies
- Insects

Flora

The following types of flora is found in National Parks:

- Terrestrial vegetation
- Acquatic vegetation
- Semi-aquatic vegetation

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
Note(s)	'000	'000

9. LIVING RESOURCES (CONTINUED)

Key judgements and assumptions applied

In terms of the NEM:PAA SANParks' mandate is to conserve, protect manage National Parks and other defined protected areas and their biological diversity (biodiversity). SANParks acts as custodian to conserve the resources entrusted to it and thus to manage and conserve the environment as a whole. Therefore SANParks does not manage the physical condition of each individual animal or plant within a national park.

Animals in National Parks are left to roam freely and the plants are left in their natural environment or habitat. SANParks only restricts the movement of wild animals by fencing off National Parks generally for disease control purposes and limit the exposure of neighbouring landowners and communities to the risks associated with keeping wild animals in a national park. In the bigger parks, fences are very permeable as there are rivers and drainage lines going through the parks, making it impossible to fence certain sections of the park. Therefore animals are able to move in and out through unfenced areas. Furthermore though National Parks have fences, animal migration occurs frequently and animals do from time to time jump over, or burrow under fences. Access control is therefore not high and as such SANParks does not have control of the individual animals and plants within the parks.

SANParks is allowed in terms of the NEM: PAA to make use of the resources under its custodianship subject to the conditions that the ecological integrity of the ecological systems of the park is not significantly disrupted and that the survival of any species is not negatively affected. Although legally SANParks is allowed by the NEM: PAA to sell animals, in reality this is applicable to those animals where there is a market for buyers of such animals and also where the costs of disposal are much lower than the market value of the animals. SANParks' ability to sell animals is also dependent on the ability to count them and given the wide variety of the type of animals found in National Parks, counting animals is only considered for larger animals. The counts performed by SANParks are not on an annual basis, on certain species SANParks can get an indication of the population every 5 years. Various methods are used to estimate animal populations in National Parks. These methods include: registration studies, block counts, total counts, fixed width sample transects, spoor indexing, photographic mark-recapture, call-up surveys or even guestimate usually from ranger experience. SANParks' main objective for counting animals is to track trends in animal populations and not necessarily to keep record of exact quantities of animals at any point in time. SANParks cannot guarantee the accuracy and precision of the counting process due to the various methods used and biases involved in the counting process. Furthermore a count of animals is done on a specific day and given the fact that animals roam freely within a park and SANParks cannot restrict their movement, the numbers counted on a specific day will certainly change within days or weeks, especially in the bigger parks. SANParks' ability to move or sell animals is based ultimately on ecological needs within parks due to too many animals under certain environmental conditions.

In respect of animals sold and thus in terms of paragraph 20 of GRAP 110, where the the presumption on acquisition date is that the acquisition date is the date that animals meet the definition of an asset, SANParks is not able to determine a reliable fair value of the animals. This is due to the variability in prices of animals depending on where an animal is located: the same specie of animal will sell at different prices depending on an animal's location. Therefore due to the considerable varying ranges in prices SANParks cannot determine a reliable fair value and thus the recognition criteria are not met. Furthermore due to the restriction placed on animals in the Kruger National Park, SANParks cannot determine a fair value of animals in the Kruger National Park.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
10. FINANCE LEASE OBLIGATION			
Minimum lease payments due			
- within one year		13 104	45 036
- in second to fifth year inclusive		16 558	13 912
		29 662	58 948
less: future finance charges		(4 395)	(3 081)
Present value of minimum lease payments		25 267	55 867
Present value of minimum lease payments due			
- within one year		11 153	42 741
- in second to fifth year inclusive		14 114	13 126
		25 267	55 867
Non-current liabilities		14 114	13 126
Current liabilities		11 153	42 741
		25 267	55 867

It is SANParks policy to lease certain motor vehicles and equipment under finance leases.

The average lease term was 3-5 years and the average effective borrowing rate was 8% (March 2022: 6%).

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

11. PAYABLES FROM EXCHANGE TRANSACTIONS

	Note(s)	2023 '000	2022 Restated* '000
Trade payables		69 009	69 802
Payments received in advanced		108 595	134 526
VAT payable		30 139	21 064
Accrued expenses		84 055	75 154
Deposits received		1 612	1 028
Other payables		15 504	17 138
		308 914	318 712
Trade Payables Age Analysis			
Current (0-30 days)		62 283	74 625
5		5 946	(5 409)
61 - 90 days		43	5
91 - 120 days		(35)	-
120 days and more		772	580
		69 009	69 801
Accrued Leave			
Leave liability		76 560	73 446

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
12. EMPLOYEE BENEFIT OBLIGATION			
The amounts recognised in the statement of financial position are as follows:			
Carrying value			
Present value of the defined benefit obligation - wholly unfunded		587 713	548 559
Interest cost		58 719	55 280
Current service cost		6 816	6 942
Actual employer benefit payment		(32 033)	(30 587)
Actuarial (gain)/loss		(83 935)	7 519
		537 280	587 713
Changes in the present value of the defined benefit obligation are as follows:			
Opening balance		66 381	27 227
Benefits paid		(32 033)	(30 587)
Net expense recognised in the statement of financial performance		(18 400)	69 741
		15 948	66 381
Net expense recognised in the statement of financial performance			
Current service cost		6 816	6 942
Interest cost		58 719	55 280
Actuarial (gains) losses		(83 935)	7 519
		(18 400)	69 741

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note(s)	2023	2022
	'000	Restated* '000

12. EMPLOYEE BENEFIT OBLIGATION (CONTINUED)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used

Healthcare cost inflation rate

The basis on which the discount rate has been determined is as follows:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 11,10% per annum has been used. The corresponding index-linked yield at this term is 3,65%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 31 March 2023.

