



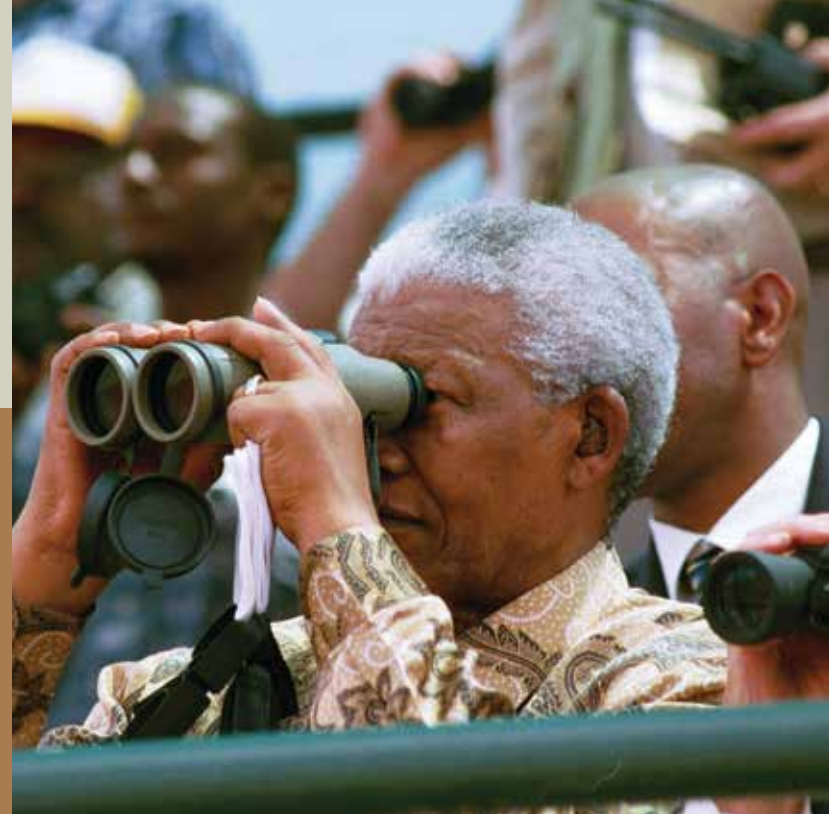
**Celebrating 25 Years of Democracy
through a Sustainable National Parks System
that Reconnects and Inspires Society**

ANNUAL REPORT 2018/19



1994

With the changed structure of the country after 1994, and with majority rule, the then National Parks Board was re-conceptualised as a more accessible and people focused South African National Parks.



Milestones of a new democracy

25 Years of Democracy through a Sustainable National Parks System that Reconnects and Inspires Society.



2000

Southern Africa's first TFCA, the Kgalagadi Transfrontier Park, was formally opened on 12 May 2000 by the presidents of Botswana and South Africa.



2002

The Great Limpopo Transfrontier Park (GLTP) was proclaimed with the signing of an international treaty at Xai-Xai, Mozambique by the heads of state of Mozambique, South Africa and Zimbabwe.



2002

Jock of the Bushveld was the first of the concession sites to go into operation. Following an extensive environmental impact assessment process, a Record of Decision was given by the Department of Environmental Affairs and Tourism (DEAT) paving the way for construction on most of the concession areas.



2009

SANParks continues to pride itself on the phenomenal growth in black visitors to National Parks as result of deliberate efforts to attract this market to see the parks as part of their myriad of holiday options. Growth in black day visitors grew by 17.5%.



2012

SANParks initiates a 1% tourism levy for community projects which came into effect on 1 November 2012.



SANParks is working towards being a major connector between societies. This has seen the vision of "Custos Naturae" slowly but surely progressing to the vision of today as "A World-Class system of sustainable National Parks reconnecting an inspiring society."

2006

The inaugural South African National Parks Week took place in 2006 and was aimed at linking the South African national parks system to the global movement and to also showcase the best of South Africa's national parks.

**2000**

The governments of Mozambique, South Africa and Swaziland signed five protocols on the establishment of the Lubombo Transfrontier Conservation and Resource Area.

**2010**

One of the key challenges to conservation bodies today, including private nature reserve owners, throughout the country and even globally has been the escalation of poaching of rhinos for their horns.

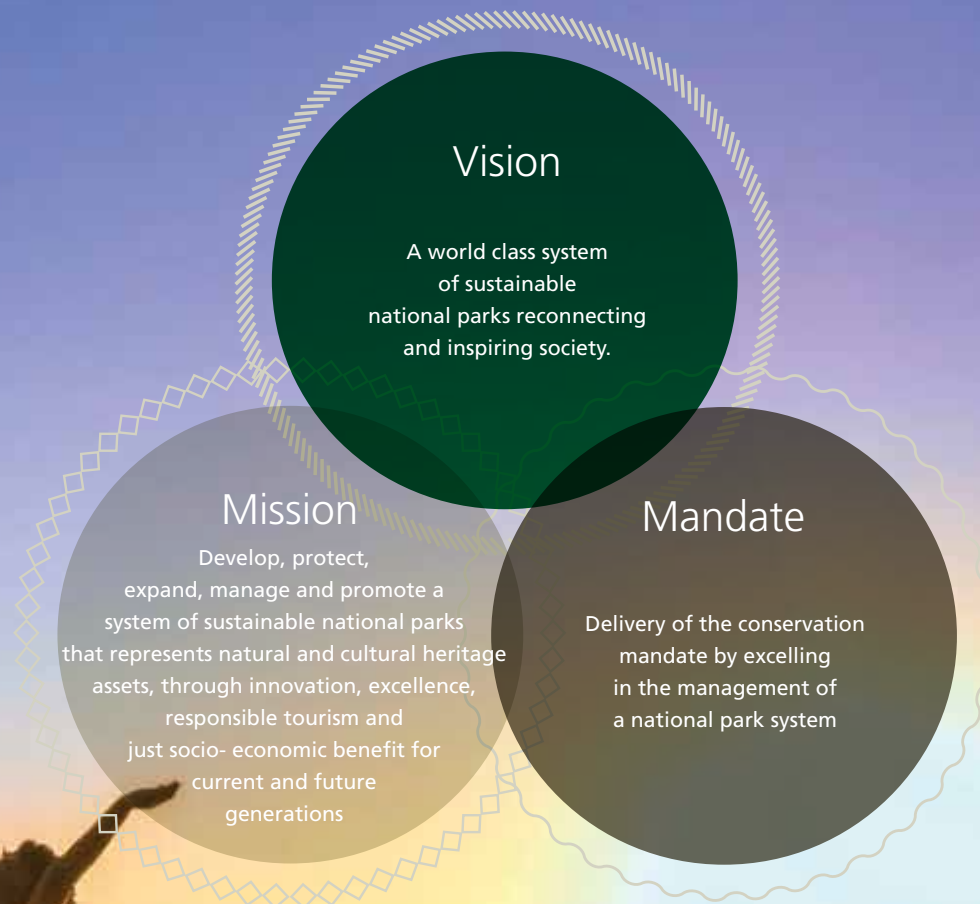


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Legal and Constitutional Mandate

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



List of Abbreviations and Acronyms

AENP	Addo Elephant National Park	EWP	Employee Wellness Programme	MoA	Memorandum of Agreement
AET	Adult Education and Training	FTE	Full-time Equivalent	MoU	Memorandum of Understanding
AfrSG	African Rhino Specialist Group	FTT	Fair Trade Tourism	MPA	Marine Protected Area
APP	Annual Performance Plan	GEF	Global Environmental Facility	MTPA	Mpumalanga Tourism and Parks Agency
ARC	Agricultural Research Council	GEFRA	Global Environmental Facility Protected Area	NATJOINTS	National Joint Operational and Intelligence Structure
AWHF	African World Heritage Fund	GGHNP	Golden Gate Highlands National Park	NDP	National Development Plan
BAC	Bid Award Committee	GKEPF	Greater Kruger Environmental Protection Forum	NEHAWU	National Education, Health and Allied Workers' Union
BDU	Business Development Unit	GLTFCA	Great Limpopo Transfrontier Conservation Area	NEMPAA	National Environmental Management: Protected Areas Act
B-BBEE	Broad-based Black Economic Empowerment	GLTP	Greater Limpopo Transfrontier Park	NGO	Non-governmental Organisation
BRUV	Baited Remote Underwater Video	GM	General Manager	NP	National Park
BSP	Biodiversity Social Project	GMTFCA	Greater Mapungubwe Transfrontier Conservation Area	NP	National Project
CBD	Convention on Biological Diversity	GRIM	Garden Route Interface Meeting	NPT	National Parks Trust
CC	Closed Corporation	GRNP	Garden Route National Park	NRMP	Natural Resource Management Programme
CCMA	Commission for Conciliation, Mediation and Arbitration	ha	Hectare	NUPSAW	National Union of Public Service & Allied Workers
CEO	Chief Executive Officer	HCM	Human Capital Management	OD	Organisational Design
CHASA	Confederation of Hunters Associations of South Africa	HOSPERSA	Health & Other Services Personnel Trade Union of South Africa	PA	Protected Area
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora	ICCROM	International Centre for Study of the Preservation and Restoration of Cultural Property	PAIA	Promotion of Access to Information
CITW	Children in the Wilderness	ICT	Information and Communications Technology	PFMA	Public Finance Management Act
CNRS	Centre National de la Recherche Scientifique	IDA	International Dark-Sky Association	PPP	Public-private Partnership
CPA	Communal Property Association	IDZ	Industrial Development Zone	QSE	Qualifying Small Enterprise
CSED	Conservation Socio economic Development	IPS	Integrated Permitting System	RFQ	Request for Quotation
CSI	Customer Satisfaction Index	IPZ	Intensive Protection Zone	RoD	Record of Decision
CSIR	Council for Scientific and Industrial Research	IT	Information Technology	SA	South Africa
DAFF	Department of Agriculture, Forestry and Fisheries	IUCN	International Union for Conservation of Nature	SABC	South African Broadcasting Corporation
DEA	Department of Environmental Affairs	JPZ	Joint Protection Zone	SAHGCA	South African Hunters and Game Conservation Association
DEAT	Department of Environmental Affairs and Tourism	KiP	Kids in Parks	SANDF	South African National Defence Force
DoL	Department of Labour	KGSI	Kudu Green School Initiative	SANParks	South African National Parks
DT	Department of Tourism	K2C	Kruger 2 Canyons	SANS	South African National Standard
ECI	Environmental Crime Investigator	KPA	Key Performance Area	SAPPI	South African Pulp and Papers Industries
EE	Employment Equity	KZN	KwaZulu-Natal	SAPS	South African Police Service
EM	Environmental Monitor	LUMS	Land Use Management Scheme	SASS	South African Scoring System
EMDP	Emergent Management Development Programme	MAJOC	Management Joint Operation Committee	SAWC	South African Wildlife College
EME	Emerging Micro Enterprise	MANCO	Management Committee	SCM	Supply Chain Management
ENE	Estimates of National Expenditure	MAP	Management Advancement Programme	SDE	School Desk Equivalent
EPIP	Environmental Protection and Infrastructure Programme	METT	Management Effectiveness Tracking Tool	SDF	Strategic Development Framework
EPWP	Expanded Public Works Programme	MNP	Mapungubwe National Park	SED	Socio-economic Development
EXCO	Executive Committee			SHR	SANParks Honorary Ranger
				SMME	Small, Medium or Micro Enterprise

SoB	State of Biodiversity	Total SA	Total South Africa	WfW	Working for Water
SoAIM	State of Area Integrity Management	TRA	Tourism Research Agenda	WIL	Work-integrated Learning
SPLUMA	Spatial Planning and Land Use Management Act	UA	Universal Access	WR	White rhino
TB	Tuberculosis	UNDP	United Nations Development Programme	WRSA	Wild Ranching of South Africa
TFCA	Transfrontier Conservation Area	UNESCO	United Nations Educational, Scientific and Cultural Organization	WWF	World Wide Fund for Nature
TMACC	Table Mountain Aerial Cableway Company	WESSA	Wildlife and Environment Society of South Africa	WoF	Working on Fire
TMNP	Table Mountain National Park	WfEco	Working for Ecosystems	WPS	Wildlife Products Section
TNP	Transfrontier National Park	WftC	Working for the Coast	VAT	Value Added Tax
ToR	Terms of Reference			y-o-y	Year on year

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PART

GENERAL INFORMATION

About South African National Parks (SANParks)



Seals on the shores of Bird Island, Addo Elephant National Park



SANParks CEO Mr Fundisile Mketeni with a group of successful beneficiaries of the Wildlife Economy Transformation Programme

South African National Parks (SANParks) is the custodian of nineteen national parks located in diverse vegetation types: Desert, Grassland, Forest, Succulent Karoo, Nama Karoo, Fynbos, Savanna, Albany Thicket, Indian Ocean Coastal Bled and Azonal. Established in 1926, the park system spans seven of South Africa's provinces, consists of over 4 million hectares (40,000 km²) and makes up approximately 67% of the land under formal conservation in the country. The reasons for the existence of national parks have evolved from protecting wildlands and wildlife to protecting biological life forms and promoting socio economic development, eco-tourism and connecting citizens. Achieving these objectives means resolving a range of conservation management challenges; addressing complex social, economic and political dynamics; and adapting policies and management styles. This requires the organisation to be innovative and to use our parks to influence and support sustainable development across the wider society. Historically, the national parks excluded the majority of South Africa's people. To overcome this and to ensure an inclusive national parks system, SANParks formulated a comprehensive Socio-Economic Development strategy to assist with the development of communities neighbouring the parks. Located in rural areas, the parks can and must be catalysts and drivers of local economic development.

SANParks' socio-economic development programmes include Biodiversity Economy; Social Legacy; Enterprise Development; Environmental Education; and Awareness and Land Claims Beneficiation. During the reporting period, the Social Legacy Programme donated a shaded and paved assembly area with a small playground to the Riemvasmaak Primary School close to Augrabies Falls National Park. 312 double combination school desks and custom designed tables and chairs for 80 Grade R learners were donated to the Alldays school in Limpopo.

Through the Biodiversity Economy programme, which assists historically disadvantaged communities and individuals to benefit from wildlife and plants found inside and outside national parks, donations of wildlife to the Motlhabatse and Baphalane Communal Property Associations (CPAs) were approved, with the animals scheduled to be delivered in the new financial year. Nine emerging game farmers' applications were approved for game loans, with eight receiving their animals and one scheduled to receive his during the following financial year.

Six hundred and ninety-three head of plains game were delivered to the successful beneficiaries' farms in the Eastern Cape, Free State, Northern Cape and North West provinces.

Through its environmental education programmes, SANParks aims to raise environmental awareness in the context of the natural and cultural resources offered by national parks and to provide interactive programmes that assist learners to develop new skills and attitudes towards the environment. During 2018/19, over 217 300 young people participated in the environmental education programmes offered at the parks; these include Kids in Parks, the Kudu Green School Initiative and Walk and Learn on the Wild Side.

The land claims programme aims to facilitate settlement of land claims in national parks in collaboration with the Land Claims Commission. A number of land claims lodged within national parks are at different stages of settlement; the following claims were processed in 2018/19:

- *Qwaqwa land claim at Golden Gate National Park*
- *Colchester land claim*
- *West Coast National Park land claim*
- *Kruger National Park land claims:* following settlement of six land claims in Kruger National Park in 2016, SANParks and the land claimants have been engaged in a process to develop and finalise the beneficiation scheme as required in terms of the second phase of the settlement agreement. A Kruger National Park Project Management Unit has been established to manage implementation of this phase, and the draft beneficiation scheme developed and workshopped with the claimant representatives and members, with claimants making their inputs. The final draft beneficiation scheme has been submitted to the Board for noting.
- *Gomodwane land claim*

Conservation Services continued to ensure that implementation of SANParks' conservation mandate goes beyond mere policy making. Important biodiversity and associated ecological processes (key socio-economic drivers within multi-sector landscapes that make a significant contribution to local and regional economies) were put in place. Faced with challenges including climate change, sustainable development and building responsible tourism, visionary leadership in biodiversity conservation will remain essential for guiding and driving these processes.

SANParks contributes to the implementation of the National Development Plan and the global Sustainable Development Goals by increasing the national conservation estate representing the country's biodiversity, landscapes and associated heritage assets and enhancing regional conservation linkages. Approximately 5 350ha were added to the national conservation estate in 2018/2019. Two portions of Olivierskraal, for inclusion into Tankwa Karoo National Park, were purchased through the Leslie Hill Succulent Karoo Trust fund; purchase agreements for both portions have been signed and a letter received confirming land inclusion into the park.

A draft Contractual Agreement between SANParks and the National Research Foundation was endorsed, paving the way for establishing a new National Park of approximately 130 000ha in the vicinity of the Square Kilometre Array Astronomy Research Facility in Northern Cape Province. SANParks continued to participate in discussions towards establishing a new PA in the High Altitude grassland region of the north-eastern part of Eastern Cape Province and is engaged with several stakeholders, including ESKOM, Juwi and Kropz, on biodiversity offsets.

Following Cabinet approval of twenty new Marine Protected Areas (MPAs) for declaration, SANParks continued to participate through the Phakisa MPA Technical Task Team in updating regulations and maps for three new MPAs (Addo, Robben Island and Namaqua) which it will manage.

Park-specific State of Biodiversity (SoB) management reports were completed for each of the nineteen National Parks. The SoB tool is a mechanism for effective and adaptive park management decision-making, highlighting the linkages between park management plan objectives and action on the ground and is an important element in the organisation's assessment tools for measuring management effectiveness of biodiversity conservation at park level.

HIGHLIGHTS



19 national parks

located in diverse vegetation types: Desert, Grassland, Forest, Succulent Karoo, Nama Karoo, Fynbos, Savanna, Albany Thicket, Indian Ocean Coastal Bled and Azonal

217 300 young people participated in the environmental education programmes offered at the parks; these include Kids in Parks, Kudu Green School Initiative and Walk and Learn on the Wild Side.



5 350ha of land were added to the national conservation estate in 2018/2019

130 000ha for the establishment of a new National Park in the vicinity of the Square Kilometer Array Astronomy Research Facility in the Northern Cape





SANParks scientists recording data following a successful game capture in Marakele National Park

The METT-SA 3 is a South African tool, based on a global standard, used to measure the effectiveness of PA management, primarily in terms of the extent to which it protects the values and achieves the goals and objectives of the PA. Sixteen of the National Parks achieved a score of above 67 per cent during 2018/2019 METT SA-3 assessment.

SANParks leads a five-year project funded through the Global Environmental Facility (GEF 5) to expand representation of globally important terrestrial habitats by establishing new PAs covering 197 000 ha in South Africa and improving management effectiveness on an additional 1 100 000 ha through integrated management planning, monitoring, evaluation and improved PA buffer zone interventions. The project also aims to ensure financial sustainability of the PA estate by reducing the cost of expansion and improving cost efficiencies within PA management agencies. The project is on track and expended 100 per cent of

the available budget in achieving the following activities: testing and training on the Web-based METT assessment tool; consent letters from landowners to declare an additional 137 095 ha as part of the Protected Environment between Mountain Zebra and Camdeboo National Parks; completion of the Conservation Development Framework for the Richtersveld, including fencing the Kleinduin section in the vicinity of Richtersveld National Park; and biodiversity assessments on several properties in the SANParks/CapeNature West Coast Corridor.

The purpose of the national Expanded Public Works Programme (EPWP) is to create useful employment and develop skills. During the year, the programme created 6 428 fulltime equivalent (FTE) jobs within SANParks, equal to 1 478 391 person days worked by the 15 800 people employed in the various projects. The programme also supported 703 small, medium and micro enterprises (SMMEs) and paid R208 million to these small contractors for services that they provided.

Biodiversity rehabilitation projects formed the core of the programme, with initial land rehabilitation of 28 491 ha and follow-up rehabilitation of 166 897 ha, taking place in forty wetlands and with 7 170 m³ of retaining and other appropriate structures built.

Sixty-nine per cent of those employed in the EPWP were young people aged 16 to 35, 54% were women and 2% were people with disabilities.

The infrastructure investment allocation for 2018/19 was R 104.549 million or R193 million including funds rolled over from previous years. Two large projects under way were the R 270 million Skukuza Safari Lodge in Kruger National Park and the R83 million Dinosaur Interpretive Centre in Golden Gate Highlands National Park. Under the Infrastructure Programme, a range of visitor facilities were upgraded at the Skukuza, Kruger, Table Mountain, Kgalagadi Transfrontier and the Golden Gate Highlands National Parks during the year, with staff accommodation constructed and upgraded in the Garden Route, Kruger, Mountain Zebra, Namaqua, Kgalagadi and Mapungubwe National Parks.

Work took place on roads and bulk infrastructure in the Table Mountain, Golden Gate and Kruger National Parks and planning for NDT-funded projects was carried out. The Southernmost Tip of Africa project in Agulhas National Park was completed, and launched by the Minister of Tourism, and construction started on the Dinosaur Interpretive Centre and associated infrastructure.

SANParks has a significant role to play in South Africa's nature-based tourism, or eco-tourism, targeted at the international and domestic tourism markets,

and the strength of its eco-tourism business enables it to self-generate revenues from commercial operations. These supplement government funding for conservation management. An important element of SANParks' eco-tourism is the commercialisation strategy which, through public-private partnerships (PPPs), has enabled the organisation to expand its range of tourism products and to generate additional revenue to fund conservation and socioeconomic development. During the reporting period, the BDU project-managed developments at Skukuza Safari Lodge, scheduled to be complete in early 2019; and commissioned an environmental impact assessment of the Phalaborwa Activity Hub, with the Record of Decision (ROD) expected in April 2019.

Facilities for which PPPs were put in place include the Geelbek Restaurant in the West Coast National Park; the Big Tree Curio Shop and Tea Room in the Garden Route National Park; and the Mopani, Punda and Shingwedzi Restaurants in Kruger National Park. PPP income for the year was R147 million.

For the period under review, Guests to Parks decreased by 7.74% from 7,007,152 to 6,464,305. For Kruger National Park, the number was down by 2.1% from 1,932,750 to 1,892,128 and for Parks by 5.9% from 5,074,402 to 4,773,539 visitors. This general decline speaks to the general decline of visitor numbers in South African Tourism, but also to shorter school holiday periods as well as a number of units withdrawn for maintenance purposes.

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



Minister's Foreword

Minister Barbara Creecy, MP
Minister of Environment, Forestry and Fisheries

I pleased to present the 2018/19 Annual Report of South African National Parks (SANParks).

This annual report comes at a time when revenues and tourism are down, but where a safe environment and protection of our diversity is becoming more and more important. Weakening economies worldwide, and a decrease in tourism in general, affect the ability of an institution such as SANParks to garner much-needed income for conservation management.

As a public entity under the jurisdiction of the Department of Environmental Affairs (DEA), SANParks manages 19 national parks in seven of South Africa's nine provinces. Amongst these are Marine Protected Areas, adding to the more than 4 million hectares under the state's protective management. This makes up approximately 67% of the land under formal conservation in the country.

SANParks has, in the past financial year, continued to play a critical role in maintaining South Africa's position as one of the most biodiverse countries in the world.

It is an entity that has, through its commercialisation strategy contributed to the goal of the National Development Plan to create an environmentally sustainable, climate change resilient, low-carbon economy and just society by 2030.

As a means of addressing the social and economic needs of the country, SANParks has, through the Expanded Public Works Programme (EPWP) created useful employment and developed skills. During the year, SANParks created work opportunities for 15 800 people employed in the various projects. The programme also supported 703 small, medium and micro enterprises (SMMEs) and paid R208 million to these small contractors for services that they provided. It is important to note that 69% of those employed in the EPWP were young people aged between 16-35, and that 54% were women and 2% people with disabilities.

Through the Biodiversity Economy programme, which assists historically disadvantaged communities and individuals to benefit from wildlife and plants found inside and outside national parks, donations of wildlife to the Motlhabatse

and Baphalane Communal Property Associations (CPAs) were approved, with the animals scheduled to be delivered in the new financial year. Nine emerging game farmers' applications were approved for game loans, with eight receiving their animals and one scheduled to receive his during the following financial year. A total of 693 head of plains game were delivered to the successful beneficiaries' farms in the Eastern Cape, Free State, Northern Cape and North West provinces.

In developing the marine economy, SANParks reports that following rezoning there are 313 registered anglers in the Tsitsikamma Marine Protected Area.

Bioprospecting projects include the Lefika Herbarium and Nursery – a medicinal plant enterprise in the Phuthaditjhaba area near Golden Gate Highlands National Park – as well as the Covie Honey Bush Tea Project in the Eden District Municipality and Bitou Local Municipality in Western Cape Province.

Tourism remains a significant source of revenue for SANParks as a significant role-players in South Africa's nature-based tourism targeted at the international and domestic tourism markets. The commercialisation strategy and public-private partnerships (PPPs) have enabled the organisation to expand its range of tourism products and to generate additional revenue to fund conservation and socio-economic development. This has included the completion of the Skukuza Safari Lodge and the commissioning of an environmental impact assessment of the Phalaborwa Activity Hub.

In terms of the Land Inclusion Plan, approximately 5 350ha was added to the national conservation estate in 2018/2019. Two portions of Olivierskraal, for inclusion into Tankwa Karoo National Park, were purchased through the Leslie Hill Succulent Karoo Trust fund; purchase agreements for both portions have been signed and a letter received confirming land inclusion into the park.

An exciting development has been the conclusion of a draft Contractual Agreement between SANParks and the National Research Foundation which paves the way for the establishment of a new National Park of approximately 130 000ha in the vicinity of the Square Kilometre Array Astronomy Research Facility in Northern Cape Province.



SANParks created work opportunities for 15 800 people employed in the various projects. The Expanded Public Works Programme supported 703 small, medium and micro enterprises and paid R208 million to these small contractors for services that they provided.

A number of land claims lodged within national parks are at different stages of settlement. In the past year, the claims processed were the Qwaqwa land claim at Golden Gate National Park, the Colchester land claim at Addo Elephant National Park and the West Coast National Park land claim. Following settlement of six land claims in Kruger National Park in 2016, SANParks and the land claimants are in the process of finalising a beneficiation scheme that will benefit members of their communities.

Following the declaration of 22 Marine Protected Areas (MPAs), SANParks has continued to participate through the Phakisa MPA Technical Task Team in updating regulations and maps for the Addo, Robben Island and Namaqua MPAs which it will manage.

Park-specific State of Biodiversity (SoB) management reports were completed for each of the nineteen National Parks to assist in effective and adaptive park management decision-making.

In terms of transboundary management and putting into effect the Great Limpopo Transfrontier Conservation Area (GLTFCA), Kruger National Park has signed an agreement with 14 adjacent state, private and community management conservation areas on its western boundary, resulting in 360 000 ha being added on the western side to the park's existing 2 million hectares.

Implementation will focus on stimulating cooperation in managing landscape-level ecological issues, unlocking sustainable benefits, responsible economic development and promoting compatible land use practices within the GLTFCA. The Management Plans of several of the adjacent conservation areas are now for the first time being aligned with Kruger National Park's Management Plan and in accordance with the GLTFCA.

As a critical stakeholder in four cross-border PAs - the Kgalagadi Transfrontier Park, Ai-Ais/Richtersveld Transfrontier Park, the Greater Mapungubwe TFCA and the Great Limpopo TFCA – SANParks continues to prove itself a partner that truly shares in the vision of preserving large functional ecosystems including those stretching beyond its traditional geographical mandate.

With regard to poaching, Kruger National Park recorded a 23.5% decrease in rhino poaching in the past year – down to 384 from 502 in the previous year. Reasons for the improvement include ranger efficiency, good tracking skills and deployment of canine resources, application of detection technologies and rapid reaction capabilities. Joint operations between SANParks and the South African Police Service and Defence Force resulted in an additional 119 arrests outside Kruger National Park, with a significant increase in arrests of middlemen and poaching gang organisers.

It is gratifying to note the progress made in the past year by SANParks in fulfilling its mandate.

I confirm that the 2018/19 SANParks Annual Report complies with all statutory reporting requirements of the Public Finance Management Act (PFMA) as well the essential National Treasury Regulations.

Ms. Barbara Creecy,

Minister of Environment, Forestry and Fisheries

Chairperson's Report

Ms Joanne Yawitch
Chairperson of the Board

Over the past twenty-five years, our country has seen sustained progress in developing an effective regulatory system for managing the environment. This has been an integral part of the democratisation process in South Africa and has progressively given effect to the environmental rights enshrined in our Constitution.

As a country, we understand that socio-economic progress and environmental sustainability are inextricably inter-linked and that equitable access to both renewable and non-renewable resources must be founded on this understanding. SANParks thus realises its core mandate of conservation within our national parks system in ways that prioritise the achievement of socio-economic benefits to the communities and stakeholders living adjacent to the parks and with vested interests in them.

With 858 species of birds, 299 species of mammals and over 135 amphibian species - 110 of them endemic - South Africa is third on the global list of megadiverse countries. It is therefore essential that it maintains an optimal balance between the needs of its people, cultures, landscapes, biological resources and economy. SANParks makes a critical contribution here, increasingly working to enable opportunities for the people and communities who neighbour our parks.

SANParks' current Board of Directors served its first year in office during this reporting period. It provided strategic direction, leadership and oversight to the organisation as required by its mandate and as set out in its strategic objectives for the years 2019 to 2023. The previous Board's commitment to sound financial management and operational effectiveness were continued by this Board.

Despite strengths in corporate governance, the Board remains gravely concerned at the growing problem of wildlife crime, dominated by rhino and elephant poaching in Kruger National Park. Particularly alarming is the increase in poachers' aggressiveness towards Rangers conducting anti-poaching operations. During the reporting period, Rangers came under attack a number of times with, tragically, the death of Ranger Respect Mathebula at the Crocodile Bridge section of Kruger National Park.

SANParks remains committed to fighting against the scourge of poaching and wildlife crime in general, and takes this opportunity to recognise the continued support received from the government security sector and from other conservation agencies.

Following Cabinet approval of 22 new Marine Protected Areas (MPAs) for declaration, SANParks continued its participation in the Phakisa MPA Technical Task Team which is updating regulations and maps for the three MPAs (Addo, Robben Island and Namaqua) under its management.

Within SANParks' infrastructure investment programme, two major projects are underway: the completion of the R270 million Skukuza Safari Lodge in the Kruger National Park, soon to be opened; and the R83 million Dinosaur Interpretive Centre in Golden Gate Highlands National Park. Through National Department of Tourism funded projects, infrastructure upgrading took place in a number of our parks.

SANParks' revenue derives from many income streams linked to its commercialisation strategy and which involves a well-established system of public-private partnerships (PPPs). During the period under review, SANParks' PPP income totalled R147 million and since the inception of the commercialisation strategy in 1998, total income generated has totalled R 1, 067 million. There are currently 50 PPPs in operation in SANParks, giving partners access to state property for a defined period, and allowing them to conduct business there.



South Africa is third on the global list of megadiverse countries. It is therefore essential that it maintains an optimal balance between the needs of its people, cultures, landscapes, biological resources and economy.

SANParks national parks footprint is currently 4 million hectares under formal conservation. Kruger National Park celebrated its 120th year as South Africa's largest national park and an iconic global travel destination. With significant cultural heritage sites and artefacts, SANParks is poised to play a leading role in the identification, conservation and interpretation of cultural heritage which will also be a contributing factor to tourism growth.

Other conservation successes achieved during the year in line with SANParks' new vision of "A world class system of sustainable national parks reconnecting and inspiring society" included the ongoing partnership with the Peace Parks Foundation and the Department of Environment, Forestry and Fisheries to rewild Africa's conservation spaces.

As Chairperson of the SANParks Board, I am satisfied that in the 2018/19 financial year the organisation achieved most of its stated performance objectives. I would like to express my gratitude to the previous Board for their commitment and service, and as the new Board we remain steadfast in ensuring we support the Executive team and the thousands of dedicated and passionate SANParks employees. It gives me great pleasure to record that SANParks received a clean audit from the Office of the Auditor-General. This has been achieved through the dedication of all SANParks employees and the meticulous and professional way in which they have approached their duties throughout the year. The Board thanks them all.

Ms Joanne Yawitch
Chairperson of the Board

Chief Executive Officer's Foreword

Mr Fundisile Mketeni
CEO SANParks

SANParks is pleased to present its 2018/19 Annual Report. The annual reporting process gives us the opportunity to assess progress made against our targets and the commitments made to the South African people who have entrusted us with the responsibility for the important national assets, and their heritage, under our management.

As defined in the National Environmental Management: Protected Areas Act (No.57 of 2003), SANParks' primary mandate is to conserve biodiversity and to manage the country's national parks. Currently standing at over 4 million hectares of land under conservation, this represents approximately 67% of state-owned protected areas. Especially in light of a changing climate, our priority is to contribute to expanding the national and global conservation estate by adding under-represented terrestrial and marine protected areas to the national parks system. In fulfilment of this strategic priority, in the past financial year approximately 5 350 hectares (ha) were added to the Tankwa Karoo National Park, thus increasing the national conservation estate. Another conservation milestone was the endorsement of a draft contractual park agreement between SANParks and the National Research Foundation paving the way for the establishment of a new national park of approximately 130 000ha in the vicinity of the Square Kilometre Array Astronomy Research facility in the Northern Cape.

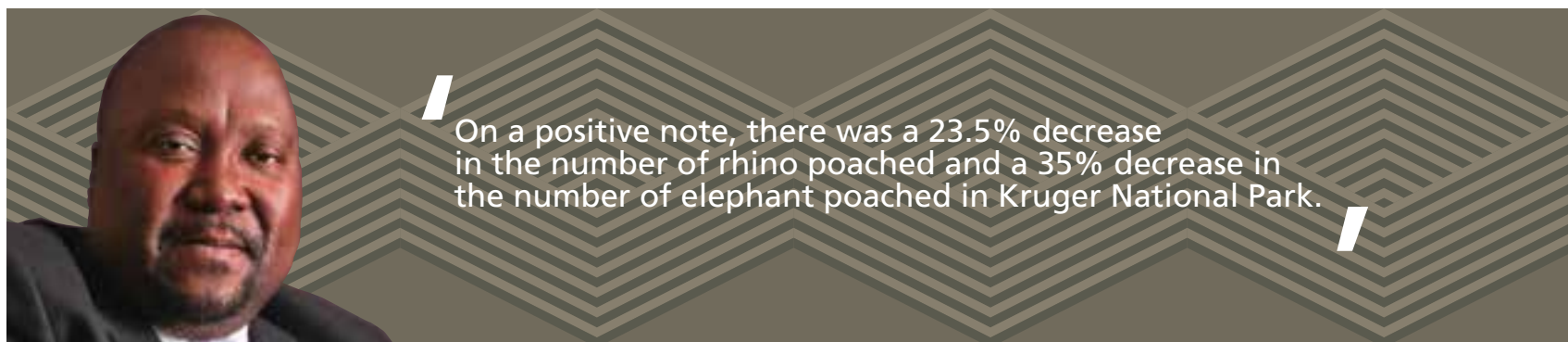
Effectively managing our national parks is a strategic and operational priority for the organisation. SANParks uses internationally recognised assessment tools to measure the management effectiveness of national parks. In the year under review, 84% of our parks achieved a Management Effectiveness Tracking Tool (METT) score of above 76%. This demonstrates SANParks' commitment to adhering to or exceeding international best practices in managing the protected areas under its control. While these achievements are celebrated, there are areas where we have experienced challenges and, in the present financial year, management will work tirelessly to implement corrective actions to close identified gaps.

Wildlife crime continues to be a severe problem for conservation authorities globally and in South Africa. Despite joint counter-poaching efforts between SANParks and members of the Security Cluster, poaching of rhino and elephant in Kruger National Park continues, with poaching syndicates extending their activities to other parks with smaller rhino populations. Sadly, during the reporting year two rhino were poached in Marakele National Park and one in Mokala National Park. This is of great concern because, until June 2018, these parks had experienced no rhino poaching fatalities. Efforts are being made to strengthen our anti-poaching

mechanisms to prevent further fatalities in these parks. On a more positive note, there was a 23.5% decrease in the number of rhino poached and a 35% decrease in the number of elephant poached in Kruger National Park. SANParks nevertheless remains concerned about these poaching numbers and will continue to intensify its anti-poaching and crime disruption interventions using various mechanisms and technologies. We cannot win this battle alone and we need unwavering support from communities locally and internationally.

As a state entity, SANParks is also responsible for contributing to transformation in the country generally and, particularly, of the wildlife economy and for supporting participation by black people. Through SANParks' wildlife economy programme, 719 animals were loaned or donated to emerging game farmers and local communities during the 2018/19 financial year.

In addition to its conservation mandate, SANParks acts as a catalyst for socio-economic development in communities around the national parks, most of which are situated in rural areas far from major centres with economic opportunities. This presents a unique challenge for the organisation because, by virtue of their geographic locality, our parks are a key source of employment and economic opportunity for communities neighbouring the parks. As a state entity, SANParks is also responsible for contributing to transformation in the country generally and, particularly, of the wildlife economy and for supporting participation by black people. Through SANParks' wildlife economy programme, 719 animals were loaned or donated to emerging game farmers and local communities during the 2018/19 financial year. The organisation would like this number to have been larger but disease restrictions in some parks prevented this. Over the coming three



SABC news journalist interviews Mr Fundisile Mketeni during the rhino translocation operation to the Republic of Chad

years, we anticipate delivering a further 3 000 animals to emerging farmers and local communities. In addition to these programmes, SANParks also supported approximately 703 SMMEs through the Expanded Public Works Programme, spending around R208 million in support of small businesses.

SANParks strongly emphasises responsible tourism as a means of facilitating enjoyment of South Africa's natural and cultural heritage, creating benefits for communities and strengthening the organisation's financial sustainability. Responsible tourism therefore continued to be a priority during the financial year. We saw a slight decline in the number of visitors, with our analysis indicating that difficult local economic conditions, the rising cost of living and global economic uncertainty contributed to this decline. Compared with the previous financial year, visitors to our parks decreased by 7.74% from just over 7 million to around 6.4 million. While this is concerning, tourism revenue increased by 9.5% year on year to R2.2 billion. The increase was mainly driven by an increase in the tourism tariffs.

A key milestone during the financial year was the completion of Skukuza Safari Lodge which adds 256 beds to the existing 15 000 beds across our national parks. The Lodge will be fully operational in the 2019/20 financial year and will provide much needed augmentation of our revenue sources. While some of the reasons for

the decline in our tourism numbers are beyond SANParks' control, we will continue to improve our tourism offerings to retain our loyal customers and attract new and younger visitors to our national parks.

In closing, I wish to thank the Minister of Environment, Forestry and Fisheries and the Board of SANParks for their guidance and strategic direction as we step up our efforts to contribute to the developmental priorities of the country. I also want to thank the members of SANParks EXCO and all our staff for their positive attitude, commitment and dedication to the important mandate of this organisation. Your efforts are highly appreciated.

Mr Fundisile Mketeni
CEO SANParks

- 1 Addo Elephant National Park
- 2 Agulhas National Park
- 3 |Ai-|Ais/Richtersveld Transfrontier Park
- 4 Augrabies Falls National Park
- 5 Bontebok National Park
- 6 Camdeboo National Park
- 7 Garden Route National Park
(Wilderness, Knysna, Tsitsikamma)
- 8 Golden Gate Highlands National Park
- 9 Karoo National Park
- 10 Kalahari Gemsbok National Park
- 11 Kruger National Park
- 12 Mapungubwe National Park
and World Heritage Site
- 13 Marakele National Park
- 14 Mokala National Park
- 15 Mountain Zebra National Park
- 16 Namaqua National Park
- 17 Table Mountain National Park
- 18 Tankwa Karoo National Park
- 19 West Coast National Park



Experience the beauty
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Travel and exploration



beauty and diversity
National Parks.
South Africa!



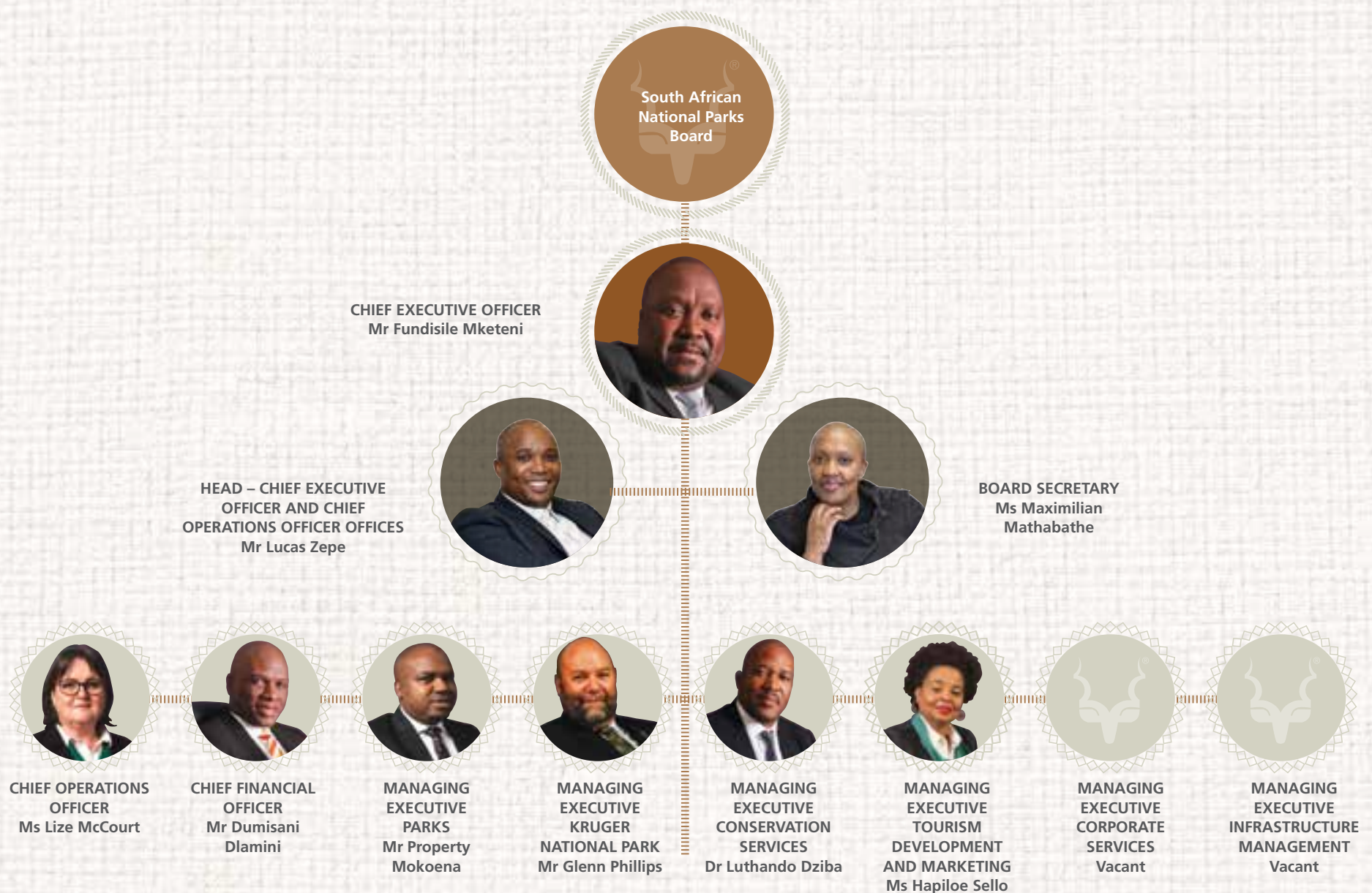
South African
NATIONAL PARKS

Board of South African National Parks





Organisational Structure



Organisational Environment

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

SANParks' business operations are founded on three core pillars:



Conservation – the primary mandate of the organisation is the conservation of South Africa's biodiversity, landscapes and associated heritage assets through a system of national parks. Conservation Services ensures that implementation of SANParks' conservation mandate goes beyond mere policy making. Important biodiversity and associated ecological processes (key socio-economic drivers within multi-sector landscapes that make a significant contribution to local and regional economies) are put in place. Faced with challenges including climate change, sustainable development and building responsible tourism, visionary leadership in biodiversity conservation will remain essential for guiding and driving these processes. This includes the expansion of land under conservation, the management of terrestrial and marine protected areas.