Assumption	Value
Average retirement age	63*
Continuation of membership at retirement	100% if subsidy is 100%. 90% if subsidy is 60%
Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy thereafter	100% if subsidy is 100%. 90% if subsidy is 60%
Proportion with a spouse dependent at retirement	50%
Mortality during employment	SA 85-90 ultimate table adjusted for female lives
Mortality post-employment	PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010

*The average age of retirement was 62 years in the 2021/22 financial year

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

12. EMPLOYEE BENEFIT OBLIGATION (CONTINUED)

Sensitivity analysis

Assumed healthcare cost trends have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	73 661	58 659
Effect on defined benefit obligation	593 937	488 064

	March 2023	March 2022	March 2021	March 2020	March 2019
	R'000	R'000	R'000	R'000	R'000
Defined benefit obligation	537 280	587 713	548 559	492 373	513 617
Experience adjustments on plan liabilities	(28 210)	6 308	(32 510)	46 332	(3 226)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants comprises of:

Unspent conditional grants and receipts

Infrastructure grant	220 970	238 130
Special projects and Expanded Public Works Programme	505 606	174 716
Land grant	65 589	68 351
	792 165	481 197

Movement during the year

Infrastructure grant

Department of Forestry Fisheries and the Environment (DFFE)	211 832	189 728
National Department of Tourism (NDT)	9 138	48 402
	220 970	238 130

Infrastructure grant - Department of Forestry, Fisheries and the Environment (DFFE)

Opening balance beginning of the year	189 729	299 840
Prior year error	-	(1 377)
Funds received during the year	108 610	-
Transfers	-	(421)
Interest received during the year	10 235	5 208
Funds utilised during the year	(96 742)	(113 522)
	211 832	189 728

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS (CONTINUED)

Infrastructure grant - National Department of Tourism (NDT)

	Note(s)	2023 '000	2022 Restated* '000
Opening balance beginning of the year		48 402	46 976
Transfers		-	421
Interest received or paid back during the year		(11 301)	1 021
Funds utilised during the year		(27 962)	(16)
		9 139	48 402

Special projects and Expanded Public Works Programme (EPWP)

Special projects		453 680	167 981
Expanded Public Works Programme (EPWP)		51 926	6 734
		505 606	174 715

Special projects

Opening balance beginning of the year		167 981	281 959
Opening balance adjustment		358	(2 584)
Prior year error		-	7 283
Transfer to income received advance		-	(56 522)
Funds received during the year		701 952	312 736
Interest received during the year		6 135	13 726
Funds utilised during the year		(422 746)	(388 617)
		453 680	167 981

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

236

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS (CONTINUED)

Expanded Public Works Programme (EPWP)

Note(s)	2023 '000	2022 Restated* '000
Opening balance beginning of the year	6 735	11 635
Opening balance adjustment	(66)	-
Prior year error & transfer from income received in advance	10 000	-
Funds received during the year	148 687	66 241
Interest received during the year	1 773	276
Funds utilised during the year	(115 203)	(71 418)
	51 926	6 734

Land grant

Opening balance beginning of the year	68 351	98 670
Funds received during the year	21 381	20 618
Interest received during the year	3 264	1 462
Funds utilised during the year	(27 407)	(52 399)
	65 589	68 351



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

14. PROVISIONS

Reconciliation of provisions - March 2023

Concessionaires provision	340 580	10 808	351 388
---------------------------	---------	--------	---------

Reconciliation of provisions - March 2022

	Opening Balance R'000	Remeasurements R'000	Prior Period Error R'000	Total R'000
Concessionaires provision	287,580	54,150	(1,150)	340,580

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
15. RESERVATION DEPOSITS			
Opening balance		390 473	392 628
Movement during the year*		47 768	(2 155)
Closing balance		438 241	390 473
16. TOURISM, RETAIL, CONCESSION AND OTHER			
Retail sales			
Retail sales		355 974	255 089
		355 974	255 089
Tourism income			
Accommodation		850 401	751 140
Drive fees		56 498	30 192
Trail fees		36 594	30 255
Other tourism related activities		50 657	39 667
		994 150	851 254
Concession income			
Facilities rental		48 296	23 863
Concession fees received		102 382	37 867
		150 678	61 730

* The presentation of the disclosure note above has been amended to reflect the net movement in reservation deposit.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
16. TOURISM, RETAIL, CONCESSION AND OTHER (CONTINUED)			
Conservation income			
Wild card income		120 889	77 778
Conservation fees		516 986	204 853
Entrance fees		14 267	10 556
		<u>652 142</u>	<u>293 187</u>
Other income			
Rent received		15 856	16 204
Services rendered		52 085	94 602
		<u>67 941</u>	<u>128 220</u>
		<u>2 220 885</u>	<u>1 572 066</u>
17. SALES - FAUNA AND FLORA			
Sales - fauna and flora		655	9 693

The sale of fauna and flora is used for biodiversity and to improve representative conservation estate.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

240

	Note(s)	2023 '000	2022 Restated* '000
18. OTHER OPERATING INCOME			
Sales - non-retail		1 293	5 297
Fines		777	1 048
Course fees		1 512	1 056
Commission received		11 565	8 856
Water and electricity		17 533	16 820
Rebates received		560	-
Location fee for filming right		3 753	3 208
Other income		26 362	53 759
Exchange rate difference income		882	-
		64 237	90 044
19. INTEREST INCOME			
Interest revenue			
Interest		61 521	45 277
20. GOVERNMENT GRANTS AND OTHER FUNDING			
Operating grants			
Roads		15 700	15 140
Conservation		355 604	483 494
Land grant		27 407	52 399
Special projects income		422 746	388 617
		821 457	939 650
		821 457	939 650

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
21. DONATIONS			
Donations		42 073	25 165
22. EMPLOYEE RELATED COSTS			
Salaries and wages		1 105 060	1 067 341
Social contributions		171 082	160 001
Other salary related costs		101 523	121 508
Post-retirement benefits		65 535	62 222
		1 443 200	1 411 072

Included in employee related costs are related parties transactions pertaining to key management personnel remuneration as detailed in note 32.