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

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



An experienced KNP Ranger shares his vast knowledge of the landscape and natural life with urban tourists



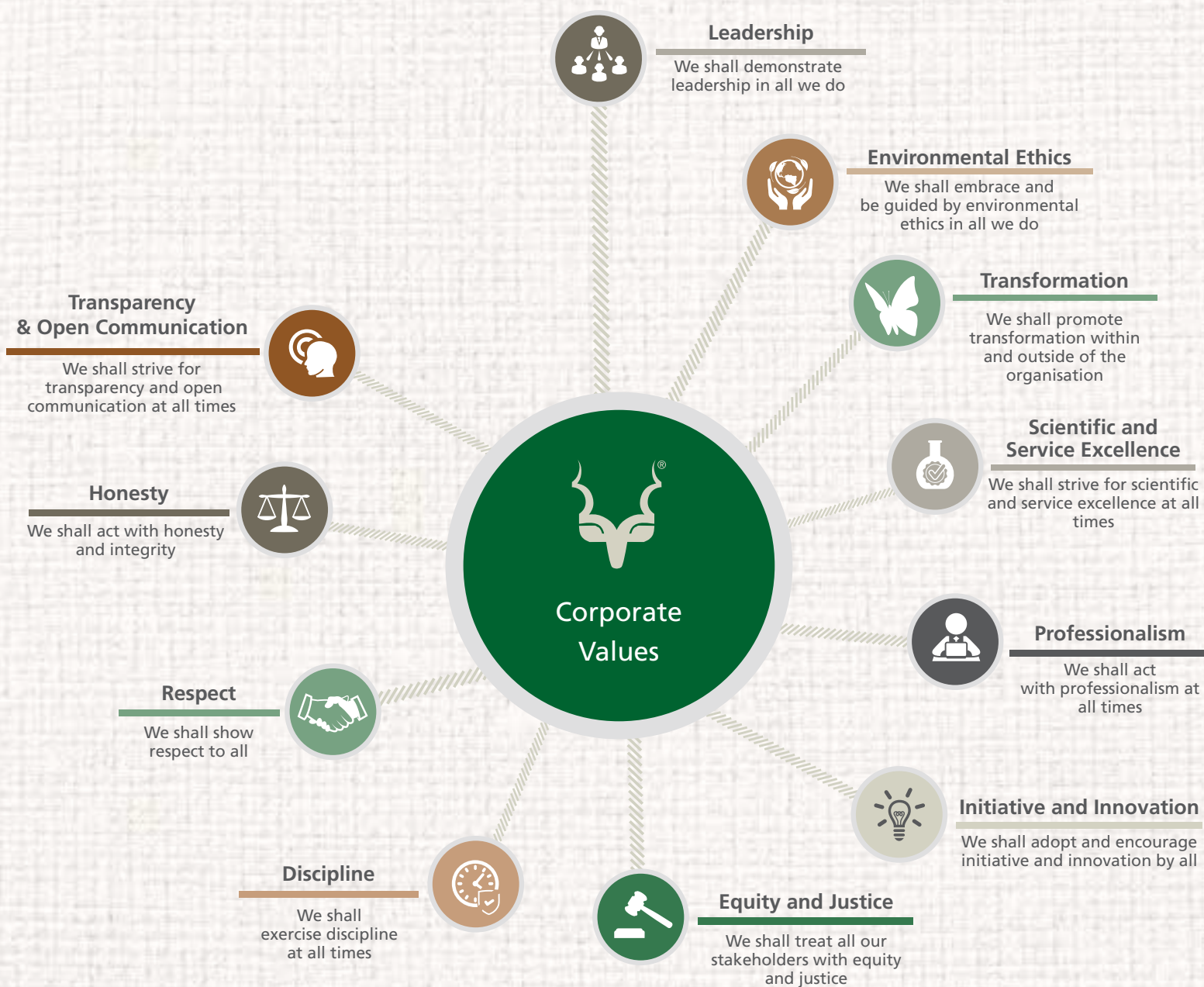
PART

B

PERFORMANCE INFORMATION

Corporate Values

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



Strategic Outcome Oriented Goals



Table 1: Budget Alignment with Strategic Objectives

Strategic Objectives		2018/19 Budget	Percentage	2018/19 Actual	Percentage
SO1	Improved conservation estate	266 178 985	9,6%	245 864 363	9,8%
SO2	Effectively managed ecosystem, species & cultural heritage management	399 289 350	14,5%	401 917 358	16,0%
SO3	Enhanced knowledge for decision making	80 312 337	2,9%	58 805 560	2,3%
SO4	Enhanced tourism returns	277 968 720	10,1%	255 285 862	10,2%
SO5	Diversified and enhanced tourism opportunities and experiences	277 968 720	10,1%	255 285 862	10,2%
SO6	Optimised contribution to the green and blue economy	370 466 288	13,4%	362 528 455	14,4%
SO7	Enhanced awareness and skills	242 206 496	8,8%	220 578 920	8,8%
SO8	Enhanced stakeholder engagement	59 261 996	2,1%	56 795 826	2,3%
SO9	Adequate, appropriately skilled and transformed and diverse human capital	60 684 612	2,2%	41 655 370	1,7%
SO10	Conducive working environment	60 684 612	2,2%	37 225 544	1,5%
SO11	Optimised business processes and knowledge management systems	132 833 537	4,8%	84 758 203	3,4%
SO12	Accountable corporate governance	273 886 721	9,9%	252 122 127	10,0%
SO13	Financial accountability	260 750 577	9,4%	241 279 760	9,6%
		2 762 492 951		2 514 103 211	

Performance against Predetermined Objectives for the 2018/19 Financial Year

Table 2: Strategic Objective 1: Improved representative conservation estate

STRATEGIC OBJECTIVE 1: improved representative conservation estate			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
1.1. Total Area Added to National Parks	2 395 ha	Portions of the farm Olivierskraal, purchased jointly comprise 5 350.87 ha. Purchase agreements for both portions have been signed confirming planned inclusion into Tankwa National Park.	5 350.87 ha has been purchased and included into the Tankwa Karoo National Park
Performance Analysis	The annual target of 2 395 ha has been exceeded by 2 955.87 ha.		
Reason for Variance	The variance in hectarage is attributed to the addition of 2 portions of Olivierskraal to the national parks estate. The 2 portions of Olivierskraal have been purchased through the Leslie Hills Succulent Karoo Trust fund for inclusion into Tankwa Karoo NP. These portions jointly comprise 5 350.87 ha. The negotiation process for the land purchases takes time to conclude and hence it is difficult to estimate when it might be concluded especially when conservation partners contribute to land acquisition. Purchase agreements for both portions have been signed which confirms planned inclusion into Tankwa Karoo NP.		
Planned Improvement / Corrective Actions	No corrective measures are needed.		
1.2. Provide inputs towards the establishment of three MPAs	Engage, provide inputs and give technical inputs as required by DEA and the Phakisa Task Team and other processes towards declaration of SANParks MPAs Robben Island, Namaqua and Addo Elephant MPAs	The 3 MPAs SANParks is to manage have been approved by Cabinet for formal declaration and inputs towards the management of these MPAs have been provided to DEA and the Phakisa.	Technical inputs relating to the declaration of Robben Island, Namaqua and Addo Elephant MPAs have been provided
Performance Analysis	This target has been achieved. The emphasis has been on naming the Namaqua MPA Zones, verifying the Addo MPA Map, responding to comments on the Draft Regulations and finalisation of the regulations for Addo, Namaqua and Robben Island.		
Reason for Variance	There is no variance recorded.		
Planned Improvement / Corrective Actions	Corrective actions are not required.		

STRATEGIC OBJECTIVE 1: improved representative conservation estate			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
1.3. % Implementation of the State of Biodiversity (SoB) Management Improvement Plan	100% implementation of SoB improvement Plan	100% (8/8) activities identified for implementation in Q3 were achieved.	100% (19/19) Park-specific SoB reports were developed and circulated to 19 national parks
Performance Analysis	This target has been achieved. Park-specific reports were shared with 6 parks in Q4 as part of the SoB feedback to inform the Improvement Plans. This brings the total to 19 park-specific reports developed and shared with parks and constitutes 100% implementation of scheduled activities for 2018/19.		
Reason for Variance	There is no variance recorded.		
Planned Improvement / Corrective Actions	Corrective actions are not required.		
1.4. % of National Parks assessed with a METT Score of above 67%	77% of National Parks assessed have a METT score of $\geq 67\%$	100 % of the improvement measures identified at individual park level were implemented and collectively 44.74% progress towards achieving the corrective measures has been made.	84% of national parks achieved a score of above 67%
Performance Analysis	This target has been achieved. The METT SA-3 Report for SANParks was compiled in Q1 and corrective actions in the Parks Division and KNP identified in Q2. Both Parks and KNP addressed 100% of the actions identified.		
Reason for Variance	Positive variance of 7% is due to the improvement actions identified and implemented.		
Planned Improvement / Corrective Actions	Arrangements were put in place to redo the METT assessments for the three parks that achieved a score below the 67 % target: Tankwa (66%), Addo (59%) and Kruger NP (61%) in March 2019. These 3 parks were re-assessed in Q4 and all scores increased as follows: Addo Elephant NP from 59 % to 70.5%, Tankwa NP from 66% to 72.4% and Kruger NP from 61% to 66.8%.		
1.5. State of Area Integrity Assessments (SoAIM)	≥ 2.8 (Parks) ≥ 3.2 (KNP)	Corrective actions have been identified for all parks. Progress against the corrective actions = 61%	A SoAIM Score of 2.9 for all parks (except KNP) was achieved. Corrective actions were identified for all parks. The progress for the Parks Division against the corrective actions is at 79% An average score of 3.52 was achieved for the 22 KNP Ranger Section assessments.
Performance Analysis	This target has been achieved. A total of 45 SoAIM assessments were completed for 18 parks. Target achieved for 18 Parks (excluding KNP). A SoAIM Score of 2.9 was achieved for all parks (excluding KNP) Q3: Corrective actions identified and progress against these were reported against. Q4: Corrective actions identified and progress against these were reported against. Assessments indicated scores above the target of ≥ 3.52 set for each of the 22 KNP Ranger Sections.		
Reason for Variance	There were no variances recorded.		
Planned Improvement / Corrective Actions	Corrective actions in terms of findings detected during the assessments which are within the control of the Ranger Sections have been identified and will be addressed as part of the remedial actions for each Ranger Section in 2019. Findings related to factors outside the control of the Ranger Sections, such as manpower shortages and infrastructure challenges, have also been noted and will be addressed with management.		

STRATEGIC OBJECTIVE 1: improved representative conservation estate			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
1.6. % Reduction of fossil fuel generated energy consumption in parks	Readiness audit for 4 identified parks. Prepare for baseline determination for 5 parks (17/18). 2% reduction on 16/17 baseline for 3 parks.	The audits for the Karoo & West Coast NPs have been initiated. The 17/18 baselines determined for AENP, Marakele, and Kalahari Gemsbok NP & Augrabies NPs were completed. Mokala NP: Average reduction of 4.75%. Mountain Zebra NP: Main Rest Camp Higher by 10.27% because of additional chalets. Other delivery points have a large saving.	A readiness audit was completed in 4 parks, namely Karoo NP, West Coast NP, Bontebok NP and Agulhas NP. A baseline determination was done for 5 parks during the 2017/18 financial year: Kgalagadi TNP, Augrabies, Marakele NP, Mapungubwe TNP and Addo Elephant NP. There was a reduction on the 2016/17 baseline for 3 parks: Golden Gate HNP (overall average of supply points: -32.5 %; Mountain Zebra NP (-10%) and Mokala NP (-5%)
Performance Analysis	This target has been achieved. Readiness audit complete for Karoo, West Coast, Bontebok and Agulhas NPs. Baseline (17/18) complete for five parks (Time of Use Consumption [Demand]). Energy reduction complete. The average across all the supply points amounts to a reduction of 22.5%		
Reason for Variance	The reasons for variance are: <ul style="list-style-type: none"> • The primary contributor to energy reduction is the Basotho Cultural Village (in the Golden Gate Highlands NP) as it was not occupied due to a faulty transformer. • Two accommodation units were removed from the reservations system due to scheduled maintenance. • Periodic power outages were also experienced. 		
Planned Improvement / Corrective Actions	The primary contributor in energy reduction is the Basotho Cultural Village. This can be ascribed to a low occupancy figure as well to two accommodation units that were removed from the reservations system. Utilisation was also previously higher due to an extended stay by a film crew during the previous financial year. Periodic power outages were also experienced. Relevant parks personnel (park managers, technical and financial personnel) should be encouraged to take the responsibility for continuously monitoring the use of energy and report to Parks technical teams monthly		
1.7. % Reduction of fossil fuel generated energy consumption in KNP	2% reduction on baseline for KNP	There was a 3.91% reduction on fossil fuel generated consumption in KNP	There was a 3.74% reduction on the baseline for KNP
Performance Analysis	This target has been achieved. Most camps have improved and provided an overall energy saving in fossil fuel consumption.		
Reason for Variance	New pilot solar farms and awareness programmes were implemented. The reduction of 2% in fossil fuel as measured on the ESKOM usage was achieved; actual saving for Q4 was 3.22%; yearly saving to 31 March 2019 was 3.74%		
Planned Improvement / Corrective Actions	To conduct increased awareness and continuing implementation of energy reduction initiatives and awareness programmes.		

STRATEGIC OBJECTIVE 1: improved representative conservation estate			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
1.8 % Reduction of water consumption	Readiness audit for 4 identified parks. Prepare for baseline determination for five parks (2017/18). 2% reduction on 2016/17 baseline for three parks.	The audits for the Golden Gate Highlands & Marakele NPs are not 100% complete. A number of bulk water meters were installed in the Augrabies Falls and Mapungubwe NPs for baseline determination. Agulhas NP: 27% reduction (Use water saving devices) Bontebok NP: 95% reduction (mitigation of water losses) Wilderness NP: 3% Increase (Overnight visitors increased). Continuous process of obtaining 2018/19 water consumption figures.	Readiness Audits were completed in 4 parks: Golden Gate Highlands NP, Marakele NP and Camdeboo NP & Karoo NP. A baseline determination was done for 5 parks during the 2017/18 financial year: Addo Elephant NP, Mountain Zebra NP, Tsitsikamma NP, Augrabies Falls NP, Mapungubwe TNP Agulhas NP – (-21%), Bontebok NP – (-49%) & Wilderness NP – (+3%).
Performance Analysis	This target has been partially achieved (work in progress). The audit has been completed but water meters and loggers will still have to be installed to measure water consumption. A baseline was established where water consumption information is available. Augrabies Falls & Mapungubwe NPs do not have functional water meters. Water meters and loggers are required for Mountain Zebra, Tsitsikamma, and Augrabies & Mapungubwe NPs. Water reduction figures are shown for Agulhas and Bontebok NPs. The slight increase in use at Wilderness can be attributed to the increase in overnight visitors. The average reduction across all the supply points is 22%. Most of this can be attributed to improved awareness and water use management across these parks.		
Reason for Variance	Most of the variance can be attributed to improved awareness and water use management across the monitored parks.		
Planned Improvement / Corrective Actions	Cost estimates for water meters and loggers will have to be done for GGHNP, Marakele, and Camdeboo & Karoo NPs. Water consumption will have to be obtained from various municipalities and water consumption measuring equipment must be installed. Parks will have to budget to have water meters and loggers installed.		
1.9 %Reduction of water consumption in Kruger	2% reduction on baseline for KNP	The high temperatures and low rainfall figures from October to March 2019 caused the large camps and staff villages to exceed the previous baselines.	1.64% increase on baseline for KNP
Performance Analysis	This target has not been achieved. The water consumption for the year to 31 March 2019 exceeded the baseline by 1.64%.		
Reason for Variance	The reasons for this under-achieved target are: <ul style="list-style-type: none"> The high temperatures and low rainfall figures during October to March 2019 caused the large camps and staff villages to exceed the previous baselines. The lack of adequate awareness amongst guests and staff about saving water is the main cause of this under-achievement. 		
Planned Improvement / Corrective Actions	KNP is piloting a different approach to the creation of awareness with the assistance of the research department. Should the outcome be successful, it will be rolled out to all camps. The water tariffs were reviewed as a mechanism of ensuring the reduction of water consumption by staff and clients.		

Table 3: Strategic Objective 2: Effectively managed ecosystem, species and cultural heritage assets

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
2.1 Total Hectares of Land Rehabilitated / Restored	Initial = 34 362 ha (this is a revised target following the mid-term review)	21 908 ha (77%) achieved, below target by 23%	28,491ha (83%)
	Follow up = 172 369 ha (this is a revised target following the mid-term review)	Follow-up = 124,799 ha (90%)	166,897 ha (97%)
	Wetlands = 6 799 m ³ (this is a revised target following the mid-term review)	2,905 m ³ (68%) of the revised target of 4,250 m ³ .	7,170 m ³ (105%)
Performance Analysis	<p>Initial: The planned target for the year was not achieved. The main reasons were:</p> <ul style="list-style-type: none"> The October fire in Garden Route National Park which destroyed most of the initial planned work areas. In the Frontier Region, specifically Addo Northwest, project planned areas had to be changed due to inaccessibility of areas linked to river crossings and limitations put on the number of teams in the Darlington section by the park. <p>Follow up: The follow-up hectares rehabilitation was almost achieved with a 97% performance or 10,472 ha less than planned.</p> <p>Wetlands: The planned rehabilitation wetlands target was exceeded with the achievement of 7,170 m³ (105%). The projects only became active in late July 2018 after the Memorandum of Agreement (MoA) was submitted to DEA but doubled up on teams to implement planned interventions.</p>		
Reason for Variance	<p>Initial: The October fire in Garden Route National Park destroyed most of the initial planned work areas. In the Frontier Region, specifically Addo Northwest, project planned areas had to be changed due to inaccessibility of areas linked to river crossings and limitations put on the number of teams in the Darlington section of the park.</p> <p>Follow up: The late start in Kruger National Park, shortage of capacity in the Garden Route Region and management challenges in the Cape were problematic. Remedial interventions assisted in almost achieving the planned target for the year.</p> <p>Wetlands: No corrective actions required.</p>		
Planned Improvement / Corrective Actions	<p>Follow up: Corrective actions were implemented throughout the year to ensure achievement of targets for land rehabilitation. Project management capacity was increased in the Garden Route Region over the year and assistance to Cape Region management will continue.</p> <p>Wetlands: Corrective actions were implemented throughout the year to ensure achievement of targets for land rehabilitation. Project management capacity was increased in the Garden Route Region over the year, and assistance to Cape Region management will continue.</p>		

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
2.2 Total Number of Park Management Plans Reviewed and Submitted per annum	2 draft revised Management Plans for GRNP and MPNP submitted to DEA for technical review	The draft Management Plan for Mapungubwe NP was completed and is ready for stakeholder participation. The draft Management Plan for the Garden Route NP is behind schedule due to the fires in the area. There is a disaster recovery plan in place in the event of future fires.	The revised Mapungubwe NP Management Plan has been submitted to DEA for technical review. The Garden Route NP Management Plan is in progress.
Performance Analysis	The target has been partially achieved as the draft Management Plan for Mapungubwe NP has been submitted to DEA for technical review as per schedule while revision of the Garden Route Management Plan is in progress.		
Reason for Variance	Due to the October/November wildfires in the Garden Route, staff were unable to complete the lower level plans. This influenced both timelines and the requirement to revisit certain draft components in light of the changed post-fire context. A request for an extension of the timeline was approved by the Board		
Planned Improvement / Corrective Actions	A revised revision schedule has been adopted and the process will be completed during July 2019.		
2.3 (a) % reduction in recorded rhino poached in KNP	2% reduction (YoY)	There has been a 21.5% decrease due to: Improved operational efficiencies including the use of K9 assets, (Tracking & Free Tracking "Hounds") Increase in the number of arrests (29.1% increase YoY) Implementation of Technology Systems in the IPZ Joint ECI/SAPS operations with arrests and recovery of firearms external to the park. Ongoing support from Alliance partners from both SA & Mozambique.	23.5% (502 to 384) reduction of the number of rhino fatalities due to poaching.
Performance Analysis	The target was exceeded. There has been a significant 23.5% (502 to 384) decrease in the percentage of rhino fatalities due to poaching in KNP.		
Reason for Variance	The positive increase in the number of arrests for key species (rhino & elephant) from 190 to 233 is due mainly to Ranger efficiencies in early detection and successful follow up operations of poacher incursions, good tracking skills and deployment of K9 resources. Support was provided by Operation Rhino 9 (NATJOINTS), SANParks, SAPS and SANDF joint operations both internal and external to the park. ECI continues to work successfully with SAPS in external intelligence-driven investigations and operations.		
Planned Improvement / Corrective Actions	Continue to explore K9 capabilities and further develop and implement detection technologies. Continue to improve rapid reaction (K9 & air) capability. Continue improving relationships with alliance partners adjacent to the park (JPZ & IPZ). Continue with MAJOC joint operations in the mission area both inside and outside KNP. ECI to continue working closely with SAPS in external intelligence-driven investigations and operations. Improve access (entrance gates) and movement control in the park.		

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
2.3. (b) Reduction in the number of rhino fatalities due to poaching in KNP (New indicator included during the midterm review)	≥ 500	299 poached due to: improved operational efficiencies including the use of K9 assets, (Tracking & Free Tracking “Hounds”) Increase in the number of arrests (29.1% increase YoY) Implementation of Technology Systems in the IPZ. Joint ECI/SAPS operations with arrests and recovery of firearms external to the park. Ongoing support from alliance partners from both SA & Mozambique.	384 rhino poached: a reduction from the previous year’s total of 502.
Performance Analysis	This target was exceeded. There has been a significant reduction in the total number of rhino fatalities due to poaching compared with the 2017/18 financial year.		
Reason for Variance	The increase in the number of arrests for poaching Key Species (rhino & elephant), from 190 to 233, is due mainly to: <ul style="list-style-type: none"> • Ranger efficiencies in early detection and successful follow-up operations of poacher incursions, good tracking skills and deployment of K9 resources. • Support from Operation Rhino 9 (NATJOINTS), SANParks, SAPS and SANDF joint operations both internal and external to the park • ECI continues to work successfully with SAPS in external intelligence-driven investigations and operations. 		
Planned Improvement / Corrective Actions	KNP will continue with the following actions: <ul style="list-style-type: none"> • To explore K9 capabilities and further develop and implement detection technologies. • To improve rapid reaction (K9 & Air) capability. • Continue to improve relationship with alliance partners adjacent to the park (JPZ & IPZ). • Work with MAJOC joint operations in the mission area both inside and outside KNP. • ECI to continue working closely with SAPS in external intelligence-driven investigations and operations. • Improve access (entrance gates) and movement control in the park. 		

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
2.4. % reduction in recorded elephant poached in KNP	2% reduction (YoY)	<ul style="list-style-type: none"> There was a 5.7% reduction in the number of elephant poached. SANParks is aware that there is an increased demand for ivory as there are fewer rhino in the north of the park with a switch from rhino poaching to elephant poaching. Sustained incursions into the park from both the east (Mozambique) and the west targeting elephant continue. 	35.2% reduction in the number of elephant poached
Performance Analysis	This target has been exceeded. There was a 35.2% reduction in elephant poaching incidents recorded. The majority of elephants poached were in the Nxanatseni North region of the park.		
Reason for Variance	<p>The positive reduction in recorded elephant poaching incidents, from 74 to 48, is due mainly to:</p> <ul style="list-style-type: none"> Ranger efficiencies in early detection and follow up operations of poacher incursions, good tracking skills, deployment of K9 resources where available. ECl continues to work successfully with SAPS in external intelligence-driven investigations and operations. Improved movement control in the park. Support from Operation Rhino 9 (NATJOINTS), SANParks, SAPS and SANDF joint operations both internal and external to the park. 		
Planned Improvement / Corrective Actions	<ul style="list-style-type: none"> Project Ivory implementing air and K9 rapid reaction support to Nxanatseni Regions where elephant poaching is predominant. Deployment of K9 resources to high risk sections. Continue with improving relationship with alliance partners adjacent to the park (communities and Limpopo National Park, Mozambique). Continue with MAJOC joint operations in the mission area both inside and outside KNP. ECl to continue working closely with SAPS in external intelligence-driven investigations and operations. Improve access (entrance gates) and movement control in the park. 		
2.5. Number of rhino poached per annum in 6 Rhino parks (other than KNP)	0-2	2 animals were poached 1 x White rhino in Marakele and 1 WR in Mokala	3 rhino poached. 2 White rhino in Marakele and 1 WR in Mokala
Performance Analysis	<p>3 rhino were poached in the reporting period (2 in Marakele NP and 1 WR bull Mokala NP).</p> <p>Overall, the Rhino Protection Plan is being effectively implemented and significant commitment shown.</p>		
Reason for Variance	<p>The reasons for under-achievement are:</p> <ul style="list-style-type: none"> Poaching pressures have significantly increased in and around parks. Poachers arrested close to Mokala come from as far as Mozambique. Two of the poaching incidents around Marakele were possibly opportunistic as the animals poached were very close to a public road. <p>Staff remain committed to the cause of rhino protection and work hard to ensure that poaching is minimised.</p>		
Planned Improvement / Corrective Actions	Continued implementation of the Rhino Protection Plan for Parks Division.		

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
2.6. % Implementation of the annual Rhinoceros Plan	100% implementation of the annual Rhinoceros Plan	100% (13/13) of Q3 activities were achieved.	90% (36/40) of the annual targets were met.
Performance Analysis	<p>This target has been partially achieved. In the 2018/19 reporting period (90%) 36/40 planned activities were implemented. The following activities were not achieved:</p> <ol style="list-style-type: none">1. Conduct full spectrum integrated anti-poaching operations in rhino parks other than KNP2. Use and maintain human and technology sourced information to execute the majority of arrests outside of KNP.3. Manage injured and orphaned rhinos. Conduct strategic translocations.4. Focus donor proposals on specific projects.		
Reason for Variance	<ol style="list-style-type: none">1. Three rhinos were poached across the other rhino parks (excluding Kruger National Park), exceeding the target set at 2 for the reporting period.2. Poacher arrests inside the park exceeded those outside the park.3. >90% of injured and orphaned rhinos were not attended in all quarters4. No successful funding proposals were submitted.		
Planned Improvement / Corrective Actions	Anti-poaching and management strategies are regularly reviewed and refined to support operations		

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
2.7. % Implementation of the annual Elephant Plan	100% Implementation of the annual Elephant Plan.	<p>67% (6/9) of the scheduled activities were completed. The following are outstanding:</p> <ol style="list-style-type: none"> 1. Kruger National Park: Intervention proposal to disturb elephants at a local scale finalised. 2. Mapungubwe National Park: Compile a report tracking elephant incursions into exclosures aimed at protecting riverine forest and culturally sensitive sites. 3. Two elephant bulls translocated from Tembe Elephant Park to Addo Elephant National Park <p>An intervention proposal to disturb elephants at local scale in identified areas of concern has been developed but has not been completed as the range of disturbance options available depends on the finalisation of the Elephant Management Norms and Standards.</p> <p>Elephant incursions were not recorded as the infrastructure changes required to exclude elephant incursions have not been completed due to a shortage of funding.</p> <p>The sourcing of two bulls from Tembe Elephant Park (managed by Ezemvelo KZN Wildlife) and their translocation to Addo Main camp is dependent on a response from KZN Ezemvelo Wildlife as per request from SANParks.</p>	74.0% (20/27) activities were implemented/targets met for the 2018/19 reporting period.
Performance Analysis	This target is partially achieved (work in progress) Cumulatively for the year, 74.0% (20/27) of the activities were met.		

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
Reason for Variance	<p>The reasons for variances are:</p> <ul style="list-style-type: none">Developing best practice interventions to disturb elephants at local scale. Although the intervention proposal to mimic zones of increased vigilance created by historic people in Kruger NP are well advanced in development, evaluation of mechanisms and options are unresolved as considerable analyses are required to confirm the predicted mechanisms for each area of concern.Exclusion of elephants from sensitive riverine forest and cultural heritage sites in Mapungubwe. Park management has re-aligned fences but have challenges finding funding to implement the changes to infrastructure required.The sourcing of two elephant bulls from Tembe Elephant Park managed by Ezemvelo KZN Wildlife to Addo Elephant NP did not take place during the reporting period.Revision of the original target, which was to assist with an elephant management approach for the Associated Private Nature Reserves, to a broader focus including a regional Greater Limpopo Elephant Strategy as a result of transfrontier discussions delayed the process.		
Planned Improvement / Corrective Actions	<ul style="list-style-type: none">Work on developing best practice interventions to disturb elephants at local scale will be ongoing into the next financial year.One enclosure to protect sensitive sites in Mapungubwe will be re-constructed from operational budget and a funding proposal will be made to the Park Development Fund to cover the shortfall.The translocation of bull elephants to Addo Elephant NP from Tembe Elephant Park has received support from Ezemvelo KZN Wildlife and is scheduled for April 2019.The development of a broader Greater Limpopo Elephant Strategy will be incorporated in the 2019-2020 elephant implementation actions.		

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
2.8. a. % Increase in SANParks EMI fines (J534) (+ total) and arrests for key spp (+total)	2% increase year-on-year in SANParks EMI arrests for key species	<p>There was a 34,7% increase in arrests during the year due to:</p> <ul style="list-style-type: none"> Improved operational efficiency; use of helicopter, rapid reaction air-wing support Deployment of specialised K9 assets (tracking) in the IPZ and JPZ Implementation of high-tech technology systems <p>Ongoing support from alliance partners from SA and Mozambique</p>	22.6% increase in arrests for Key species
Performance Analysis	<p>This target was exceeded.</p> <p>There was a 22.6% increase in the number of arrests for key species. The majority of arrests took place in the Marula South (IPZ) and Marula North (JPZ) regions of the park.</p>		
Reason for Variance	<p>The positive increase in the number of arrests for Key species (rhino and elephant) from 190 to 233 was due mainly to:</p> <ul style="list-style-type: none"> Ranger efficiencies in early detection and successful follow-up operations of poacher incursions, good tracking skills and deployment of K9 resources. ECI continues to work successfully with SAPS in external intelligence driven investigations and operations. Support from Operation Rhino 9 (NATJOINTS), SANParks, SAPS and SANDF joint operations both internal and external to park. 		
Planned Improvement / Corrective Actions	<ul style="list-style-type: none"> Implement Project Ivory using both Air and K9 rapid reaction support to Nxanatseni Regions where elephant poaching is predominant. Deployment of K9 resources to high risk sections. Continue with improving relationship with alliance partners adjacent to the park (communities and Limpopo National Park, Mozambique). Continue with MAJOC joint operations in the mission area both inside and outside the KNP. ECI to continue working closely with SAPS in external intelligence driven investigations and operations. Improve access (entrance gates) and movement control in the park. 		
2.8 b. % Increase in SANParks EMI fines (J534) (+ total) and arrests for key spp (+total)	2% increase year-on-year in SANParks EMI fines for key species	A total of 319 EMI fines were issued	A decrease of 75.5 % from the previous year
Performance Analysis	There was decrease of 75.5% in EMI fines compared to the previous year (1185/ 4838)		
Reason for Variance	<ul style="list-style-type: none"> The EMI fines shows a major decrease of 75,5 % to the previous year and this is due to the traffic fines no longer recorded due to the legal opinion received indicating that SANParks should stop issuing traffic fines in terms on National Road Traffic Act, but are permitted to issue other fines related to Environmental crime in accordance to NEMPAA. 		
Planned Improvement / Corrective Actions	<ul style="list-style-type: none"> None required 		

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
2.9. % progress against the Annual Biodiversity Monitoring Plan	≥ 95 % implementation of planned annual biodiversity monitoring activities	97% (33/34) of scheduled monitoring actions were completed	98.3% (164/167) of planned biodiversity monitoring activities were implemented in 2018/19.
Performance Analysis	<p>This target was exceeded.</p> <p>164 of the 167 planned monitoring programs (98.3%) were conducted between April 2018 and March 2019. The monitoring activities covered a wide spectrum including climate change, climate and rainfall, river monitoring and water quality, rocky shore monitoring, fish communities, species of special concern, alien species, vegetation monitoring, forest dynamics, and fire management and restoration.</p>		
Reason for Variance	There was no variance recorded.		
Planned Improvement / Corrective Actions	There are no corrective actions required.		
2.10. % implementation of SANParks Wildlife Utilisation Strategic Plan	100% delivery of annual Wildlife Utilisation Plan	<p>81.3% of planned quarterly activities (13 out of 16) were completed:</p> <ul style="list-style-type: none"> The planned capture and delivery of animals donated to two local communities around Marakele NP was delayed due to the concern for the wellbeing of the animals given the high temperatures and the start of the lambing/calving season. The delivery of all outstanding animal for both loans and donations will resume in March 2019 with the opening of the game capture season. <p>Whilst the Call for Interest in wildlife loans (Window 2 in 2019) was published in two newspapers, the shortlisting of eligible emerging farmers was not concluded since the bid only closes on 30 April 2019.</p>	90% (45/50) activities for 2018/19 delivered
Performance Analysis	The annual target was partially achieved (work in progress) as 45 of 50 planned activities for 2018/2019 were implemented.		
Reason for Variance	<p>The five activities not implemented relate to the following:</p> <ul style="list-style-type: none"> Delivery of wildlife to local communities and emerging game farmers. A total of 567 animals were successfully delivered compared to the total of 957 animals approved for delivery during 2018/2019. Delivery of wildlife to the two local communities was delayed to allow the community to resolve the governance issues 		
Planned Improvement / Corrective Actions	Delivery of outstanding wildlife to the two local communities and emerging farmers will be completed during 2019/2020 game capture season. Shortlisting of eligible emerging game farmers will be concluded upon bid closure.		

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
2.11. % implementation of Cultural Heritage Management Plan	100% implementation of activities in the annual Cultural Heritage Management Plan	70% (7/10) of the planned Q3 activities were implemented due to: Unavailability of international facilitators. Delays in the signing of the MoU between SANParks and Ditsong .Funding proposal for Thulamela not completed.	100% (40/40) of the planned activities in the Cultural Heritage Implementation Plan were implemented in the reporting period.
Performance Analysis	<p>This target has been achieved.</p> <p>Activities such as the lower-level cultural heritage management plan for the SKA site, a proposal for an interpretation centre at Thulamela as well as the presentation of a cultural heritage training course for SANParks staff, which were lagging behind in quarters 2 and 3 were subsequently concluded. This equates to 100% of scheduled cultural heritage activities implemented for the reporting period.</p>		
Reason for Variance	There is no variance in performance as all activities were achieved as planned.		
Planned Improvement / Corrective Actions	There are no improvements or corrective actions required		
2.12 Airwing strategy developed and implemented (This a new indicator included following the Midterm review)	Airwing strategy developed and approved	The Airwing strategy has been developed and approved by KNP; MANCO, Parks; MANCO and EXCO	The Airwing strategy has been developed and approved by KNP; MANCO, Parks; MANCO and EXCO
Performance Analysis	Airwing Strategy developed but still in process of approval.		
Reason for Variance	The Airwing Strategy was submitted to the CSED and sent back for review		
Planned Improvement / Corrective Actions	The official approval process of the Airwing Strategy was not completed as at 31 March 2019.		

Table 4: Strategic Objective 3: Enhanced knowledge for decision making

STRATEGIC OBJECTIVE 3: Enhanced Knowledge for decision making			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
3.1 % of research projects aligned to identified SANParks Research Themes rated as essential or important (this Performance Indicator was changed following the mid-term review)	≥ 75.0% of registered projects rated as essential or important	78.4% (240 /306) of the registered projects in Q 3 are rated important or essential.	78.02% (245 of the 314)
Performance Analysis	<p>This target was exceeded.</p> <p>245 registered essential and important research projects fall within the research themes identified in the draft research strategy for SANParks. These themes include: ecosystem structure, function and process, ecosystem services and sustainable use, Global Environmental Change, adaptive governance and organisational function, cultural heritage, integrated landuse and effective social engagement. The role of SANParks' scientists as facilitators of external research efforts to meet organisational needs is demonstrated.</p>		
Reason for Variance	There was no variance recorded.		
Planned Improvement / Corrective Actions	There are no corrective actions required.		
3.2 Total Number of Peer Reviewed SANPARKS Research Publications	≥ 30	12 journal articles and 3 book chapters were published this quarter	53 Peer Reviewed SANParks Research publications 47 peer-reviewed publications and 6 book chapters published.
Performance Analysis	<p>This target was exceeded.</p> <p>47 publications and 6 book chapters were published in peer-reviewed journals for the year. This achievement reflects ongoing and often long-term work towards published scientific papers over a number of years which came to publication fruition during this year. It has also been aided by recent appointments of scientists to the group.</p>		
Reason for Variance	There was no variance recorded.		
Planned Improvement / Corrective Actions	There are no corrective actions required.		

Table 5: Strategic Objective 4: Enhanced tourism returns

STRATEGIC OBJECTIVE 4: Enhanced Tourism Returns			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
4.1. % growth in Gross Operating Tourism Revenue (YoY)	8%	<p>There was a 9.7% increase in Tourism Revenue due to:</p> <ul style="list-style-type: none"> Differential conservation fees implemented at TMNP in November 2018 resulting in an increase in revenue while contributing to a marginal decline in visitors An increase in conservation and concession fees. 	9.5% increase in Tourism Revenue
Performance Analysis	<p>This target was exceeded. Tourism Revenue increased by 9.5% from R1 614 204 911 to R1 767 891 657. This is 0.4% below the target of R1 775 625 402 but 1.0% over the budget of R1 750 702 134.</p>		
Reason for Variance	<ul style="list-style-type: none"> Domestic economic conditions such as VAT increases and subsequent increases in the price of commodities such as fuel contributed to the declines, although international visitors also declined. Differential conservation fees were implemented at TMNP in November 2018 resulting in an increase in revenue while contributing to a marginal decline in visitors 		
Planned Improvement / Corrective Actions	A concerted programme to implement innovative means to attract visitors to national parks, including marketing and promotions, is being implemented		
4.2 Total Number of Visitors to National Parks	+ 3% YoY vs 2017/18	<p>The number of visitors decreased by 3.9% from 5 190 878 to 4 988 493. This is below target of 5 346 604 and is due to:</p> <ul style="list-style-type: none"> VAT increases and subsequent increases on commodities such as fuel; these are likely contributors to the declines Differential conservation fees implemented at TMNP in November 2018 resulting in an increase in revenue while contributing to a marginal decline in visitors. Domestic tourism, as reported by StatsSA, declined by 11.8% during Quarter 1 of while SANParks decline in domestic visitors was 3.6%. 	A decrease of 7.74% at 6,464,305.00
Performance Analysis	This target was not achieved. Number of visitors decreased by 7.74 % from 7 007 152 to 6,464,305.00		
Reason for Variance	<p>The reasons for variance are:</p> <ul style="list-style-type: none"> Domestic economic conditions such as VAT increases and subsequent increases in the cost of commodities such as fuel contributed to the declines, although international visitors also declined. Differential conservation fees were implemented at TMNP in November 2018 resulting in an increase in revenue while contributing to a marginal decline in visitors. 		
Planned Improvement / Corrective Actions	A concerted programme to implement innovative means to attract visitors to national parks, including marketing and promotions, is being implemented.		

STRATEGIC OBJECTIVE 4: Enhanced Tourism Returns			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
4.3. % Accommodation Occupancy	75 %	75.0% Less favourable holiday configuration, shorter school holidays	72.5% (569 803/ 786 460)
Performance Analysis	This target was achieved. Unit Occupancy decreased by 2.7% from 75.2% to 72.5% for 2018/9, 2.5% below the target of 75.0%.		
Reason for Variance	Worsening domestic economic conditions such as VAT increases and subsequent increases in the cost of commodities such as fuel contributed to the declines, although international visitors also declined. Differential conservation fees were implemented at TMNP in November 2018 resulting in an increase in revenue while contributing to a marginal decline in visitors.		
Planned Improvement / Corrective Actions	A concerted programme to implement innovative means to attract visitors to national parks, including marketing and promotions, is being implemented.		
4.4. Total Number of Accommodation Unit Nights Sold	585 000	445 735 Unit Nights sold (decreased by 2.1% from 456 056 to 445735; 3.2% below target of 460 000. The national average declined by 2,3% A number of units were decommissioned for maintenance and or refurbishment.	569,803 Unit Nights Sold during 2018/19
Performance Analysis	Unit Nights Sold for 2018/9/8 decreased by 2.6 % from 584 844 to 569 803, 2.6 % points below target of 58 5000		
Reason for Variance	<ul style="list-style-type: none"> Worsening domestic economic conditions such as VAT increases and subsequent increases in the cost of commodities such as fuel contributed to the declines, although international visitors also declined. Differential conservation fees were implemented at TMNP in November 2018 resulting in an increase in revenue while contributing to a marginal decline in visitors. 		
Planned Improvement / Corrective Actions	A concerted programme to implement innovative means to attract visitors to national parks, including marketing and promotions, is being implemented.		

STRATEGIC OBJECTIVE 4: Enhanced Tourism Returns			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
4.5. Customer Satisfaction Index	82 %	Customer Satisfaction Index improved by 0.4% from 80.5% to 80.9% for Quarter 3: 1.1% points below the target of 82.0% due to: Improvements in all areas, except for Accommodation, down by 0.7%.	80.9%
Performance Analysis	This target was achieved. Customer Satisfaction Index (CSI) for 2018/19 improved by 0.1% from 80.8% to 80.9%, 1.1% below the target of 82%.		
Reason for Variance	Although the overall CSI improved marginally year-on-year (by 0.1%), the touchpoints for declines are Accommodation (-1,3% from 81,2% to 79,9%), Overall Experience (-0,2% from 83,7% to 83,5%) and Reception (-0,2% from 81,7% to 81,5%). The touchpoints with the lowest annual CSI score were Shopping at 75.3%, Dining at 76,1% and Nature Experience at 79,4%. On the Accommodation touchpoint, key areas of negative experience relate to maintenance and completeness of room inventory.		
Planned Improvement / Corrective Actions	The Hospitality Leadership Initiative will be further implemented; this includes training for all relevant employees who interact with customers. Customer Satisfaction Index targets are to be incorporated in all performance contracts of employees primarily working with guests. A Hospitality Leadership Initiative was launched during the year, aiming, inter alia, to improve service and become more customer-centric not only in Tourism but across all functions.		

Table 6: Strategic Objective 5: Diversified and enhanced tourism opportunities and experiences

STRATEGIC OBJECTIVE 5: Diversified and enhanced tourism opportunities and experiences			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
5.1. Total Number of Revenue Generating Products Implemented	12	There were 2 revenue generating products implemented: the Boulders retail facility and the Golden Gate Classics.	12 revenue generating products implemented.
Performance Analysis	The annual target was achieved. The following revenue generating products were implemented: <ul style="list-style-type: none">• Skukuza Safari Lodge Management Agreement• Big Tree Curio Shop• Big Tree Tea Room• Management Agreement Mopani Restaurant• Management Agreement Punda Restaurant• Management Agreement Shingwedzi Restaurant• Geelbek Restaurant. West Coast National Park• Mountain Zebra Restaurant & Retail Operator• Jack’s Picnic Site Refreshment Kiosk• Mapungubwe Lecture Series• Boulders retail facility• Golden Gate Classics		
Reason for Variance	There was no variance recorded.		
Planned Improvement / Corrective Actions	There are no corrective measures required.		
5.2. Total Number of Park Visitors Management and Interpretation Plans Implemented	6: 3 Parks Visitors Plans and 3 Interpretation Plans	There were 3 Interpretation Plans and 3 Visitor Management Plans (Mountain Zebra, Garden Route and West Coast) developed	4 Park Visitor Management Plans and 4 Interpretation plans were implemented Mountain Zebra, Golden Gate, Garden Route and West Coast National Parks.
Performance Analysis	The target was exceeded.		
Reason for Variance	The target parks were Mountain Zebra, Golden Gate and Garden Route. However, West Coast National Park was added to replace Garden Route Visitor Management Plans and Interpretation Plans because of the backlog caused by the fires earlier in the year. Garden Route management however were able to meet the deadline and an additional park was therefore achieved for the year.		
Planned Improvement / Corrective Actions	There are no corrective measures required.		

Table 7: Strategic Objective 6: Optimised contribution to the green and blue economy

STRATEGIC OBJECTIVE 6: Optimised contribution to the green and blue economy			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
6.1. Total Number of Full-time Equivalent Jobs Created	EPWP = 6 829 FTEs (This target was revised following the mid-term review)	EPWP achieved 5,015 (97%) FTEs due to not receiving the updated person days for the Working of Fire programme	6,428 (94%)
Performance Analysis	This target was partially achieved (work in progress). The Minister of Environmental Affairs approved the revised targets on 22 November 2018. The Eco-Furniture Programme targets was not included in the target for the year initially as this programme would have been implemented by another entity and as such the revision of the target. The target for FTEs was almost achieved with a total of 401 out of 6,829 fewer than planned (94%). All EPWP programmes were active and employed participants for the various projects across all national parks and integrated zones.		
Reason for Variance	There was a 6% variance on the annual target. The reasons for this were underachievement in the Environmental Monitor Programme due to late appointments by other hosts; reduced budget of the Eco-Furniture Programme; and the Working of Fire programme where no reports were received despite efforts to obtain the information from the implementer.		
Planned Improvement / Corrective Actions	A submission was prepared to adjust the target for 2018/19 to include the Eco-Furniture Programme. The target was mostly achieved (even with the lack of WoF programme reports) during the year and no corrective actions were needed.		
6.2. Total Number of SMMEs / Enterprises Supported	EPWP: 500 SMMEs (This target was revised following the mid-term review)	EPWP supported 638 (131%) SMMEs due to additional SMMEs employed in most projects to counter the late start of the Wetlands projects	EPWP SMMEs = 703 (141%)
Performance Analysis	This target was exceeded. The EPWP programme employed 203 (41%) more SMMEs in the 2018/19 financial year. All EPWP programmes were active and employed SMMEs for the achievement of the planned biodiversity and infrastructure deliverables.		
Reason for Variance	There was a 41% positive variance on Q4 target. The inclusion of the Eco-Furniture Programme increased the number of SMMEs while the 35 Working for the Coast SMMEs were accommodated in other projects when this programme did not start as planned. Additional SMMEs were employed in most projects to counter the late start of the Wetlands projects (DEA approval only received in July 2018); Kruger National Park (new recruitment process due to community demands); Garden Route (shortage of project management capacity) and Table Mountain National Park (management performance).		
Planned Improvement / Corrective Actions	A submission was prepared to adjust the target for 2018/19 to include the Eco-Furniture Programme. The planned number of SMMEs was exceeded during the year and no corrective actions were needed. Challenges with capacity were addressed and support given to Cape Region management.		

STRATEGIC OBJECTIVE 6: Optimised contribution to the green and blue economy			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
6.3 Rand value spent on SMMEs through EPWP	R 195 million (This target was revised following the mid-term review)	EPWP spent R 146.755 million (97%) The 3% variance was due to the Ai! Ais! Richtersveld project not having commenced.	R 208.223 million (107%)
Performance Analysis	This target was exceeded. The Eco-Furniture Programme target was not included in the target for the year initially as the programme would have been implemented by another entity, and as such the revision of the target. The amount paid to EPWP SMMEs was R 13.223 million or 7% more than planned. More SMMEs were employed in the EPWP programme and all programmes were active throughout the year except Wetlands which started in July.		
Reason for Variance	There is a 7% variance; achievement was thus almost on target. Continued implementation of the Eco-Furniture contributed to the revised target. The better performance is ascribed to the DEA NRMP Working for Ecosystems programme where more teams were employed for land rehabilitation.		
Planned Improvement / Corrective Actions	A submission was prepared to adjust the target for 2018/19 to include the Eco-Furniture Programme. The amount paid to SMMEs was exceeded and no corrective actions were needed during the year.		
6.5 Total number of Green and Blue Projects Implemented	3 Green Economy Projects	Three Community Business Entities are established: 1. Bapahalane CPA 2. Motlhabatse CPA 3; Lefikeng Herbarium and Nursery CC.	Eight (8) green economy projects were implemented; this exceeded the annual target of three projects
Performance Analysis	This target was exceeded. The following 8 Green Economy Projects were implemented: 1. Imvelo Safaris Pty Ltd 2. Mpho Sebusi Boerdery Pty 3. Kalema Game Ranching and Cattle farm 4. Godimong Investment Pty Ltd 5. Mr Brain Siwisa & Mr Xolisile Tiyo 6. Lesole Trust 7. Mabilo Gaesale Family Trust 8. Sepelong Game Farm Pty Ltd		
Reason for Variance	The over-achievement is due to the number of applications for the game loans received; most qualified for loans. There was also sufficient game to loan.		
Planned Improvement / Corrective Actions	There are no corrective measures required.		

STRATEGIC OBJECTIVE 6: Optimised contribution to the green and blue economy			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
6.6. Number of social legacy projects implemented	5	<p>All projects are still in the planning and procurement phase.</p> <p>Bid specification to take place in January 2019.</p> <p>RFQs for all projects under R 500 000 have been advertised.</p>	Four (4) social legacy projects implemented.
Performance Analysis	<p>This target was partially achieved (work in progress)</p> <p>Four of the five projects have been submitted and are awaiting the final sign off.</p> <p>These projects are:</p> <ol style="list-style-type: none"> 1. Alldays Primary School Desk donation 2. Riemvasmaak Primary School shaded assembly area with paving and small playground. 3. Makushu Primary School ablution facilities 4. Swellendam Secondary School Science Lap refurbishment 		
Reason for Variance	Prolonged negotiations and discussion on the infrastructure designs.		
Planned Improvement / Corrective Actions	The project has been fast-tracked and the projects will be finalised by end of May 2019.		
6.7 Beneficiation package implemented as per land claim identified	Beneficiation package implemented as per land claim identified	The KNP beneficiation scheme was amended as per the land claimants' comments and submitted to EXCO for their recommendation to the Board for noting.	The beneficiation scheme was drafted and submitted to the Board for noting.
Performance Analysis	<p>This target has not been achieved.</p> <p>The beneficiation scheme could not be approved as it is still awaiting the valuation to determine its value.</p>		
Reason for Variance	The beneficiation scheme could not be approved as it is still awaiting the valuation to determine its value.		
Planned Improvement / Corrective Actions	The TOR for appointment of the service provider for the evaluation has been drafted and funds sought for the appointment.		

Table 8: Strategic Objective 7: Enhanced awareness and skills

STRATEGIC OBJECTIVE 7: Enhanced awareness and skills			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
7.1. Total Number of Participants in Environmental Education Programme	140 000 (This target was revised following the midterm review)	23 597; cumulative = 114 667 participants in the EE programme	217 363
Performance Analysis	The target of 140 000 was exceeded by 77 363 participants.		
Reason for Variance	The target was exceeded due to improved governance processes on the processing of data.		
Planned Improvement / Corrective Actions	There are no corrective measures required.		
7.2. Total Number of Free Access Entrants during SA National Parks Week	SA National Parks Week: 80 000	74 086 (poor weather patterns in Frontier region and limited capacity); 8 other planned events	74 086
Performance Analysis	The target was partially archived (work in progress)		
Reason for Variance	Poor weather patterns in Frontier Region contributed to the number of people entering the park during SA National Parks Week.		
Planned Improvement / Corrective Actions	There are no corrective measures required.		

Table 9: Strategic Objective 8: Enhanced stakeholder engagement

STRATEGIC OBJECTIVE 8: Enhanced stakeholder engagement			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
8.1 (a) Total number of proactive media engagements	Media Releases: 200 (This target was revised following the mid-term review)	(Q3: 52) 146 Cumulative	57 (250 cumulative)
Performance Analysis	The target was achieved and exceeded by 50 despite the review of the target from 160 to 200.		
Reason for Variance	<p>Positive and balanced coverage was largely linked to a variety of issues including rhino and elephant poaching; TB threats to elephants; Land claims; Fire season in the Cape; Carte Blanche gun trade issue linking KNP; SA National Parks Week; Mapungubwe Lecture Series; Decline in poaching figures; Kruger National Park initiatives to accommodate disabled visitors; Golden Gate Classics; Garden Route fires; Karoo Lion Escape; Rehabilitation of the Lion's Head hiking trail at TMNP; Research around the 'mystic elephant' in the Knysna forest, World Whale and Pangolin Day, Tourism stats over the festive season and numerous parks making visitors' holidays more enjoyable.</p> <p>Negative coverage was largely linked to the damning racism reports at KNP as reported in the City Press newspaper; Protests around national parks threatening tourists; Unhappiness for a 'hack job' after the reopening of the Lions Head hiking trail; Land claimants at the KNP and Richtersveld Transfrontier National Park; Pollution of Knysna Estuary, Attacks on hikers at the TMNP; and the alleged 'lost fight in elephant poaching with statistics painting a drastic picture.</p>		
Planned Improvement / Corrective Actions	There are no corrective measures required.		
8.1 (b) Total number of proactive media engagements	Media Events: 40 (This target was revised following the mid-term review)	(Q3: 30) 64 cumulative	75 cumulative
Performance Analysis	The target was achieved and exceeded by 35 media engagement events despite the target being reviewed from to 12 to 40 proactive media engagement events		
Reason for Variance	As part of SANParks' reputation management interventions, the Communications department conducts ad hoc media engagements in the form of media briefings, excursions or inviting individual journalists to a park. Certain issues take place and happen that are at times out of the control of the organisation e.g. fires, wildlife getting out of parks, community unrest and protests, Ministerial requests to attend events, DEA requests to attend events and conduct joint communications and media plans, new product launches, events that EXCO would like media attention like fundraising etc. Media excursions are devised to mitigate against issues that may have flared up in the media like issues relating to poaching, staff involved in poaching or safety and security incidents that take place in our parks where visitors are affected. Communications does have a set number of planned events; however the nature of the business requires us to ensure to engage media as a proactive measure, allowing us to set records straight, correct inaccurate facts, and put a stop to negative sentiments about SANParks.		
Planned Improvement / Corrective Actions	There are no corrective measures required.		

STRATEGIC OBJECTIVE 8: Enhanced stakeholder engagement			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
8.2. Media Reputational Rating	Positive/ Neutral >95%	99%	96%
Performance Analysis	Target was exceeded by 1%		
Reason for Variance	The target was exceeded by 1% and is a testament to the fact that the work being conducted in the form of media engagements, strategic events with key stakeholders, media interviews, editorial work that has seen placement of articles in select publications, proactive media interviews and responses to media on a daily basis, is paying off. Securing a 95% positive/neutral reputational rating for an organisation such as SANParks is a feat of note that can only be achieved if a plan is in place and strategically and proactively executed.		
Planned Improvement / Corrective Actions	There are no corrective measures required.		
8.3. % of PAIA requests responded to	100%	100%	100%
Performance Analysis	<p>This target was achieved. 4/4 cases were dealt with. These were:</p> <ol style="list-style-type: none"> 1. PAIA Request 57 received on 19 March 2018 and finalised during the Financial Year under review on 18 April 2018 within the 30 day timeframe. 2. PAIA Request 58 received on PAIA Request received on 5 August 2018 and finalised on 4 September 2018 within the 30 day timeframe. 3. PAIA Request 59 received on 14 August 2018. Requestor has to date not paid the prescribed fee of R35.00. Record withheld until payment as per section 22 of PAIA. Requested record is available. 4. PAIA Request 60 received on 20 September 2018 and due on 19 October 2018. Extension of 30 days and a further 14 days to allow time to issue third party notices and gather the required records. SANParks' response was submitted on 14 December 2018 within the extended period. 5. PAIA Request 61 received on 12 Feb 2019. Due date is 13 March 2019. Extension for further 30 days. Due date is now 14 April 2019. 		
Reason for Variance	There were no variances recorded		
Planned Improvement / Corrective Actions	There are no corrective measures required.		

Table 10: Strategic Objective 9: Adequate, appropriately skilled, transformed and diverse human capital

STRATEGIC OBJECTIVE 9: Adequate, appropriately skilled, transformed and diverse human capital			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
9.1. % of employees from Designated EE Groups Black as % of Management	Black = 60%	60.7%	60.4% (220/364)
Performance Analysis	Target was exceeded by 0,4%		
Reason for Variance	Successful implementation of the EE Targeted Recruitment Plan contributed to the positive results.		
Planned Improvement / Corrective Actions	HCM to continue with monitoring the adherence to the EE Targeted Recruitment Plans. Advise line managers to comply with the plan.		
9.2. Women as % Management	Women = 40%	39.3%	39.6% (144/364)
Performance Analysis	The target was slightly under-achieved.		
Reason for Variance	The target was slightly under achieved due to slow staff turn-over as SANParks remains an employer of choice.		
Planned Improvement / Corrective Actions	An implementation plan to be developed to ensure that the target is met in the coming financial years. Proposed that employment of females in management positions be part of line managers' KPAs.		
9.3. % of employees from designated EE groups: People with Disabilities as a % of all employees	PwD = 2%	2.1%	2% (84/4181)
Performance Analysis	This target was achieved. The successful implementation of the EE Plan and Disability awareness sessions throughout SANParks resulted in this positive achievement.		
Reason for Variance	No variances were recorded.		
Planned Improvement / Corrective Actions	Monitor adherence to the EE plan and continue with Disability Awareness sessions.		
9.4. % of employees designated EE groups: Total Male: Female Ratio as a % of total staff compliment	M:F : 1:0.8	1:0.6	1:0.6
Performance Analysis	This target was only partially achieved (work in progress)		
Reason for Variance	This achievement was slightly under-achieved due to the slow staff turn-over as SANParks remains an employer of choice.		
Planned Improvement / Corrective Actions	Implementation of the EE and targeted recruitment plans with stronger focus on black females. Proposed that employment of females in management position be part of line managers' KPAs.		

STRATEGIC OBJECTIVE 9: Adequate, appropriately skilled, transformed and diverse human capital			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
9.5. % of employees Meeting Minimum Educational Requirements (C and Upper)	75%	74%	75% (667/891)
Performance Analysis	This target was achieved.		
Reason for Variance	There are a number of learning interventions that the organisation embarked on to ensure that employees meet the minimum educational requirements: for example, employees are offered study bursaries and there is a recognition of prior learning programme implemented.		
Planned Improvement / Corrective Actions	Continuing issuing of bursaries to managers who do not meet the minimum educational requirements.		
9.6. % of payroll spent on the Skills Development Programme	1.3%	0.69 % (R8,596,104.87) of payroll spent (942,770,440.00)	1.86%
Performance Analysis	The target was achieved and exceeded (17,484,216.31) of payroll spent (SANParks payroll R940, 556, 535.00).		
Reason for Variance	Based on EXCO's decision to appoint additional 50 Conservation learners for the WIL (Work Integrated Learning Programme) as the previous focus was on internships. SANParks considered the WIL Programme as an initiative for creation of a pool for Conservationists.		
Planned Improvement / Corrective Actions	There are no corrective actions required.		

Table 11: Strategic Objective 10: Conducive working environment

STRATEGIC OBJECTIVE 10: Conducive working environment			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
10.1. % Staff Turnover	≤ 5%	0.66%	1.09%
Performance Analysis	The performance is within the target set which is less than 5%. This means that 1% of the employees were terminated in the organisation, which is below the 5% annual target.		
Reason for Variance	The total number of employees who were terminated in the organisation was 140 compared to the average staff compliment of 4181 excluding vacant positions as at end of the 2018/2019 financial year.		
Planned Improvement / Corrective Actions	There should be continuous improvement and effective management of human capital with the aim of retaining personnel.		
10.2. % Success Rate at CCMA	85%	90.9%	100% (14/14)
Performance Analysis	<p>This target was achieved.</p> <p>Three cases were ruled in favour of SANParks, seven were withdrawn by the applicants, three were settled and one was closed.</p>		
Reason for Variance	No variances were recorded.		
Planned Improvement / Corrective Actions	<p>In order to maintain the excellent success rate at the CCMA, rights and responsibility workshops are being conducted so that employees are aware of their obligations to SANParks and refrain from committing acts of misconduct.</p> <p>Labour relations dispute resolution training is conducted for managers so that they are well equipped, confident and handle disciplinary matters in a way that is both procedurally and substantively fair.</p>		
10.3. % reduction in average number of sick leave days taken annually per capita	2% reduction	0.45 %	0.42 average sick leave days per employee
Performance Analysis	<p>The performance is within the target.</p> <p>The formula used to measure the % of sick leave rate is not in percentage format. The calculation is sick leave is as follows:</p> <p>The sick leave reduction should be less by 2% based on the baseline established (5.49). The 2% of 5.49 is 0.11, meaning the annual target is 5.49 less 0.11 and that is 5.38. If we divide the target by four (04) quarters, we get the quarterly target of 1.34. Therefore the actual annual performance is within the target.</p>		
Reason for Variance	The annual target in comparison to the quarterly target will always vary depending on the number of sick leave taken during that particular period versus the average number of employees in that particular quarter.		
Planned Improvement / Corrective Actions	Sick leave should be monitored on a continuous basis and wellness programmes should be put in place to assist employees in need of support.		

Table12: Strategic Objective 11: Optimised business processes and knowledge management systems

STRATEGIC OBJECTIVE 11: Optimised business processes and knowledge management systems			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
11.1 Number of ICT Strategy projects implemented	4	ICT Strategy project implemented (Identity Governance Implemented)	4 ICT strategic projects implemented.
Performance Analysis	The annual target was achieved. The 4 ICT projects are: <ul style="list-style-type: none"> • Policy – Corporate Governance of Information and Communication Technology • Implementation of a next generation Perimeter Firewall & IPS Services • Implemented Identity Governance • Implementation of a next generation Perimeter Firewall & IPS Services 		
Reason for Variance	There are no variances recorded		
Planned Improvement / Corrective Actions	There are no corrective measures required.		
11.2 Total number of business processes reviewed	Mapped=4 Automated=4	1 Business Process Mapped 1 Business Process Automated Stock Management (Automated) Library Management (Mapped)	4 Processes Mapped and 4 Processes Automated
Performance Analysis	This target was achieved. The following have been mapped and automated: <ul style="list-style-type: none"> • Library Management (Automated) • Capex Asset Management (Mapped) • Tourism Complaints Log (Mapped) • Stock Management (Automated) • IT User Access Management (Automated) • Document Routing (Mapped) • Uniform Request Process (Automated) • IT User Access Management (Mapped) 		
Reason for Variance	There were no variances recorded		
Planned Improvement / Corrective Actions	There are no corrective measures required.		

Table13: Strategic Objective 12: Accountable corporate governance

STRATEGIC OBJECTIVE 12: Accountable corporate governance			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
12.1 % Compliance with Governance Requirements	100%	100% <ul style="list-style-type: none">The 2nd & 3rd Q ENE reports have been submitted to DEA.1st and 2nd draft of 2019/20 – 2023/2024 Strategic Plan and 2019/20 APP have been submittedThe Midterm review approval have been received and updated in APP.	100% Compliance with Governance Requirements
Performance Analysis	<ul style="list-style-type: none">Final 2019/20-2023/24 Strategic Plan and 2019/20 APP were submitted to DEA and Parliament for tabling on time.2017/18 Q4 ENE and Q4 Performance Report were submitted to DEA on time.2018/19 Q1, Q2 and Q3 Performance Report and ENE Reports were submitted to DEA		
Reason for Variance	There were no variances recorded		
Planned Improvement / Corrective Actions	There are no corrective actions needed.		

Table14: Strategic Objective 13: Financial sustainability

STRATEGIC OBJECTIVE 13: Financial sustainability			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
13.1 Income-to-Cost Ratio	1:1	The income to cost ratio is at 01.23 : 01 due to more revenue generated from conservation and concession fees	01.21:01
Performance Analysis	This target was achieved. The income to cost ratio was better than expected due to more revenue generated compared to actual costs incurred. The special projects income and expenditure have been excluded from this calculation as they fall outside the normal operations of SANParks.		
Reason for Variance	The income to cost ratio is better than expected due to more revenue generated compared to actual costs incurred. The special projects income and expenditure have been excluded from this calculation as they fall outside the normal operations of SANParks. Also included in revenue is grant income received for the EPWP projects.		
Planned Improvement / Corrective Actions	In addition to continuous budget variance monitoring, regular financial forecast will be undertaken to mitigate any possible financial risks the organisation might be exposed to due to the current economic downturn. There is a drive to constantly identify areas of cost-saving in the organisation. Furthermore, a special focus will be given to improve financial controls and management of assets.		
13.2 % Expenditure Budget Variance	≤ 0%	The expenditure variance is at -8% as a result of a saving of R41, 642 million in human resource costs, a saving of R72, 191 million in maintenance costs, and a saving of R34,895 million in operating costs.	-8%
Performance Analysis	This target was achieved. SANParks total expenditure was R267 billion compared to a budget of R2, 516 billion, resulting in a saving of R249 million. The saving in human resources costs primarily results from the postretirement benefit obligation actuarial gain of R69, 775 million; the remainder is due to vacant posts yet to be filled. The reason for maintenance costs' underspending results from underspending on infrastructure maintenance costs and could be as a result of the long procurement processes. The saving in operating costs is mainly as a result of EPWP operating costs which reflect an underspending.		
Reason for Variance	SANParks' total expenditure was R2, 267 billion compared to a budget of R2, 516 billion, resulting in a saving amounting to R249 million. The saving in human resources costs results from postretirement benefit obligation actuarial gain of R69, 775 million; the remainder is due to vacant posts which are yet to be filled. The reason for maintenance costs' underspending results from underspending on infrastructure maintenance costs and could be as a result of the long procurement processes. The saving in operating costs is mainly as a result of EPWP operating costs which reflect an underspending.		
Planned Improvement / Corrective Actions	Management needs to continue monitoring spending to ensure that it falls within the set budget and is in accordance with the PFMA and National Treasury Regulations. Management needs to ensure that projects are completed within the prescribed period by adequately putting into place project plans, factoring in procurement processes.		

STRATEGIC OBJECTIVE 13: Financial sustainability			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
13.3. Direct HR cost as % of Total Costs	≤ 53%	48%	48%
Performance Analysis	Human resources costs were well within the quarterly target of ≤ 53% of total expenditure.		
Reason for Variance	Human resources costs were well within the annual target of 53% of total expenditure.		
Planned Improvement / Corrective Actions	Management should plan overtime and continue to carefully ensure that overtime pay is valid (duly authorised) and accurate and is within the allocated budget.		
13.4. Own revenue generated as % of Total Revenue	72%	84%	79%
Performance Analysis	SANParks' own revenue generated is sitting at 79 % compared to the quarterly target of 72%. This is well above the annual target.		
Reason for Variance	SANParks own revenue generated is sitting at 79 % compared to the annual target of 72%. This is well above the quarterly target.		
Planned Improvement / Corrective Actions	Management will continue growing own revenue to ensure SANParks' operational costs remain within total revenue.		
13.5. Average number of days: Debtor collection	≤ 30	22 days	21 days
Performance Analysis	This target was achieved. SANParks takes on average 21 days to collect cash from its debtors.		
Reason for Variance	SANParks takes on average 21 days to collect cash from its debtors.		
Planned Improvement / Corrective Actions	The situation regarding debtors is constantly being monitored and corrective action, including legal action, is taken when necessary.		
13.6. Average number of days: Creditor payment	≤ 30	24 days	25 days
Performance Analysis	This target was achieved. The average number of days for creditor payment was well within the annual target of 30 days as set out in the PFMA.		
Reason for Variance	The average number of days for creditor payment was well within the annual target of 30 days as set out in the PFMA.		
Planned Improvement / Corrective Actions	Management is closely monitoring the creditors payment period to ensure that it remains within the set 30 days as stated in the PFMA.		

STRATEGIC OBJECTIVE 13: Financial sustainability			
Performance indicators	Annual Target	3rd Quarter Status	Annual Performance
13.7 Total Revenue generated from Fundraising per annum	R63,148 million	A cumulative total of R57 110 895.83 This was due to better coordination and accountability for SANParks donations/sponsorships by the Fundraising Department	R75 109 648.58
Performance Analysis	The target was exceeded.		
Reason for Variance	The target was exceeded due to the following: <ul style="list-style-type: none">• Additional human resources added to the unit.• Improved coordination, administration and accountability for all donations to SANParks by the Fundraising Department contributed to the improved performance compared to previous financial year.		
Planned Improvement / Corrective Actions	There are no corrective actions required.		



Northern gannet on the shores of Bird Island Nature Reserve, Addo Elephant National Park



PERFORMANCE INFORMATION

Hiking Sliverlake

HIGHLIGHTS



Kalahari Gemsbok National Park covers almost one-third of a sand-filled basin in the west of southern Africa and supports diverse fauna and flora.

The park was recently proclaimed a UNESCO Cultural Heritage Landscape site.

Camdeboo National Park represents the Karoo Biome, 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.



The Gidjana Traditional Authority and Royal Family signed the GLTFCA Cooperative Agreement supported by the Department of Environmental Affairs





National Parks and Regions

Operations Reports

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

SANParks Operations is responsible for managing the organisation's nineteen national parks. These are organised into two divisions: Kruger National Park and the Parks Division which is in turn divided into the Arid, Cape, Frontier and Northern Regions. Clustering of parks into these four regions is primarily based on their geographical and landscape distribution as well as logistical considerations. Each park has its own unique significance. Together, the Parks Division administers a terrestrial and aquatic estate of over 2 178 995 hectares.

Kruger National Park

Kruger National Park covers almost two million hectares or 20 000 km² of South Africa's Lowveld Savanna, bordering Mozambique in the east and Zimbabwe in the north. With a boundary over 1000km long, the park's elongated shape is approximately 350 km from north to south and on average 60 km wide, with rivers providing natural boundaries in the south and north and the Lebombo hills to the east. To the west, the park is predominantly bordered by private and provincial nature reserves and many high-density communal areas.

Kruger National Park was formally declared on 10 December 1926, although portions such as the Sabie Game Reserve were already declared in 1898. Humans have however been using and occupying this area since time immemorial. This is clear from historical evidence left by Stone Age hunter-gatherer people such as the San, with their rich heritage of rock paintings and other artefacts. Iron-age farmers, metalworkers and traders followed and left their imprint on the area.

The era from the 12th century to about 1650 was characterised by active trade, first from Mapungubwe along the Limpopo River to Mozambique and later from Thulamela. It is thus clear that the Kruger savanna system evolved with humans as an important system driver. Management needs to consider humans' historic role in how the system evolved.

Kruger National Park lies in the sub-tropical, low-lying savannas of north-eastern South Africa, with elevations from about 250 m to a small section over 800 m. The area has high mean summer temperatures and mild, generally frost-free winters. Rainfall is concentrated between October and April and the rainfall gradient stretches from an annual mean of about 750 mm in the south-west to 350 mm in the north-east. Regular flooding and drought events are endemic in the system.

Parks Regions

The Arid management region consists of five 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 was recently proclaimed a UNESCO Cultural Heritage Landscape site. Three other parks - /Ai/Ais Richtersveld, Augrabies Falls and Namaqua - lie within the Succulent Karoo Biome and are also areas of significant geological interest. The Mokala National Park supports diverse ecosystems in the transition zone between the Karoo Biome and Arid Savanna Bushveld. The Kalahari Gemsbok and /Ai/Ais Richtersveld parks are Transfrontier Conservation Areas which straddle South Africa, Namibia and Botswana.

Uniquely, following a land claim settlements process, contractual agreements are in place with local communities in three of the Arid Region parks: with the Khomani San and Mier communities in Kgalagadi Transfrontier Park; the Riemvasmaak community in Augrabies Falls National Park; and the Richtersveld

Young South African tourists celebrating their ultimate arrival at the Southernmost Tip of Africa, Agulhas National Park





The Baobab, a tree that embodies the history of Africa, towers magnificently over Mapungubwe National Park

community in /Ai/Ais Richtersveld National Park. Joint Management Boards for each area enable engagement on matters of mutual interest including social and economic development projects.

There are five parks in the Cape management region. Three are situated along the coastline and include two Marine Protected Areas (Pas). Parts of the West Coast National Park are important non-breeding sites for hundreds of thousands of Palearctic migrant waders during the austral summer and, with about 32% of South Africa's saltmarshes, the park is recognised by the Ramsar Convention as a wetland of international importance.

Saldanha Bay is a National Industrial Development Zone (IDZ) and intense pressure is mounting on the sensitive lagoon system as mining, prospecting and other major industries grow around the bay. These pressures require role players to find a balance between differing needs. Through a Park Forum and active participation in local, district and provincial government structures, the park plays a key role in ensuring regular, purposeful engagement with stakeholders.

Parts of Western Cape Province include areas of outstanding and universal ecological value, reflecting the on-going ecological and biological evolution of the Cape Floral Region. The Table Mountain, Agulhas and Bontebok National Parks lie 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, recognised by Conservation International.

In 2018, the National Parks Trust acquired the 3 847 hectare Meintjiesplaas property adjacent to the Tankwa Karoo National Park. This comprises Succulent Karoo and Renosterveld Fynbos vegetation types, both previously under-represented in the Cape parks.

The Frontier management region consists of five parks, representing different biomes, in the Western and Eastern Cape Provinces. The Garden Route National Park is a complex of PA areas managed as a single entity and includes the previously-proclaimed Tsitsikamma and Wilderness National Parks, forests and mountain catchment areas as well as the Knysna National Lake Area. The park incorporates approximately 45 000 hectares of indigenous forest previously managed by the Department of Water Affairs and Forestry. The region, and therefore the park, is highly fragmented and has a diversity of natural habitats and social systems. Mountains, forests, lakes, rivers and beaches are interspersed with towns, farmlands and commercial timber plantations. Tourism is vital to the area, and most of the natural attractions, which are largely unfenced and are accessible to local people and visitors alike, are managed within the park. In the recent review of park management plans, participants at public workshops expressed a desire for local residents to be more integrated with the park. The challenge is to formulate a management plan that ensures sustainable development.

Addo Elephant National Park conserves examples of the Eastern Cape's unique biodiversity. It includes marine areas, examples of five terrestrial biomes (Thicket, Forest, Fynbos, Nama-Karoo and Grassland) and azonal wetlands in a landscape-diverse environment with offshore islands, coastal plains, dune fields, mountains and arid plains.

Camdeboo and Karoo National Parks include steep topographical gradients which produce a structurally complex environment providing many niches for animal and plant species. Vegetation is closely linked to soil type and depth, rockiness, slope and aspect. Camdeboo represents the Karoo Biome, recognised as a world conservation priority. Karoo National Park is 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, major vegetation types currently poorly conserved elsewhere in South Africa. This transition area between biomes allows for an interesting mix of flora and fauna as well as important ecological and landscape processes. The region includes two significant Marine Protected Areas (MPAs): Bird Island (Addo) and Tsitsikamma MPAs.

The four MPAs managed by SANParks play an important role in the country's work in marine conservation. It was recently announced that additional MPAs would be declared, including marine areas adjacent to the Addo and Namaqua National Parks and Robben Island. These will contribute towards the National Protected Area Expansion Strategy for marine ecosystems.

The Northern Management Region consists of three parks. Golden Gate Highlands National Park, in north-eastern Free State, was proclaimed for its water production



Iconic valleys of Marakele National Park

capacity, geological significance and aesthetic beauty. Its position also means that it is accessible to many of the country's major population centres. It affords protection to the threatened grassland biome and is the only grassland park in the SANParks estate. Eastern Free State grassland, Lesotho highlands basalt grassland and Lesotho montane shrubland, all represented in the park, are poorly protected and have a high conservation priority rating. The world's oldest dinosaur eggs, with embryos, were discovered in the park and a world-class interpretive centre that will tell the story of the African dinosaurs is presently under construction. The park also represents a rich and diverse cultural history spanning early Stone Age people, San, Basotho and early European settlers. There are important rock-art paintings and Anglo-Boer war sites. In addition, the park forms the watershed between the Vaal and the Orange River systems, contributing to the provision of high-quality water, via the Lesotho-Highlands water project and the Tugela-Vaal transfer scheme, to the Gauteng region and into the Orange River system. The park is part of the Maloti Drakensberg catchment complex, the most important water catchment in Southern Africa.

The importance of the Mapungubwe National Park and World Heritage Site lies in the more than 400 archaeological sites displaying a dynamic interaction between people, natural resources and landscape. This interaction laid the foundation for a new type of Iron Age social organisation in the region between AD 900 and 1300 by ancestors of the Venda, North Sotho and Shona cultures.

The park also protects important biodiversity components of its semi-arid landscape and, as part of the Greater Mapungubwe Transfrontier Conservation Area, seeks to

support resilient communities and ecosystems whilst unlocking sustainable socio-economic benefits. Managing biodiversity conservation within an open system spanning three countries (Zimbabwe, Botswana and South Africa) is challenging and the Mapungubwe Park Management Plan emphasises stakeholder engagement and recognition of culturally linked communities in pursuit of common objectives. The park benefits local communities by constructing infrastructure such as school science laboratories and supporting cross-border initiatives such as the Tour de Tuli Marathon and Children in the Wilderness, contributing to social upliftment in and around the Mapungubwe Cultural Landscape.

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

SANParks' land inclusion plans have an expansion or consolidation focus or a combination of both. Expanding a park is oriented towards meeting biological/ecological goals while consolidation emphasises the enhancement of linkages across the landscape such as by joining two properties to form a single larger unit and/or to make a park financially more viable by offering greater eco-tourism options.



Legendary elephant family in Addo Elephant National Park

The 2016 South African National Protected Areas Expansion Strategy identified priority expansion areas. Protection levels within the Grasslands, Succulent Karoo, Fynbos (especially lowland areas) and Nama-Karoo are well below anticipated targets. Ecosystems within the Grasslands, Indian Ocean Coastal areas, Succulent Karoo, Forest and some Savanna areas remain under-represented in the PAs estate. SANParks' expansion has largely aligned with national priorities, with substantial expansion in parks in the Succulent Karoo (Namaqua and Tankwa Karoo National Parks), Thicket (Addo Elephant National Park), Nama-Karoo (Karoo, Mountain Zebra and Camdeboo National Parks) and Fynbos (Table Mountain, Agulhas and West Coast National Park).



Agulhas National Park Landscape photographed by Rudolph de Girardier

Conservation Management in Kruger at a glance

Biodiversity Management

Rainfall and Drought

Many parts of South Africa have recently experienced drought conditions and Kruger National Park has been no exception, with four of the past five rainfall years being below average; it has thus been in a dry cycle. Although by 31 March 2019 most of the park received below average rainfall, Skukuza and Lower Sabie rainfall stations recorded rainfall 133% above average whereas at Pafuri, for example, it was 60.5% of the long-term average. During the 2015/2016 drought, either through buffalo herds moving north or differential survival rates in the respective regions, buffalo numbers in the far north of the park where the drought was less severe dropped by only around 9% compared to the central parts - the epicenter of the drought - where the population declined by almost 50%. These localised and regional differences highlight the value of a large conservation area and the potential ecological benefits of integrating and connecting PAs in the GLTFCA to allow unhindered movement of animals and increasing the system's resilience to extreme climatic events.

The large number of research and monitoring projects carried out in Kruger National Park on herbivore populations as well as on vegetation dynamics before, during and after the 2015/2016 drought allowed scientists to better understand the effect of droughts and subsequent recovery dynamics, with a number of research papers published and more in preparation. Kruger National Park has acted as an outdoor laboratory for SANParks scientists and research collaborators to better understand the role and impacts of droughts on savanna systems, a focal theme at the International Savanna Science Network Meeting hosted by SANParks in March 2019 in Skukuza and attended by almost 200 delegates.

Given extreme drought events, increasing tourism numbers and the ever-increasing pressure on natural resources, Kruger National Park management has over the past couple of years put in place various strategies to reduce water consumption, switching to water-efficient showerheads, dual flush toilets and water-wise gardens at many of its facilities. During the past year, SANParks' Scientific Services initiated a research project to monitor how tourists respond to and change their water-use behaviour when provided with effective messaging. SANParks' new vision reflects the conviction that national parks can play a pivotal role in reconnecting society with resources such as water, changing behaviour and contributing to a more sustainable future.



Firefighters tackle a contained fire at Table Mountain National Park prescribed burn camp



Members of the Gidjana Traditional Authority and Royal Family signing the GLTFCA Cooperative Agreement, 5 December 2018 in Kruger National Park.

Kruger National Park Management Plan implementation

The Management Plan, approved in November 2018 by then Acting Minister of the Department of Environmental Affairs (DEA) Derek Hanekom, will provide strategic and operational direction for the next ten years, with an increased focus on integrated land use, socio-economic beneficiation, responsible tourism, safety and security, stakeholder engagement and cultural heritage management. The review of the Plan provided a platform for extensive consultation through over fifty public and focus group meetings over a period of eighteen months. The plan, which will also guide the park's strategic direction and operations in relation to broader Great Limpopo Transfrontier Conservation Area (GLTFCA) region, is aligned with South Africa's Constitution, national and international legislation and agreements, the National Development Plan, ministerial outcome delivery outcomes, the Limpopo and Mpumalanga Provincial Growth Development/Vision 2030 Strategies and municipal Integrated Development Plans.

Contractual arrangements: the Great Limpopo Transfrontier Conservation Area Cooperative Agreement

This agreement, signed on 5 December 2018 between Kruger National Park and fourteen adjacent state, private and community managed conservation areas on its western boundary, provides an umbrella framework for consistent conservation management and contribution to socio-economic outcomes within the broader GLTFCA. The agreement took three and a half years to negotiate, with a key focus on governance, conservation, safety and security, socio-economic development and further land inclusion. As a result, 360 000 hectares have been added on the western side to the park's existing 2 million hectares. Implementation of the agreement is not a once-off event and efforts continue alongside the western boundary of the park to ensure that more communities are supported to join the agreement process provided they meet the GLTFCA's minimum requirements, norms and standards. The focus will be on stimulating cooperation in managing landscape-level ecological issues, unlocking sustainable benefits, responsible economic development and promoting compatible land use practices within the GLTFCA. The Management Plans of several of the adjacent conservation areas are now for the first time being aligned with Kruger National Park's Management Plan and in accordance with the GLTFCA.



South African guests in Kruger National Park enjoying a guided walking trail

Global Environmental Facility Protected Area Programme

Greater Kruger Spatial Development Framework

Urban-Econ Development Economists (Pty) Ltd was appointed by the United Nations Development Programme (UNDP), on behalf of SANParks, to develop the Greater Kruger Strategic Development Framework (SDF). This is an institutional framework and partnership strategy with specific focus on the Kruger National Park land claimants and greater Kruger communities and aims to strengthen and/or constitute enabling partnerships in support of conservation compatible land use planning, development and positive socio-economic outcomes. The inception workshop on 19 March was attended by eighty stakeholders from a range of backgrounds including People and Parks, land claimants, Safety and Security clusters, PAs, the business sector, environmental education for sustainability, traditional authorities and municipal land use planning. The SDF, to be developed over the next ten months, will strengthen the park's land claimant and community socio-economic development processes by developing tangible implementation plans, providing access to knowledge/information hubs, constituting governance structures and strengthening enabling institutional arrangements.

Bioregional, municipal land use and spatial planning

Kruger National Park has made significant progress on land use planning instruments and formal inclusion into bioregional and municipal planning processes. The park's municipal and buffer land use layers and the Park Expansion layer have been included in the Vhembe and Mopani Bioregional plans and the

Bushbuckridge, Mbombela, Collins Chabane and Nkomazi Local Municipality SDFs. These bioregional and municipal planning instruments have adopted the park's criteria whilst the park aligned the delineation of these layers with the municipal Land Use Management Schemes (LUMS) in accordance with SPLUMA. An environmental database has been developed, with development applications linked to the municipal land use/buffer zone criteria captured, responded to and monitored.

Socio-economic assessment and responsible tourism guidelines

A baseline socio-economic assessment of the income streams and multiplier impacts of Kruger National Park and adjacent community and private areas has been concluded and has demonstrated the catalytic value of the park and GLTFCA partners. To inform annual socio-economic impact tracking of the PA network, an Impact Assessment tool is currently being developed. Fair Trade Tourism (FTT) completed a draft Responsible Tourism Guideline and Indicator report which was widely circulated and workshopped with partners within the Greater Kruger area. An online assessment tool will now be developed as part of a socio-economic Impact assessment report. The guidelines will form a core component of a planned Responsible Resource Use training curriculum at the South African Wildlife College (SAWC).

Wildlife Economy programmes

Major progress has been made with the Gidjana Wildlife Economy Projects. The Gidjana Traditional Authority and Royal Family has signed the GLTFCA Cooperative Agreement. A multi-departmental and multi-stakeholder team, supported by the GEF PA programme, has completed site assessments and high-level land use planning, and has drafted a business framework. The project is supported by the DEA Wildlife Economy, and a fencing programme is currently being reviewed. The Bevhula community recently indicated their interest in rejoining the programme.