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 R51 696 million for 2 385 employees to the retirement fund (2022: R46 403 million for 2 421 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 R35 935 million for 2 216 employees (2022: R31 309 million for 2 258 employees.)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

242

23. DEPRECIATION AND AMORTISATION

Property, plant and equipment
Intangible assets

24. FINANCE COSTS

Finance leases
Interest on current account

25. LEASE RENTALS ON OPERATING LEASE

Motor vehicles

Contractual amounts

Lease rentals on operating lease - Other

Contractual amounts

Note(s)	2023	2022
	'000	Restated* '000
	124 075	143 251
	865	2 948
	124 940	146 199
	3 088	4 885
	2 153	304
	5 241	5 189
	39 580	30 030
	15 314	15 215
	54 894	45 245

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
26. LOSS ON DISPOSAL OF ASSETS			
Loss on disposal of assets		(1 754)	(714)
27. OPERATING EXPENSES			
Assessment rates and municipal charges		86 086	81 763
Auditors remuneration (Note 28)		11 687	6 744
Bank charges		30 578	19 259
Consulting and professional fees		38 447	47 766
Consumables		79 552	50 286
License fees		77 820	24 743
Insurance		40 037	54 037
EPWP and other project expenditure		220 369	239 307
Information and communication technology expenses		82 184	54 316
Motor vehicle expenses		49 562	35 495
Fuel and oil		120 196	61 206
Promotions		8 676	15 309
Repairs and maintenance		123 702	136 200
Staff welfare		51 256	36 427
Telephone and fax		42 383	49 837
Other operating expenses		70 731	67 669
Impairment of financial assets		693	10 519
Special projects expenses		31 609	51 281
Game capture expenses		5 126	7 934
		1 170 694	1 050 098

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

244

27. OPERATING EXPENSES (CONTINUED)

EPWP and other project expenditure.

The Expanded Public Works Programme (EPWP) is implemented through Biodiversity Social Projects (BSP) and the expenditure includes rehabilitation and other related costs. The costs include, among others, alien invasive vegetation clearing, land rehabilitation, cleaning of beaches and infrastructure maintenance.

28. AUDITORS' REMUNERATION

Internal audit fees
External audit fees

29. IRREGULAR AND FRUITLESS EXPENDITURE

Irregular expenditure
Fruitless and wasteful expenditure
Total

Disciplinary steps taken as a result of irregular and fruitless and wasteful expenditure

Cases finalised and disciplinary process completed (10)
Transactions referred for external investigation (8)
Matters referred for discussion by the loss control committee
Matters referred for consequence management (21)

Note(s)	2023 '000	2022 Restated* '000
	4 400	897
	7 287	5 847
	11 687	6 744
	202 357	393 707
	-	10
	202 357	393 717
	-	2 230
	12 586	12 697
	-	18 160
	-	360 630
	12 586	393 717



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
Note(s)	'000	'000

29. IRREGULAR AND FRUITLESS EXPENDITURE (CONTINUED)

Irregular expenditure

In the current year, there is currently an amount of R25 million (13%) of alleged irregular expenditure under assessment which relates to budget over expenditure on retail cost of sales. Retail cost of sales cannot be predicted with utmost accuracy due to the nature of SANParks operations.

70% (R128 million) of the identified irregular expenditure relates to the non-compliance with the preferential procurement regulations on local content.

The remaining 17% relates to the utilisation of expired contracts and non-compliance with supply chain management prescripts

91% (R356 million) of prior year irregular expenditure relates to an alleged irregular expenditure under assessment which relates to budget over expenditure on operating leases and operating expenses. SANParks revenue had decreased due to the pandemic (Covid-19) and was sufficient to cover running costs of the organisation.

SANParks has a contract with Total Energies (Pty) (Ltd) for the supply and delivery of fuel. The contract was varied and there were breakdowns in controls when finalising the addendum to the contract. This contract is currently under assessment and the assessment will be finalised in the 2023/24 financial year. The estimated figure under assessment is R263 million.

PPP Management contracts are currently under assessment to determine if reimbursed amounts will amount to irregular expenditure. National Treasury has granted SANParks an exemption relating certain goods that falls within the PPP contract. The assessment will requirement management to go through each line item within each invoice across all the National Parks. The assessment will be finalised in the 2023-24 financial year.

Fruitless and wasteful expenditure

There was no fruitless and wasteful expenditure detected during the 2022/23 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

246

	Note(s)	2023 '000	2022 Restated* '000
30. CASH GENERATED FROM (USED IN) OPERATIONS			
Surplus (deficit)		126 337	(253 796)
Adjustments for:			
Depreciation and amortisation		124 940	146 199
Loss on sale of assets		1 754	714
Finance costs		3 088	4 885
Movements in retirement benefit liabilities		(50 433)	39 154
Movements in concession provisions		13 922	40 573
Movement in leave provision		-	-
Donation received		(27 600)	-
Changes in working capital:			
Inventories		3 742	(16 210)
Receivables from exchange transactions		(4 417)	(65 837)
Payables from exchange transactions		(9 797)	89 754
Unspent conditional grants and receipts		310 968	(257 884)
Reservation deposits		47 768	(2 155)
		540 272	(219 501)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

31. RISK MANAGEMENT

Financial risk management

SANParks' activities expose 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 focuses 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 written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

Liquidity risk

Liquidity risk is the risk of SANParks not having sufficient funds to meet its financial obligations as they fall due. SANParks manages liquidity risk through proper management of working capital, monitoring variances of actual expenditure against budgeted amounts, ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses SANParks financial liabilities into relevant maturity groupings based on the remaining period from 31 March 2023 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 2023

	Within 1 year	Later than 1 year and not later than 5 years
	'000	'000
Finance lease obligation	11 153	14 114
Trade and other payables	69 008	-
Reservation deposits	438 241	-
Unspent conditional grants	771 183	-
Post-retirement health benefit obligation	-	537 280
	1 289 585	551 394



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
Note(s)	'000	'000

31. RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of market factors such as interest rates and foreign exchange rates. SANParks’ exposure to market risk is limited to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will be negatively affected by the adverse changes in interest rates.

SANParks’ interest rate risk arises from finance leases and investments at variable interest rates.

Interest rate risk on investments is monitored by key management personnel through ensuring that investments are made in accordance with SANParks’ investment policy. Investments are diversified among financial institutions selected according to their registered investment grading. The investment portfolio is structured so that securities mature to meet cash requirements for ongoing operations and special projects, and also so that SANParks investments can achieve a rate of return on the surplus funds invested that will outperform the rate of return of such funds at current account rates. Operating funds are invested primarily in short-term securities or similar investment pools.

Interest rate risk on finance leases at variable rates is monitored by key management personnel through cash flow forecasts. Cash flow forecasts are assessed and monitored to ensure that reasonable and appropriate assumptions have been taken into consideration to minimise interest rate risk on future cash flows.

32. RELATED PARTIES

Relationships

Members	Names of key management are listed in the Management Class: Board Members below
Controlling entity	Department of Forestry, Fisheries and the Environment (DFFE)
Members of key management	Names of key management are listed in the Management Class : Executive Management below.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	2023 '000	2022 Restated* '000
--	---------	--------------	---------------------------

32. RELATED PARTIES (CONTINUED)

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 in terms that are not more or no less favourable than the terms it would use to conclude transactions with any another entity or person. The grants paid by Department of Forestry, Fisheries and the Environment to SANParks is the usual manner in which government funds organs of state, and such transfers and allocations are within normal operating procedures therefore part of the normal supplier and client relationships.

Related party balances

Unspent conditional grants

Department of Forestry, Fisheries and the Environment

211 831

189 728

The unspent conditional grant represents grants received by SANParks which have been accounted for as a liability in terms of GRAP 23 as the conditions pertaining to the grant have not yet been met.

Key management information

Class	Description	Number
Non-executive board members	Accounting Authority	13

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

32. RELATED PARTIES (CONTINUED)

Remuneration of management

Management class: Board members

2023

Board members for the period 31 March 2023

Ms P Yako (Chairperson)

Ms N Mayathula-Khoza

Ms Z Ramasia

Ms Y Friedmann

Ms H Mushiane

Chief L Matsila

Mr B Ngobeni

Mr E Neluvhalani

Mr L Mogakane

Mr J Mashele

Ms B Koyana

Mr T Kgokolo

Adv M Ndaba

Fees for services as a committee member R'000	Subsistence and Travel Allowance R'000	Total R'000
275 680	17 639	293 319
180 506	20 988	201 494
227 967	19 416	247 383
224 142	28 191	252 333
147 018	13 856	160 874
199 277	74 467	273 744
157 941	11 287	169 228
145 796	15 535	161 331
156 570	21 804	178 374
164 399	15 985	180 384
203 702	17 416	221 118
13 694	1 042	14 736
21 252	1 814	23 066
2 117 944	259 440	2 377 384

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2022

Fees for services as a committee member	Subsistence and Travel Allowance	Total
R'000	R'000	R'000

32. RELATED PARTIES (CONTINUED)

Board members for the period 31 March 2022

Ms J Yawitch (Chairperson)	70 000	9 000	79 000
Mr T Motsepe	72 000	-	72 000
Dr T Abrahamse	49 000	4 000	53 000
Adv T Mphahlane	88 000	7 000	95 000
Ms S Molokoane	82 000	1 000	83 000
Dr U Govender	-	-	-
Prof E Mokotong	72 000	-	72 000
Mr F Docrat	89 000	8 000	97 000
Mr Z Fihlani	50 000	4 000	54 000
Ms P Yako	118 000	8 000	126 000
Ms N Mayathula-Khoza	89 000	10 000	99 000
Ms Z Ramasia	80 000	7 000	87 000
Ms Y Friedmann	106 000	9 000	115 000
Ms H Mushiane	102 000	22 000	124 000
Chief L Matsila	108 000	29 000	137 000
Mr B Ngobeni	101 000	11 000	112 000
Mr E Neluvhalani	89 000	7 000	96 000
Mr L Mogakane	191 000	21 000	212 000
Mr J Mashele	141 000	13 000	154 000
Ms B Koyana	159 000	15 000	174 000
	1 856 000	185 000	2 041 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

32. RELATED PARTIES (CONTINUED)

Management class: Executive Management

March 2023

Name	Basic salary	Subsistence and travel allowance	Total
	R'000	R'000	R'000
Mr F Mketeni - Resigned CEO - 01 June 2022	454 021	7 926	461 947
Mr D Dlamini - Resigned CFO - 31 Dec 2022	1 739 868	48 693	1 788 561
Mr G Coleman - Resigned ME KNP - 14 Oct 2022	1 318 716	23 037	1 341 753
Ms L McCourt - COO	2 356 190	38 724	2 394 914
Mr L Mokoena - ME Parks	2 131 678	80 313	2 211 991
Ms H Sello - ME Tourism	2 211 533	39 852	2 251 385
Dr L Dziba - ME Conservation Services	2 376 322	70 048	2 446 370
Ms Pillay R - Acting CFO - 03 Jan 2023	684 428	9 124	693 552
Mr D Govender - Acting ME KNP (Nov to Dec 22)	815 764	9 726	825 490
Mr Mthimkhulu OME - Appointed ME KNP - 03 Jan 2023	474 461	9 896	484 357
	14 562 981	337 339	14 900 320