Wildlife off-takes programme

The SANParks Wildlife Utilisation Strategy guides wildlife off-takes in Kruger National Park. Buffalo off-takes were concluded during October, with 168 animals removed from the Satara buffalo camp. Impala off-takes were concluded in September, with 307 impala removed. The meat was sold in accordance with SANParks tariffs and with veterinary and health requirements, and was also provided to certain community schools, in line with a registered programme. The Skukuza meat processing plant's business plan, currently being reviewed, will guide future wildlife off-take programmes in line with clear objectives and outcomes linked to the wildlife economy, community beneficiation, training, wildlife management and sustainable financial practices.

Wildlife products management

All items received at the Wildlife Products Section (WPS) are dealt with according to relevant norms and standards or CITES regulations. All intake of ivory and rhino horns is captured on a database in accordance with these standards and reporting to DEA is kept up to date. Skins at the WPS are sorted and counted, and the services of an auctioneer is now being procured to facilitate the auctioning of 18 tons of skins.



Impala in Kruger National Park

Wildlife crime

Wildlife crime in Kruger National Park continues to be dominated by rhino and elephant poaching which remains relentless, with daily armed incursions into the park coordinated by organised poaching syndicates. Rhino poaching was reported predominantly in the southern (Marula) regions of the park and elephant poaching mainly in the northern (Nxanatseni) regions of the park and particularly in Nxanatseni North.

State of Area Integrity Management (SOAIM) assessments on all twenty-two Ranger sections of the park were successfully carried out during the reporting period. SOIAM is an effective tool for measuring the state of preparedness and identifying and mitigating gaps in terms of area integrity management.

The reporting year showed a significant increase in poacher aggressiveness towards Rangers conducting counter-poaching operations. On 18 July, Field Ranger Respect Mathebula, stationed at the Crocodile Bridge Section of the park, was tragically killed by a group of armed poachers while engaged with Ranger colleagues in a counter-poaching operation. On 12 October, an improvised explosive device was found along the south-western boundary of the park (close to Stolznek Section) and targeted at a Ranger patrol in the area. There were also several attempts to shoot down SANParks helicopters providing close support to Ranger counter-poaching operations.



The late Field Ranger Respect Mathebula, aged 34 years, who died in the line of duty against poachers on 19 July 2018.

Community Protests

Kruger National Park has been affected by service delivery-related protests aimed at local government as these protests take place on roads leading to entrance gates. Concerns include water-related issues (Belfast community) and HWC, development projects and job opportunities (Mdluli community). Where possible, the park facilitates amicable round-table discussions with the relevant people, acknowledging challenges faced by people living adjacent to the park and with the aim of facilitating peaceful relations with neighbours.

Product development in KNP

Skukuza Lodge has been completed and is expected to be operational before the end of the 2019/20 financial year. The Nkuhlu Picnic spot has been earmarked for outsourcing.

Events

Universal access

Launch of the Mobility Challenged Activity Vehicles

Four of these were launched in December 2018, and mobility-challenged visitors are now able to take part in the park's drives with ease. Each vehicle can accommodate two visitors in wheelchairs as well as twelve other people. They are available at the four main camps in the park and will be used at other camps as needed.

The event also celebrated International Day of Disabled Persons, proclaimed by the United Nations General Assembly in 1982 and commemorated every December in South Africa as Disability Awareness Month. Stakeholders represented at the event included the Mpumalanga Association of People with Disabilities and the Mpumalanga Departments of Health; Social Development; and Public Works, Roads and Transport.

SANParks Anti-Poaching Signing Pledge Event

In April, SANParks' Board and Management presented the pledge against poaching to SANParks personnel at the Skukuza Cricket Field. The pledge urges staff to place honesty and commitment to the wildlife under their care at the centre of their values, and was co-signed by NEHAWU and HOSPERSA, two of the trade unions currently represented in SANParks. Stakeholder organisations witnessing the signing included SAPS, the Honorary Rangers, SANDF and the media.

One staff member received a bravery award for his role in saving a colleague's life, and there was a standing ovation for the recipient of a Lifetime Achievement Award who served the organisation for 44 years until his retirement at the end of 2018.



Mpumalanga Provincial MEC for Communal Safety, Security and Liaison, Mr Pat Ngomane, laying a wreath and unveiling the plaque in honour of the late Field Ranger Respect Mathebula



International World Ranger Day

International World Ranger Day honours the sacrifices and courage that Rangers display in their role at the forefront of protecting wildlife. It also supports Rangers' families by remembering loved ones lost in the line of duty. Highlight of the ceremony held on 31 July was the unveiling of a plaque in honour of the late Field Ranger Respect Mathebula who was shot and killed by poachers on 19 July. Other activities on the day, held in the presence of the Mpumalanga Provincial MEC for Community Safety, Security and Liaison, Mr Pat Ngomane, included a wreath-laying ceremony, Rangers' drill and guard of honour and unveiling of the fallen Rangers plaque. The event was attended by members of the Mathebula family, Rangers, Honorary Rangers and representatives of SAPS, SANDF, SA Airlink, Avis, Hawks, Kruger National Park staff, community forum members and chiefs from Traditional Councils.



K9 and Air Wing Units preparing for an anti-poaching operation in the Kruger National Park

Opening of the Muslim Prayer Facility

In December 2018, the park officially opened the Muslim Prayer Facility at Skukuza Rest Camp, towards which the Johannesburg South Honorary Rangers raised over R800 000.00. The facility includes ablution amenities and prayer space for male and female visitors. Similar facilities will be opened in Lower Sabie and Satara camps and at the Tshokwane and Afsaal picnic spots.



The opening of the Muslim Prayer Facility in Skukuza Rest Camp, Kruger National Park

Tribute to the late Minister of Environmental Affairs

Memorial Service for the late Dr Edna Molewa

On 1 October, Kruger National Park held a memorial service at Nombolo Mdhuli Conference centre in honour of the late Minister of Environmental Affairs, Dr Edna Molewa, who passed away on 22 September. The service was attended by the CEO of SANParks, Kruger National Park staff, representatives of the Department of Environmental Affairs, local chiefs and other stakeholders who came to pay their last respects to a true conservationist and patriot.







Project Ivory launch at Phalaborwa, Kruger National Park

Launch of Project Ivory

In partnership with the Honorary Rangers, in January at Phalaborwa Kruger National Park launched Project Ivory. The aim is to mobilise resources in support of the campaign in the north of the park against poaching of elephants and other species. The launch event included a media excursion which concluded at Punda Maria with the handover of bicycles donated for Environmental Monitors' use by Big Banana Films.

Nxanatseni Management Imbizo

The aim of the Kruger National Park Management Imbizo was to encourage two-way communication between the park's staff and senior management. Management visited several workstations, carried out site inspections and held meetings with camp managers and staff.



Big Banana Films representative hands over bicycles for Environmental Monitors in Kruger National Park



EPWP Working on Fire staff undergoing stringent training in the Garden Route area

Conservation Management in Parks at a Glance

Managing Parks Effectively: State of Area Integrity Assessments

For the past decade, assessments of the State of Area Integrity (SoAIM) have been undertaken at park or section level. Their purpose is to evaluate management's operational interventions and establish parks' ability 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 PA.

All parks in the division were assessed in 2018. A newly-introduced system produced results reflecting the risk and the importance of the criteria assessed, with scores indicating current Area Integrity. After analysis, each park identified between five and fifteen corrective actions against which progress was monitored.

Garden Route Fires

Towards the end of October 2018, extreme hot and dry conditions, strong winds and very low humidity exacerbated by lightning strikes led to multiple wildfires throughout the Garden Route. By 23 October, firefighters were deployed across the region from George to Tsitsikamma. On 25 October, a fire started in the mountains in the Wilderness section of the Garden Route National Park. At first posing no obvious threat, a few days later it was fanned by unprecedented winds of up to 109 km/h, driving the fire towards the forestry staff village at Farleigh where residents were caught unawares. Many were unable to escape the flames and, tragically, eight people lost their lives as the fires consumed their homes. A second fire destroyed the forestry village at Beervlei, also in the Wilderness area. In the Tsitsikamma area, fires raged through vast areas of the park and came close to the Storms River rest camp. The combined fire scar was 109 373 ha across the Garden Route region, 36 725 ha within the park. Most of the park vegetation burned consisted of fynbos which is adapted to fire and will recover well. Some indigenous forest edges, especially those adjacent to commercial pine plantations, were damaged.

Rangers at our Service

Rangers' duties vary widely across the land- and sea-scapes of our national parks but have in common area integrity patrols and monitoring and observing fauna and flora. Particularly because of the rhino-poaching crisis of recent years, most Field Rangers are engaged in anti-poaching activities in parks that include the Big Five.

In other parks, Rangers are responsible for many tasks aside from area integrity, especially law enforcement and compliance. The nature and extent of such work varies depending on whether a park is rural, peri-urban or partly urban. Rangers' other daily tasks and emergency functions include monitoring and maintenance of fences, water supply and roads, management of alien invasive animals and plants, game capture, visitor safety, firefighting and gate security.

Within the Ranger force, specialised staff are trained for specific tasks. These include specialist trackers, visitor safety rangers, pilots and dog handlers who boost security with their canine partners.

In recognition of Rangers' work in protecting parks and conservation areas around the globe, World Ranger Day 2018 was celebrated in July in all the country's national parks. This day also commemorates the many Rangers injured or killed in the line of duty while protecting the world's conservation estate. The Addo National Park celebrations took place in collaboration with SANParks' Honorary Rangers and other stakeholders, with the day graced by the presence of the Deputy Minister of Environmental Affairs, Ms Barbara Thomson.

The day gave the Rangers the opportunity to demonstrate their skills on land and water including squad drilling, firearms competency, dog handling, patrolling, boat handling, firefighting, contact and arrest simulation and first aid.



Teams from South Africa and Mozambique regularly meet to strategise about effective collaboration on conservation and anti-poaching matters



The annual Marakele Marathon attracted 1500 runners in 2019

Parks and People: Some Highlights

SANParks is about not only our country's flora and fauna but also human interaction with the natural world. The activities described below typify the purposes of such interactions, from citizens sharing and enjoying this great national resource, acknowledging outstanding service, contributing to knowledge, raising awareness about critical issues such as rhino poaching to launching new products that drive tourism to our parks.

The Marakele Marathon

The Marakele Marathon, which has become a popular sporting and tourism event in the Thabazimbi area, celebrated its 10th year. Hosted by SANParks in partnership with the Honorary Rangers, the marathon attracted 1 500 runners of all ages and abilities who traversed spectacular Waterberg mountain scenery within a "Big Five" national park. To commemorate the marathon, each year's medal features one of the Big Five. As an official Comrades and Two Oceans Marathon qualifying event, it is one of the key races in the province and attracts runners from across the country as well as international competitors, some of whom return year after year.

The aims of the marathon are to support Thabazimbi social upliftment projects, promote the Marakele National Park and raise funds for Honorary Ranger conservation projects in the park.

Field Ranger Hans Makatu wins 2018 African Ranger Award

Mapungubwe Field Ranger Mr Hans Makatu was awarded the 2018 African Ranger Award by representatives of the Chinese Embassy in South Africa for his dedication to protecting our natural heritage. This award, conferred by the Paradise International Foundation of China, recognises Rangers who are in the front line in protecting rhinos and other wildlife.

Mr Makatu continues to inspire his fellow Rangers with his knowledge, dedication and determination to mitigate threats to the park's assets and maintain the



A group of 'Nama Dancers' from the Riemvasmaak community pose for a group shot at the launch of a social legacy project in Augrabies Falls National Park

integrity of the Mapungubwe World Heritage Site. He is one of the Rangers mentioned in Julian Rademeyer's book *Killing for Profit: Exposing the Illegal Rhino Horn Trade*. In recognition of his award, the park presented Mr Makatu with a visit to the West Coast, Richtersveld and Oranjemund.

Children in the Wilderness hosts successful Tri-Nations Camp at Mapungubwe National Park

In 2018, Children in the Wilderness (CITW) hosted its third successful Tri-Nations Camp at Little Muck Camp in Mapungubwe National Park in partnership with the South African Department of Environmental Affairs, SANParks and the Peace Parks Foundation.

The initiative began in 2015 as a way of including children from South Africa, Zimbabwe and Botswana living in the Greater Mapungubwe Transfrontier Conservation (GMTFCA) areas in CITW programmes.

The camp hosted 18 children between the ages of 9 and 13, six from each country, with boys and girls equally represented. The learners came from Modikwa Primary School (South Africa), Motlhabaneng Primary School (Botswana) and Shashi Primary School (Zimbabwe).

Riemvasmaak Primary School shaded playground: Augrabies Falls National Park

Through the support of the SANParks Social Legacy Project, the Riemvasmaak Community, situated approximately 90 kilometres from the park, now enjoys a shaded area for meetings and community events and playground at Riemvasmaak Roman Catholic Primary School. Riemvasmaak is a neighbouring community to Augrabies Falls National Park and owns the Melksbosrand contractual area. Until recently, the children played in an open area in the extreme Northern Cape heat.

!Ae!Hai Kalahari Heritage Park earns International Dark Sky Sanctuary status

The !Ae!Hai Kalahari Heritage Park, ancestral home of the Khomani San and Mier communities, has been declared an International Dark Sky Sanctuary in recognition of its value as one of the areas in the world least affected by artificial light and therefore ideal for viewing pristine night skies. The park, part of the 38 000 sq km Kgalagadi Transfrontier Park that straddles South Africa and Botswana, was awarded this designation by the International Dark-Sky Association (IDA), becoming one of very few International Dark Sky sanctuaries in the world and joining NamibRand Dark Sky Reserve as the only two in Africa.

The addition of the !Ae!Hai Kalahari Heritage Park as a registered Dark Sky Sanctuary will promote conservation awareness, particularly in the area of light pollution and its mitigation. It will also attract astro-tourism to this remote Kalahari region, encouraging rural job creation and other economic activity for the communities of the area. The sky is spiritually and culturally significant to the Khomani San, one of the world's oldest 'First Peoples', whose culture is full of tales of the sun, moon, stars and galaxies. Maintaining Dark Skies is a cultural imperative for the Khomani San and is part of preserving their traditions and passing them on to younger generations.

!Xaus Lodge in the park has shielded all outside lights so they are kept below the horizontal. Lights at the lodge are minimal and electricity is restricted. It is hoped that, having earned International Dark Sky Sanctuary status, the !Ae!Hai Kalahari Heritage Park will serve as a model and inspiration for other sites in southern Africa and around the world whose night skies deserve to be preserved.

Launch of the Map of Africa: Agulhas National Park

On 26 March 2019, former Minister of Tourism Derek Hanekom unveiled the Map of Africa in the Agulhas National Park. The structure, an impressive 30 meters in diameter, is a relief map of Africa and celebrates the significance of the southernmost tip of the vast continent facing the southern ocean. The map's design lends itself to meditation and quiet contemplation while visitors view the rugged coastline and the confluence of the mighty Indian and Atlantic oceans. This iconic structure is an important addition to visitors' experience of this memorable site.



Map of Africa Monument at the Southernmost Tip of Africa officially opened by former Minister of Tourism Derek Hanekom and an aerial view of the monument in Agulhas National Park



Workers from the Working for the Coast project clean up the beaches of Agulhas National Park

Expanded Public Works Programme

The purpose of the national Expanded Public Works Programme (EPWP) is to create useful employment and develop skills. During the year, the programme created 6 428 fulltime equivalent (FTE) jobs within SANParks, equal to 1 478 391 person days worked by the 15 800 people employed in the various projects. The programme also supported 703 small, medium and micro enterprises (SMMEs) and paid R208 million to these small contractors for services that they provided.

EPWP projects took place in all of the national parks and in areas adjacent to the parks as well as on a national basis for the Environmental Monitor and Eco-Furniture Programme. The approved projects were funded by the Department

of Environmental Affairs (DEA) and the National Department of Tourism (NDT). Biodiversity rehabilitation projects formed the core of the programme, with initial land rehabilitation of 28 491 ha and follow-up rehabilitation of 166 897 ha, taking place in forty wetlands and with 7 170 m³ of retaining and other appropriate structures built.

EPWP projects are part of the DEA's Natural Resource Management and Environmental Protection and Infrastructure programme and of the NDT's Social Responsibility programme.

Table 15: EPWP programmes implemented in 2018/19

EPWP programme	Description	Implementation status
Working for the Coast	Cleaning beaches, rehabilitation of coastal systems and maintenance of tourism infrastructure, including Blue Flag beaches	All projects were completed in July 2018. DEA granted approval in August 2018 for a new three-year cycle and allocated a budget of R 66.5 million. The business plans for the eight participating parks must be approved to enable implementation to start.
Environmental Monitors	Support to conservation functions in parks, buffer zones, provincial nature reserves and private nature reserves	2018/19 was the last year of implementation in a three-year cycle. Over these years, the programme has employed 1 869 Environmental Monitors. The programme was implemented nationally, with 25 host institutions participating.
People and Parks	Infrastructure development and improving integrity of PAs	SMMEs in Mokala and Tsitsikamma national parks assisted with maintenance of infrastructure, while tenders were prepared for construction works. The project in Ais! Ais! Richtersveld did not start as planned, and deliverables have to change to take account of the delay. Implementation of the fence project in Mpumalanga Tourism and Parks Agency's (MTPA's) Bushbuckridge Nature Reserve stopped when communities demanded to be subcontracted. Agreement was reached to employ five local contractors.
Working for Water	Clearing of invasive alien vegetation	Alien vegetation clearing projects were implemented in all national parks and in the integrated zones next to the Kruger, Mountain Zebra, Wilderness and Knysna national parks. In total, the projects achieved initial clearing of 21 235 ha and follow-up clearing of 144 738 ha of alien vegetation.
Working for Ecosystems	Land rehabilitation projects and bush encroachment control	This programme was implemented in all national parks, nature reserves of the MTPA, the Kruger to Canyons Biosphere and the KNP-integrated Buffer Zone. Initial land rehabilitation of 6 211 ha and follow-up of 20 988 ha was achieved.
Working for Wetlands	Rehabilitation of wetland systems	Rehabilitation activities took place on 40 wetlands, with 7 170 m ³ of constructions including gabions, earth works, rock packs, geo-cells and sandbags completed.
Eco-Furniture Programme	Manufacturing of school desks and furniture from alien vegetation	Under challenging conditions with labour disruptions and limited orders for the desks, 27 729 school desks were produced by the seven mills in the programme.
Working on Fire and High Altitude Teams	Fire prevention and control in national parks, and removal of alien vegetation from inaccessible mountain areas and cliffs	Eight firefighting bases continued to operate in the participating parks. High Altitude Teams to clear alien vegetation were deployed in the Table Mountain and Garden Route National Parks.
National Department of Tourism Social Responsibility Programme	Development of tourism infrastructure and maintenance of infrastructure	The Agulhas Southernmost Tip of Africa project was completed and officially launched by Minister of Tourism Mr Derek Hanekom in March 2019. Construction of the Dinosaur Interpretive Centre in Golden Gate Highlands National Park started in April 2018. Planning of the Agulhas Lighthouse Precinct and the Mapungubwe Environmental Education Centre was completed. The Heritage Impact Assessment at Mapungubwe still needs to be finalised. Planning for extension of the Addo Rest Camp is ongoing. NDT made a successful submission to the Job Summit and a R 120 million project approved using 68 small contractors for infrastructure maintenance in all national parks over the next two years.



Operations at an Eco-furniture programme produce school desks from alien vegetation in Garankuwa, Pretoria

Social Deliverables

Sixty-nine per cent of those employed in the EPWP were young people aged 16-35, 54% were women and 2% were people with disabilities. The following table shows the social deliverables achieved by each programme.

Table 16: Social deliverables of EPWP programmes for 2018/19

Programme	No of People	Person days	FTEs	Training Days	SMMEs	Amount paid to SMMEs ('000)	Expenditure Actual ('000)
Planned 2018/19	7 836	1 570 751	6 829	76 613	500	R 195.000	R 486.095
DEA EPIP							
Working for the Coast	382	8 970	39	1 380	34	R 1.660	R 2.390
Environmental Monitors	1 869	416 261	1 810	600	-	-	R 87.745
People and Parks	337	44 761	195	916	24	R 8.566	R 11.698
Sub-Total: DEA EPIP	2 588	469 992	2 043	2 896	58	R 10.226	R 101.833
DEA NRMP							
Working for Water	6 409	38 214	1 657	35 706	307	R 78.889	R 135.888
Working for Ecosystems	3 192	268 486	1 167	19 569	171	R 56.262	R 91.286
Field Guards and Support	139	29 008	126	-	-	-	R 12.988
K2C and MTPA	1 051	90 523	394	6 319	63	R 17.458	R 25.503
Working for Wetlands	562	29 346	128	4 159	27	R 6.992	R 10.614
Sub-Total: DEA NRMP	11 353	798 577	3 472	65 753	568	R 159.601	R 276.279
Eco Furniture Programme	1 542	161 379	702	10 588	70	R 36.224	R 91.000
Working on Fire							
Working on Fire	147	16 354	71	-	-	-	-
WoF: High Altitude Teams	80	18 166	79	-	-	-	-
Sub-Total	227	34 520	150	-	-	-	-
NDT SRP							
NDT Agulhas Icon Project	139	13 923	61	2 339	7	R 2.176	R 1.636
TOTAL	15 849	1 478 391	6 428	81 576	703	R 208.226	R 470.748
Percentage	202.26%	94.12%	94.12%	106.48%	140.60%	106.78%	96.84%

Biodiversity and infrastructure deliverables

The main EPWP deliverables relate to biodiversity and infrastructure and include alien invasive vegetation clearing; land rehabilitation including erosion and control of bush encroachment; wetland rehabilitation; cleaning of beaches and maintenance of infrastructure; support for conservation management through the Environmental Monitor Programme; manufacturing of school desks and other furniture from alien invasive timber; and infrastructure development for tourism and support functions.

The table below shows performance in terms of the planned biodiversity and infrastructure targets. The Eco-Furniture Programme did not receive any orders and operations were scaled down during the year.

Table 17: Biodiversity deliverables of the EPWP programmes, 2018/2019

Deliverables	Planned	Actual	%
Beach clean up			
Working for the Coast beach clean-up (km)	1 138	1 551	136%
Land rehabilitated: Initial hectares (ha)			
Working for Water	28 477	21 235	75%
Working for Ecosystems	1 435	2 398	167%
Mpumalanga Tourism and Parks Agency and Kruger to Canyons projects	4 450	3 813	86%
Working on Fire High Altitude Teams	-	1 045	
Total land rehabilitated: Initial	34 362	28 491	83%
Land rehabilitated: Follow up hectares (ha)			
Working for Water	157 408	144 738	92%
Working for Ecosystems	2 081	7 288	350%
Mpumalanga Tourism and Parks Agency and Kruger to Canyons projects	13 150	13 700	104%
Working on Fire High Altitude Teams	3 936	1 171	30%
Total land rehabilitated: Follow up	176 575	166 897	95%
Wetlands rehabilitated: Cubic metres (m³)	6 799	7 170	105%
Environmental monitors			
EMs appointed	1 796	1 869	104%
Eco-furniture factories			
School desk equivalents (SDEs)	54 154	27 729	51%

Biodiversity Special Projects

Through Biodiversity Social Projects (BSPs), part of the EPWP programme, SANParks aims to benefit the community and conservation by mitigating damaging impacts on the ecosystem, protecting biodiversity in the national parks and providing for the well-being of communities associated with the parks and society at large.

Conservation is part of me

Chris Seemela (31) always dreamed of working with wildlife. "When I was little, I heard about the Big Five. So I made a decision to one day work in conservation. Now I get to protect these animals. I'm currently stationed at Phalaborwa in the Kruger National Park as an armed environmental monitor, and cannot be happier", he said. Chris was hired in 2014 as an environmental monitor (EM) at Phalaborwa. "After that, I got transferred all over the Nxanatseni region." He spent 2015 at Punda Maria rest camp and 2016 at Shingwedzi rest camp before returning to Phalaborwa.

Chris received his training as an armed field guard at the South African Wildlife College. "I am thankful that I got the chance to go there. You learn from the best instructors how to handle any situation in the bush."

Work days are hardly ever the same. "If needed, I go out on patrols with the field rangers. I also look after the Biodiversity Social Projects teams when they work in the field". At times, he helps out with administrative duties and has been involved with collecting and reporting on data on alien plants inside and outside the park – a role that he particularly enjoys. "It really broadened my knowledge of intruder plant identification", he said.

"As an EM, I've learnt so much. This job changed my life, and I will keep on doing my best by staying committed to the conservation of our animals and their natural habitat".

My team comes first

"When I started in 2017 at BSP as a general worker in the Namaqua National Park, I knew that this was my chance to make a sustainable career for myself", said Dineo Jaars (27). During her time at Working for Ecosystems (WfEco), she has qualified as her team's first aid officer.

Before starting work with BSP, Dineo had been unemployed for four years. "Thanks to my contractor, I received first aid training, and that opened new doors to progress in my career", she said. "If you leave BSP, you are ready to progress to a new position at another company with accredited qualifications".

At the start of a typical workday, she has a comprehensive toolbox talk with her team to ensure that they know the safety guidelines and that the first aid field kit is stocked and up to standard. "We maintain a high level of safety during the work day. Fortunately, we haven't had a serious injury. I believe that this is because we pay attention to health and safety standards".

Dineo has big plans for the future. "I'm going to further my studies, and one day become a social worker. I love helping children. I have two young children, and need to set an example that through hard work you can achieve your goals". Her appreciation of BSP, SANParks and the EPWP is clear. "The opportunity I received through these initiatives brings hope to people and shows how workers can provide for their families".



Chris Seemela

'When I was little, I heard about the Big Five. So I made a decision to one day work in conservation. Now I get to protect these animals.'



Dineo Jaars

'I knew that this was my chance to make a sustainable career for myself'

Poverty relief through conservation

SANParks, with the EPWP and BSP, recognises the importance of local community development as well as conservation of natural resources.

Moses Maphuro, leader of the project to conserve Mapungubwe National Park's wetlands, is full of praise for the project's contractors and participants. "Sometimes they don't work under the easiest of circumstances", he said, "yet they perform their duties to the highest standard". Methods used to rehabilitate the wetlands include constructing gabion baskets and strategic packing of rock and brush to avoid erosion.

Speaking about the importance of the work, Stanley Mukama, one of the contractors, said, "My team and I play a unique role in local conservation and community development. My team members are mostly the only breadwinners in their families. This project has positive ripple effects that stretch far into peoples' lives. Thank you SANParks, EPWP and BSP for your commitment to our community".



My job, my passion

"Working for BSP gives me the opportunity to work in nature and receive valuable training which otherwise would not have been possible", said Raylene Swartz (24). "I get the opportunity to learn and interact with people of all kinds and get exposed to different cultures. There's always something new to learn".

Her love of nature led to a definite career choice in conservation. In 2016, she joined the Tsitsikamma Working for the Coast (WftC) team as a general worker and soon qualified as a Health and Safety representative. Her main responsibility is to ensure that the WftC teams constantly adhere to safety standards, spending the rest of her time in the office. "One day I am going to apply to be a full-fledged administration officer at BSP. I already have a lot of experience in administration procedures and it's a natural choice to move up in that field". Correct administration is paramount in Raylene's opinion as it affects timely payments. "People need to focus on priorities, and that is a big one. After all, it affects people's livelihoods".

Raylene's recipe for success is simple. "Don't pass up an opportunity to receive training, and learn from your supervisor and peers. If you are willing to learn, work hard and keep your goals firmly in mind, you will succeed. And if you don't at first, try and try again. Patience plays an important role both in the workplace and life in general".



Empowerment through Conservation

Zingisile Nqwelo (37) is currently a BSP Working for Water (WfW) contractor at Addo Elephant National Park. He sees this as a "once in a lifetime" opportunity to better his life and the lives of those that work for him.

Zingisile's passions are his employees and caring for his community. "I know that most of my team are sole breadwinners. BSP gives workers a platform to develop themselves by empowering them with skills and training. When I started at BSP, it afforded me a chance to take care of my three children and my parents. This also serves as a benchmark for my children to believe in themselves and work hard to achieve both career and personal success".

His life-long interest in conservation led him to a career in environmental protection. In 2005, he started as a general worker but quickly worked his way up to becoming a contractor to the WfW programme. "You must utilise all training opportunities. That is what I did, and it was the best move I've made in my career". As a contractor, he has a number of responsibilities. "On site, I ensure that my team is safe and that the quality of their work is up to standard. The team works with herbicide to eradicate alien invasive plants, and I don't want their safety compromised".

"I would like to become a project manager, but until then I will stay a contractor. This will ensure that my team keep their employment", Zingisile said, adding, "I would like to thank the EPWP and SANParks for including BSP. With the parks' involvement in community development, they ensure a lot of poverty relief for many families".



External view of the Interpretation Centre in Mapungubwe National Park

Infrastructure Development Programme

The infrastructure investment allocation for 2018/19 was R 104.549 million, or R 193 million including funds rolled over from previous years. Execution by contractors and procurement processes affected performance during the year; all construction contractors appointed had B-BBEE Level 2 status or higher. Two large projects under way during the year were the R 270 million Skukuza Safari Lodge in Kruger National Park and the R83 million Dinosaur Interpretive Centre in Golden Gate Highlands National Park. Under the Infrastructure Programme, during the year a range of visitor facilities were upgraded at the Skukuza, Kruger, Table Mountain, Kgalagadi Transfrontier and the Golden Gate Highlands National Parks. Staff accommodation was constructed and upgraded in the Garden Route, Kruger, Mountain Zebra, Namaqua, Kgalagadi and Mapungubwe National Parks.

Work took place on roads and bulk infrastructure in the Table Mountain, Golden Gate and Kruger National Parks and planning for NDT-funded projects was carried out. The Southernmost Tip of Africa project in Agulhas National Park was completed and launched by the Minister of Tourism, and construction started on the Dinosaur Interpretive Centre and associated infrastructure. Progress by the contractor appointed to complete the infrastructure at the Tsitsikamma Big Tree in the Garden Route National Park was slow, and the project will be completed in the next financial year. Planning for the Agulhas Lighthouse Precinct, Agulhas National Park and the Environmental Education Facility, Mapungubwe National Park proceeded. Environmental authorisation was issued for the Phalaborwa Wild Activity Hub and the new Shongoni Gate infrastructure; finalisation of designs will proceed.



Mounted Rangers on an Autumn patrol in Kruger National Park

SANParks Honorary Rangers

SANParks Honorary Rangers (SHRs) is a registered non-profit, public benefit organisation dedicated to assisting SANParks to achieve its objectives. SHRs is proud to be one of SANParks' two non-governmental organisation strategic partners, with the relationship governed by a Memorandum of Understanding.

The SHR purpose of "Honorary Rangers giving our best to conserve our natural heritage" motivates the 1931 strong country-wide volunteer network in their efforts to raise funds for and to provide services to SANParks. Funds are not donated directly to SANParks but are spent on delivering 'wish-list' services and items to parks and, increasingly, to neighbouring communities. The range of these services and items is wide and includes equipment for Rangers; general maintenance; removing alien invasive species; fridges for storing biological

samples; and specialist aviation consulting services. During the reporting period, SHRs spent R7.2m on 'wish-list' items, with a further R244,000 in donations in kind.

SHRs coordinate country-wide activities through National Projects (NPs). These include the Bushcamp NP which hosts guests in national parks at venues largely used and operated by SHR. Funds raised through these activities are used to purchase 'wish-list' items. As well as operating the existing venues under this NP, bush camps are being opened in more of the national parks. The Conservation Services NP raises funds to counter rhino and, increasingly, elephant poaching in the parks. The Interpretation NP is a relatively new focus area, dedicated to assisting with cultural and historical interpretation at sites across the national parks. Junior Honorary Rangers provide activities aligned with the high-school

curriculum to encourage a young generation of conservationists and new members of the SHRs. The newly-formed K9/Watchdog NP assists all national parks that use dogs by funding dogs, food and equipment and by looking after dogs over weekends and during holidays when trainers are on leave. The Project Embrace NP provides specialist trauma counselling and other support services to Rangers and their families who have been affected by poaching activities in the national parks; and the new Sporting Events NP consolidates all SHR-supported sporting events in the national parks and innovates through, for example, the North to South mountain bike tour in Kruger National Park.

During the 2018/19 financial year, SHR volunteers donated 294,000 hours and travelled 3.1million kms in support of SANParks. Other contributions included opening a Muslim prayer facility at Skukuza; supplying new tracker dogs for Project Ivory (a SANParks project to combat elephant poaching in Kruger National Park elephants); supporting a successful horse patrol pilot which has now become permanent; and opening a new bush camp at Loffiesdraai and Kij Kij bush camps in the Kgalagadi National Park.



Field Rangers on anti-poaching operation in Kruger National Park



Veterinary Wildlife Services conducting game capture in Kruger National Park



Peace Parks Foundation

The dream of Peace Parks Foundation, of developing vast, sustainable transfrontier conservation areas (TFCA) that encompass more than half of the declared conservation estate in the southern African region, is ambitious and can only be achieved through collaboration between like-minded partners and donors across the private and public sectors.

As a critical stakeholder in four cross-border protected areas - the Kgalagadi Transfrontier Park, Ai-Ais/Richtersveld Transfrontier Park, the Greater Mapungubwe TFCA and the Great Limpopo TFCA - South African National Parks continues to prove itself a partner that truly shares in the vision of preserving large functional ecosystems including those stretching beyond its traditional geographical mandate.

Rewilding Africa's conservation spaces is one of the ways in which Peace Parks aims to invigorate tourism that will generate revenues to sustain their protection as well as an income for communities living in and around protected areas. Through SANParks, South Africa's Department of Environmental Affairs supports these efforts by sharing surplus wildlife with their neighbours in the transfrontier conservation space. In 2018, a three-year agreement to donate approximately 4000 animals to Mozambique's Ministry of Land, Environment and Rural Development was formalised through a collaboration between the governments to further develop key wildlife areas as part of the Great Limpopo TFCA. Soon afterwards, 291 impala, 153 wildebeest and 85 zebra were moved from Kruger National Park to Zinave National Park in Mozambique. The rewilding of Zinave National Park is a vital step in reconnecting traditional wildlife dispersal areas within the Great Limpopo TFCA and eventually reconnecting the Zinave, Banhine and Limpopo National Parks in Mozambique with Kruger National Park in South Africa and Gonarezhou National Park in Zimbabwe: a vast landscape spanning almost 100 000 square kilometres.

To secure the expansive protected space that is the Great Limpopo TFCA, ranger forces from South African National Parks and Mozambique's National Administration for Conservation Areas, supported by the Peace Parks Foundation, successfully coordinated transboundary anti-poaching operations between Kruger National Park and Limpopo National Park. With transfrontier conservation development as the springboard, teams from both sides are crossing the physical divide in a joint wildlife-crime strategy that guides the collaboration, harmonisation of policies, integration of systems and joint operations protocols between the two countries with bilateral wildlife-crime meetings between the two park managers and field rangers held regularly.

The development of anti-poaching responses from the Mozambique side to match the capacity in Kruger National Park is critical to achieving increased

collaborative apprehensions. During the year, Peace Parks Foundation supported Limpopo National Park in overhauling its law enforcement capability including training additional ranger forces, deployment of helicopters for aerial support, appointment of new senior operational and technical staff and the establishment of central command centres equipped with the latest technological systems. These include a new digital radio system that enables cross-border communications with Kruger National Park.

Strengthened by joint wildlife-crime strategies and integration of systems protocols between South Africa and Mozambique, this law enforcement approach in Limpopo National Park has directly contributed to an almost 70% decrease in poacher incursions from the park into Kruger National Park over the past six months.



Stefan Cilliers (Senior Section Ranger: Mapungubwe National Park and World Heritage Site) hands over equipment sponsored by Peace Parks Foundation to rangers from the three partner countries in the Greater Mapungubwe TFCA



Kudu Awards Innovation winners Meerkat Project representatives Andre le Roux, CSIR (far left), SANParks Board Chairperson Joanne Yawitch, Total South Africa's Managing Director & CEO Pierre-Yves Sachet



Inside Kruger National Park, the innovative and customised Postcode Meerkat wide-area surveillance radar system (its name giving recognition to the People's Postcode Lottery of the UK and the Dutch Postcode Lottery which supported the research, development and deployment of the system) was expanded, with additional sensor systems deployed to significantly increase the area under observation. By the end of 2018, Meerkat had been operationally deployed for the better part of 21 months, with data and information collected through this system contributing greatly to the effectiveness of anti-poaching teams in the park and proving instrumental in saving human and animal lives. On 16 November 2018, the Postcode Meerkat partners - SANParks, Peace Parks Foundation and South Africa's Council for Scientific and Industrial Research (CSIR) - were honoured at the prestigious Kudu Awards with a 2017/18 Innovation Award.

In the Greater Mapungubwe TFCA, successful cross-border collaboration is also seeing great success in conservation efforts. Here, SANParks Rangers and their counterparts in Botswana and Zimbabwe proudly wear a badge showing the flags of all three countries, symbolising their shared commitment. They meet regularly to exchange information and develop strategies to overcome particular challenges. In July 2018, they came together at the riverbed at the confluence of the Shashe and Limpopo rivers where the three countries meet. In celebration of World Ranger Day, they were presented with much needed equipment, a large amount of which was sponsored by Peace Parks Foundation. This included canvas bow tents, binoculars, pepper spray, spotlights, daypacks, water bottles, sponges and handcuffs.

Whilst Peace Parks Foundation and SANParks continued with their successful cooperation to develop and secure wildlife and viable natural habitats, neither organisation lost sight of the people who are most importantly affected by such efforts. SANParks again showed its support to Hlawula Vutomi, a youth engagement initiative presented by Peace Parks Foundation and Laureus Sports for Good and facilitated through the Joint Management Board of the Great Limpopo TFCA. Through fun sporting and educational activities, mentors and children involved with Hlawula Vutomi share experiences and knowledge, teaching each other about the role that they play in protecting the natural and cultural heritage and how this can contribute to securing a brighter future for themselves and their families. Children from five communities in Limpopo National Park, Mozambique have participated in the first two years of the programme and plans are underway to expand it in South Africa and Zimbabwe. A highlight of the programme was the annual visit to Kruger National Park when the young learners were taken on game drives and guided walks in the bushveld and engaged with SANParks experts who presented scientific talks aimed at expanding the young peoples' knowledge of the interconnectedness of people and nature.



Young people from Mozambique have the opportunity to learn about conservation first-hand from experienced SANParks rangers in Kruger National Park



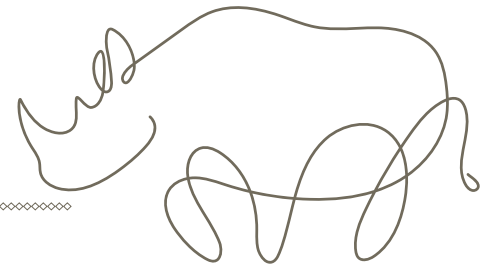
A beneficiary of the Peace Parks Foundation/SANParks Tourism Internship Programme

One of the outcomes identified for the establishment of transfrontier conservation areas in southern Africa is – largely through tourism - to create economically sustainable livelihoods for people living in or near these parks. This requires a large base of skilled tourism-industry professionals who can manage the facilities effectively and provide international-quality service. The South African College for Tourism, which operates under the auspices of the Peace Parks Foundation, provides professional training to unemployed men and women from impoverished rural backgrounds to equip them to take up skilled positions in the nature-based tourism industry. Since 2010, SANParks has supported the college by accepting up to 20 graduates of its graduates annually as interns in the national parks. In 2018, in a bold sign of confidence, SANParks changed the annually renewed arrangement to a five-year agreement with the college to provide monthly stipends for a minimum

of 20 graduates and with SANParks covering all the other internship costs. This internship programme provides the graduates with valuable practical experience for entering southern Africa's burgeoning tourism sector.

Glenn Philips, Managing Executive: Kruger National Park has said that, in protecting our natural resources, SANParks could no longer have a fortress conservation mentality but must develop management plans that look beyond borders to where opportunities exist. It is this forward-thinking and broad-minded vision of conservation that makes South African National Parks such a valuable partner to Peace Parks Foundation in the effort to reconnect the wild spaces of South Africa and the Southern African Development Community and create a balanced and sustainable ecotourism system for the whole region.

Conservation Services



Field ranger monitoring the plains of Darlington section in Addo Elephant National Park

Conservation Services continued to ensure that implementation of SANParks' conservation mandate goes beyond mere policy making. Important biodiversity and associated ecological processes (key socio-economic drivers within multi-sector landscapes that make a significant contribution to local and regional economies) were put in place. Faced with challenges including climate change, sustainable development and building responsible tourism, visionary leadership in biodiversity conservation will remain essential for guiding and driving these processes.

Improved Representative Conservation Estate

Park expansion and consolidation

SANParks contributes to the implementation of the National Development Plan and the global Sustainable Development Goals by increasing the national conservation estate representing the country's biodiversity, landscapes and associated heritage assets and enhancing regional conservation linkages. Approximately 5 350ha were added to the national conservation estate in 2018/2019. Two portions of Olivierskraal, for inclusion into Tankwa Karoo National Park, were purchased through the Leslie Hill Succulent Karoo Trust fund; purchase agreements for both portions have been signed and a letter received confirming land inclusion into the park.

A draft Contractual Agreement between SANParks and the National Research Foundation was endorsed, paving the way for establishing a new National Park of approximately 130 000ha in the vicinity of the Square Kilometre Array Astronomy Research Facility in Northern Cape Province. SANParks continued to participate in discussions towards establishing a new PA in the High Altitude grassland region of the north-eastern part of Eastern Cape Province and is engaged with several stakeholders, including ESKOM, Juwi and Kropz, on biodiversity offsets.

Following Cabinet approval of twenty new Marine Protected Areas (MPAs) for declaration, SANParks continued to participate through the Phakisa MPA Technical Task Team in updating regulations and maps for three new MPAs (Addo, Robben Island and Namaqua) which it will manage.

Protected Area evaluation

Park-specific State of Biodiversity (SoB) management reports were completed for each of the nineteen National Parks. The SoB tool is a mechanism for effective and adaptive park management decision-making, highlighting the linkages between park management plan objectives and action on the ground and is an important element in the organisation's assessment tools for measuring management effectiveness of biodiversity conservation at park level.

The METT-SA 3 is a South African tool, based on a global standard, used to measure the effectiveness of PA management, primarily in terms of the extent to which it protects the values and achieves the goals and objectives of the PA. Sixteen of the National Parks achieved a score of above 67 per cent during the 2017/2018 METT SA-3 assessment. The remaining three parks showed a significant improvement in the management of these PAs after implementation of specific management actions identified as required at individual park level. Addo Elephant Park National Park improved management effectiveness from 59 per cent to 71 per cent, Tankwa Karoo National Park from 66 per cent to 72 per cent and Kruger National Park from 61 per cent to 67 per cent. During 2019/2020, all parks will implement actions identified for improving management effectiveness.