March 2022

Name			
Mr F Mketeni - CEO	2 648 000	38,000	2 686 000
Mr D Dlamini - CFO	2 193 000	42 000	2 235 000
Mr G Coleman - ME KNP	2 335 000	47 000	2 382 000
Ms L McCourt - COO	2 244 000	30 000	2 274 000
Mr L Mokoena - ME Parks	2 067 000	60 000	2 127 000
Ms H Sello - ME Tourism	2 105 000	33 000	2 138 000
Dr L Dziba - ME Conservation Services	2 263 000	64 000	2 327 000
	15 855 000	314 000	16 169 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

254

	Note(s)	2023 '000	2022 Restated* '000
33. COMMITMENTS			
Authorised capital expenditure			
Already contracted for but not provided for			
• Property, plant and equipment		202 163	191 457
Not yet contracted for and authorised by members			
• Property, plant and equipment		35 041	-
Total capital commitments			
Already contracted for but not provided for		202 163	191 457
Not yet contracted for and authorised by members		35 041	-
		237 204	191 457
Operating leases - as lessee (expense)			
Operating lease payments represent rentals payable by the SANParks for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.			
Rental expenses relating to operating leases			
Minimum lease payments due within one year		710	20 631
Minimum lease payments due within two to five years		261	3 054
		971	23 685



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

34. CONTINGENCIES

Contingent Liabilities

Ehlanzeni District Municipality Matter

Claim for outstanding property rates over those parts of Kruger National Park falling within the Ehlanzeni District area of jurisdiction. SANParks raised a special plea that Ehlanzeni cannot institute a court action without first having invoked the Intergovernmental Relations Framework Act designed to minimise legal disputes between government agencies. Since then, the matter has been dormant and has never been actively pursued at court.

Estimated liability R0 (March 2022: R100 million)

Swellendam Municipality v/s SANParks (Bontebok National Park)

Nine simple summons were served on SANParks on 26 June 2019 by the Swellendam Municipality for outstanding property rates in respect of various properties in Bontebok National Park. SANParks is uncertain on expected outcome of the case and timing of outflows.

Estimated liability R553 100.56 (March 2022: R553 100.56)

Madyayimile

In July 2020 Madyayimile issued summons out of the Mbombela High Court to institute various claims in terms of the Joint Building Contracts Committee (JBCC) agreement amounting to R11 million. The prospects of this matter are remote, since the court has already made judgement on this matter.

Estimated liability R0 (March 2022: R11 million)

Genex Power Services (Pty) Ltd v/s SANParks

Genex Power Services (Pty) Ltd served summons on SANParks in May 2016 claiming payment of R670 346.90 from SANParks allegedly due for construction work in the Nyalaland trail camp in KNP after flood damage. The prospects of this matter are remote.

Estimated liability R0 (March 2022: R670 346.90)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

34. CONTINGENCIES (CONTINUED)

Moropa Projects CC v/s SANParks

Summons were served on SANParks on 17 March 2021, in terms of which Moropa Projects has applied to the Tshwane Magistrate Court for an order for payment by SANParks in the amount of R100 050.00 (debt amount) in respect of tools and factory equipment allegedly supplied and delivered to SANParks by Moropa Projects following an order placed by SANParks on 15 October 2019. The prospects of this matter are remote.

Estimated liability R0 (March 2022: R100 050.00)

Blue Crane Route Municipality

Combined summons were served to SANParks by the Blue Crane Route Municipality (BCRM) for Addo Elephant National Park for outstanding property rates in respect of various properties in the park. The amount claimed is R4 198 191.09 plus legal costs that LSD is not in a position to estimate.

Estimated liability R4 198 191.09 (March 2022: R4 198 191.09).

Urgent court application - Thwala and Mkefe

Notice of motion was served on SANParks on 17 September 2021, in terms of which relief was sought on an urgent basis to, inter alia, interdict and restrain the Board of SANParks and any other person acting under their instruction from proceeding with the present disciplinary hearing against two employees. The second part of the application deals with records that they require from SANParks in terms of the High Court Rules and this part of the application is not brought on an urgent basis. SANParks is uncertain of the expected outcome of the case and timing of any outflows.

LSD is not in a position to estimate the potential liability.

Kempton Park Caravans (Pty) Ltd vs SANParks

SANParks was served with summons for alleged unpaid invoices amounting to of R463 624.74 in the Pretoria Regional Court as per case No: 2138/2022, on 8 September 2022. It is alleged that in about June 2017, Kempton Park Caravan (Pty) Ltd enter into an oral agreement with SANParks for the supply.

Amount claimed as outstanding is R225 569.35 (March 2022: R0).



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
Note(s)	'000	'000

34. CONTINGENCIES (CONTINUED)

Accumulated surplus

In terms of section 53(3) of the PFMA, SANParks as a public 3A entity may not accumulate a surplus without obtaining prior written approval from National Treasury. In order to give guidance to public entities and to operationalise this section of the PFMA, National Treasury had issued Instruction note no. 12 of 2020/21 on 02 September 2020, that indicates that a public entity must declare all surpluses to the relevant treasury from 01 August to 30 September of each year, after the financial year end. SANParks will submit a draft declaration and request to retain all of its surpluses to National Treasury during August 2023 once the annual financial statements have been audited and approved. The estimated calculated contingent liability as per Annexure A of instruction note no. 12 is R505 million.

CCMA cases

There are various cases lodged with the CCMA for alleged unfair labour practices. SANParks is uncertain of the expected outcome and timing of outflows, if any; however, the possible claims amount to R1 329 434.

Estimated liability R1 329 434.00 (March 2022: R1 311 623.72)

Labour court cases

Cases lodged to the labour court for alleged unfair labour practices. SANParks is uncertain of the expected outcome of the case and timing outflows. The possible liability amounts to R570 200.20 in total should the case lodged be ruled in favour of applicants.

Estimated liability R570 200.20 (March 2022: R821 777.00)

Contingent assets

Madyayimile

Madyayimile instituted various claims in terms of a JBCC agreement entered into between the parties amounting to R11 million. The matter was referred to arbitration and the parties agreed to settle. Parties agreed that Madyayimile pays SANParks R360 000 however Madyayimile has defaulted causing SANParks to bring an application to make the arbitration award an order of court.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

35. EVENTS AFTER THE REPORTING DATE

No material facts or circumstances have arisen after the reporting date.

36. GOING CONCERN

For the 2022/23 financial year SANParks' self-generated revenue increased by 37%. The tourism industry is gradually moving back to its normal state post Covid-19 and SANParks generated a significant increase across the various tourism revenue streams. SANParks also expects a higher increase in revenue from international markets in future years as more tourists visit our shores. SANParks continues to monitor expenditure and implement cost curtailment measures to mitigate financial risk.

258

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 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
Note(s)	'000	'000

37. PUBLIC-PRIVATE PARTNERSHIP PROGRAMME - PPP FEE INCOME (CONTINUED)

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	30 September 2032
Kruger - Mutlumuvi	Rhino Walking Safaris (Pty) Ltd	1 October 2003	30 June 2024
Kruger Mpanamana	Shishangeni Lodge (Pty) Ltd	1 January 2002	31 October 2025
Kruger - Jakkalsbessie	Jakkalsbessie Lodge (Pty) Ltd	1 December 2002	30 September 2023
Kruger - Jock of the Bushveld	Mitomeni River Lodge (Pty) Ltd	1 July 2001	31 March 2024
Kruger - Lwakahle	Lukimbi Safari Lodge (Pty) Ltd	1 November 2001	30 June 2023
Kruger - Mluwati	Imbali Safari Lodge (Pty) Ltd	1 January 2002	31 March 2024
Kruger - Nwanetsi	Singita Lebombo (Pty) Ltd	1 March 2002	30 September 2033
Table Mountain - Roundhouse	Roundhouse (Pty) Ltd	01 October 2010	30 April 2031
Table Mountain - Koeel Bay	Koeel Bay Hospitality (Pty) Ltd	1 February 2007	31 July 2028
West Coast - Houseboats	Kraalbaai Houseboats (Pty) Ltd	1 September 2018	31 December 2039
Namaqua - Luxury Beach Camp Mobile Tents	Chief Luxury Mobile Tented Camp	01 September 2018	22 August 2024
Kruger - Shalati Train Skukuza	Thebe Tourism	1 December 2020	31 December 2045

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

37. PUBLIC-PRIVATE PARTNERSHIP PROGRAMME - PPP FEE INCOME (CONTINUED)

PPP 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 upgrades 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 concessionaire's 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:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
Note(s)	'000	'000

37. PUBLIC-PRIVATE PARTNERSHIP PROGRAMME - PPP FEE INCOME (CONTINUED)

Retail and Restaurant	Commissioning date	Termination date
The Park Shop (South) - Tourvest	1 February 2013,	30 September 2023
Cattle Baron Restaurant - Tourvest	1 April 2014	30 November 2024
IT Safaris	01 September 2021	30 September 2029
Town Talk Trading Enterprises t/a Big Tree Curio Shop	1 December 2019	31 September 2025
Jobojali cc T/a Salt and Pepper Restaurant	1 December 2013	31 July 2024
The Park Shop (North) - Tourvest	1 February 2013	30 September 2023
Royal Ibhubesi Safari Company - Bush Braai	1 March 2018	31 December 2026
Tindlovu Bush Café	1 May 2016	31 January 2032
Select Events and Venues CC	1 December 2013	31 July 2024
Renvir (Pty) Ltd - Mugg and Bean Lower Sabie	1 March 2014	31 October 2024
Eysbos (Pty) Ltd - Wimpy Pretoriuskop	1 March 2014	30 November 2024
Cattle Baron Restaurant - Tourvest	1 October 2014	31 May 2025
Tourvest Holdings (Pty) Ltd	1 October 2016	31 May 2032
Boulders Penguin Sanctuary	1 December 2019	30 September 2032
Cattle Baron Restaurant - Tourvest	1 August 2014	31 March 2025
Kruger Park Bush Braais	1 November 2022	31 January 2031
Kruger North Restaurant Group (Pty) Ltd	1 November 2021	31 November 2031
Cattle Baron Restaurant - Tourvest	1 December 2021	31 December 2031
Kruger North Restaurant Group (Pty) Ltd	01 November 2021	31 November 2031
Tourvest Holdings (Pty) Ltd	1 August 2019	15 Years + development period
The Park Shop (South) - Tourvest	1 December 2019	1 September 2032