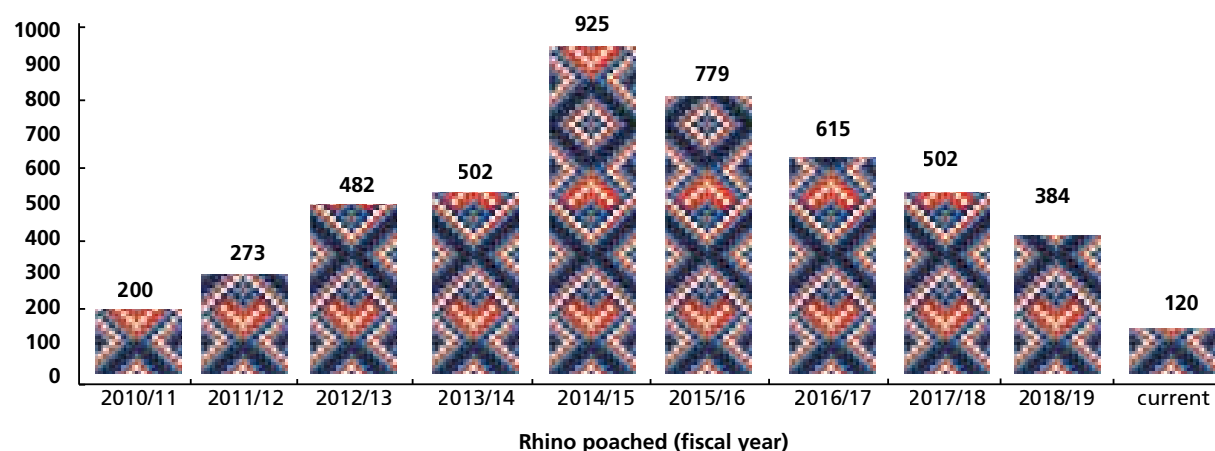
Bioregional integration

SANParks leads a five-year project funded through the Global Environmental Facility (GEF 5) to expand representation of globally important terrestrial habitats by establishing new PAs covering 197 000 ha in South Africa and improving management effectiveness on an additional 1 100 000 ha through integrated management planning, monitoring, evaluation and improved PA buffer zone interventions. The project also aims to ensure financial sustainability of the PA estate by reducing the cost of expansion and improving cost efficiencies within PA management agencies. The project is on track and expended 100 per cent of the available budget in achieving the following activities: testing and training on the Web-based METT assessment tool; consent letters from landowners to declare an additional 137 095 ha as part of the Protected Environment between Mountain Zebra and Camdeboo National Parks; completion of the Conservation Development Framework for the Richtersveld, including fencing the Kleinduin section in the vicinity of Richtersveld National Park; and biodiversity assessments on several properties in the SANParks/Cape Nature West Coast Corridor.



Buffalo enjoy cover near Skukuza Camp in the Kruger National Park

Graph 1: Total rhino poached



Effectively Managed Ecosystems, Species and Cultural Heritage

Park Planning and Management Plans

The stakeholder consultation process for revision of the management plans for the Mapungubwe and Garden Route National Parks included eight public meetings between April and June 2018, with 397 stakeholders participating. A further two public meetings, with 155 participants, were held in February and March 2019 to discuss the draft management plan for Mapungubwe National Park. Most of the participants were local community members and culturally associated communities. The revised Management Plan for Mapungubwe was submitted to the Department of Environmental Affairs for technical review. Completion of the revised Management Plan for the Garden Route National Park was extended by six months due to the extensive wildfires of October 2018. During the review process, the main emphasis was on articulating the desired strategic direction that these parks will follow for the next ten years and on updating the park zonation. Cultural heritage management has been identified as an important focus area and a programme with supporting initiatives has been included in both the Mapungubwe and Garden Route Management Plans.

Effective management of key species Rhino management

Continental trends show that South Africa, Namibia, Zimbabwe and Kenya remain the key range states for both black and white rhino and that South Africa has the largest number of rhinos. By the end of 2017, the continental trend was one of declining white rhinos and stabilising numbers of black rhinos.

Rhinos' status in SANParks differs across parks. Kruger National Park is a key park for the southern white rhino (*Ceratotherium simum simum*) and the south-central black rhino (*Diceros bicornis minor*). During 2018, there were between 151 and 441 south-central black rhinos and 2 994 to 5726 southern white rhinos in Kruger National Park. Six other parks (Addo, Karoo National Park, Mapungubwe, Marakele, Mokala and Mountain Zebra National Parks) manage important rhino populations including the south-western black rhino *D. b. bicornis*. In 2018, at least 200 south-western, 80 south-central black rhinos and 340 southern white rhinos lived in these parks.

To achieve the vision of restored and maintained viable populations of white and black rhinos and to address current threats that they face across its parks, SANParks implements a four-pillar integrated approach to conservation of the species: i) compulsory anti-poaching and crime disruption; ii) innovative biological management to enhance rhino population growth; iii) long-term sustainability through improving the well-being of people; and iv) coordination and collaboration that embraces all of society.

During the year, compulsory anti-poaching and crime disruption primarily focused on proactive protection of rhinos through dedicated Rangers using various technologies to assist in detecting, pursuing and apprehending poachers. The Rangers' effort is supported by a fleet of aircraft as well as detection technologies, including the successful Meerkat radar system being trialed in Kruger.

Despite these resources, rangers and the support they receive face challenges. With great sadness, SANParks lost Field Ranger, Respect Mathebula in the course of duty. Respect was killed at the age of 34 in an incident involving a shoot-out between Rangers and suspected poachers at Crocodile Bridge Ranger Section of Kruger on 19 July 2018. His death, together with several attempts by poachers to shoot down SANParks helicopters and a pipe bomb detected in the Pretoriusskop area, have highlighted the extreme dangers under which Rangers operate.

To address some of the longer-term challenges faced by its men and women at the forefront of the anti-poaching effort, SANParks emphasizes Ranger wellbeing. One example is Project Embrace, supported by SANParks Honorary Rangers, World Wildlife Fund Kheta and Stop Rhino Poaching; this provides legal and psychological support to Rangers engaged in traumatic, stressful and demanding anti-poaching tasks.

Through the efforts of its Rangers during the reporting year, Kruger National Park saw a 23.6% reduction to 384 in the number of rhinos poached from 502 in the previous year. Reasons for this improvement include Ranger efficiencies in early detection and follow-up on poacher incursions, good tracking skills, deployment of canine resources, application of detection technologies and rapid reaction capabilities making use of air assets. Joint operations between SANParks and the South African Police Service and Defence Force resulted in an additional 119 arrests outside Kruger National Park, with a significant increase in arrests of middlemen and poaching gang organisers. Alliance partnerships across park and international boundaries within the Greater Limpopo Transfrontier Conservation Area (GLTFCA), including the Greater Kruger Environmental Protection Forum (GKEPF), continue to evolve with good results.

Even so, intentions by criminal elements to enter Kruger National Park and attempt to poach remained strong.

Rangers noted a total of 2 460 poacher activities, or 7.2 per day, similar to the previous year but lower than the 7.8 per day of 2016. Even though similar levels of incursions were experienced to the previous year, rangers arrested 233 poachers, a 22.6% increase from the 190 arrested the previous year. Rangers also confiscated 101 firearms.

In smaller rhino range parks, implementation of anti-poaching is guided by park-specific protection plans. The dedication of the Ranger force and implementation of the Rhino Protection Plan focused on tactics including deployment, training, commitment, planning and effective use of force multipliers such as dogs, equipment and intelligence. Despite this, managers reported three poaching incidents in these parks: two white rhino bulls in Marakele and one bull in Mokala. Of concern is that authorities reported cases of poaching in areas close to various smaller parks, including nine near Addo, six near Mokala, four near Marakele and one near Mapungubwe.

Overall, the number of rhinos poached decreased. However, it is of particular concern that in Kruger National Park the proportion of rhinos poached remained at 7.5% of the population, similar to what it was in the past two years. Although hard to illustrate, the trends would probably be much worse if SANParks did not have in place compulsory anti-poaching activities: a combination of improved access and movement control and a strong anti-corruption stance.

Biological management to enhance rhino population growth consisted of a number of major ongoing and new interventions. Tuberculosis (Tb) quarantine of Kruger National Park by the Department of Agriculture, Forestry and Fisheries (DAFF), ongoing since 2016, continues to restrict the movement of rhino and SANParks' ability to establish rhino strongholds in smaller areas in partnership with private land-owners. SANParks together with DAFF has developed a management plan for the quarantine and testing of rhino for tuberculosis that would allow future translocations out of Kruger National Park. However, construction of quarantine bomas and supporting infrastructure is required before the Tb-management plan can be implemented.

Given the population decline in Kruger National Park, innovative biological management of rhino remains a strategic priority for SANParks. The ongoing white rhino demographic research project in the park has highlighted three key aspects. First, white rhinos move extensively, primarily driven by the location of key food and water resources. Second, loss of cows has long-lasting compound effects because of the death of dependent calves and of unborn calves from that cow. Third, new rhinos quickly take up the available space left by translocated rhino while internally translocated rhinos consistently move into high poaching risk areas. This knowledge will continue to inform approaches to reducing the impact of poaching on rhino cows by providing maximum protection and

breeding opportunities. Implementing guardian approaches for black rhino in Kruger National Park focused primarily on priority security in the core black rhino areas, biological management and dedicated science support.

The objective of long-term sustainability to improve the well-being of people is embedded in SANParks' socio-economic development initiatives and associated wildlife economy projects. The Global Environmental Facility Protected Area Program (GEF PA) and the WWF Khetha Program focus on areas surrounding Kruger and aim to secure a range of sustainable land use practices through stewardship and good governance, further developing and promoting socio-economic opportunities linked to and compatible with conservation. Support was received for the establishment of Kruger-community liaison offices in various localities outside the park with the aim of improving knowledge transfer between communities and conservation partners.

Sustainability of funding for these integrated approaches to the conservation of rhinos remains a key challenge, requiring SANParks to form strategic alliances with NGOs and the private sector. The GEF PA has committed R2 000 000 to develop the

Socio-economic Strategic Partnership Programme over the next 10 months, with a key focus on identifying sustainable funding streams and mechanisms related to the Greater Kruger PA network.

Coordination and collaboration that embraces all of society speaks to the importance of relationships and joint efforts towards conservation imperatives. In this regard, SANParks, led by Chief Executive Officer Mr Fundisile Mketeni, signed the GLTFCA Cooperate Agreement on 5 December 2018. This seeks to address conservation matters and to tap into opportunities in the open system of the Greater Limpopo Transfrontier Park and the surrounding GLTFCA conservation areas.

SANParks, as a member of the African Rhino Specialist Group (AfRSG), participated in the group's biennial meeting in Namibia. This focused on the translocation challenges experienced by Kenya, South Africa and Chad. A key finding was that present habitat assessment procedures are inadequate and require substantial adaptation.



Tourist guide showing guests the landscape in Marakele National Park

Elephant management

Elephants provide many benefits and are a keystone species in the parks in which they occur. However, they also present significant conservation management challenges. SANParks’ ability to manage the species and the role it plays in these ecosystems is constrained by legislation, by what society considers acceptable interventions, by the global decline in elephant populations and by the effects on livelihoods when elephants leave the boundary of PAs. SANParks manages its elephants in terms of its elephant management plan with annual implementation activities. In 2018, the organisation achieved 74% of its planned activities and targets.

The effects of elephants on a specific area primarily relates to how they use these landscapes, with food, water, comfort and safety resources being key determinants of intensity of use. Within Kruger National Park, SANParks continued with the restoration of natural gradients of these resources. A key element was the development of zones of increased vigilance that seek to mimic the gradients of safety associated with the historical presence of people. This focused on defining local areas of concern where the effects that elephants have on various values contrast with the broad objectives that the park seeks to achieve.

Due to spatial limitations, parks such as Addo, Mapungubwe and Marakele are not able to restore a full complement of resource gradients to manage elephant populations and therefore have to actively manage elephants to mimic

the influences that resource gradients would have on elephant numbers and distribution. Contraception of a proportion of elephant cows continued in Addo and a herd was moved from the Main Camp Section to the Darlington Section to mimic a colonisation event, prevented from occurring naturally by fences and fragmentation. Within Addo, SANParks manipulated elephant distribution by opening up access to water holes in the north and restricting it in the south.

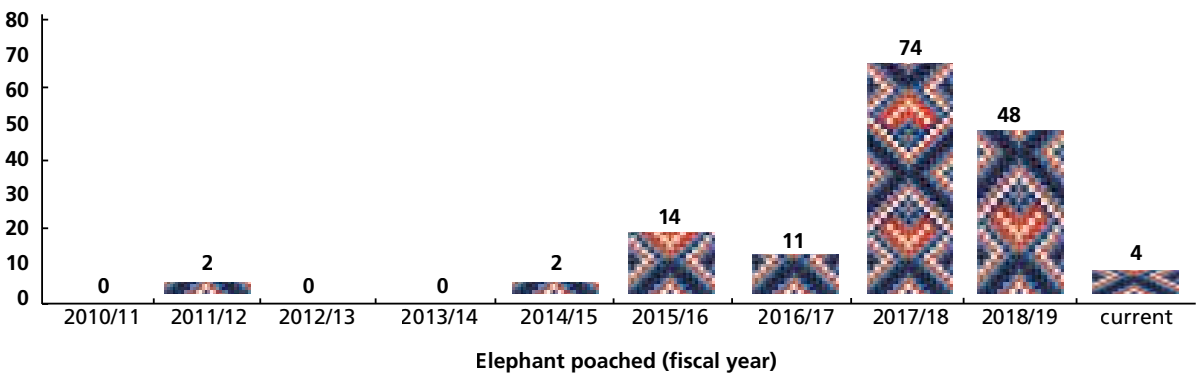
In Marakele National Park, vegetation impacts in sensitive areas continue to be monitored and there appears be recovery of certain vegetation features despite access by elephants, halting the immediate need for elephant exclusion fences.

To manage the effects that elephants have in Mapungubwe, SANParks has started realigning fences to exclude elephants from sensitive vegetation. These exclosures will be completed in 2019.

Efforts to ensure the persistence of elephants focused mostly on Kruger National Park where poaching is a potential threat to population integrity. Responses to this threat are integrated with those to address rhino poaching.

During the reporting year, the number of elephant poached fell by 35.1% (48) compared with the 74 of the previous year.

Graph 2: Total elephant poached





'Oupoot' - A single elephant cow in the Knysna section of the Garden Route National Park

Ensuring the persistence of elephants in the Garden Route National Park presents a different challenge and SANParks has identified various factors leading to a continued decline to the point where a single elephant currently remains.

Future management, in the form of reintroduction or mimicking the role that elephants play in the Knysna forest, will depend strongly on landowner agreement and co-decision making.

Collaboration and integration are embedded in the realisation that elephants, specifically in Kruger National Park, span many land uses and different owners. Engagement with stakeholders around parks containing elephants is key to SANParks' participation in the ongoing development of a National Elephant Management Strategy for South Africa, following the revision of the National Norms and Standards for the Management of Elephants. SANParks highlighted various challenges, some of which were addressed in the review process. The revision process also made clear the need for a national vision and approach for elephants. SANParks and South African National Biodiversity Institute used this to motivate the process of establishing a National Elephant Strategy under the auspices of DEA. Key elements that require attention include developing the full spectrum of sustainability options associated with elephants that can also contribute to the well-being of the people of South Africa.



With the exception of the Garden Route National Park, the status of elephants in SANParks shows a continued increasing trend: at the end of 2018 the available estimate for Kruger National Park was 19,995; Addo was 619; Mapungubwe was 344 and Marakele was 308. Although SANParks does not survey elephants annually, the best information available highlights the organisation's increasing contribution to elephant numbers and well-being in South Africa and across the continent.

Predator management

Predators at the top of the food chain, such as lions, are key drivers of diversity in savannah ecosystems as they create gradients of predation pressure that result in different combinations of species. Competition between differently-sized predators limits their impact on prey and the overabundance of any particular group of predators. A growing body of knowledge suggests that predators do more than cause the immediate death of their prey but, through creating a landscape of fear, select where and when prey feed. Observing predation is a key attractant for visitors to the national parks. On the other hand, predators can cause damage to neighbours, property, livelihoods and humans.

Introducing large vertebrate predators, specifically lion into smaller parks, comes with many challenges for SANParks. In small fragmented parks, the absence of natural population control mechanisms and spatial limitations means that predators need to be actively managed to control numbers, dispersion and genetic flow while preventing them from conflicting with neighbours when they leave the parks. These predators can also erode other tourism values of the parks, such as self-guided walks.

Maintaining populations by managing threats to predators in large parks focused on addressing disease threats specifically that of a canine distemper outbreak in Kruger that resulted in significant deaths of wild dogs. SANParks and DAFF vaccinated most packs and also deployed satellite tracking devices to monitor outcomes of the intervention. Data is currently being analysed as to the levels of protection conferred by the vaccination and determine what would be the most efficient ways to protect wild dogs from this domestic dog diseases. Distemper is currently not a disease controlled by DAFF, and therefore no state-implemented vaccination against the disease takes place in domestic dogs.

Lions living in the Kgalagadi Transfrontier Park (Kgalagadi) received some attention given that there were more sub-adult males than sub-adult females in the population. This could cause challenges for the persistence of the population, and result in a more immediate increase in dispersal males leaving the park and entering into conflict with people. SANParks, together with an international research team, captured and collared 16 adult lions living in the Kgalagadi. Over the next 10 months, the researchers will determine how lion movements and behaviour influence their energetics, especially if the females are also pregnant. SANParks anticipates that the information will be very valuable to understand the drivers behind sex-imbalances/skewing in the populations as well as to inform management approaches to dispersal animals leaving the park.

SANParks continued to investigate factors that dictate the dynamics of crocodiles, a key predator in the terrestrial-aquatic interface. Researchers fitted 10 satellite transmitters with internal temperature tags to crocodile cows in the Olifants Gorge in Kruger. The study is ongoing and forms part of a broader programme to understand top-down regulation of aquatic systems.

Mimicking the effect of predators in small parks focused mostly on managing lions and cheetahs. SANParks move and introduce lions and cheetahs to mimic the normal dispersal dynamics. At the same time SANParks place most females on








contraception. A key challenge was the unavailability of contraceptive drugs for an extended period before and during the fiscal year. This resulted in most small parks where lions live having high numbers of lions with intensified impacts on prey populations. Although of lesser concern, the growth of cheetah populations is also worth noting. SANParks has embarked on an intensive distribution of lions making use of the network of private and provincial reserves as part of the meta-population lion management approach that South Africa has adopted. This process will be completed in the 2019/2020 fiscal year.

Managing damage-causing animals received extensive media exposure primarily because of a male lion that left the Karoo National Park. The lion was recovered after extensive tracking and searching. The incidence of male lions leaving Kruger also increased due to the positive response in the population to increasing prey availability and the recent drought the region experienced.

SANParks provided leadership as the chair of the Lion Management Forum, a platform for best practice sharing and integrated management of small lion populations across many properties in South Africa. SANParks also contributed to the National Lion Task Team convened by DEA, which oversees implementation of the National Biodiversity Management Plan for Lions. SANParks also participated in the implementation of the National Biodiversity Management Plans for Wild Dogs and Cheetahs overseen by Endangered Wildlife Trust. SANParks also had influence at the international scale and is represented at the African Lion Working Group affiliated with the Species Survival Commission of the IUCN. SANParks continues to advance the conservation discourse by participating in discussion focusing on contentious issues such as lion bone trade, trophy hunting and the establishment of a global lion conservation fund.

The status of predators is largely good, and SANParks continues to contribute to large carnivore conservation in nine of its parks. Large predator numbers are stable or increasing in these parks, due to increasing space in the case of the three TFCAs (Kruger, Kgalagadi and Mapungubwe National Parks) and good environmental conditions.

Table 18: Large carnivore presence and abundance in national parks

							
Park	Lion	Leopard	Spotted Hyena	Brown Hyena	Cheetah	Wild dog	Crocodile
Not completely fenced							
Kruger	1680-1850	1630-2860	7000-7860	Vary Rare	330-500	140-160	1739
Kgalagadi	237-256	150	375	600	200	Very Rare	-
Mapungubwe	Present	Present	Present	Very Rare	Very Rare	Very Rare	Present
Completely fenced							
Marakele	15	Present	Present	Present	Very Rare	Very Rare	Present
Mountain Zebra	11	Present	-	Present	6	-	-
Karoo	23	Present	-	Present	-	-	-
Addo	19	Present	14	2	2	-	-
Augrabies	-	Present	-	Present	-	-	-
Mokala	-	Present	-	Present	-	-	-



Open water rafting at Bontebok National Park

Biodiversity Monitoring

Monitoring the status of, and threats to, biodiversity in PAs is becoming increasingly important. It encompasses not only quantitative monitoring of the species of fauna and flora but also the processes and mechanisms that generate, maintain and threaten them. There are a number of diverse monitoring programmes across the SANParks estate aimed at detecting trends in biodiversity over time, assessing threats, evaluating the outcomes of management action and contributing to better understanding of parks' ecology. During the year under review, 164 monitoring activities were completed, or 98.2% of planned activities. Some of these are described below.



Indigenous trees form a towering canopy at Harkerville in the Knysna section of the Garden Route National Park

Freshwater systems monitoring

Macro-invertebrate biomonitoring (using SASS-5 methodologies (SASS = South African Scoring System assessment of biota in rivers) took place in Table Mountain and Bontebok National Parks. While Cecilia Ravine and Disa Rivers are in relatively good health on Table Mountain, the Breede River in Bontebok National Park had very low to stagnant flows resulting in poor ecological health.

Water quality monitoring was carried out in Table Mountain National Park streams as part of a long-term project to monitor streams that are part of the current or historical habitat for the critically endangered Table Mountain Ghost Frog.

Botulism-related waterbird mortalities continued in the Wilderness lakes of Garden Route National Park during the summer months of 2018/2019. The most affected species are red-knobbed coot and duck and geese species. There is currently a downward trend in annual botulism related deaths, with recorded totals decreasing from 615 in 2015 to 120 in 2019.

Annual river health surveys along the five major perennial rivers in Kruger National Park were completed. Together with ongoing river flow and water quality monitoring, fish, macro-invertebrates, diatoms, micro-plastics and instream habitats were assessed. In addition, a baseline fish survey of the seasonal Shingwedzi catchment was completed, the first survey of its kind since the 1960s.

Marine and estuarine monitoring

The monitoring of avian influenza in seabirds in coastal parks continued. Swift terns were most severely affected but other species including African Penguins also contracted the disease. Monitoring indicates that the outbreak appears to be receding.

Estuarine line fishery monitoring included Swartvlei and Knysna estuaries in the Garden Route National Park. In Knysna, 177 anglers were interviewed with total estimated fishing effort at 1 171 angler outings with 3 162 fish estimated to be caught.

Surveys on the Sundays and Wit Rivers of Addo Elephant National Park found the Sundays River in a relatively poor state, influenced by human activities upstream of the park. The Wit River, located within the park, is relatively pristine and conserves the macro-invertebrates of the Sunday River catchment.

Baited remote underwater video (BRUV) surveys to monitor key fish species is ongoing in the Garden Route National Park and have been initiated in West Coast National Park MPA.

Acoustic tracking receivers were retrieved and re-deployed in False Bay, Hout Bay and Robben Island as part of the white shark and cow shark monitoring and research.

A reception range testing experiment for acoustic tags on marine reefs was successfully conducted within the Tsitsikamma MPA. The research investigates impacts of cold upwelling events on fish behaviour and whether there are fishery induced changes in the fitness of fish populations.

Field work started on re-assessing the state of biodiversity and exploited species in the Table Mountain National Park MPA. A total of 44 sites inside the MPA were surveyed for abalone, west coast rock lobster, kelp, urchins and alikreukel.

The annual fish community assessments were completed for Swartvlei Estuary and the Wilderness Lakes system. In both systems, estuarine resident taxa dominated catches in terms of numbers whilst estuarine-dependent marine species contributed the greatest biomass. Langvlei and Rondevlei catches were dominated by a freshwater species.

Prawn abundance surveys were undertaken in Knysna estuary to aid in understanding relationships between sandprawn and eelgrass and to determine trends in prawn banks over time.

Vegetation monitoring

Vegetation monitoring in Golden Gate Highlands National Park was conducted to assess changes in species composition with herbivory, fire, rainfall, degradation and restoration as key drivers in the grassland ecosystem.

The re-measuring of trees in permanent forest sample plots in Garden Route National Park. More than 900 plots were established during the 1980s to early 1990s and are re-measured every 10 years to provide data on forest tree growth, survival, and recruitment in areas where timber is harvested as well as unharvested areas.

Monitoring post-fire recruitment of Proteaceae species was conducted in mountain fynbos in Garden Route NP. Preliminary results indicate relatively good fynbos recovery after the fire although recruitment success differs between sites and burns of different fire intensities.

Monitoring the impact of elephant on large trees in Kruger National Park was conducted along the Sabie River where 1,363 trees were re-surveyed.



A school of dolphins takes flight of the waves on the coastal shores of Wilderness section of the Garden Route National Park

Animal dynamics and censuses

Aerial census surveys were undertaken in Tankwa Karoo, Table Mountain, Namaqua, Golden Gate Highlands, Addo, Mountain Zebra, Karoo, Camdeboo, Mokala, Kruger and Marakele National Parks.

Ground-based river and dune animal counts continued in Kalahari Gemsbok National Park to determine long-term population herbivore trends, distribution and movements within the park and into the Transfrontier system.

Restoration monitoring

Restoration monitoring was undertaken in Mokala, Mountain Zebra and Karoo and Golden Gate Highlands National Parks to evaluate the progress of recovery in priority restoration areas identified for intervention in 2018-19.

Land degradation assessments and restoration plans were completed for Mokala, Tankwa Karoo and Camdeboo National Parks.

Follow-up investigation was conducted to determine the effectiveness of the 2018 release of biological control on the aggressive invader pompom weed in a section of Marakele National Park. It indicated that the weed is still dominant in the area and a further release of the biocontrol agent is required.

Climate change and related environmental change drivers

Significant progress was made towards the completion of SANParks Climate Change Adaptation Plan. Co-development with the various park has been completed. This plan included the review of approaches for improving SANParks' climate change preparedness. A book chapter on the relative importance of different drivers of global environmental change in the South African context was drafted in collaboration with Stellenbosch University and suggests that a stronger research focus on the interactions between climate change and other change drivers such as land use, pollution, overharvesting and alien species is required.

The carbon footprint assessment for SANParks corporate headquarters in Groenkloof was completed using a 5-year baseline. Energy supply and air travel were found to be the most significant sources of greenhouse gas emissions. Switching to renewable energy and hi-speed video-conferencing are easy ways SANParks can reduce its carbon footprint. An assessment of the entire national parks estate is underway to provide a holistic picture since some parks have begun with renewable energy while others are still heavily fossil fuel dependent.



Kudu graze the flowering fields in Addo Elephant National Park



People and Conservation Officers Cultural Heritage Training Workshop in Kruger National Park, February 2019

Cultural heritage management

All 40 planned activities in the Cultural Heritage Implementation Plan were implemented in the reporting period. After a thorough consultation process, the Cultural Heritage Management Improvement Strategy was completed; the Heritage Agreement between SANParks, the University of Pretoria and the South African Heritage Resources Agency was finalised; and business plans for fundraising for the development of an Interpretation Centres at the Thulamela Heritage Site and in Table Mountain National Park have been developed. The workshop for Cultural Heritage Professionals resulted in insightful recommendations on how SANParks can improve cultural heritage research in parks and increase cooperation with cultural heritage professionals. A training workshop with People and Conservation Officers in parks resulted in recommendations on how to improve management of cultural heritage resources at park level. The workshop was led by Professor George Abungu (archaeologist from Kenya) alongside presenters from eZemvelo KZN Wildlife, Cape Verde, Senegal, Mozambique, and Zambia in partnership with the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM), the African World Heritage Fund (AWHF), the International Union for Conservation of Nature (IUCN), the Robben Island Museum, the Department of Environmental Affairs and the National Department of Tourism (NDT).



Guests visit the Big Tree Precinct in the Tsitsikamma section of the Garden Route National Park



John Donaldson giving a presentation at the 2019 Savanna Science Network held in Skukuza, Kruger National Park

Knowledge for Decision Making

As custodian of South Africa's national park estate, SANParks makes use of engaged science to produce reliable and relevant information that contributes to responsible management and conservation of its assets. SANParks' in-house researchers co-learn with national and international researchers in a range of disciplines and with conservation planners, practitioners, policy makers and the public. This socially engaged science changes the focus from knowledge transfer to knowledge co-production. Indicators of this engaged science include the number of registered research projects; SANParks-authored and/or co-authored scientific publications; international science meetings hosted; academic conference presentations; representation on national or international advisory groups; and production of SANParks' annual Research Report.

In 2018/19, 78% of the 314 registered research projects were rated as essential and/or important to SANParks' key issues and aligned with research themes identified in the organisation's draft research strategy. Themes include ecosystem structure, function and process; ecosystem services; sustainable use; global environmental change; adaptive governance; cultural heritage; integrated land-use; and effective social engagement. SANParks' embedded scientists play a key role in facilitating and leveraging external research to meet the organisation's knowledge needs.

Acknowledging the ongoing and longer term commitment required to publish peer-reviewed papers and book chapters, 2018/19, saw the successful completion of six book chapters and 49 articles by SANParks researchers. SANParks' scientists' substantial services to the scientific community also took the form of 46 peer reviews of scientific manuscripts submitted to accredited journals; 16 external examinations of post graduate dissertations; 12 editorial roles in scientific journals; and theme chairing at a conference.

SANParks hosted two major science symposia during the year. The 2nd Garden Route Interface Meeting (GRIM) took place from 2-4 October 2018 at Pine Lake Marina, Sedgefield. Presented in collaboration with partner organisations Nelson Mandela University and the French CNRS, it was attended by 73 delegates from South Africa, France, Finland, Spain, Canada, Kenya and Nigeria. GRIM was followed by a five-day Spring School for post-graduate students interested in social-ecological research, hosted by the same partner organisations. The 17th annual Savanna Science Network meeting in Skukuza from 4-7 March 2019

was attended by 201 delegates from 92 different scientific and conservation organisations from across the world. The programme included 126 platform and 26 poster presentations, with a strong focus on climate change and its effects on protected areas, and a session on lessons learned during the recent drought in the lowveld and on bush encroachment in savannas. Other keynote talks dealt with governance and management of rivers in the complex Lowveld socio-ecological system and with the upcoming global CITES meeting.

SANParks staff presented 41 platform papers at formal academic conferences, symposia and specialist meetings and the organisation was represented at 63 engagements of national or international advisory working groups. Issues addressed include alien animals, aquaculture development, seabirds, marine top predators and ecosystem-based adaptation. There were also 129 knowledge and information sharing initiatives with various stakeholder groups; these took the form of presentations, popular press articles, lessons, lectures and interviews for TV, radio and online platforms.

A highlight, as is the case every year, was the SANParks Annual Research Report, widely distributed to key stakeholders and collaborators within and outside the organisation. The 2018/19 edition is currently being edited for publishing.

Contribution to the Wildlife Economy and Sustainable Resource Use

The Department of Environmental Affairs' Wildlife Economy, Expansion, Empowerment and Development Programme aims at growth and fair access to and equitable sharing of benefits arising from the wildlife economy. Since, for ecological reasons, many of the National Parks that it manages periodically need game to be removed, SANParks is a key implementation and delivery agent of the Wildlife Economy Programme.

During the reporting year, 719 animals were captured and translocated as part of this programme; 577 animals went to emerging game farmers and 142 to local communities, with the cost of implementing the wildlife loans to emerging game farmers estimated at R12 million. Animal disease restrictions in some parks, particularly Kruger National Park, continued to limit SANParks' ability to translocate and sell animals from these parks.

Resource Use: Mopane Worm Harvesting

Historically, tourism has been the main beneficiary of national parks. More recently, however, there has been an increased awareness of national parks' potential as a source of a wider range of natural resources. The purpose of the SANParks Resource Use Policy is to enable sustainable use of renewable and non-renewable resources through managing biodiversity and sharing the socio-economic benefits from harvested resources within national parks. In keeping with this policy, in 2010 SANParks started a pilot project to assess the impacts of a small-scale Mopane worm (larvae of the mopane moth *Imbrasia belina*) harvesting in the northern part of Kruger National Park.

Mopane worms are an important and widely used source of protein in rural and urban Southern African households, particularly in times of hardship. In 2018, the assessment report of the economic and social impact of the pilot harvesting project was completed. Harvesting was only able to take place over two seasons in 2010 and 2012 but it supported 223 harvesters from 19 different villages. Participants came from households of approximately 6 people each typified by low incomes (an average of R1791 per household) and highly dependent on natural resources (over 98% used wood as the primary fuel source), subsistence agriculture (almost 55% of households owned livestock and 100% planted crops) and social grants (these made up almost 80% of total household income). Respondents harvested a mean of 27.83 litres of worms valued at between R393.59 and R562.27 and contributing between approximately 45% and 50% of household income during the harvest months. As well as the economic benefits, harvesters spoke of the positive experience of visiting Kruger National Park - many for the first time - and being able to engage with the rangers.

In March 2019, a large outbreak of mopane worms in the Shangani section of Kruger National Park allowed for another harvesting season. Three villages participated, each sending 10 harvesters every day and harvesting between 5 and 25 litres of worms each, a total of approximately 20,000 worms.

Rezoning the Tsitsikamma MPA to allow for sustainable resource use

The annual report on monitoring the ecological and social impacts of rezoning of the Tsitsikamma MPA for shoreline fishing dealt with intertidal bait organisms; fishing effort at access points; assessing fish populations using baited remote underwater video; and community perception data obtained through interviews. This research forms part of longer-term trend detection of the potential impact of shoreline fishing.



Marking of no take zone in Tsitsikamma Marine Protected Area of the Garden Route National Park



Tourism Development and Marketing



Tourists pose for a 'selfie' against the backdrop of the Valley of Desolation in Cambedoo National Park

Tourism Revenue

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

An unusually short holiday period resulted in all indicators declining in April 2018 compared with the same month in 2017. May 2018 was a mixed month compared with May 2017, with Unit and Bed Occupancy and Guests to Parks declining slightly and other key measures showing modest growth. Thanks to an additional week of school holidays, June 2018 recorded positive variances for all key tourism measures compared with June 2017.

In July 2018, a shorter holiday period also resulted in all indicators, except Activities, declining compared with the same month in 2017. August 2018 was another mixed month compared with the previous year, with most indicators except for Accommodation showing modest improvement. Compared with the same month in 2017, September 2018 registered improvement in some overnight indicators and Activities while other indicators, notably Guests to Parks, declined slightly.

Compared with the same months in 2017, October and November 2018 saw declines in all key tourism indicators except Activities. With the school holidays starting a week later than in the previous year, December 2018 registered declines for all key tourism indicators except Activities. Similarly, because of a considerably shorter school holiday period in January 2019 than in the previous year, all key tourism indicators registered declines. February 2019 was another difficult month, with negative performance in all key tourism indicators compared with a year previously; March was a mixed month, with Camping indicators showing good growth compared with the same month in 2018 and other indicators mostly down.

A number of factors influenced the performance figures. Because of renovations, Kieliekrankie Wilderness Camp in Kgalagadi Transfrontier Park was out of commission for the whole of May 2017 and Bitterpan Wilderness Camp in Kgalagadi Transfrontier Park for the whole of June 2017. In May 2017, twenty-four safari tents were decommissioned for reconstruction at Lower Sabie, with some of the upgraded replacement units coming back into limited commission from April 2018. Agulhas' Rietfontein Cottages have been outsourced and are excluded from the SANParks statistics since September 2017.

Ten premium campsites and ten additional chalets were commissioned at Nossob Rest Camp in Kgalagadi Transfrontier Park towards the end of 2017

Connectivity problems at Camdeboo National Park severely affected the quality of the December 2017 and December 2018 statistics for this park; overnight statistics were calculated using all reservations in the system for the periods in question, while Guests to Park were drawn from the system for dates when the park was online, with visitor figures received from the park for the dates when it was offline added manually. Boulders Bush Lodge in Kruger National Park was withdrawn for maintenance for the whole of February 2018; and Table Mountain and West Coast National Parks changed over to new gate systems in October 2018 and had connectivity and other technology-related teething problems. The figures reported for that and the following months were compiled from manual figures prepared by service provider Omnigate and from Plankton, the new system.

HIGHLIGHTS



An additional week of school holidays, June 2018 recorded positive variances for all key tourism measures

Black guests made up 37.8% of disclosed South African Day Visitors



Construction of the Kgodumodumo Golden Gate Dinosaur Centre has commenced

Guests to Parks

For the period under review, Guests to Parks decreased by 7.74% from 7,007,152 to 6,464,305. For Kruger National Park, the number was down by 2.1% from 1,932,750 to 1,892,128 and for Parks by 5.9% from 5,074,402 to 4,773,539 visitors.

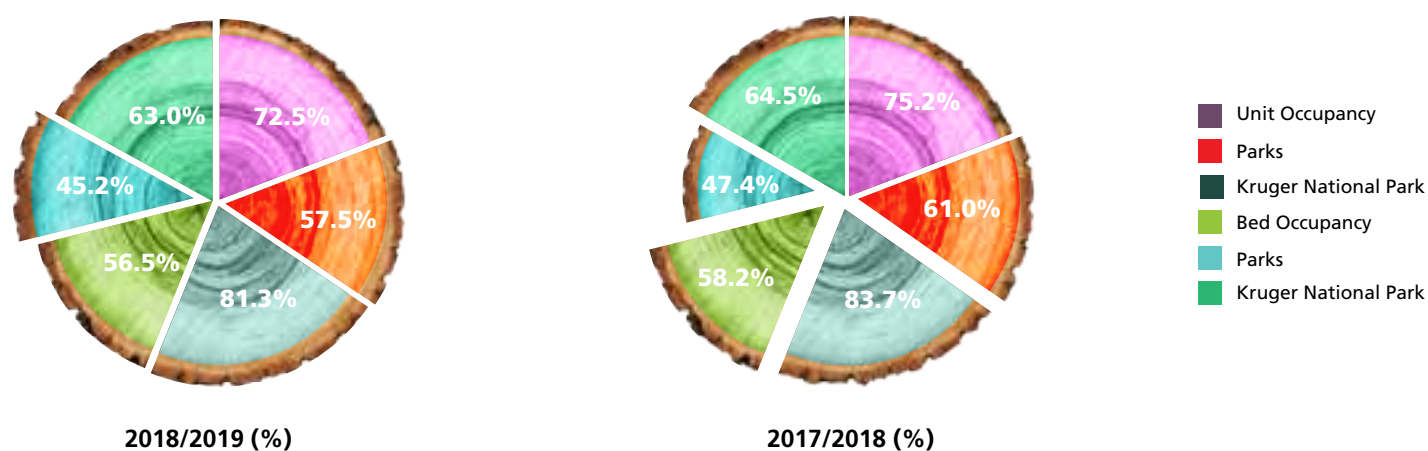
Black Guests

From April 2018, reporting on race demographics of South Africans is based on voluntary disclosure by arriving guests. Due to the changed methodology, no valid comparisons can be made with the previous year. 69.7% of South African guests disclosed this information (75.5% for Kruger National Park and 59.3% for Parks, excluding Table Mountain National Park and West Coast National Park for which demographic information was not captured during the reporting period.). 469,885 domestic guests disclosed as Black: 421,335 Day Visitors and 48,550 Overnight Guests. Black guests made up 37.8% of disclosed South African Day Visitors and 15.6% of disclosed South African Overnight Guests. Total Black guests (Day Visitor and Overnight) made up 32.9% of total disclosed South African Guests.

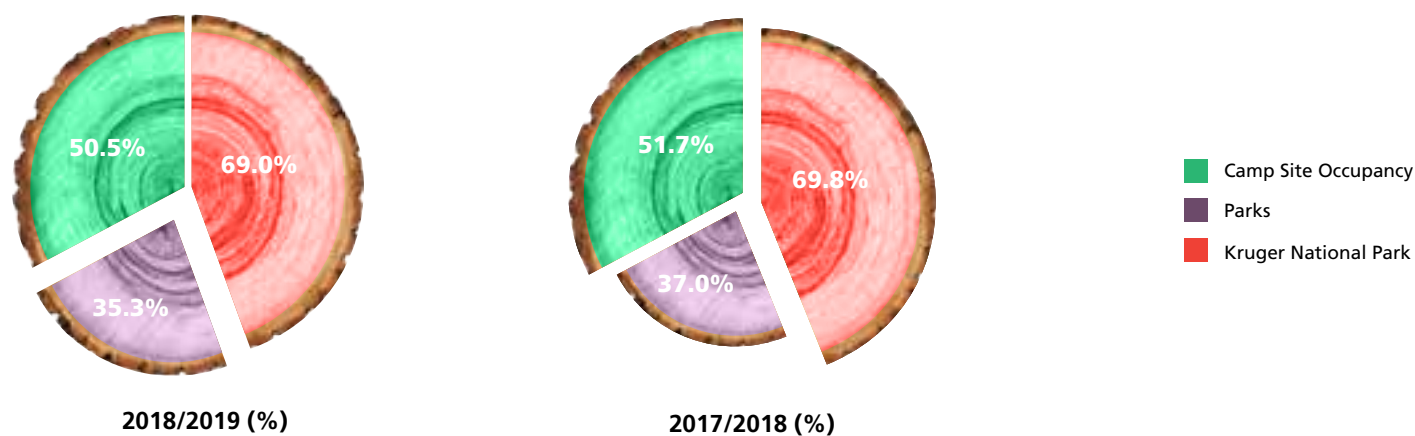
Accommodation

The following graphs shows that unit and bed occupancy in 2018/19 was somewhat below that of 2017/18.

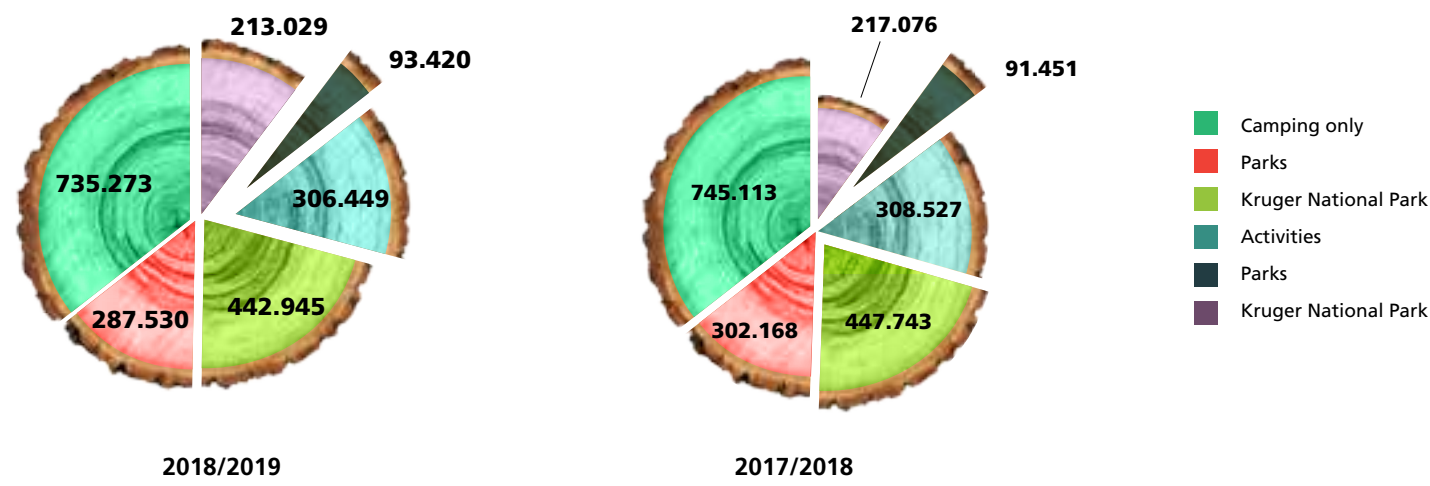
Graph 3: Unit and bed occupancy, Parks and Kruger National Park, 2018/19 compared with 2017/18



Graph 4: Unit and bed occupancy, Parks and Kruger National Park, 2018/19 compared with 2017/18



Graph 5: Person nights sold and activities, Parks and Kruger National Park, 2018/19 compared with 2017/18



A rock chalet in Mountain Zebra National Park provides accommodation for guests seeking a getaway

Revenue from Tourism Activities

Revenue from tourism increased by 9.4% to R1.766-billion during the reporting year. The table below gives details.