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
Note(s)	'000	'000

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	28 February 2025
	AM Spa	22 May 2017	31 January 2028
Garden Route National Park	Segway tours	01 December 2014	01 February 2024
	Knysna gorge zip lines	01 September 2020	01 August 2029
	Wilderness boat cruise	01 April 2027	01 March 2032
Table Mountain National Park	Table Mountain Aerial Company	01 November 1926	01 November 2025
	Cape Town abseiling - Game Trackers	01 September 2022	30 September 2027
	Cape Point concession - Thebe Tourism	01 May 1995	31 March 2023
Addo Elephant National Park	Addo Wellness and Spa	01 April 2020	30 September 2027
	Riverbend Country Lodge	01 June 2004	30 September 2079
Garden Route National Park	Untouched Adventures	01 January 2015	01 May 2022

Contractual parks	Contracting party	Commissioning date	Termination date
Addo Elephant National Park	Riverbend Country Lodge	01 June 2004	31 May 2079
Marakele	Marakele (Pty) Ltd	02 November 2000	01 December 2030
Kgalagadi National Park	Ixhaus Lodge	01 May 2007	30 April 2026



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
			Restated*
	Note(s)	'000	'000

38. SEGMENT INFORMATION

General information

Identification of segments

SANParks' activities are very broad, and are undertaken in a wide range of different geographical areas with different socioeconomic characteristics. To enable efficient and effective delivery on the strategy of SANParks, the executive management structure subdivided 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 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 correspond to figures recognised in the annual financial statements. Therefore, a reconciliation of the segment figures to the annual financial statements is not necessary.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Segment surplus or deficit, assets and liabilities

March 2023

Corporate	Kruger	Parks	Total
R'000	R'000	R'000	R'000

38. SEGMENT INFORMATION (CONTINUED)

Revenue

Retail activities	374 785	24 349	15 579	414 713
Tourism	13 204	673 889	283 344	970 437
Conservation fees	93 333	198 955	331 898	624 186
Interest income	61 464	7	50	61 521
Concession fees	-	85 234	65 445	150 679
Other operating income/other income	84 611	29 017	18 134	131 762
Revenue from non-exchange transactions	850 672	1 639	5 219	857 530
Total segment revenue	1 478 069	1 013 090	719 669	3 210 828

Entity's revenue

Expenditure

Employee related costs	389 196	556 561	413 513	1 359 270
Depreciation and amortisation	18 611	50 316	56 013	124 940
Operating leases	2 242	34 954	17 240	54 436
Finance costs	3 075	807	1 359	5 241
Loss on disposal of assets	181	308	1 265	1 754
Operating expenses	1 099 322	195 330	244 198	1 538 850
Total segment expenditure	1 512 627	838 276	733 588	3 084 491
Total segmental surplus/(deficit)				126,337

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

March 2022

38. SEGMENT INFORMATION (CONTINUED)

Revenue

Retail activities
Tourism
Conservation fees
Interest income
Concession fees
Other income
Revenue from non-exchange transactions

Total segment revenue

Entity's revenue

Expenditure

Employee related costs
Depreciation and amortisation
Operating leases
Operating expenses
Loss on disposal of assets
Finance costs

Total segment expenditure

Total segmental surplus/(deficit)

Corporate R'000	Kruger R'000	Parks R'000	Total R'000
-	178 074	77 015	255 089
35 595	286 359	259 645	581 599
58 812	164 155	190 719	413 686
45 277	-	-	45 277
92	34 767	26 871	61 730
44 771	31 123	14 150	90 044
955 073	3 093	6 648	964 814
1 139 620	697 571	575 048	2 412 239
			2 412 239
482 415	511 118	425 058	1 418 591
23 117	68 611	54 471	146 199
2 653	28 112	14 480	45 245
445 499	343 796	260 803	1 050 098
(66)	384	396	714
1 519	2 096	1 574	5 189
955 137	954 117	756 782	2 666 036
			(253 797)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2023	2022
	Restated*
'000	'000

39. COST OF SALES

Sale of goods

Retail cost of sales	316 034	218 808
Wild Card	27 557	21 595
Accommodation	24 112	29 252
	<u>367 703</u>	<u>269 655</u>

40. PRIOR YEAR ADJUSTMENTS

266

Unspent conditional grants and receipts and property, plant and equipment

It was noted that transfer revenue - donations was incorrectly accounted for which resulted in over- and under-statement of revenue and in return it resulted in an increase/decrease in unspent conditional grants and receipts and property, plant and equipment.

Donations.

- (a) During the 2021/22 financial period an agreement between SANParks and Norway was incorrectly interpreted and resulted in the funds received being fully recognised as transfer revenue from non-exchange transactions, The above resulted in overstatement of donation revenue and unspent conditional grants and receipts in the prior year financial period. The total error was R7 283 155.42

The incorrectly interpreted agreement contains conditions that meet the definition of "conditions" in terms of GRAP 23 and the funds received should have been recognised as a liability, and only accounted for as revenue as and when the stipulated conditions are met. SANParks management took a decision to correct the prior year misstatement and recognise a liability in the current year to the value of the unspent conditional grant.

- (b) For financial year 2021/22 it was noted that an omission was made on the recognition of the iconic structure donated by the Department of Tourism. The error resulted in both understatement of donations (R4 629 970), depreciation (R462 997) and property, plant and equipment (R4 166 973).
- (c) During the year it was noted that DFFE-funded infrastructure projects projects incurred expenditure to the value of R1 375 666; however, this amount was erroneously not accounted for in unspent conditional grants and government grants revenue. The error resulted in understatement of government grants and other funding revenue and overstatement of unspent conditional grants and receipts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023	2022
		Restated*
	'000	'000

40. PRIOR YEAR ADJUSTMENTS (CONTINUED)

Property, plant and equipment

- (a) During 2021/22 financial period completed, available and ready for use assets were not capitalised, but incorrectly accounted for in work in progress. The error resulted in understatement of depreciation and overstatement of property, plant and equipment. The total error was R254 904.19.
- (b) It was noted that an item of operating expenditure was incorrectly recognised as work in progress in the 2021/22 financial period. The error resulted in overstatement of property, plant and equipment and understatement of operating expenditure. The total error amounted to R11 333 173.97.