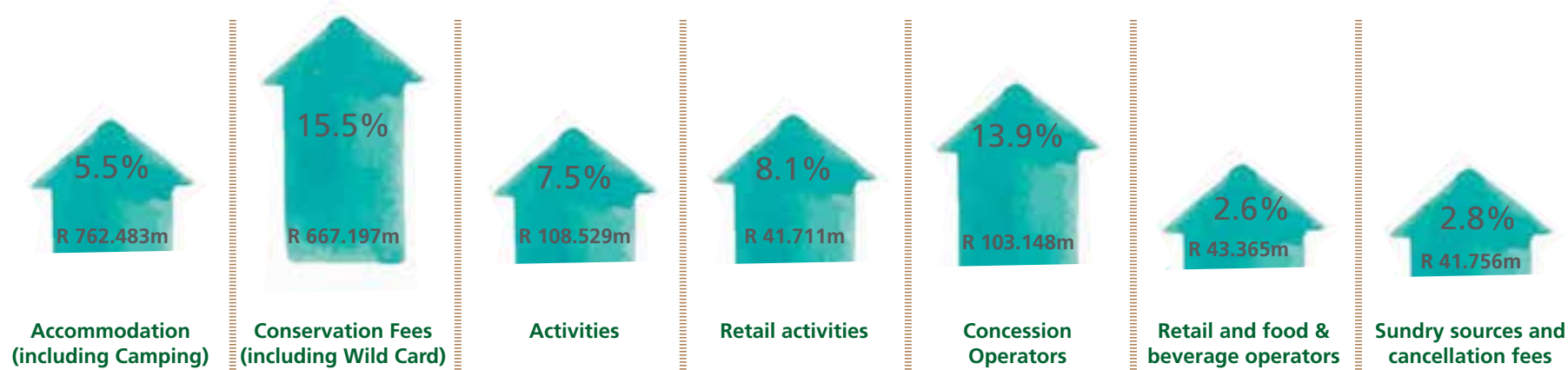


Table 19: Summary of visitor statistics for the twelve months ended March 2019

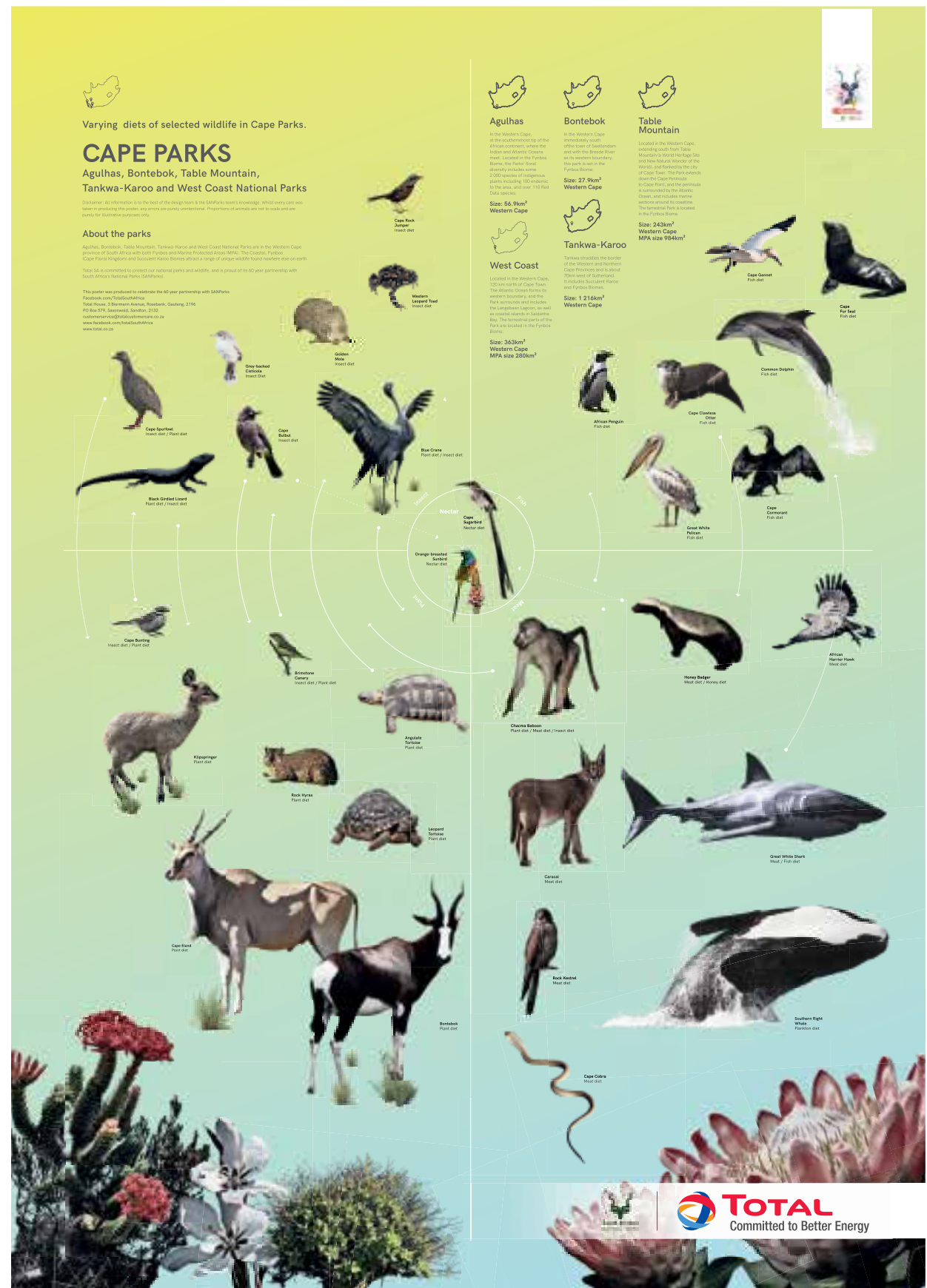
Park	Accommodation (excl Camping)				Camping			Guests to Parks	Total Activities
	Unit Nights Sold	Unit Occupancy	Bed Nights Sold	Bed Occupancy	Site Nights Sold	Camp Site Occupancy	Person Nights Sold		
Addo	30,951	85.1%	70,820	69.7%	9,890	82.1%	25,700	287,394	35,838
Agulhas	3,294	45.5%	8,682	35.4%	0	0.0%	0	39,396	0
Augrabies	8,763	40.0%	17,840	35.4%	4,653	25.5%	12,745	69,554	1,147
Bontebok	2,161	42.9%	5,375	32.4%	2,260	24.8%	6,323	21,176	0
Camdeboo	885	60.6%	1,680	57.5%	2,121	38.7%	4,976	37,198	0
Golden Gate	18,456	35.8%	40,405	27.1%	3,902	28.5%	10,340	53,582	1,554
Garden Route	28,288	54.1%	66,833	45.5%	26,116	22.2%	77,215	490,992	15,470
Karoo	8,140	60.3%	19,915	40.6%	5,719	52.2%	14,156	33,572	1,181
Kgalagadi	32,761	82.2%	75,708	63.9%	26,105	78.6%	74,550	51,746	6,419
Kruger	400,957	81.3%	954,534	63.0%	166,096	69.0%	447,743	1,892,128	213,029
Marakele	4,562	60.2%	10,449	43.9%	4,768	36.3%	12,671	26,507	2,553
Mapungubwe	6,335	54.3%	14,245	51.4%	2,559	70.1%	6,833	40,151	22,618
Mokala	6,204	56.7%	13,587	44.9%	1,764	43.9%	4,621	17,449	722
Mountain Zebra	8,726	77.1%	22,743	47.2%	5,001	54.8%	12,215	28,361	3,283
Namaqua	852	46.7%	1,949	29.7%	3,688	21.8%	10,653	14,765	0
Richtersveld	1,892	29.2%	4,094	25.9%	3,770	18.4%	11,619	5,415	13
Table Mountain	3,495	38.9%	11,283	32.9%	0	0	0	3,269,786	1,307
Tankwa Karoo	1,994	52.9%	5,531	30.9%	1,157	22.9%	2,913	5,108	0
West Coast	1,087	60.6%	3,730	41.3%	0	0	0	281,387	1,315
Total 2018/19	569,803	72.5%	1,349,403	56.5%	269,569	50.5%	735,273	6,665,667	306,449

Visitor Services

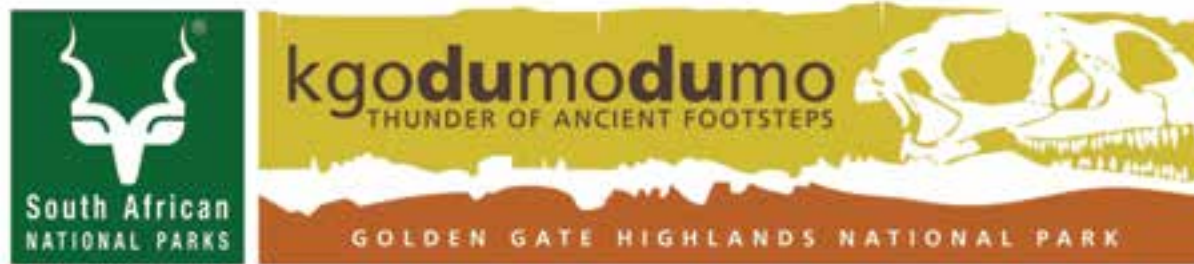
Visitor Interpretation

In celebration of 60 years of partnership between Total South Africa (Total SA) and SANParks and of the environmental education posters resulting from the partnership over the years, six new posters were produced representing the biodiversity of all five of SANParks' business regions. Each poster has its own unique theme, with SANParks Visitor Services Unit providing the content and Total SA funding the graphic design and production. The posters include augmented reality allowing people to use smart phones to pick up sounds and other features not found on a standard two-dimensional poster. The posters will be displayed in SANParks' parks, Total SA service stations and schools around the country.

Total SA and SANParks also marked their long partnership with the release of an educational collectors' sticker book aimed particularly at children. Again, SANParks' Visitor Services Unit provided the content and Total SA funded the graphic design and production.

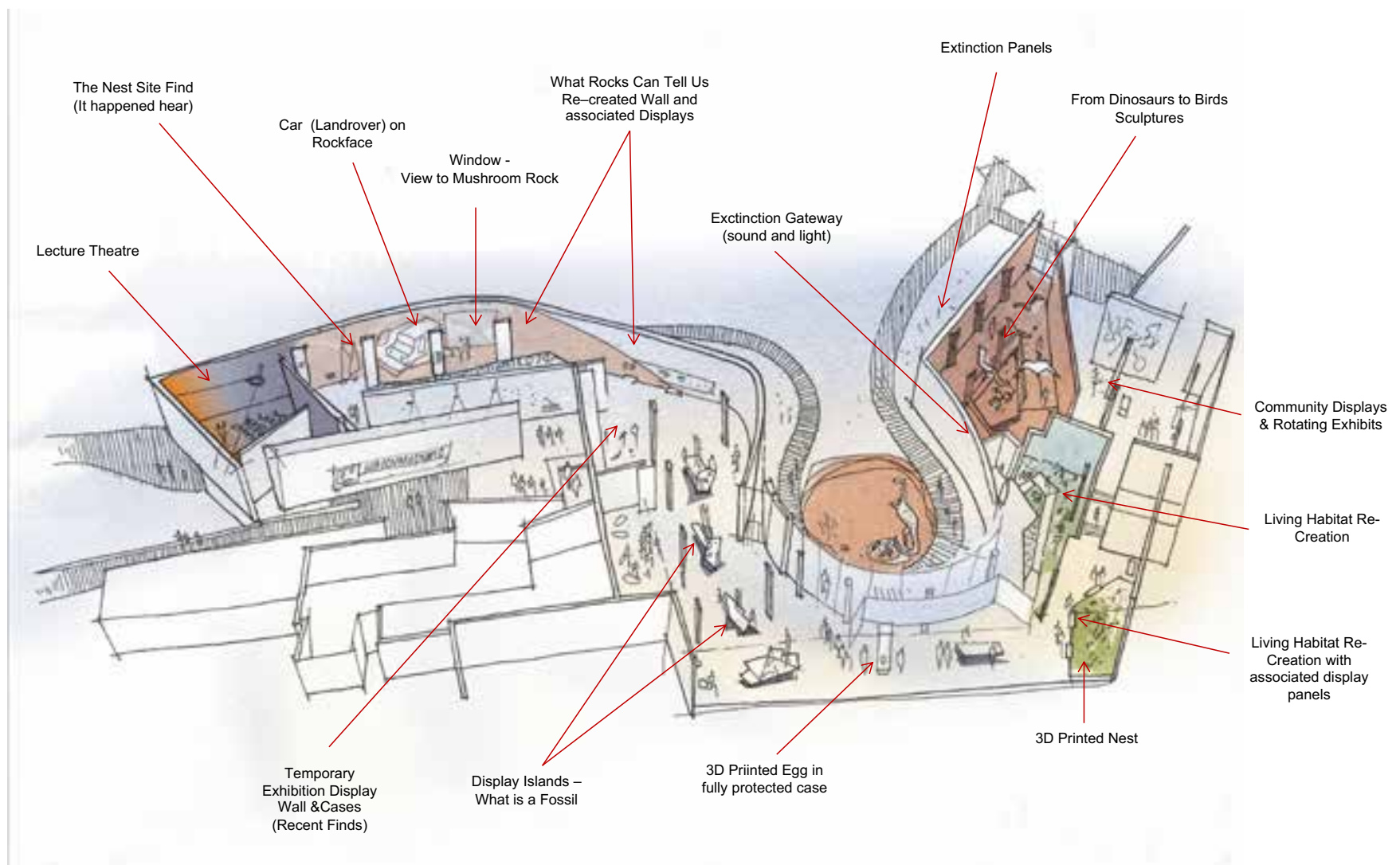


One of the six Total South Africa-SANParks 60 year commemorative educational poster

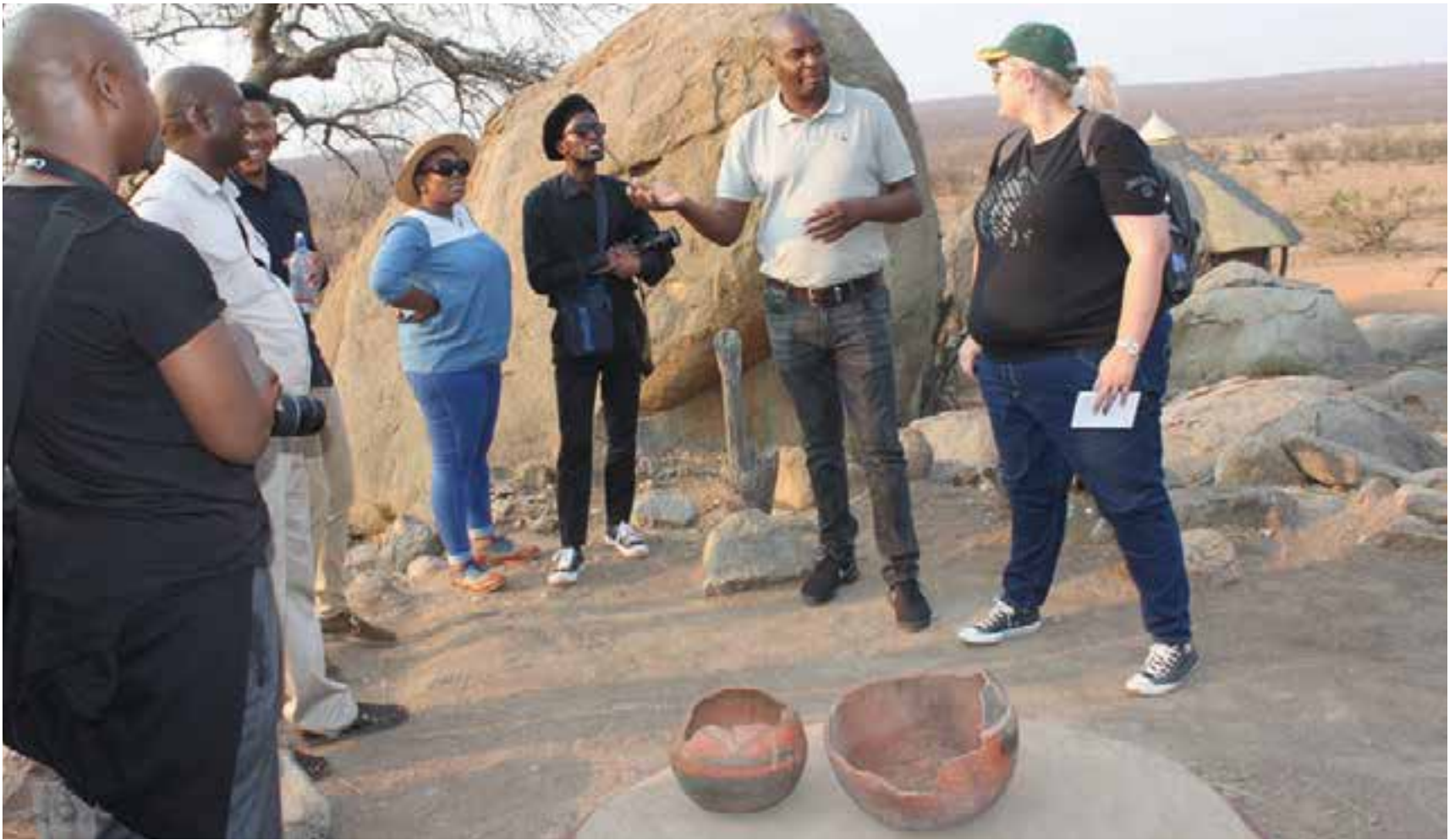


Kgodumodumo Golden Gate Dinosaur Centre

Construction of the Kgodumodumo Golden Gate Dinosaur Centre has commenced, and designs have been developed for the Centre's signage, interpretive panels and exhibit displays with installation of displays scheduled to begin at the end of 2019 or in early 2020.



Concept diagram of the Kgodumodumo Dinosaur Interpretation Centre at Golden Gate Highlands National Park



Journalists listening to cultural heritage interpretation at Masorini Ruins in the Kruger National Park

Kruger Cultural Heritage Sites

Outcomes of the collaboration between the Cultural Heritage Unit and SANParks Honorary Rangers include renewal and improvement of the interpretive signage at Red Rocks; revamping of the interpretation at Rabelais Hut to focus on a more holistic history of the Orpen area of the park and, through consultation with local communities, ensuring that the pre-park history and the voices of Black Rangers are included in the displays; and providing interpretive signage and displays at Chief Nyongane's and Chief Mphele's grave sites.

SANParks Podcasts

The podcasts continue to be a thriving element of SANParks' website with interviews, events and information available for download or online listening. Visitor Services provides the podcast team with ongoing conceptualisation, editing and content support.



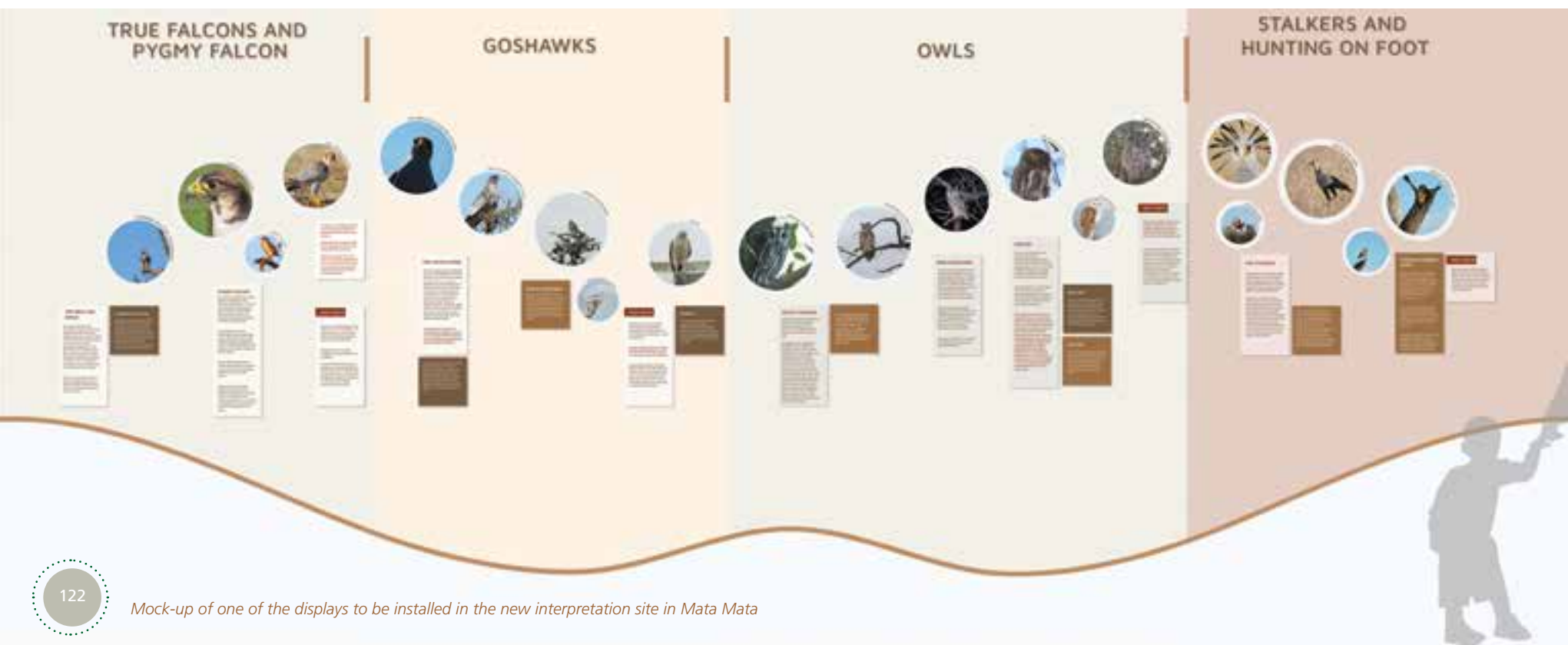
Community and SANParks Guides attending the Kruger Orientation Course funded by the National Department of Tourism

National Department of Tourism/SANParks Tour Guide Training

The National Department of Tourism funded the training of 50 Community Guides and SANParks Guides on the Kruger Orientation Course, with the training presented by SANParks staff.

Kgalagadi Raptor Centre

The Visitor Services Unit is working with the University of the Sunshine Coast in Australia and park staff to create an exciting new interpretation centre at Mata Mata Rest Camp in the Kgalagadi Transfrontier Park. Celebrating the park's renowned bird of prey population, it is expected to open in November 2019.





Fossils on Nyalaland Trail, Nyalaland Wilderness Trail Guides, Makahane heritage site on the Nyalaland Wilderness Trail

Mapungubwe and Nyalaland Wilderness Trail Interpretation Audit

Interpretation audits by experts from the University of Queensland were followed by recommendations to park management for improvements to the cultural heritage interpretation sites and centres in Mapungubwe and the Nyalaland Wilderness trail.

Mapungubwe Interpretation Skills training

A two-day interpretation skills training course was presented to park guides and Interpretation Centre staff by experts from the University of Queensland.

Park Interpretation Plans

Park Interpretation Plans for the Garden Route, Golden Gate Highlands, Mountain Zebra and West Coast National Parks were finalised with the parks' management.

Tourism Research

SANParks' multidisciplinary tourism research aims to enhance understanding and management of the visitor and the visitor experience; increase and sustain revenues by identifying and targeting appropriate markets and products; assist the organisation to conduct business in a responsible and sustainable manner; better define the role of nature-based tourism in providing value to society and the economy; and help tourism operations to become more efficient.

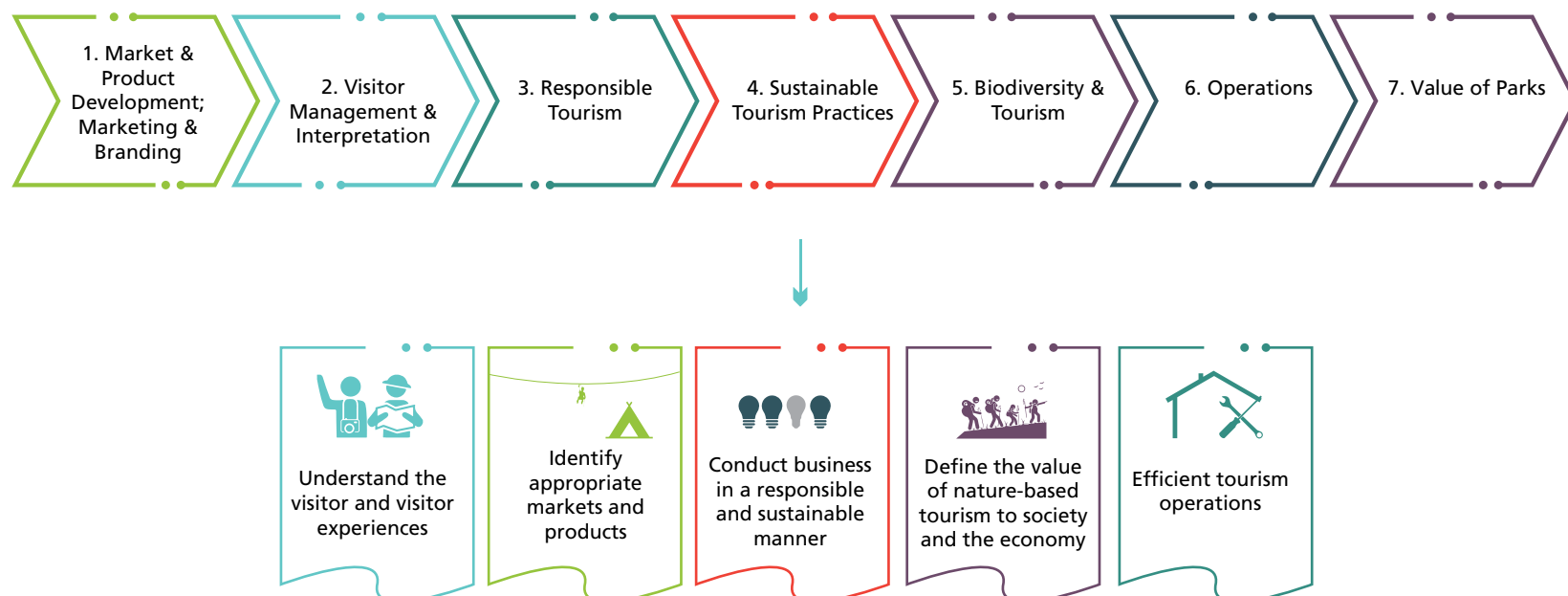
In the first quarter of the reporting year, the SANParks Tourism Research Agenda (TRA) was reviewed as part of its three-year refreshment cycle, realigning the direction and development of research questions and subsequent new research projects with the organisation's strategic objectives. The TRA 2019-2022 was shared with academic research partners who responded positively by submitting research proposals that address some of the key intelligence needs of the Tourism Development and Marketing division.

One of the key projects initiated during the year explores how visiting national parks contributes to human well-being. The research, conducted by Tshwane University of Technology's Department of Nature Conservation, seeks to understand the deeper meanings that members of society attach to the feelings and emotions experienced when visiting parks and to learn how long such positive effects last.

The role of cultural heritage tourism in community development at Mapungubwe National Park is currently being investigated by a PhD student from the University of the Witwatersrand, while visitor expectations and perceptions of heritage sites in selected national parks are being explored by members of Tshwane University of Technology's Department of Tourism Management.

To better understand the matching potential of different visitor segments' needs and the unique proposition of each national park, the unit concluded a large sample study of overnight guests at 17 of the national parks as a continuation of its Visitor Segmentation Programme. With the help of the University of Pretoria's Department of Marketing Management, a cluster analysis was performed which identified unique preferences about and needs for accommodation and activities in each market segment. The university also assisted SANParks with research into the "millennial" generation's expectations of nature-based experiences and its perceptions of national parks. This age-group is expected soon to become the largest tourist segment globally.

Tourism Research Agenda - Themes and Objectives



Visitor Management

Universal Access

The Greater Kruger Protected Area region: Responsible Tourism Best Practice Toolkit section was reviewed and found to be consistent with SANParks' protocol and guidelines on Universal Access in Tourism. Changes were made to the layout of Lower Sabie Safari Tent drawings submitted by Kruger National Park's technical services division for their Universal Access (UA) units to ensure they were compliant with required UA standards. The Garden Route National Park annually receives requests from wheelchair users about access to its beaches; as part of the organisation's commitment to universal access, Visitor Services and park management conducted feasibility studies into providing amphibious beach wheelchairs at Myoli (Sedgefield), Swartvlei Lagoon Mouth and Swartvlei Beaches. Funding to acquire them is being pursued through the Honorary Rangers and other public support groups.

Except in hotel-type accommodation at Golden Gate National Park and at Skukuza, panic buttons in ablution areas are currently required in terms of SANParks' UA protocol. A site accessibility audit of the new Mountain Zebra National Park UA two-bed cottage was carried out and was found to be compliant with the protocol. Park management must be praised for their proactive work with Visitor Services to ensure that equipment of the required standard is available, creating a comfortable independently usable facility for able-bodied and mobility impaired guests alike.

During the year, Kruger National Park launched a fleet of four game viewing vehicles fitted with lifts that allow access for wheelchair users and other mobility impaired guests.

An accessibility audit of the Skukuza Hotel was carried out under the guidance of the hotel's construction team. Compliance standards were in general found to be good, with corrective measures immediately taken to address the fact that, in contravention of SANParks' UA protocol, the eight VIP suites did not offer a UA option. One of the suites is now fully UA-compliant.

For the fifth consecutive year, SANParks Honorary Rangers: Pretoria Region carried out their UA Project and, in conjunction with Kruger National Park staff, hosted a group of learners from the Down Syndrome Association of Tshwane. Park staff and the Honorary Rangers treated the group with visits to the Rhino Museum, the Kruger Canine Unit and Rhino Bomas as well as some excellent game viewing. The insights and gratitude expressed by the attending staff and parents from the association, captured in a SANParks podcast about the trip, highlighted the importance and ongoing success of this initiative - one which could easily be replicated in other parks.

In July, a three-storey lift at SANParks' Head Office in Pretoria was officially opened by the CEO. This welcome addition enables all staff to move around the building with ease.



One of Kruger National Park's new universally accessible game drive vehicles with a lift platform providing access to wheelchair users



Children from the Down Syndrome Association at Skukuza camp in Kruger National Park with SANParks Honorary Rangers

Wild Card programme



Wild Card

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

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

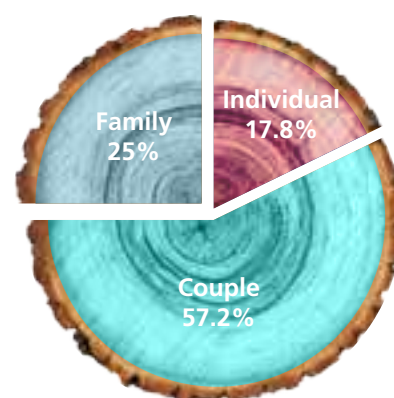
The programme's focus in 2018/2019 was on connecting society, cultural heritage and benefits for conservation. "Conservation has shaped my perspective in life, and I want to go back and help in the community when I retire from guiding," said Alweet Hlungwani, one of the guides, scientists and Rangers profiled during the year in the programme's *Wild* magazine. Hlungwani's story illustrates the indelible bonds between the national parks and communities and it is thanks to the joint conservation management agreement between SANParks and the Makuleke people that people like him can access opportunities in conservation and tourism.

Membership and revenue

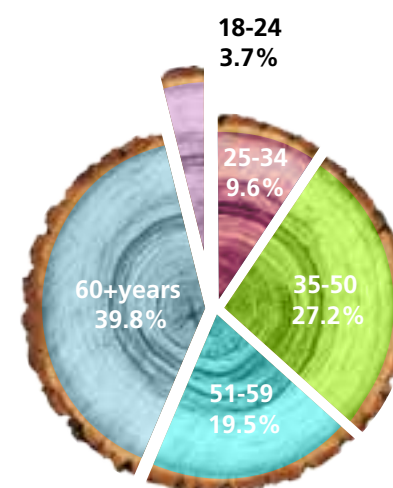
Wild Card Programme revenue increased by 10.86% to R116 907 402 in the financial year, the first year in which turnover exceeded R115 million. Since 2007/08, it has grown by an impressive 232% from R35 224 820. A number of initiatives contributed to the revenue increase, most notably the Green Friday campaign on 23 November 2018. This was the second year that the programme has run a special offer on Black Friday, the strategy being to position Wild and time in nature as a wholesome alternative to the consumerism of the day. Clients are encouraged to go green and to collect memories and not material goods.

Implementation was digitally driven by teaser banners in the Wild newsletters of 8 and 20 November 2018; the Wild blog of 8 November; daily social media posts in the two weeks leading up to Green Friday; a dedicated mailer to the Wild hero list (valid members, lapsed members and non-member nature lovers); a blog on discounted accommodation offers from SANParks and CapeNature and a blog on Wild Card nature-based activities as alternatives to Black Friday. The dedicated mailer had 45 329 unique opens with 7 763 unique clicks while the Wild website had 9 901 visitors on the day with 2 336 impressions on Renew your Card and 1 911 impressions on accommodation offers. The mailer had a high 26.8% opening rate. Results year-on-year for the 24 hours were as follows: 24 November 2017: 1 054 memberships with R1 127 931 turnover compared with 23 November 2018: 2 059 memberships (95% increase) with R2 530 252 (124% increase) turnover. SANParks' operations sold 10.1%, online sales were 89.5% and partner parks 0.4% sales on the day.

Graph 6: Wild Card membership categories and ages



Wild Card Membership Categories

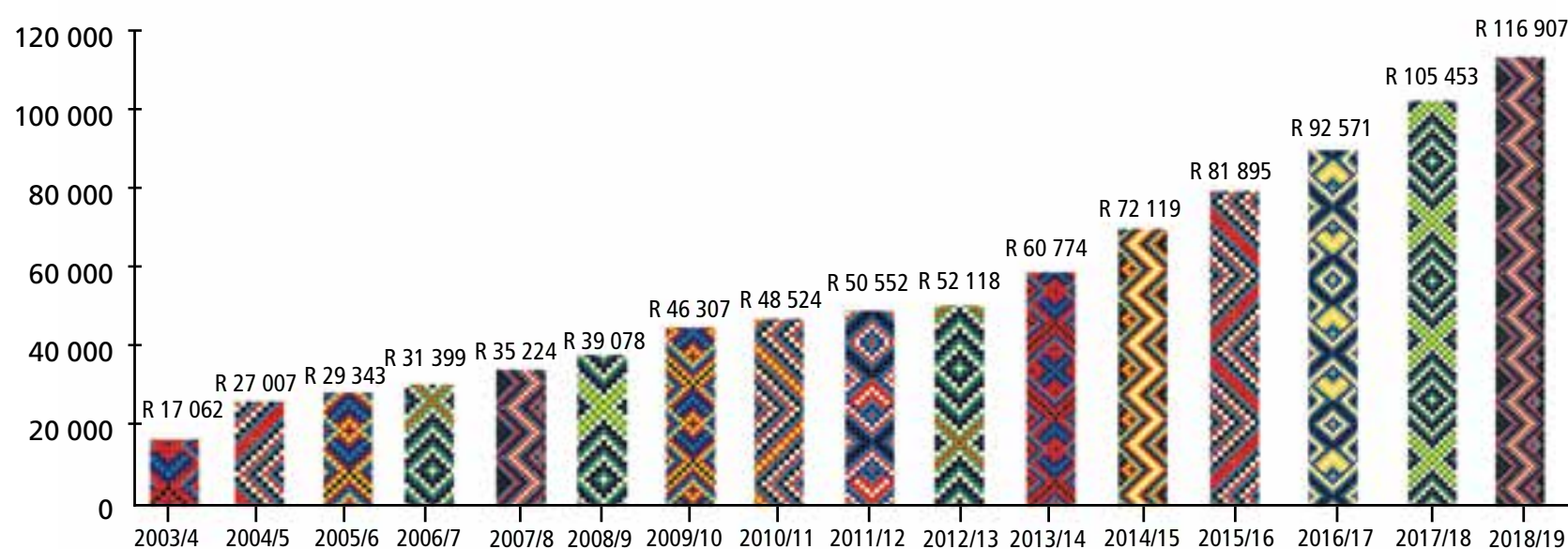


Wild Card Membership Age Groups

Over 85 000 Wild Card memberships were sold during the financial year, 2% fewer than in the previous year. The 14 584 Wild Cards issued in 2018/19 included new cards and renewals. Since inception of the programme in 2003, 246 850 Wild Cards have been issued.

About two-thirds of Wild Card members are male, mainly aged 50 and older. At around a quarter of the total, Gauteng is the province with the highest membership. Just under 16% of Wild Card members are international. In terms of ethnicity, 34.6% of members are white and 36.8% are Black (African/Black, Coloured, Indian/Asian and other). Approximately one-third of members choose not to disclose their ethnicity.

Graph 7: Total annual Wild Card revenue



Wild Magazine

Wild, the Wild Card programme's official publication, builds appreciation for the natural world and deepens the ties between people and national parks. As Hapiloe Sello, Managing Executive for Tourism and Marketing, explained in an interview with the magazine, "We are creating events for people to come to the parks, people who wouldn't necessarily come otherwise." Issues covered in the magazine during the year included community engagement efforts to mitigate human-wildlife conflict; recruitment drives to bring young women into the conservation workforce; the work of SANParks professionals, such as the Kruger National Park water quality monitors who improve the quality of river water for wildlife and the people living outside the park's boundaries; and events such as the annual classical music concert in Golden Gate Highlands National Park and the September 2018 Mapungubwe Lecture Series.

One of the aims of *Wild* is to widen the support base for conservation by bringing new audiences into national parks. A series of articles and blogs by Hlengiwe Magagula on hiking, backpacking and wilderness trails appealed specifically to black middle-class readers. "Leaving your vehicle behind opens up an experience

that connects us to our ancestors," she wrote. Articles on Thulamela and a wilderness trail with Bushmen trackers put the spotlight firmly on cultural heritage, and the magazine also covered the Agulhas, Golden Gate, Marakele, Mapungubwe and West Coast National Parks.

Nine conservation talks organised by *Wild* were an opportunity for the public to hear directly from scientists and conservationists. For the fourth year, *Wild* was the media partner for the Wild Shots Wildlife Photography Symposium, this time collaborating with students of the outreach programme with three photographs of life in and around Skukuza being chosen to adorn rooms in the new Skukuza safari lodge. Wild Shots Outreach graduate Wisani Ngwenya produced a blog for Wild on World Sparrow Day.

A highlight of the year was *Wild's* winning Best External Magazine at the South African Publication Forum Awards for the sixth year in a row as well as Best Corporate Publication.



SANParks Chief Financial Officer Mr Dumisani Dlamini and SANParks Chief Operations Officer Lize McCourt receive the autographed jersey from the Blue Bulls president, Willem Strauss

Vodacom Bulls, known as the protectors of Fortress Loftus, took their role as custodians of our natural heritage to a new level, with the launch of the new green and white jersey, a visible declaration of their commitment to Mother Nature. In 2019 the #BullsFamily joined forces with SANParks and Wild Card to put the spotlight on conservation issues. The new green and white jersey is a visible declaration of their commitment to the preservation of mother nature and raising awareness of some of species that are in danger of being continually poached. This is not the first time the Vodacom Bulls have come out in support of conservation. In June 2018, several players and some Wild Card members helped to track, collar and vaccinate wild dogs in the Kruger National Park. The new away jersey is available at Puma, Totalsports, Sportsman Warehouse and selected retailers.



Wild Magazine Covers 2018/19

Business Development Unit

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

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

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

The unit’s objectives and achievements through the Commercialisation Strategy include increasing international tourist numbers by providing five-star facilities; expanding retail and restaurant infrastructure; including a broad-based black economic empowerment (B-BBEE) scorecard in all PPPs to maximise subcontracting

to and procurement from enterprises owned by black people in general and in particular by black women; improving service levels by focusing on SANParks’ core business; and bringing in private capital and expertise to expand and improve SANParks’ tourism products.

The BDU also manages the grant-funded tourism product development that plays a crucial role in increasing SANParks’ revenue. As is the case with the PPPs, this is carefully assessed for feasibility and for alignment with the organisation’s priorities.

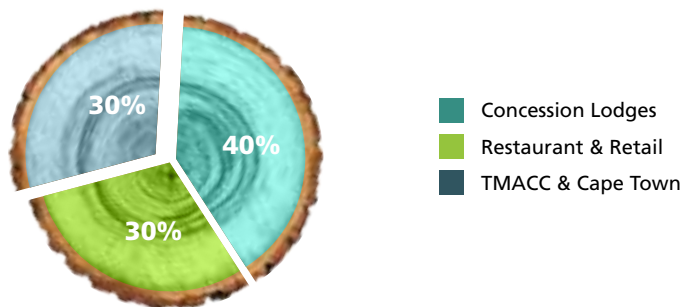
During the reporting period, the BDU project-managed developments at Skukuza Safari Lodge, scheduled to be complete in early 2019; and commissioned an environmental impact assessment of the Phalaborwa Activity Hub, with the Record of Decision (ROD) expected in April 2019.

Facilities for which PPPs were put in place include the Geelbek Restaurant in the West Coast National Park; the Big Tree Curio Shop and Tea Room in the Garden Route National Park; Mopani, Punda and Shingwedzi Restaurants in Kruger National Park and the Boulders Retail Facility in the Table Mountain National Park. PPP income for the year was R147 million.

Graph 8: SANParks PPP income multiple years



Graph 9: % of total PPP income 2018/19





SANParks CEO, Mr Fundisile Mketeni engages with media at the 2019 World Tourism Market event in Cape Town

Corporate Communications

Corporate Communications is a cross-cutting function within SANParks responsible for creating opportunities to showcase the work of the organisation and in this way helping to raise awareness of the many issues with which it is involved, including infrastructure development, combating wildlife crime, increasing knowledge about lesser known parks through events that connect people with their culture and heritage, increasing tourism revenue and strengthening communities' livelihoods through education and income-generating projects.

Activities during the year included interaction with the media to highlight issues such as the plight of penguins and the importance of Marine Protected Areas and of conservation in general; providing information about the translocation of wildlife from Kruger National Park to Zinave National Park, Mozambique and of rhino to Zakouma National Park, Chad; conducting media engagements to educate the public about anti-poaching efforts; and launching social legacy projects that impact positively on children living in communities adjacent to the park.



SANParks CEO, Mr Fundisile Mketeni conducting media interviews during the Rhino Translocation operation to the Republic of Chad



Rey Thakhuli, GM - Media, PR and Stakeholder Relations fields questions from media at the World Tourism Market event in Cape Town

Media Engagements and Events

During the year, there were 253 proactive media engagements and events in the form of media excursions, briefings or interviews; and 54 media events across 19 National Parks. These included translocation and rewilding of blue wildebeest, zebra and impala at Zinave National Park, Mozambique; the Golden Classics jazz and classical music event; and Karoo National Park lion capture.

Media Reputation Rating

During the reporting year, SANParks received a brand reputation rating of 99% neutral to positive and generated 28 140 mentions across media platforms. Positive coverage was linked to conservation, poaching, tourism and research whilst negative coverage was linked to governance, staff and workplace reputational drivers mainly relating to staff caught poaching in the Kruger National Park.

Most of the coverage was in the print media, followed by online and broadcast with 10% share of voice.

The tone of coverage varied through the year; in the first quarter, it was predominantly neutral; in the second quarter neutral to positive; more positive in the third quarter; and the most positive coverage in the fourth quarter, at 54%.



Alliston Appel, Senior People and Conservation Manager speaking to the media during the launch of the Map of Africa Monument at Agulhas National Park



Acting Regional Ranger, Anban Padayachee being interviewed during the World Ranger Day Celebration in Addo Elephant National Park



Socio-economic Development

With conservation and tourism, Socio-Economic Development (SED) is a core pillar of SANParks. Its primary objective is to contribute to the development of communities adjacent to national parks through implementation of social and economic development programmes.

National parks are strategically located, mostly in rural areas of South Africa. They can thus play a critical role as catalysts and drivers of local economic development. The Socio-Economic Development programmes are Biodiversity Economy, Social Legacy, Land Claims, and Environmental Education and Awareness.



Learners attending the Walk and Learn on the Wild side Environmental Education Programme seminar in the Kruger National Park



Employees at the Lefikeng Herbarium bioprospective project prepare cuts of cancer bush for the drying process close to the Golden Gate Highlands National Park

Biodiversity Economy Programme

This programme assists historically disadvantaged communities and individuals to benefit from wildlife and plants found inside and outside national parks. The two streams of this programme are Wildlife Economy and Bioprospecting.

Wildlife Economy facilitates access to and ownership of game by communities and emerging game farmers by offering them opportunities to participate in the wildlife industry. The programme is centred on game and wildlife farming and involves stocking, breeding, trading and related eco-tourism activities. SANParks supports communities through donation of wildlife whilst emerging game farmers receive these animals on loan.

The Bioprospecting sector supports initiatives that will enable communities living beside parks to derive benefits from the value chain (discovery, collection and propagation, semi-processing) economic activities linked to the 25 prioritised species.

Wildlife Economy: Wildlife donation

Donation of wildlife to the Motlhabatse and Baphalane Communal Property Associations was approved in the 2018/19 financial year. The animals will be delivered in the new financial year. The two CPAs each employed five field rangers on a permanent basis at their community reserves. These field rangers were trained in the following basic courses: game ranch management, introductory training in biodiversity economy, permitting systems (import and translocation permits), road network construction and management and off-loading ramp construction.

Wildlife Economy: Wildlife loans

During the reporting year, nine emerging game farmers' applications were approved for game loans, with eight receiving their animals and one to receive his during the following financial year. Six hundred and ninety-three head of plains game were delivered to the successful beneficiaries' farms in the Eastern Cape, Free State, Northern Cape and North West provinces.

This initiative increased game stock in the recipient's farms and enhanced game farming and tourism activities and products. Environmental monitors (EMs) trained through a Department of Environmental Affairs (DEA) training programme have been employed on these farms and hunting outfitters were introduced to the farms and are working on packages for upcoming trophy and biltong hunting expeditions. The occupancy rate at the farm lodges has increased which in turn increased the numbers of those employed. SANParks continues to provide support to these farmers through partnerships with associations including the Wildlife and Environment Society of South Africa (WESSA), Wild Ranching of South Africa (WRSA), the Confederation of Hunters Association of South Africa (CHASA) and the South African Game and Conservation Hunters Association (SAGCHA).

Bioprospecting: Lefika Herbarium and Nursery

The Lefika Herbarium and Nursery is a medicinal plant enterprise in the Phuthaditjhaba area near Golden Gate Highlands National Park. The initiative involves the propagation and harvesting, drying and packaging of *Pelargonium sidoides* (Kalwersbossie), *Sutherlandia frutescens* (Cancer Bush) and *Hypoxis hemerocallidea* (African Potato) for sale to local communities and other potential markets. Fencing and processing facilities were provided through funding from Total South Africa. The herbarium has secured a contract to supply German company Percival Pharmacy with 30 tons of pelargonium to the value of R2 400 000 and has made sales of R242 367 since the start of SANParks' support in the 2018/19 financial year. The enterprise employs 22 people on a casual basis for approximately 20 days a month and 8 months a year, depending on weather.

Bioprospecting: Covie Honey Bush Tea Project

Covie community is in the Eden District Municipality and Bitou Local Municipality in Western Cape Province. It is a small rural community of 17 households, with a population of around 70 people. The people in this community gained access to the land under the land restitution process, and there is a mix of privately-owned stands (about 2 ha per household) and community land. A portion of community land is being prepared to house the first propagation nursery for honey bush tea plants which will also be used for training purposes

Wildlife Economy: Marine Economy

Tsitsikamma Marine Protected Area reported a total of 313 registered anglers when the MPA was rezoned to include three fishing zones for residents of the Koukamma Municipal area in December 2016. To date, 355 anglers have been registered.



Tsitsikamma Marine Protected Area in the Garden Route National Park

Social Legacy Programme

The Social Legacy Programme aims to support and contribute to the fulfilment of government's social development mandate. SANParks invests resources to provide much-needed facilities in communities adjacent to national parks. One per cent of tourism income is set aside for this purpose. The focus of the programme has been primarily on provision of science laboratories to schools bordering national parks with the intention of cultivating interest in science as a field of study among learners.



Children from Riemvasmaak Primary School in the Northern Cape celebrate the shaded area supported by the SANParks Social Legacy Project

The programme appears to be already bearing fruit. The science laboratory donated to Sibusisiwe High School in 2015/16 has changed the fortunes of this school positively. In 2017, the school obtained an 80.5% pass in physical sciences, resulting in it becoming the best performing school in the circuit and amongst the top five performers in Mpumalanga. It has now been designated a school specialising in science.

In the 2018/19 financial year, a number of projects were implemented. A shaded and paved assembly area with a small playground was built at Riemvasmaak Primary School close to Augrabies Falls National Park. Alldays Primary School in Limpopo, built three years ago but lacking sufficient furniture, was provided with 312 double combination school desks and custom designed tables and chairs for 80 Grade R learners. The science laboratory at Swellendam High School in the Western Cape was refurbished with equipment including a digital data projector and smart board; and Makushu Primary School in Limpopo was provided with modern ablution facilities, replacing the previous inadequate toilets and washing facilities.

Land Claims Programme

This programme aims to facilitate settlement of land claims in national parks in collaboration with the Land Claims Commission. A number of land claims have been lodged with national parks: these are at different phases of settlement, depending on negotiations with the claimants. The following claims were processed in 2018/19:



Engagement process for the development of the new Garden Route National Park management plan held in a public hall in Mandela Park, near the Tsitsikamma section in the Garden Route National Park

Qwaqwa land claims at Golden Gate National Park

The Board of SANParks approved the withdrawal of fourteen properties from Golden Gate Highlands National Park and their release to the Qwaqwa claimants in settlement of their claim. It was discovered, however, that most of the identified properties were still registered with the Free State Provincial Government and that they could therefore not be released to the claimants. New properties have been identified whose extent and size are being confirmed with the Surveyor General's office before they can be recommended to the SANParks Board for approval. A contractual agreement between SANParks and the claimants is being considered for the management of these properties.

Colchester Land Claim

The Colchester community has lodged a claim against Addo Elephant National Park on two of its properties, the Farm Vetmaakvlakte 312 and a portion of the remainder of the Farm Oliphants Plaats 214. The claimants have opted for restoration of land rights and a beneficiation package. The beneficiation package involving possible operation of the game drive at Mathyolweni camp by the claimants has been drafted and is being submitted to the Board for consideration and approval in principle before it can be negotiated with the claimants.

West Coast National Park

Two of the three families who lodged a claim against West Coast National Park opted for financial payment as final settlement of their claim, and pay outs were effected. The Commission is still awaiting confirmation from the third and final family on their preferred settlement option.

Kruger National Park land claims

Following settlement of the six land claims in Kruger National Park in 2016, SANParks and the land claimants have been engaged in a process to develop and finalise the beneficiation scheme as required in terms of the second phase of the settlement agreement. A Kruger National Park Project Management Unit has been established to manage implementation of this phase, and the draft beneficiation scheme developed and workshopped with the claimant representatives and members, with claimants making their inputs and the final draft beneficiation scheme submitted to the Board for noting.

As the claimants wished to know the value of the scheme before finally signing, the Terms of Reference for the appointment of the service provider to value the scheme have been developed and a service provider will be appointed during the 2019/20 financial year. Following training on choosing between various forms of legal entity, the claimants established a not-for-profit entity: Kruger Ultimate Development Holdings.

Gomodwane land claim, the seventh claim, is nearing finalisation. Once the settlement agreement has been signed, plans will be set in motion for the beneficiation scheme through which claimants will take part in an incubation programme intended to support the development of 20 to 60 SMMEs. Funding has been sourced from the GEF programme to train the claimants in entrepreneurship and business development. There will also be a governance programme, aimed at 120 trustees and traditional leaders, to build leadership skills and institutional capacity for management and commercial business engagement. Claimants are also been exposed to current opportunities in Kruger National Park for possible investment.

Environmental Education and Awareness Programme

Through its education programmes, SANParks aims to raise environmental awareness in the context of the natural and cultural resources offered by national parks and to provide interactive programmes that will assist learners to develop new skills and attitudes towards the environment. During 2018/19, there were over 217 300 participants in the environmental education programmes offered at the parks. These include Kids in Parks, Kudu Green School Initiative and Walk and Learn on the Wild Side.

Kids in Parks

Kids in Parks (KiP) is a partnership between SANParks and the national departments of Environmental Affairs and Basic Education and provides learners with the opportunity to visit a national park for three days. Over 3 100 learners and 178 educators took part in the KiP programme at various parks during the 2018/19 financial year.

Kudu Green School Initiative

The Kudu Green School Initiative (KGSi) programme is aimed at raising awareness about climate change. SANParks engaged with 529 participants through this programme and provided learners and educators with access to national parks. The KGSi works with schools and groups around Gauteng and for most participants it is the first time they have entered a park. Teachers have reported better understanding of issues to which learners were exposed when they return to school. It also exposes learners to different careers in the environmental sector.

Walk and Learn on the Wildside

Walk and Learn on the Wildside is an experiential awareness programme focusing on Grade 10 and 11 Tourism learners. It targets schools beside parks and is made possible through the financial support of Total South Africa. The programme is presented in seminar form with experts in the various eco-tourism sectors making presentations to the learners and responding to questions on careers. Learners also have the opportunity to stay overnight in park accommodation so that they can relate to tourism experiences and needs and begin to develop a practical understanding of what tourism and hospitality require. They are also taken to various tourism work units such as reception, restaurant, accommodation chalets and the laundry within the rest camp.

Some learners who have participated in the programme have gone on to careers in tourism, and the Department of Education has noted an increased interest in the subject at school level, and greater expertise among their teachers. Other learners have encouraged their friends and families to visit the parks.

Environmental education outreach

Apart from schools visiting the parks, park officials also visit schools where they tackle environmental issues.

Environmental calendar days celebrations

Parks celebrated a variety of environmental calendar campaigns and social days to raise awareness about environmental or social issues relevant to parks and surrounding communities. These included World Environment Day, Arbor Week, World Wetlands Day, World Fish Migration Day, International Biodiversity Day, World Ranger Day, Weedbuster Day, Marine Week and Women's Day, to name a few. These campaigns assisted local communities to find solutions to environmental and social issues that they experience. Themes that received particular emphasis over the past year were plastic pollution, especially in marine environments, and water conservation particularly in drought-stricken regions. This involved source-to-tap studies, water saving tips and promoting awareness of the impact of leakages on water consumption in our communities.



SA National Parks Week attracted Learners from areas adjacent to the Mokala National Park

Other Community Support Projects

Fencing

The establishment of an 18 790 ha reserve as part of the Richtersveld National Park includes erecting a 1,8 m game fence around the perimeter, with a contractor appointed from the Lekkersing community. He has recently completed the 82 km fence using teams of approximately 30 people from the local villages. This registered and compliant SMME contractor has gone on to bid for other SANParks contracts and has carried out work in an exemplary fashion. The workers all learned the skill of erecting fences and often worked into the warm late summer evenings to finish the project on time.

Erosion rehabilitation

Biodiversity Social Projects has had teams of approximately 22 local people working on erosion prevention and rehabilitation in the Kleinduin Section of the Ai/Ais Richtersveld Transfrontier Park for over a year. These teams have played a significant role in essential rehabilitation and have garnered skills and knowledge in conservation along the way.



SANParks' role extends beyond nature conservation.

That's why ours extends beyond banking.

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

It's more than just banking to us. That's why we help.

FNB proud partner of SA National Parks Week 18-22 September 2017.



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



TOTAL

Committed to Better Energy



At **TOTAL** South Africa, we believe that our natural heritage is one of our greatest assets. We've made it a priority to instil a culture of pride and responsibility to protect it. That's why we fully support **SA National Parks Week**. From **18–22 September**, all South Africans will be able to spend a day at a national park of their choice, free of charge.

total.co.za sanparks.org

PART



HUMAN CAPITAL MANAGEMENT



HIGHLIGHTS

2 784 staff members took part in technical and non-technical short learning programmes, workshops and on-the-job training.

Fifty-five dependents of staff members were provided with financial assistance for further studies with institution of higher learning, and 88 staff members received bursaries to enable them to study further.

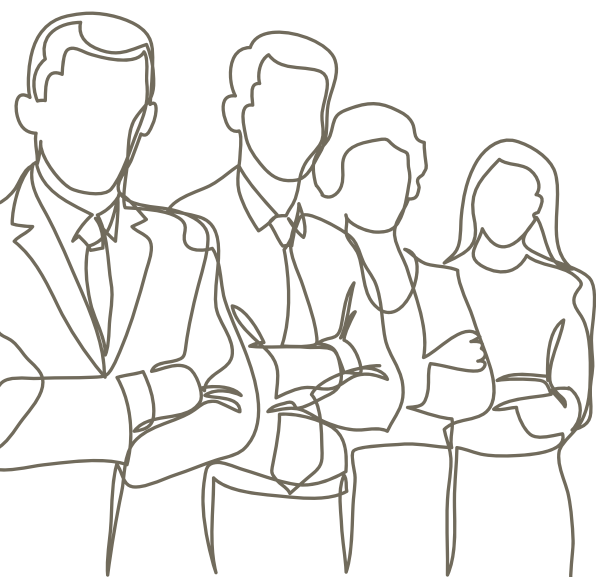


The Ranger Wellness Programme has evolved to cater for the physical, spiritual, social and psychological needs of Rangers.



15 employees were awarded bursaries by the Southern African Wildlife College to study for the Higher Certificate in Nature Conservation and the Advanced Certificate in Nature Conservation.





Human Capital Management

The work of the Human Capital Management division is aligned with Strategic Objective 9 (Adequately skilled, transformed and diverse human capital) and Strategic Objective 10 (A conducive working environment) of the SANParks Strategic Plan. The department supports the organisation through its five functions: Talent Management; Benefits Administration and Organisational Design; Learning & Development and Performance Management; Labour Relations and Transformation; and Employee Wellness and Occupational Health and Safety.



Emergent Management Leadership Development Programme Graduates with SANParks CEO, his Executive Members together with associates from the University of Pretoria and National School of Government officials

Organisational Design Review

The purpose of the Organisational Design Review is to ensure alignment between SANParks' strategy and structure, and to improve efficiencies by eliminating duplication and by proposing an effective shared services delivery model for the support functions. The change management, and implementation of the Review, outcomes are expected to be phased in from the 2019/20 financial year.

The process is in the final phase of implementation, although the semi-skilled structures have not yet been approved and further consultation is taking place. During the reporting period, the Human Capital department gained approval of the macro structure; developed the process flows; developed the Change Management and Implementation Plan; developed 120 job descriptions for newly created positions; developed and received approval of the migration principles for matching and placing employees in the new structure; and standardised job titles and updated the post establishment.

Learning and Development

SANParks' people enable the organisation to implement its strategy and deliver on its mandate. For this, they need appropriate skills and competencies. These are developed through training and the learner pipeline as part of the succession planning. In the 2018/19 financial year, R17.4 million or 1.86% of payroll spend (41% of the planned accredited training) was spent on skills development and training. 2 784 staff members took part in technical and non-technical short learning programmes, workshops and on-the-job training. Fifty-five dependents of staff members were provided with financial assistance for further studies with institution of higher learning, and 88 staff members received bursaries to enable them to study further.

Adult Education and Training (AET)

Basic education is not only a constitutional right in South Africa but an economic necessity in a changing society which needs a citizenry that is engaged in lifelong learning. For people who have missed out an adequate basic education, AET can be a vital lifeline to skills and better opportunities. During the reporting year, the learning needs of 115 employees on Paterson A and B bands (semi-skilled) were assessed, with 93 subsequently taking part in literacy and numeracy classes across the various parks.

Feedback from the employees was enthusiastic. "We can't wait to continue", "Now I can read my smses", "I can communicate with guests in the units where I work" and "Thank you SANParks" were among the many positive written responses at the end of the programme.

Leadership Development

SANParks' success depends on effective, strategic and diverse leadership and the organisation is committed to building leadership that can adapt to changes in a globally competitive environment. During the year, the following leadership programmes were presented; Executive Development; Emergent Management Development; and Ranger Corps Leadership. Three senior managers participated in the Management Advancement Programme (MAP) conducted by Wits Business School.

Ranger Corps Leadership Programme

This programme is one of the main components of SANParks' skills development programme. During the year, 15 employees were awarded bursaries by the Southern African Wildlife College to study for the Higher Certificate in Nature Conservation and the Advanced Certificate in Nature Conservation.

Emergent Management Development Programme (EMDP)

This programme, implemented in partnership with the National School of Governance and the University of Pretoria, is one of the key strategies that SANParks is using to develop current supervisors in the Paterson C4-D2 Band category (junior management). The programme saw 130 emerging managers take part in the areas of self-management, overview of management, customer service, communication, quality assurance, people management, financial management, project management, problem-solving and decision-making.

Learner Pipeline

The purpose of the Pipeline is to provide training not only for SANParks' needs but to contribute to the development of scarce and critical skills within the country. During the reporting period, 2.8% of total establishment (121 learners) were involved with the programme. The learners include graduate interns and people participating in Work Integrated Learning (WIL) at various higher learning institutions with which SANParks has Memoranda of Understanding. This programme creates a pool of trained employees who will go on to find opportunities either within SANParks or with other organisations, and thus solidifying SANParks contribution to South Africa's skills development strategy.



AET Trainees, Olifants Camp, Kruger National Park

Employee Wellness Programme

By providing proactive services to employees and their family members, the Employee Wellness Programme (EWP) aims to ensure that personal or work-related problems are addressed before they negatively affect work performance and productivity. During the year under review, a total of 734 employees made contact with the programme, suggesting that SANParks' employees have confidence in the ability of the programme to assist them.

In addition to internal capacity, the programme is presented with external partners.

In the year under review, 20 Health education and awareness events were conducted across the organisation. These are aimed at encouraging employees to manage their health effectively and prevent illnesses. SANParks' partners in these health programs are medical brokers IDS Brokers and Metropolitan Health Risk Management.

Ranger Wellness

Particularly in the context of the trauma that can result from combating rhino poaching, external stakeholders have shown an interest in assisting SANParks. Since its inception in 2013, the Ranger Wellness Programme has evolved to cater for the physical, spiritual, social and psychological needs of Rangers. The latter two are part of Project Embrace, a volunteer managed programme aimed at building morale and fostering resilience through regular customised interactive sessions. Sponsored by generous donations from Stop Rhino Poaching, psychological support has been available on-call to Kruger National Park Rangers for the past seven years.

SANParks' Honorary Rangers have also supported the families of Rangers by providing teams of volunteer psychologists and social workers who regularly visit for interactive sessions with Rangers at various posts in Kruger National Park, in other rhino parks and, more recently, Table Mountain National Park and Garden Routed National Park on request.



Employee Wellness Programme - Financial Wellness Workshop at Groenkloof National Park



Employee Wellness Programme - Staff Vision Screening at Groenkloof National Park

Labour Relations

Throughout the reporting period, SANParks complied with the applicable labour legislation, resulting in good labour relations and governance, with no disputes lodged against the organisation for failure to comply with the legislation. Disputes referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) related to 33 dismissals; of these, 31 were found in favour of SANParks. This success rate can be attributed to the benefits of the rights and responsibility workshops organised for employees so that they are aware of their obligations and avoid committing acts of misconduct. Dispute resolution training is conducted for managers so that they are well informed and confident in handling disciplinary matters in ways that are procedurally and substantively fair.

Trade Union Membership in SANParks

The table below shows the three recognised unions in SANParks and their memberships.

Table 20: Recognised trade unions in SANParks

Trade Unions	Membership	% of total staff complement
Health and Other Personnel Trade Union of South Africa (HOSPERSA)	1 627	34%
National Education, Health and Allied Workers Union (NEHAWU)	844	18%
National Union of Public Service and Allied Workers Union (NUPSAW)	973	20%

Salaries and Conditions of Service Negotiations

Agreements reached during the 2018/19 Joint Salaries and Conditions of service negotiations with HOSPERSA and NEHAWU included a 7.1% across-the-board increase for members in the bargaining unit for the period 1 April to 30 September 2018, with the percentage including the pay progression increase; an increase adjusted to 7.5% across the board for the period 1 October 2018 to 31 March 2019, with the additional 0,4% computed on the basis of the amounts applicable before implementation of the 2018-2019 increases; and 6% adjustment to the allowances for night shift, camping and sleep-outs.

With respect to medical aid, the status quo of 60% contribution by SANParks and 40% contribution by the employee remains; the annual increases in medical aid premiums are decided by the medical aid schemes.



Marakele National Park Ranger team

Transformation



Lift Launch at Groenkloof National Park

During the year, the CEO's office initiated a series of Transformation Scoping workshops with management. The aim was to provide them with the opportunity to engage on the development of a SANParks Integrated Transformation Strategy.

The CEO's office also hosted two offsite CEO Management Summits designed to assist with collaboratively crafting a path for the future of the organisation. There was good attendance by about 90 managers at Diversity Management workshops organised during the year, and a Disability Awareness session in June was attended by 119 employees.

The Executive Management Team attended a de-briefing session, facilitated by Human Capital Engine Consultants, on the SANParks Integrated Transformation Strategy. Further de-briefing sessions with other management teams will take place in the new financial year.

The CEO, the ME: Parks, the Transformation Unit and Facilities management officially opened the long-awaited elevator at Head Office in Groenkloof, an event well attended by internal and external stakeholders. Installation of the elevator is testimony to the commitment by SANParks' leadership to ensuring suitable working conditions and access for staff members living with disabilities.

Table 21: Total expenditure, 2018/19

Personnel Cost by programme/activity/objective	Total expenditure by the entity (R'000)	Personnel expenditure (R'000)	Number of employees	Average personnel cost per employee (R'000)
	940,556,535.73	100.00%	4 342	216,618.27

The figures in the following table are the financial amounts processed through the organisation's Sage VIP system and include subsistence and travel and kilometres travelled claims.



SANParks engages students at the 2019 Disability and Career Expo

Department of Labour (DoL) Employment Equity compliance reports were submitted online via the DoL website on 12 December 2018.

On 4 December, SANParks celebrated Disability Awareness Month in Skukuza, with representatives of the Department of Social Development, the South African Broadcasting Corporation (SABC) and Nedbank contributing to its success. A highlight of the day was the launching of four specially designed vehicles for mobility-impaired customers and staff.

The SANParks Women's Forum took part with the Department of Agricultural Development, Land and Environmental Administration (DARDLEA) in observing International Woman's Day on 8 March.

Human Capital Management Oversight Statistics

As a public entity, SANParks is required to provide the following information on human capital management, with all financial amounts agreeing with the amounts disclosed in the Annual Financial Statements. Where necessary, reasons must be given for variances.

Total 2018/2019 expenditure was R57,127,938.57 lower than that of 2017/2018 (R997,684,474.30) for a number of reasons: annual salary increment of 6.5% for employees on A to C Paterson grades and 5% for those on D to F Paterson grades; 1% increase for pay progression; and no voluntary early retirement payments made during the reporting year.

Table 22: Personnel costs by salary band

Occupational level	Personnel expenditure (R)	Personnel expenditure as % of total costs	Number of employees	Average personnel cost per employee (R)
F - Top Management	14,797,454.60	1.57%	7	2,113,922.09
E - Senior Management	63,194,033.67	6.72%	57	1,108,667.26
D - Middle Management	205,410,608.62	21.84%	317	647,982.99
C - Junior Management	172,397,102.36	18.33%	618	278,959.71
B – Semi-skilled	294,575,108.93	31.32%	1874	157,190.56
A - Unskilled	190,182,227.55	20.22%	1469	129,463.74
TOTAL	940,556,535.73	100.00%	4342	216,618.27

Table 23: Performance rewards, 2018/19

Salary band	Performance rewards	Personnel expenditure (R)	Performance rewards as % of total personnel cost
Top Management	716,257.25	14,797,454.60	0,076%
Senior Management	1,644,915.06	63,194,033.67	0,174%
Professional qualified	5,508,608.18	205,410,608.62	0,586%
Skilled	3,882,654.51	172,397,102.36	0,413%
TOTAL	11,752,435.00	455,799,200.25	1,249%

Table 24: Training costs, 2018/19

Programme	Personnel expenditure (R)	Training expenditure (R)	Training expenditure as % of personnel cost	Number of employees trained	Average training cost per employee (R)
Skills Programme	940,556,535.70	17,484,216.31	1,86%	2 762	6 330

Table 25: Employee numbers and vacancies, 2018/19

Salary band	Number of employees	Approved posts	Number of employees (filled posts)	Vacancies	% of vacancies
F - Top Management	7	9	7	2	22.22%
E - Senior Management	52	59	52	7	11.86%
D - Middle Management	305	350	305	45	12.86%
C - Junior Management	577	661	577	84	12.71%
B - Semi Skilled	1806	1941	1806	135	6.96%
A - Unskilled	1434	1509	1434	75	4.97%
TOTAL	4181	4529	4181	348	7.68%

Table 26: Employment changes, 2018/19

Salary Band	Employment at beginning of period (31 March 2018)	Appointments	Terminations	Employment at end of the period (31 March 2019)
F - Top Management	7	0	0	7
E - Senior Management	51	4	4	52
D - Middle Management	298	15	15	305
C - Junior Management	549	27	29	577
B – Semi-skilled	1736	152	68	1806
A - Unskilled	1358	127	36	1434
TOTAL	3999	325	152	4181

Totals in the column 'Employment at beginning of period' show the number of people excluding vacancies.



Table 27: Reasons for loss of staff, 2018/19

Reason	Number	% of total no. of staff leaving
Death	22	14.47%
Resignation	61	40.13%
Dismissal	27	17.76%
Retirement	37	24.34%
Ill health	3	1.97%
Expiry of contract	0	0.00%
Other (Absconded)	2	1.32%
TOTAL	152	100.00%

Table 28: Labour relations: disciplinary actions, 2018/19

Nature of disciplinary action	Number
Verbal Warnings	14
Written Warnings	167
Second Written Warnings	8
Final Written Warnings	125
Dismissals	27
TOTAL	341

Table 29: Equity targets and employment equity status: male, 2018/19

	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	1	0	0	0	1	1	2
Senior Management	13	14	5	5	1	1	13	18
Professional qualified	77	79	22	17	5	5	76	84
Skilled	213	192	60	46	1	1	29	45
Semi-skilled	1021	959	250	292	1	1	15	22
Unskilled	668	740	51	54	0	0	1	1
TOTAL	1996	1985	388	414	8	9	135	172

Table 30: Equity targets and employment equity status: female, 2018/19

	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	1	0	0	1	1
Senior Management	11	11	2	3	1	0	6	4
Professional qualified	58	54	17	17	3	5	44	47
Skilled	192	155	45	42	1	6	35	53
Semi-skilled	385	346	115	148	2	20	16	29
Unskilled	625	593	88	138	0	18	1	7
TOTAL	1272	1161	267	349	7	49	103	141

Table 31: Equity targets and employment equity status: gender, 2018/19

	Male		Female	
Levels	Current	Target	Current	Target
Top Management	5	4	2	4
Senior Management	32	38	20	18
Professional qualified	180	185	122	123
Skilled	303	284	273	256
Semi-skilled	1287	1274	518	543
Unskilled	720	795	714	756
TOTAL	2527	2580	1649	1700

Table 32: Equity targets and employment equity status: variance explanation, 2018/19

Occupational levels	Male	Female
Top Management	Target exceeded	Target not met
Senior Management	Target not met due to non-retention of senior management	Target exceeded
Professionally Qualified	Target not met: non-retention of black staff: focused recruitment to achieve targets	Target not met: non-retention of black female staff: focused recruitment to achieve targets
Skilled	Target exceeded	Target exceeded
Semi-skilled	Target exceeded	Target not met: non-retention of black female staff: focused recruitment to achieve targets
Unskilled	Target not met	Target not met: non-retention of black female staff: focused recruitment to achieve targets

Table 33: Number of employees, including employees with disabilities, at various occupational levels (A=Africans, C=Coloureds, I=Indians and W=Whites).

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	0	0	1	1	0	0	1	0	0	7
Senior management	13	5	1	13	11	2	1	6	0	0	52
Professionally qualified and experienced specialists and mid-management	77	22	5	76	58	17	3	44	3	0	305
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	213	60	1	29	192	45	1	35	0	1	577
Semi-skilled and discretionary decision-making	1021	250	1	15	385	115	2	16	0	1	1806
Unskilled and defined decision-making	668	51	0	1	625	88	0	1	0	0	1434
TOTAL PERMANENT	1996	388	8	135	1272	267	7	103	3	2	4181
Temporary employees	160	39	2	76	161	70	0	11	1	0	520
GRAND TOTAL	2156	427	10	211	1433	337	7	114	4	2	4701

Table 34: Number of employees with disabilities at various occupational levels. (A=Africans, C=Coloureds, I=Indians and W=Whites)

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	2	1	1	4	0	0	0	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2	2	0	1	1	0	0	4	0	0	10
Semi-skilled and discretionary decision-making	14	11	1	1	7	2	0	0	0	0	36
Unskilled and defined decision-making	12	3	0	0	11	2	0	0	0	0	28
TOTAL PERMANENT	31	17	2	7	19	4	0	4	0	0	84
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	31	17	2	7	19	4	0	4	0	0	84



PART

CORPORATE GOVERNANCE



HIGHLIGHTS



Eight Board members retired on 31 July 2018 and new Board members were formally inducted.

The Conservation and Socio-economic Development Committee oversees the implementation of approved conservation and socio-economic development strategies.



The Human Capital Management Committee oversees the implementation of human resources and transformation and ensures that ethical conduct is embedded within SANParks.



South African National Parks Board

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

The Board and its committees operate according to approved charters. Board committees, which assist the Board in discharging its responsibilities, table reports at each Board meeting outlining how they have carried out their functions. Until September 2018, the Board committees were the Audit and Risk Committee; Human Capital Management Committee; and Conservation, Tourism and Socio-Economic Development Committee. It was then decided to establish a committee dedicated to tourism, marketing, branding and communication matters; as a result, the Conservation, Tourism and Socio-Economic Development Committee was replaced with the Conservation and Socio-Economic Development Committee and the Tourism Committee.

The Board ensures that SANParks effectively discharges its mandate and that all relevant reports issued by SANParks enable stakeholders to make informed assessments of its performance. Board members annually submit to the Board Secretary declarations of their directorships and commercial interests. At each Board and committee meeting, Board members declare their interests in respect of any agenda item; this is designed to prevent members' personal interests taking precedence over those of SANParks. Board members who have personal interests in a matter under discussion disclose these and recuse themselves from the meeting.

During the financial year, the risk register was reviewed. The Board is satisfied that, during the reporting period, risk management, mitigation and monitoring processes were sufficient to limit the impact of risks.

The Board Secretary is responsible for advising the Board on corporate governance issues and for and monitoring the Board's compliance with the Public Finance Management Act (PFMA), No. 1 of 1999, relevant sections of the NEMPA Act and other relevant legislation. All Board members have access to her services and guidance.

Eight Board members retired on 31 July 2018 and new Board members were formally inducted.

Member	Meetings Attended	Appointment Date	Termination Date
Ms Joanne Yawitch (Chairperson)	8/8	01 April 2015	-
Ms Khungeka Njobe	8/8	01 April 2015	-
Dr Crispian Olver	2/8	01 April 2015	31 July 2018
Ms Beryl Ferguson	2/8	01 April 2015	31 July 2018
Mr Mongezi India	2/8	01 April 2015	31 July 2018
Ms Fikile Futwa	0/8	01 April 2015	31 July 2018
Mr Langa Zita	2/8	01 April 2015	31 July 2018
Dr Matlotleng Matlou	1/8	01 April 2015	31 July 2018
Dr Nomakwezi Mzilikazi	1/8	01 April 2015	31 July 2018
Ms Thembeke Semane	1/8	01 April 2015	31 July 2018
Ms Tasneem Essop	4/8	01 August 2018	-
Ms Sophie Molokoane	6/8	01 August 2018	-
Dr Tanya Abrahamse	4/8	01 August 2018	-
Dr Urishanie Govender	3/8	01 August 2018	-
Adv Tshepiso Mphahlane	6/8	01 August 2018	-
Prof Elizabeth Mokotong	6/8	01 August 2018	-
Mr Lourence Mogakane	6/8	01 August 2018	-
Mr Tale Motsepe	6/8	01 August 2018	-
Mr Shonisani Munzhedzi	4/8	01 August 2018	-
Mr Fundisile Mketeni	8/8	01 December 2014	-

Audit and Risk Committee

The Committee's functions which cover internal audit, risk management, IT governance and statutory reporting are outlined in the Audit and Risk Committee Report in the audited annual financial statements.

Member	Meetings Attended	Appointment Date	Termination Date
Dr Crispian Olver (Chairperson)	1/6	01 April 2015	31 July 2018
Ms Tasneem Essop (Chairperson)	3/6	19 September 2018	-
Ms Fikile Futwa	2/6	01 April 2015	31 July 2018
Mr Langa Zita	2/6	01 April 2015	31 July 2018
Ms Thembeke Semane	1/6	01 April 2015	31 July 2018
Ms Zimasa Silevu	2/6	16 May 2017	31 July 2018
Mr Charl de Kock	1/6	16 May 2017	31 July 2018
Dr Urishanie Govender	2/6	19 September 2018	-
Mr Lourence Mogakane	4/6	19 September 2018	-
Adv Tshepiso Mphahlane	4/6	19 September 2018	-
Ms Esther Makau	2/6	14 March 2017	-
Mr Fundisile Mketeni	6/6	01 April 2015	-

Conservation, Tourism and Socio-economic Development Committee

The object of the Committee is to oversee the implementation of approved conservation, tourism and socio-economic development strategies. The Committee discharged its responsibilities in accordance with its charter.

Member	Meetings Attended	Appointment Date	Termination Date
Ms Khungeka Njobe (Chairperson)	2/2	01 April 2015	31 July 2018
Mr Mongezi India	2/2	01 April 2015	31 July 2018
Mr Langa Zita	2/2	01 April 2015	31 July 2018
Dr Matlotleng Matlou	1/2	01 April 2015	31 July 2018
Dr Nomakwezi Mzilikazi	1/2	01 April 2015	31 July 2018
Mr Fundisile Mketeni	2/2	01 April 2015	31 July 2018

Conservation and Socio-economic Development Committee

The object of the Committee is to oversee the implementation of approved conservation, and socio-economic development strategies. The Committee and discharged its responsibilities in accordance with its charter.

Member	Meetings Attended	Appointment Date	Termination Date
Ms Khungeka Njobe (Chairperson)	2/2	19 September 2018	-
Ms Joanne Yawitch	1/2	19 September 2018	-
Ms Tasneem Essop	1/2	19 September 2018	-
Ms Sophie Molokoane	2/2	19 September 2018	-
Dr Tanya Abrahamse	2/2	19 September 2018	-
Dr Urishanie Govender	1/2	19 September 2018	-
Adv Tshepiso Mphahlane	2/2	19 September 2018	-
Prof Elizabeth Mokotong	1/2	19 September 2018	-
Mr Lourence Mogakane	1/2	19 September 2018	-
Mr Tale Motsepe	2/2	19 September 2018	-
Mr Fundisile Mketeni	1/2	19 September 2018	-

Tourism Committee

The object of the Committee is to oversee the implementation of approved tourism, marketing and communications strategies. The Committee discharged its responsibilities in accordance with the charter that was approved by the Board.

Member	Meetings Attended	Appointment Date	Termination Date
Dr Tanya Abrahamse (Chairperson)	2/2	19 September 2018	-
Ms Khungeka Njobe	2/2	19 September 2018	-
Ms Tasneem Essop	2/2	19 September 2018	-
Ms Sophie Molokoane	2/2	19 September 2018	-
Ms Joanne Yawitch	1/2	19 September 2018	-
Dr Urishanie Govender	1/2	19 September 2018	-
Adv Tshepiso Mphahlane	1/2	19 September 2018	01 December 2018
Prof Elizabeth Mokotong	2/2	19 September 2018	-
Mr Lourence Mogakane	2/2	19 September 2018	-
Mr Tale Motsepe	2/2	19 September 2018	-
Mr Fundisile Mketeni	2/2	19 September 2018	-

Human Capital Management Committee

The Committee oversees implementation of human resources and transformation and ensures that ethical conduct is embedded within SANParks. The Committee discharged its responsibilities in accordance with its charter.

Member	Meetings Attended	Appointment Date	Termination Date
Ms Beryl Ferguson (Chairperson)	1/3	01 April 2015	31 July 2018
Ms Sophie Molokoane (Chairperson)	2/3	01 August 2018	-
Ms Khungeka Njobe	1/3	01 April 2015	31 July 2018
Ms Thembeke Semane	1/3	01 April 2015	31 July 2018
Dr Matlotleng Matlou	1/3	01 April 2015	31 July 2018
Prof Elizabeth Mokotong	2/3	01 August 2018	-
Adv Tshepiso Mphahlane	1/3	01 December 2018	-
Mr Tale Motsepe	2/3	01 August 2018	-
Mr Fundisile Mketeni	3/3	01 April 2015	-



Gemsbok at Addo Elephant National Park

PART E

ANNUAL FINANCIAL REPORT

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Financial Overview

Mr Dumisani Dlamini
Chief Financial Officer

Financial Results

2018/19 has been both a difficult and a rewarding year, with economic conditions affecting many organisations across various sectors. SANParks remained resilient despite these conditions and was rewarded with positive results.

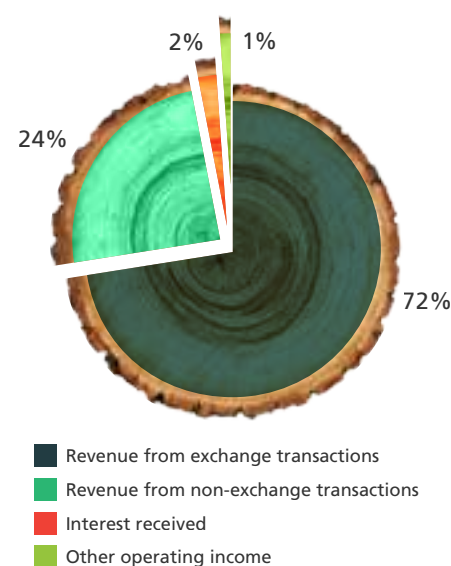
During the financial year, 76% of total revenue was made up to own revenue generated, above the strategic objective of 72%. This was achieved despite the decline in visitor numbers and the overall economic environment.

Total revenue was R3bn, 16.2% more than in the previous financial year. R2.2bn was generated from exchange transactions, 13% more than in 2017/2018. This accelerated growth was influenced by SANParks' value proposition and continued support from our guests.

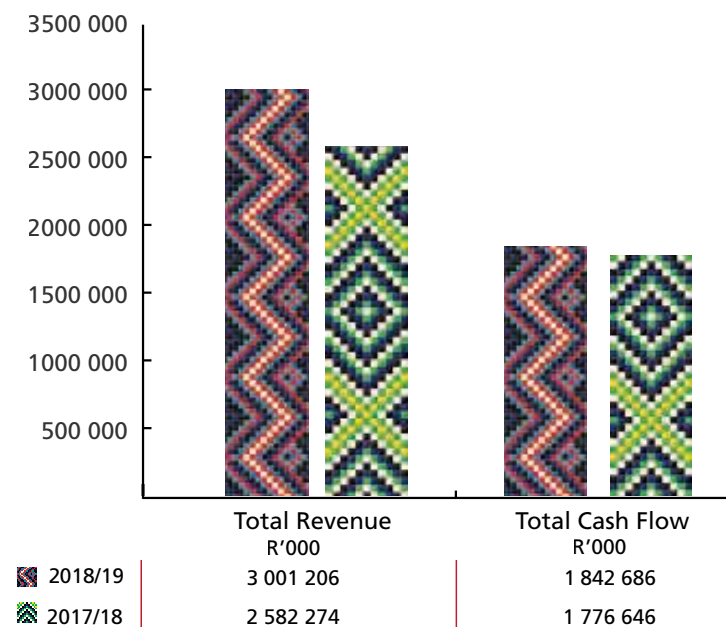
The net surplus grew by 104% to R414m, providing the resources needed to invest back into the organisation to ensure sustainable nature conservation and a constantly-improving guest experience.

Cash equivalents were R1.8bn as at 31 March 2019, 3.7% more than in the previous financial year.