Receivables from exchange transactions and provision (concession provision).

On review of a concessionaire's audited signed annual financial statements, it was noted that the cost price of property, plant and equipment was revalued, and this resulted in the adjustment of SANParks' prior year concession provision and asset. The total error was R1 149 658.55.

Leave provision

The leave provision was incorrectly accounted for in the prior year due to incorrect calculation of leave balances for employees. The recalculated balances was understated and as a result the provision for leave was understated. SANParks procured a new HCM system that calculates leave balance appropriately, hence the adjustment to the provision. The total error resulted in understatement of leave provision and understatement of employee cost (R32 400 651.97).

Payables from exchange transactions

- (a) On review of expenditure population incurred in the financial year 2022/23, it was noted that expenditure with invoices dated March 2022 were accounted for in the incorrect financial period. The error resulted in an understatement of payables from exchange transaction (R8 585 376.77), operating leases (R41 22.09) and operating expenditure (R8 544 154.68).

The error was subsequently corrected and comparative amounts have been retrospectively adjusted.

- (b) Donation income was incorrectly recognised in income received in advance. This resulted in overstatement of payables from exchange transaction (R22 968 340.77) and both understatement of donations (R20 382 404.33) and understatement of tourism, retail and concession (R2 585 936.44).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2023	2022
	Restated*
'000	'000

40. PRIOR YEAR ADJUSTMENTS (CONTINUED)

Government grants and other funding

On review of special project grant note, it was noted that the amount disclosed as revenue utilised was overstated. The error resulted in understatement of employee related costs (R1 735 212.64), operating expenditure (R603 626.38) and property, plant and equipment (R244 146.60). Further government grants and other funding was understated (R2 582 985.62). As a result, management restated the presentation of the note and accounted for the amounts appropriately.

The correction of the prior period errors results in adjustments as follows:

Statement of financial position

March 2022

	As previously reported	Correction of error	Restated
	R'000	R'000	R'000
Increase in unspent conditional grants and receipts	(475 290)	(5 907)	(481 197)
Decrease in PPE	2 111 909	(6 758)	2 105 151
Decrease in receivables from exchange transactions and provisions	341 730	(1 150)	340 580
Increase in leave provision	(41 045)	(32 401)	(73 446)
Decrease in concession provision	(341 730)	1 150	(340 580)
decrease in payables from exchange transactions	(333 097)	14 384	(318 713)
Effect on accumulated surplus	1 262 477	(30 682)	1 231 795

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	As previously reported	Correction of error	Restated
	R'000	R'000	R'000
Consulting and professional fees	(287 073)	239 307	(47 766)
EPWP and other project expenditure	-	(239 307)	(239 307)
Cash and cash equivalents	1 749 154	(2 968)	1 746 186
Receivables from exchange transactions	97 779	2 968	100 747
Cost of sales	-	(269 655)	(269 655)
Operating expenses	(1 319 753)	269 655	(1 050 098)
Actuarial gains/losses	-	(7 519)	(7 519)
Employee related costs	(1 418 591)	7 519	(1 411 072)
	(1 178 484)	-	(1 178 484)

41. COMPARATIVE FIGURES (CONTINUED)

Consulting and professional fees	(287 073)	239 307	(47 766)
EPWP and other project expenditure	-	(239 307)	(239 307)
Cash and cash equivalents	1 749 154	(2 968)	1 746 186
Receivables from exchange transactions	97 779	2 968	100 747
Cost of sales	-	(269 655)	(269 655)
Operating expenses	(1 319 753)	269 655	(1 050 098)
Actuarial gains/losses	-	(7 519)	(7 519)
Employee related costs	(1 418 591)	7 519	(1 411 072)
	(1 178 484)	-	(1 178 484)

42. BUDGET DIFFERENCES

Material differences between budget and actual amounts

- (A) Revenue from exchange transactions is more than budget as a result of tourism related revenue doing better than expected. There were more visitors through SANParks gates than anticipated.
- (B) Government grants and other funding is less than budget mainly because of an additional infrastructure grant of R235 million that was allocated to SANParks and not yet spent in full due to late receipt thereof. The additional grant could therefore not be spent timeously due to incomplete projects.
- (C) Donations reflect a positive variance due to newly signed agreements which have yielded financial inflow.
- (D) Employee related costs savings are mainly attributed to the employee benefit obligation actuarial gain of R83 million.
- (E) Depreciation is below budget attributed to the non-capitalisation of new assets which were anticipated to be acquired by year end. The depreciation budget takes into consideration the depreciation arising from anticipated asset purchases for the current financial year.
- (F) Finance costs reflect a saving of R1 243 million which is attributed to a lower capital finance lease balance.
- (G) Operating lease payments have exceeded the budget due to a lower budget allocated to operating leases.
- (H) Operating costs saving is as a result of maintenance projects which have not yet been completed.
- (I) Loss on disposal of assets is more than projected as a result of assets that had to be retired due to impairment as a result of unforeseen circumstances.
- (J) At the time of budgeting a conservative approach was followed since the tourism market was still recovering. In addition the cost of fuel significantly increased after the budget was prepared.



Telephone Number	+27 (0)12 428 9111
Fax Number	+27 (0)12 426 5500
Postal Address	South African National Parks PO Box 787 Pretoria 0001 South Africa
Street Address	643 Leyds Street Muckleneuk, Pretoria
Email	reservations@sanparks.org