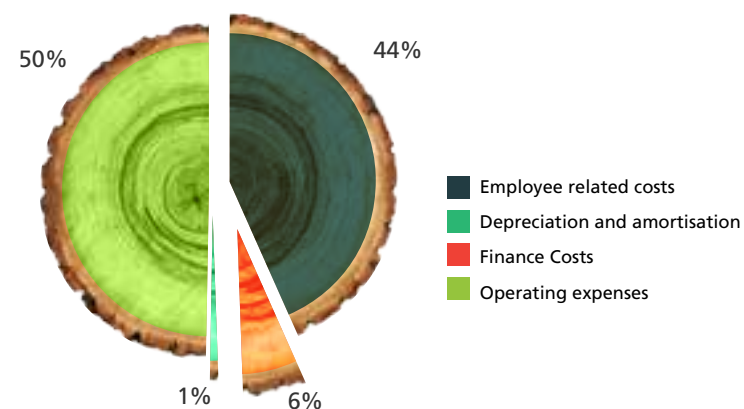
Graph 10: Total revenue



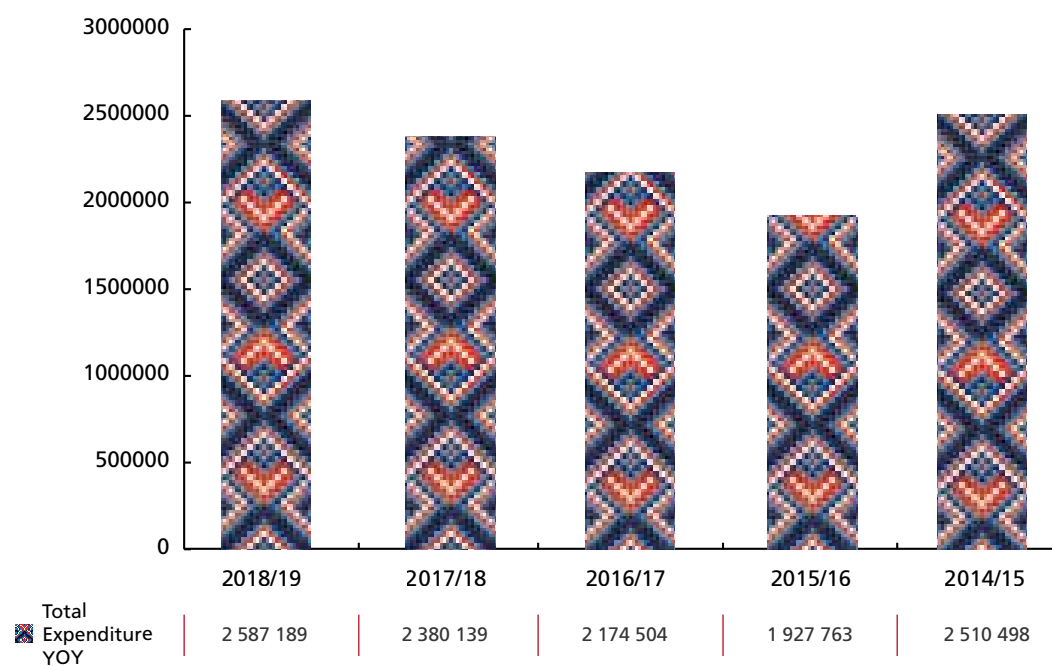
Graph 11: Total revenue and cash flow



Graph 12: Expenditure



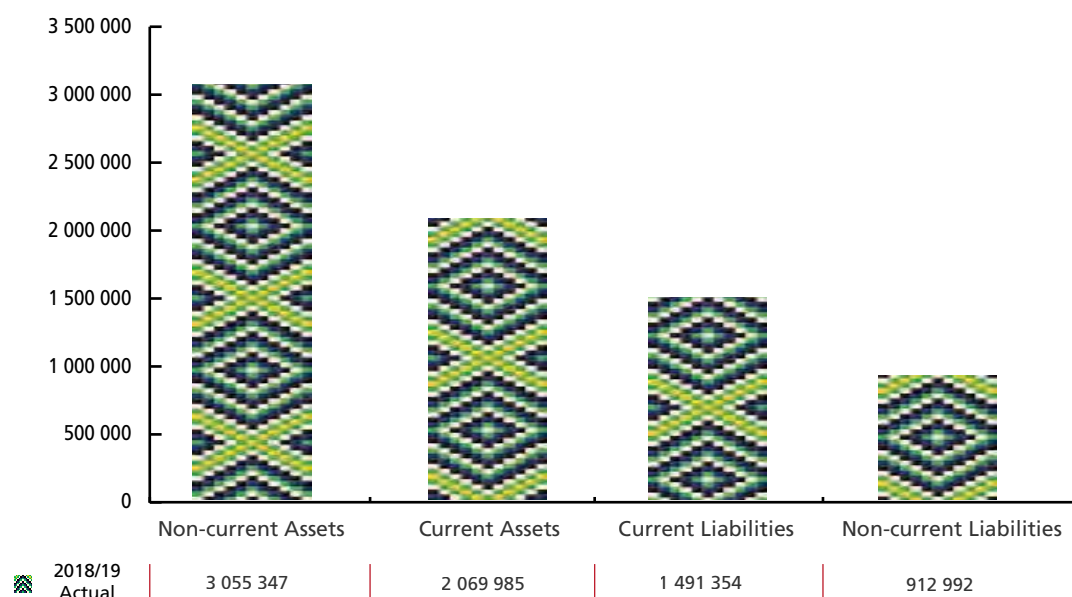
Graph 13: Total expenditure, 2014/15 to 2018/19



Total expenditure increased by 8.7% YoY and employee-related costs by 3.7% (also YoY). At 16.2%, growth in revenue was much higher than in expenditure (8.7%).

Financial Analysis

Diagram: Net assets



During the reporting period, the value of assets grew by 7% to R5.1bn. Liabilities decreased by 3% to R2.4bn.

While SANParks takes full advantage of available trade credit, it takes on average 25 days to settle accounts payable. This complies with the PFMA, and National Treasury Regulations which requires invoices to be paid within 30 days.

Although some debtors were outstanding for more than 60 days, on average the organisation collected cash from its debtors within 21 days.

As indicated by the current ratio (1.39: 1) which is above 1, SANParks' current assets are greater than its current liabilities, We are working towards a ratio of 2:1. The acid test ratio is 1.36: 1; SANParks is thus able to meet its current obligations using its liquid assets.

Resource Mobilisation

Resource mobilisation is critical for our financial sustainability and we are pleased to have raised over R63m from donors and key stakeholders. A number of partners have joined the SANParks family and contributed immensely to fulfilling the organisation's mandate. This collaboration with our donors has enabled SANParks to be a beacon of hope and of governance of resources raised for the various areas of need within and neighbouring SANParks. We take this opportunity to thank all donors and key stakeholders for their generosity.

Financial Sustainability

During the financial year, the Board approved a ten-year tourism revenue growth plan and capital development plan which will serve as a blueprint for ensuring sustainable tourism revenue generation over the next decade. These documents provide an analysis of the key factors for tourism growth success, and detail plans to ensure that SANParks is optimally positioned to facilitate diversified and enhanced tourism opportunities and experiences, thereby increasing tourism returns. SANParks has developed a financial strategy to complement and support its revenue growth plan and capital development plan. The strategy provides insight and guidance about how the organisation can finance its revenue growth plan and achieve its business and impact objectives in a financially sustainable manner. The Executive under the guidance of the Board is on track to ensure that SANParks is a financially sustainable organisation.

Supply Chain Management

SANParks' focus on expenditure management, including addressing irregular expenditure, has started to show results. Identification of increased irregular expenditure is evidence of management's efforts to correct the historical problem and prevent further irregular expenditure. This includes putting in place proper contract management and internal controls.

As a result of a strong drive by the Supply Chain Management (SCM) unit and commitment by SANParks' divisions, achievements in terms of the procurement plan have increased by over 100% YoY. We are working with the National School of Government to train line and project managers to write proper specifications and are at an advanced stage in establishing a BAC subcommittee. This will help with the process of dealing with submissions and thus accelerate achievement of the plan.



We are pleased to have raised R 63,148m from donors and key stakeholders. This collaborative effort with our donors which has enabled SANParks to be the beacon of hope and governance in the deployment of resources.

B-BBEE expenditure through contract awards has grown by 80% to over R 633 677 700 and demonstrates SANParks' commitment to black empowerment and to small, medium and micro enterprises (SMMEs), ensuring that, at the procurement and demand planning stages, opportunities are taken to advance designated groups and apply the pre-qualification criteria. SCM conduct market research and industry analysis to identify such opportunities, levels of transformation in relation to a particular sector or commodity, the supply market, suppliers' B-BBEE status level and the availability of exempt micro enterprises (EMEs) and qualifying small enterprises (QSEs) eligible to tender.

Special Projects

During the late 1990s in a number of parks, SANParks started to implement poverty relief projects, with funding for the removal of alien invasive plants through the Working for Water (WfW) Programme. SANParks did not have the capacity to implement these projects and from 2000 to 2004 appointed implementing agents for the People and Parks, Working for the Coast and WfW projects. In 2004, the Department of Environmental Affairs asked SANParks to take responsibility for implementing the various Expanded Public Works Programme (EPWP) projects.

Since 2000, SANParks has implemented EPWP projects to the value of R 4 billion, with over 13 million person days worked: the equivalent of 58 000 full-time employment opportunities. Approximately 650 SMMEs are used every year, with an average of R 200 million paid to these small contractors annually.

SANParks has treated these projects as implementing agent/principal agreements and has disclosed the funds received as a liability on the Statement of Financial Position. The following changes took place during the 2018/19 financial year:

- Eco-Furniture projects: SANParks is the **implementing agent** on behalf of the Department of the Environment, Forestry and Fisheries (DEFF) and will supply the department with the necessary information to enable disclosure.
- Environmental Protection & Infrastructure Programme (EPIP) projects with signed agreements that are still in progress: SANParks is the implementing agent on behalf of the Department and will supply it with the necessary information to enable disclosure in its accounting records until the closing date is reached.

- NRMP projects inside national parks: the department will include these in a transfer payment to SANParks which will account for these project expenses in its accounting records. SANParks will report on these projects as part of the approved Annual Performance Plan reporting.
- NRMP projects outside national parks: the Department will regularise the process to appoint SANParks as its service provider for these projects. Memoranda of Understanding (MOAs) need to be signed in relation to these appointments, with SANParks required to do all the accounting in its accounting records and invoice the Department for the services delivered. This needs to be separately disclosed on the allocation letter as it does not form part of the transfer payment.

In Conclusion

The organisation's balance sheet shows good financial health, with a number of initiatives in the pipeline to ensure its sound financial management.

If positivity can be derived from a balance sheet assessment or a look at trends in revenue generation, SANParks' Annual Financial Statements would be a good source. However, sustaining a positive outlook depends on many factors which include, but are not limited to, financial stability. To think positively, we must envision a future of which we want to be part, where sound financial management and broad strategic interventions meet to create an environment conducive to growth. Our future prosperity, therefore, lies in what we do in the present to foster a positive outlook.

Mr. Dumisani Dlamini
CHIEF FINANCIAL OFFICER

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 170 to 239, which comprise the statement of financial position as at 31 March 2019, the statement financial performance and other comprehensive income, the statement of changes in net assets, the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African National Parks as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999) (PFMA).

Context for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the public entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants, parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 39 to the financial statements, the corresponding figures for 31 March 2018 were restated as a result of an error and reclassification in the financial statements of the public entity at, and for the year ended, 31 March 2019.

Responsibilities of accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting authority is responsible for assessing the South African National Park'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.

Auditor-General's responsibilities for the audit of the financial statements

10. 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.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act no. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2019:

Objectives	Pages in the annual performance report
Strategic objective 1 - improved representative conservation estate	28 to 31
Strategic objective 2 - effectively managed ecosystem, species and cultural heritage assets	32 - 41
Strategic objective 3 - enhanced knowledge for decision making	42
Strategic objective 4 - enhanced tourism returns	43 - 45
Strategic objective 6 - optimised contribution to the green and blue economy	47 - 49

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not raise any material findings on the usefulness and reliability of the reported performance information for these objectives:

- Strategic objective 1 - improved representative conservation estate
- Strategic objective 2 - effectively managed ecosystem, species and cultural heritage assets
- Strategic objective 3 - enhanced knowledge for decision making
- Strategic objective 4 - enhanced tourism returns
- Strategic objective 6 - optimised contribution to the green and blue economy.

Other matters

17. I draw attention to the matters below:

Achievement of planned targets

18. Refer to the annual performance report on pages 28 to 60 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of strategic objective 2 - effectively managed ecosystem, species and cultural heritage assets. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

22. Effective and appropriate steps were not taken to prevent irregular expenditure of R199 374 000 disclosed in note 31 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA.

Other information

23. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

28. Management did not effectively review and monitor compliance assurance controls to effectively prevent transgression of laws and regulations in relation to the entity's supply chain and contract management practices.

29. Management did not always ensure that formal information technology system controls were adequately implemented to ensure the reliability of the systems and the availability, accuracy and protection of information.

Other reports

30. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

31. An independent consultant investigated allegations of possible misappropriation of the public entity's heritage assets during the year. The report was issued to the board on 19 September 2018. The board is in the process of implementing recommendations from the investigation.

32. National Treasury investigated allegations of a material breach of contract relating to private donor funding for the implementation of a special project and related procurement processes. The report was finalised after year-end and the outcome of the investigation will be issued to the accounting authority on 1 August 2019.

Auditor General

Pretoria

31 July 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure - Auditor-General's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the public entity's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
- conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the South African National Parks' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease continuing as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	In terms of the National Environmental Management: Protected Areas Act, 57 of 2003, SANParks’ mandate is to conserve, protect, control, and manage national parks and other pre-defined protected areas and their biological diversity (bio-diversity).
Registered office	643 Leyds Street Muckleneuk Pretoria South Africa 0002
Business address	643 Leyds Street Muckleneuk Pretoria South Africa 0002
Postal address	PO Box 787 Pretoria 0001
Controlling entity	Department of Environmental Affairs (DEA) 473 Steve Biko Road Arcadia Pretoria 0083
Bankers	First National Bank 1 First Place 7th Floor Bank City Johannesburg 2000
Auditors	Auditor-General of South Africa (AGSA) 300 Middel Street New Muckleneuk Pretoria 0002
Secretary	Ms M Mathabathe

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 the Annual Financial Statements were prepared in accordance with the PFMA, and Generally Recognised Accounting Practice (GRAP).
- The going concern basis has been adopted in preparing the Financial Statements. The Board, after having reviewed management's assessment of SANParks ability to operate as a going concern, has a reasonable expectation that the organisation will have adequate resources to continue its operations as a going concern for the foreseeable future.
- Management and employees operated within a framework requiring compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business, except where indicated otherwise in the Annual Report.

The AGSA is responsible for expressing an independent opinion on the Annual Financial Statements of SANParks.

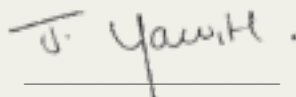
The Board is well versed of its responsibilities as stipulated in the PFMA. Those responsibilities include, but are not limited to the following:

- establishing and maintaining an effective, efficient and transparent systems of financial, risk management and internal controls;
- managing, including the safe-guarding of assets and for the management of the revenue, expenditure and liabilities of SANParks;
- taking effective and appropriate steps to prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of SANParks;
- taking effective and appropriate disciplinary steps against any employee(s) of SANParks who contravenes or fails to comply with a provision of the PFMA; or commits an act which undermines the financial management and internal control system of SANParks; or makes or permits an irregular expenditure or a fruitless and wasteful expenditure to be incurred;
- keeping full and proper records of the financial affairs of SANParks; and
- preparation of financial statements for each financial year, in accordance with GRAP.

In the Board's opinion, the Annual Financial Statements fairly presents in all material respects the state of affairs of SANParks, its business, its financial results, its performance against predetermined objectives for the year ended 31 March 2019 and its financial position as at 31 March 2019.



Mr F Mketeni
Chief Executive Officer



Ms J Yawitch
Chairperson

Pretoria
31 July 2019

Audit and Risk Committee Report

1. Introduction

This is a report to the Board on how the Audit and Risk Committee has discharged its duties, has been prepared in accordance with good governance principles.

2. Composition

The Committee initially comprised seven non-executive members as well as the CEO until 31 July 2018. With effect from 19 September 2018, the Committee comprises five non-executive members as well as the CEO. The Committee has complied with its responsibilities arising from PFMA and National Treasury Regulations, and discharged its responsibilities in accordance with its charter.

3. Internal Audit and the effectiveness of internal controls

The Accounting Authority is obliged, in terms of the PFMA, to ensure that the entity maintains an effective, efficient and transparent system of financial and risk management and internal control.

In line with the PFMA and the King Code on Corporate Governance requirements, Internal Audit is expected to provide the Audit and Risk Committee as well as Management with assurance that the internal controls are appropriate and effective. This is to be achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to controls and processes.

SANParks outsourced internal audit services to Grant Thornton (which later merged with BDO), however the Chief Audit Executive oversees the outsourced internal audit services, as per the provisions of National Treasury Regulations. The Audit and Risk Committee approves the charter, audit plan and budget of internal audit and the Committee is satisfied that Internal Audit performed its duties in accordance with the audit plan and charter. Internal Audit attends and presents its findings to the Audit and Risk Committee. Internal Audit expressed general satisfaction with the effectiveness of internal controls but highlighted areas that require improvement. The Committee constantly monitors progress on how management resolves issues raised by Internal Audit.

4. Governance of risk

The Committee is responsible for the oversight of the risk management process. Risk governance and management are integral elements of SANParks' governance environment.

During the financial year, SANParks implemented National Treasury's Enterprise Risk Management Framework. The Committee considered the risk register every quarter during the financial year.

Internal audit noted significant improvement in the risk management control environment. The Committee is satisfied of the effectiveness of SANParks' risk management, mitigation and monitoring processes in limiting the impact of risks during the financial year.

5. Quality of management and quarterly reports submitted in terms of the PFMA

The Committee is satisfied:

- With the content and quality of management and quarterly reports prepared and issued by SANParks during the year under review.
- That the finance function is adequately skilled, resourced and experience.
- That the Chief Financial Officer has the appropriate skill and experience to discharge his responsibilities.

6. Quality of budgets submitted in terms of the PFMA

The Committee is satisfied that budgets were carefully and diligently considered and managed by SANParks during the financial year.

7. Evaluation of the annual financial statements

The committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and terms of reference during the year under review.

The Committee performed a review on the annual financial statements focusing on:

- Significant financial reporting judgments and estimates contained in the annual financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Quality and acceptability of, and any changes in, accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Significant adjustments and/or unadjusted differences resulting from the audit;
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Asset valuations and revaluations;
- Calculation and levels of general and specific provisions;
- Write-offs and reserve transfers; and
- The basis for the going concern assumption.

8. Auditor-General's report

The external audit function, performed by the Auditor-General of SA, is independent of SANParks.

The Committee concurs with and accepts the conclusions of the Auditor-General on the annual financial statements and is of the view that the audited financial statements be accepted and read together with the report of the Auditor-General. The Committee has met with the Auditor-General to ensure that there are no unresolved issues.



Mr. T. Essop
Chairperson

Pretoria

31 July 2019

Statement of Financial Position as at 31 March 2019

	Notes	2019 R '000	2018 R '000
Assets			
Current Assets			
Inventories	2	45,999	42,965
Receivables from exchange transactions	3	30,156	39,912
Receivables from non-exchange transactions	4	151,144	–
Cash and cash equivalents	5	1,842,686	1,776,646
		2,069,985	1,859,523
Non-Current Assets			
Property, plant and equipment	6	2,181,648	2,075,231
Intangible assets	7	44,475	45,982
Heritage assets	8	560,575	560,575
Receivables from exchange transactions	3	268,806	245,366
		3,055,504	2,927,154
Total Assets		5,125,489	4,786,677
Liabilities			
Current Liabilities			
Other financial liabilities	10	–	5,541
Finance lease obligation	11	60,113	50,144
Payables from exchange transactions	12	231,251	240,887
Unspent conditional grants and receipts	13	770,509	814,410
Provisions	14	53,649	58,909
Reservation deposits	15	375,832	353,370
		1,491,354	1,523,261
Non-Current Liabilities			
Finance lease obligation	11	130,569	158,853
Employee benefit obligation	16	513,617	552,228
Provisions	14	268,806	245,366
		912,992	956,447
Total Liabilities		2,404,346	2,479,708
Net Assets		2,721,143	2,306,969
Accumulated surplus		2,721,143	2,306,969

Statement of Financial Performance

	Notes	2019 R '000	2018 R '000
Revenue			
Revenue from exchange transactions			
Tourism, Retail, Concession and Other	17	2,162,109	1,900,669
Sales — fauna and flora	18	4,266	17,634
Other operating income	19	41,558	33,653
Interest received	20	67,141	59,585
Total revenue from exchange transactions		2,275,074	2,011,541
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and other funding	21	709,822	558,288
Donations	22	16,310	12,445
Total revenue from non-exchange transactions		726,132	570,733
Total revenue		3,001,206	2,582,274
Expenditure			
Employee related costs	23	(1,139,953)	(1,098,501)
Depreciation and amortisation	24	(146,934)	(135,860)
Finance costs	25	(19,213)	(10,737)
Operating lease payments	26	(42,765)	(72,648)
Repairs and maintenance	27	(151,320)	(137,210)
Loss on disposal of assets	28	(2,243)	(9,403)
Operating expenses	29	(1,084,604)	(915,780)
Total expenditure		(2,587,032)	(2,380,139)
Surplus for the year		414,174	202,135

Statement of Changes in Net Assets

	Accumulated surplus R '000
Balance at 01 April 2017	2,081,594
Changes in net assets	
Surplus for the year	202,135
Prior year adjustment – military inventory	3,386
Prior year adjustment – collections	19,854
Balance at 01 April 2018 as restated	2,306,969
Changes in net assets	
Surplus for the year	414,174
Balance at 31 March 2019	2,721,143

Cash Flow Statement

	Notes	2019 R '000	2018 R '000
Cash flows from operating activities			
Receipts			
Cash receipts from exchange transactions		2,217,687	1,948,516
Cash receipts from non-exchange transactions		531,087	754,144
Interest income		67,141	59,585
		2,815,915	2,762,245
Payments			
Employee costs		(1,153,222)	(1,042,805)
Suppliers		(1,250,715)	(1,026,370)
Finance costs		(61)	(74)
		(2,403,998)	(2,069,249)
Net cash flows from operating activities	33	411,917	692,996
Cash flows from investing activities			
Purchase of property, plant and equipment		(201,776)	(243,887)
Proceeds from sale of property, plant and equipment		4,339	38,281
Purchase of intangible assets	7	(9,888)	(6,143)
Expenditure from conditional grants		(188,560)	(268,675)
Cash received from conditional grants		132,105	226,253
Net cash flows from investing activities		(263,780)	(254,171)
Cash flows from financing activities			
Repayment of other financial liabilities		(5,541)	910
Finance lease payments		(57,404)	(29,023)
Finance costs		(19,152)	(10,663)
Net cash flows from financing activities		(82,097)	(38,776)
Net increase/(decrease) in cash and cash equivalents		66,040	400,049
Cash and cash equivalents at the beginning of the year		1,776,646	1,376,597
Cash and cash equivalents at the end of the year	5	1,842,686	1,776,646

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget R'000	Adjustments R'000	Final Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Tourism, Retail, Concession and	2,108,739	–	2,108,739	2,162,109	53,370
Other					
Sales – fauna and flora	12,000	–	12,000	4,266	(7,734)
Other operating income	26,547	–	26,547	41,558	15,011
Interest received	49,716	–	49,716	67,141	17,425
Total revenue from exchange transactions	2,197,002	–	2,197,002	2,275,074	78,072
Revenue from non-exchange transactions					
		–			
Transfer revenue					
Government grants and other funding	800,859	–	800,859	709,822	(91,037)
Donations	3,070	–	3,070	16,310	13,240
Total revenue from non- exchange transactions	803,929	–	803,929	726,132	(77,797)
Total revenue	3,000,931	–	3,000,931	3,001,206	275
Expenditure					
Employee related costs	(1,243,339)	–	(1,243,339)	(1,139,953)	103,386
Depreciation and amortisation	(162,230)	–	(162,230)	(146,934)	15,296
Finance costs	(30,624)	–	(30,624)	(19,213)	11,411
Operating lease payments	(51,312)	–	(51,312)	(42,765)	8,547
Repairs and maintenance	(195,682)	–	(195,682)	(151,320)	44,362
Operating expenses	(1,162,373)	–	(1,162,373)	(1,084,604)	77,769
Total expenditure	(2,845,560)	–	(2,845,560)	(2,584,789)	260,771
Operating surplus	155,371	–	155,371	416,417	261,046
Loss on disposal of assets	–	–	–	(2,243)	(2,243)
Surplus for the year before extraordinary items	155,371	–	155,371	414,174	258,803
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	155,371	–	155,371	414,174	258,803

Statement of Comparison of Budget and Actual Amounts

Reconciliation between actual and budget statement of financial performance

Variances on budget

	R'000
Surplus as per the statement of financial performance	414,174
Revenue from exchange transactions is more than budget due to tourism tariff hikes and an increase in visitors and unit occupancy numbers. Interest received is also better than anticipated.	(78,072)
Revenue from non-exchange transactions variance is due to the following:	77,797
<ul style="list-style-type: none"> Infrastructure grant income is more than the budget. Infrastructure grant income is realised in accordance with GRAP 23, which makes it challenging to accurately budget for the grant income that will qualify as revenue during the financial year. Also included in the current year's infrastructure grants, are grants relating to the EPWP projects. Previously SANParks accounted for these using the principal agent principles of accounting. Following the change of terms in the agreements with DEA, EPWP is now accounted for as a SANParks conditional grant, in terms of GRAP 23. Special projects income is included in revenue from non-exchange transactions, but cannot be budgeted for accurately, as it falls outside SANParks normal operations, and the extent of special projects income is not always known in advance. Donations received are better than budgeted. Donations are influenced by individual donors. 	167,202 (102,645) 13,240
Total expenditure variance results from the following:	(260,771)
<ul style="list-style-type: none"> Employee related costs reflect a saving of R94, 925m as a result of an actuarial gain in post retirement medical aid benefit cost of R69m, and the remainder from vacant positions. Depreciation and amortisation's underspending emanates from assets not yet realised, but were expected to have materialised by the end of the financial year. Finance costs reflect an underspending, due to entering into less finance leases than expected in the current financial year. The saving in operating leases is as a result of the effects arising from vehicle fleet insourcing. Repairs and maintenance saving results from delayed implementation. The saving on operating expenses emanates from a saving in consulting and professional fees, a saving in NDT infrastructure operating expenditure, a saving in commission paid to non-financial institutions, and a saving in special projects operating expenditure. These savings are as a result of cost containment measures that have been put in place. 	(103,386) (15,296) (11,411) (8,547) (44,362) (77,769)
Loss on disposal of assets not budgeted for	2,243
Net surplus/(deficit) per approved budget	155,371

Accounting Policies

1. Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

The financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of these financial statements, are set out below.

1.1 Underlying concepts and comparative figures

The financial statements are prepared on the going concern basis using accrual accounting.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively, unless it is impractical to do so, in which case they are applied prospectively.

1.2 Inventories

SANParks 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 SANParks 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 SANParks.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories, which exclude fauna and flora, are stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out method.

1.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial asset is past due when a counterparty has failed to make a payment when contractually due. A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash

or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- SANParks designates at fair value at initial recognition; or
- are held for trading.

Classification

SANParks has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

SANParks has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Unspent conditional grants	Financial liability measured at amortised cost
Trade and other payables from exchange transactions	Financial liability measured at amortised cost

Accounting Policies

1.3 Financial instruments (continued)

Initial recognition

SANParks recognises a financial asset or a financial liability in its statement of financial position when SANParks becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

SANParks measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

SANParks measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review.

Gains and losses

For financial assets and financial liabilities measured at amortised 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.

Impairment and uncollectibility of financial assets

SANParks assess, at the end of each reporting period, whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which trade receivables have defaulted on payments already due, and their ability to make payments. This assessment is performed on all outstanding debtor on the debtors' age analysis at the reporting date. Accordingly, management believes no further credit provisions are required in excess of the provision for doubtful debts.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

SANParks derecognises financial assets using trade date accounting.

SANParks derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- SANParks transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- SANParks, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, SANParks:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

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

SANParks removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

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).

1.3 Financial instruments (continued)

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 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.

1.4 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one reporting period.

Recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity, and
- the cost or fair value of the item can be measured reliably.

Measurement at recognition

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost shall be measured at its fair value as at the date of acquisition.

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees, direct materials, labour and overhead expenses. Interest costs on borrowings to finance the construction of infrastructure are capitalised during the period of time that is required to complete and prepare the infrastructure for its intended use, and form part of the cost of the asset.

Elements of cost

The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,

- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement

SANParks chose to use the cost model as its accounting policy, and applies this policy to the entire class of property, plant and equipment.

After initial recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation amount and depreciation period

The depreciable amount of an asset has been allocated on a systematic basis over its useful life.

The useful life of an asset has been reviewed at least annually whether there is any indication that the expectations of the asset have changed since the preceding reporting date. If any such indication exists, SANParks shall revise the expected useful life and/or residual value accordingly. The change(s) shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Where significant parts of an item have different useful lives, or pattern in which future economic benefits are expected to be consumed, to the item itself, these parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	5 to 50 years
Vehicles, machinery and mechanical equipment	Straight line	5 to 40 years
Aircraft	Straight line	2 to 20 years as componentised
Furniture & office equipment	Straight line	5 to 25 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Accounting Policies

1.4 Property, plant and equipment (continued)

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.

SANParks assesses at each reporting date whether there is any indication that SANParks expectations about the useful life of an asset have changed since the preceding reporting date. If any such indication exists, SANParks 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.

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.

SANParks separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 27).

SANParks discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 6).

1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Recognition

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

SANParks assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Initial measurement

An intangible asset is measured initially at cost by SANParks. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Subsequent measurement

An intangible asset is measured:

- After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses.
- Amortisation is calculated on a straight line basis, and the useful life varies between 3 and 5 years and is reviewed annually.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Impairment of Intangible Assets

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

SANParks assesses at each reporting date whether there is any indication that the computer software may be impaired. No such indication existed at the end of the current financial reporting period.

SANParks discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 7).

1.6 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

A class of heritage assets is a grouping of heritage assets of a similar nature or function in SANParks operations, that is shown as a single item for the purpose of disclosure in the financial statements.

SANParks' classes of Heritage Assets include:

- Conservation areas such as National Parks.
- Archeological sites
- Collections.
- Geological sites
- Graves of cultural significant
- Historical buildings
- Historical sites
- Landscapes and natural features of cultural significance
- Monuments
- Palaeontology sites
- Sacred sites (sites of spiritual or religious significance) Characteristics often displayed by heritage assets include the following:
 - Their value in cultural, environmental, educational and historical terms is unlikely to be fully reflected in monetary terms.
 - Ethical, legal and/or statutory obligations may impose prohibitions or severe stipulations on disposal by sale.
 - They are often irreplaceable.
 - Their value may increase over time even if their physical condition deteriorates.
 - They have an indefinite life and their value appreciates over time due to their cultural, environmental, educational, natural scientific, technological, artistic or historical significance.
- They are protected, kept unencumbered, cared for and preserved.

Recognition

A heritage asset shall be recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

SANParks 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 SANParks 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 financial statements.

SANParks does not recognise heritage assets which on initial recognition, do not meet the recognition criteria of a heritage asset because they cannot be reliably measured. Relevant and useful information about them has been disclosed in the notes to the financial statements. 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.

For collections, 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

SANParks assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, SANParks estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset. The transfer will be made at the carrying value of the heritage asset.

Derecognition

SANParks derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Accounting Policies

1.6 Heritage assets (continued)

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7 Biological assets

A biological asset is a living animal or plant.

Agricultural produce is the harvested produce of the entity's biological assets.

Biological transformation comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a biological asset.

Agricultural activity is the management by an entity of the biological transformation and harvest of biological assets for:

- sale,
- distribution at no charge or for a nominal charge; or
- conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

An entity recognises a biological assets or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Since SANParks living animals and plants fall outside of the scope of GRAP 27, SANParks cannot and has not recognised biological assets.

1.8 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.

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 SANParks, 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 SANParks Responsible Tourism, there is rental accommodation that is used to generate cash flows, which are significantly higher than the cost of the asset. 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.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

SANParks assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, SANParks estimates the recoverable amount of the asset.

1.8 Impairment of cash-generating assets (continued)

Irrespective of whether there is any indication of impairment, SANParks also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

The value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, SANParks estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and SANParks applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use SANParks:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit. When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, SANParks recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of impairment loss

SANParks assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

Accounting Policies

1.9 Impairment of non-cash generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation/amortisation.

The recoverable service amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

At each reporting date a review is carried out to determine whether there are any indications that any non-cash generating assets and non-cash generating units may be impaired. If such indications exist, the recoverable amounts of the affected assets are determined.

Where the recoverable amount of an asset or non-cash-generating unit is lower than its carrying amount, an impairment loss is recognised in surplus or deficit in respect of assets at historic cost.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

SANParks assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, SANParks estimates the recoverable service amount of the asset.

Value in use

The value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that SANParks would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which

are unnecessary for the goods or services the asset provides.

Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

SANParks assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease. When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, SANParks recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation/amortisation charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases as per the GRAP 13 refers to a contract that transfers the risks, rewards, rights and obligations incident to ownership and is recorded as a purchase of equipment by means of long-term borrowings. All other leases are classified as operating leases.

1.10 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 interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with the Standard of GRAP on Property, Plant and Equipment.

Operating leases – lessee

Assets acquired under leases where all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term or another basis if more representative of the time pattern of the user's benefit. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Provisions and contingencies

A provision is a liability of uncertain timing or amount.

Recognition

Provisions are recognised when:

- SANParks has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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 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).

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

Accounting Policies

1.12 Employee benefits

Employee benefits are all forms of consideration given by SANParks in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of SANParks, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to SANParks' own creditors (even in liquidation) and cannot be paid to SANParks, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to SANParks to reimburse it for employee benefits already paid.
- Termination benefits are employee benefits payable as a result of either:
- SANParks decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, an entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which entity provides post-employment benefits for one or more employees.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability SANParks recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

1.12 Employee benefits (continued)

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

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.

SANParks accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from SANParks informal practices. Informal practices give rise to a constructive obligation where SANParks has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in SANParks informal practices would cause unacceptable damage to its relationship with employees.

The amount determined as a defined benefit liability may be negative (an asset). SANParks measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

SANParks determines the present value of defined benefit obligations with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

SANParks recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses;
- past service cost;

- the effect of any curtailments or settlements; and

SANParks uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, SANParks shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, SANParks shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

SANParks recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, SANParks re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is not presented as the net of the amount recognised for a reimbursement.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Accounting Policies

1.12 Employee benefits (continued)

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post retirement obligations

SANParks provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

SANParks shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;

- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

SANParks recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

SANParks is demonstrably committed to a termination when the SANParks has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.13 Service concession arrangements

Service concession arrangements arise from the service concession agreements that SANParks has with different Public Private Partnerships (PPP). These arrangements give the operator the right to build and operate an infrastructure asset within the National Park. The operator also has to pay SANParks a concession fee as agreed upon in the specific PPP agreement. These transactions give rise to assets (infrastructure and other movable assets), liabilities and revenues that are accounted for in the manner outlined below:

Assets Recognition

The grantor shall recognise an asset provided by the operator and an upgrade to an existing asset of the grantor as a service concession asset if:

- the grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them and at what price.

1.13 Service concession arrangements (continued)

- the grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the asset at the end of the term of the arrangement.

Initial Measurement

The grantor shall initially measure a new service concession asset that meets the concession asset recognition criteria, at its fair value.

Where an existing asset meets the conditions of a concession asset, the grantor shall reclassify the asset as a concession asset. The reclassified service concession asset shall be initially measured and accounted for, in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.

Subsequent measurement

After initial recognition or reclassification, service concession assets shall be initially measured and accounted for (in all respects), in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.

Liability

Recognition

Where the grantor recognises a service concession asset, the grantor shall also recognise a liability. The grantor shall not recognise a liability where an existing asset of the grantor is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

Initial Measurement

Where the grantor has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the grantor shall account for the liability recognised as a financial liability.

The liability arising from concession asset recognition shall be initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration (eg. cash) from the grantor to the operator, or from the operator to the grantor.

Subsequent Measurement

The Financial Liability Model

Subsequent to initial measurement, the Standard of GRAP on Financial Instruments (GRAP 104) applies to the financial liability recognised above.

The grantor shall allocate the payments to the operator and account for them according to their substance as a reduction in the liability recognised, a finance

charge, and charges for services provided by the operator.

The finance charges and charges for services provided by the operator in a service concession arrangement shall be accounted for as expenses.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the grantor to the operator shall be allocated by reference to the relative fair values of the service concession asset and the services. Where the asset and service components are not separately identifiable, the service component of payments from the grantor to the operator is determined using estimation techniques.

Grant of a Right to the Operator Model

Where the grantor does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue-generating asset, the grantor shall account for the liability, as the unearned portion of the revenue arising from the exchange of assets between the grantor and the operator.

The grantor shall recognise revenue and reduce the liability recognised, according to the substance of the services concession arrangement.

Other Liabilities

The grantor shall account for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the Standard of GRAP on Provisions, Contingent Assets (GRAP 19) and Financial Instruments (GRAP 104).

Other Revenues

The grantor shall account for revenues from a service concession arrangement, other than those specified under Grant of a right to the operator model in accordance with the Standard of GRAP on Revenue from Exchange Transactions (GRAP 9).

Service concession arrangements is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the service concession arrangements will flow to the entity, and the cost or fair value of the service concession arrangements can be measured reliably.

Derecognition

Service concession arrangements are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of service concession arrangements is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Accounting Policies

1.13 Service concession arrangements (continued)

Compensation from third parties for service concession arrangements that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Applying the Probability Test on Initial Recognition of Revenue

This Interpretation of the Standards of GRAP provides guidance on how an entity applies the probability test on initial recognition of revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently.

This interpretation of Standards of GRAP is applicable to SANParks based on past experience where less than 100% of the revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction, is expected.

SANParks recognises the full amount of exchange and non-exchange revenue based on the terms of the arrangement with each debtor, notwithstanding its knowledge based on past experience.

Consideration is given to whether there is objective evidence that an impairment loss has been incurred when making the impairment assessment for subsequent measurement of the receivables at the reporting date.

SANParks derives revenue from exchange and non-exchange transactions. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Examples of exchange transactions include:

- The rendering of services – revenue from tourism, retail and concession fees
- The sale of goods and services – the sales of fauna and flora
- Interest – from investment income

Rendering of services

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to SANParks;

- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

- Accommodation income is accrued on a daily basis.
- Conservation levies are recognised on a daily basis and other tourist related activities are recognised upon commencement of the activity.
- Wild Card sales are amortised over the validity period of the Wild Card.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- SANParks has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- SANParks retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to SANParks; 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 SANParks assets yielding interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity and
- the amount of revenue can be measured reliably.

Interest is recognised using the effective interest rate method on a time proportion basis.

Measurement of revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

At the time of initial recognition it is inappropriate to assume that the collectability of amounts owing, to SANParks, by individual recipients of goods or services will not occur, because SANParks has an obligation to collect all revenue.

Exchange transactions

The following is included in revenue from exchange transactions:

- Tourism, retail, concession and other.

1.14 Revenue from exchange transactions (continued)

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.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by SANParks, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when SANParks can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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, an 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 SANParks satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by SANParks.

The following are the major classes of revenue from non-exchange transactions, the basis on which the fair value of inflowing resources has been measured:

- **Operational grants received:** Revenue from operational grants received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from DEA;
- **Land infrastructure grant:** Revenue from Land Infrastructure Grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the DEA. If conditions are attached to the grant a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue;
- **Donations received:** Revenue from donations received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the various donors; and
- **Special projects grant:** Revenue from special projects grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the DEA and other funders. If conditions are attached to the grant a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue.
- **Special projects grant (agent and principal arrangements):** Where SANParks is acting as the agent, the revenue, expenses and assets of the project are not recognised in the annual financial statements of SANParks as they are not for SANParks account. Rather SANParks recognises a liability based on the cash not spent on the projects, and the liability is recognised in the Statement of Financial Position. The project assets are not recognised, as they do not meet the definition and recognition criteria of assets of SANParks.

Accounting Policies

1.15 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. SANParks recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are

Measurement

An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

Subsequent measurement

An asset acquired through a non-exchange transactions shall subsequently be measured in terms of the respective standard that the asset relates to.

Liabilities arising from non-exchange transactions Recognition

A present obligation arising from a non-exchange transaction that meets the definition of a liability shall be recognised as a liability when, and only when:

- it is probable that an outflow of resources embodying future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation. Apart from Services in kind, which are not recognised, SANParks recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Measurement

The amount recognised as a liability shall be the best estimate of the amount required to settle the present obligation at the reporting date.

Subsequent Measurement

The liabilities arising from a non-exchange transaction are subsequently measured in terms of the respective standard that the liability relates to.

Stipulations

Assets may be transferred with the expectation and/or understanding that they will be used in a particular way and, therefore, that the recipient entity will act or perform in a particular way. Where laws, regulations or binding arrangements with external parties impose terms on the use of transferred assets by the recipient, these terms are stipulations as defined in this Standard of GRAP. A key feature of stipulations, as defined in this Standard, is that an entity cannot impose a stipulation on itself, whether directly or through an entity that it controls.

1.16 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

National Treasury Instruction Note¹ 2018/19 which was issued in terms of sections 76(2)(e) to 76(4)(a) of the PFMA requires the following (effective from 01 December 2018):

All irregular expenditure is charged against the statement of financial performance in the period in which they are incurred. Irregular expenditure not confirmed (alleged) is not disclosed in the notes to the financial statements.

Irregular expenditure where alleged transaction was confirmed as irregular expenditure, and further determination to identify facts and losses related to the transaction are in progress, disclose amount(s) of irregular expenditure confirmed in the irregular expenditure note; and disclose progress of irregular expenditure in the sub-note Irregular Expenditure under Determination. Include supplementary disclosure on disciplinary steps taken.

Irregular expenditure where confirmed irregular expenditure is investigated in order to establish facts whether the transgression is related to fraudulent, corrupt and other criminal conduct, disclose amount(s) of irregular expenditure in the irregular expenditure note; and disclose progress of irregular expenditure in the sub-note Irregular Expenditure under Investigation.

For irregular expenditure where losses were incurred and SANParks achieve value for money, Determine amount(s) of losses to be recovered and recover in the current financial year (if practical); and disclose amount(s) of losses recovered in the irregular expenditure note under Amount(s) not Condoned and Recoverable. If it can be demonstrated that it is impractical to determine total losses incurred, disclose the details and reasons as to why the amount cannot be quantified.

For irregular expenditure where losses incurred are irrecoverable, determine amount(s) of losses that are irrecoverable and consider writing off such amount(s) in terms of a Debt Write Off Policy for SANParks; and disclose amount(s) of losses irrecoverable in the irregular expenditure note under Amount(s) not Condoned and not Recoverable.

1.16 Irregular expenditure (continued)

For irregular expenditure where losses were not incurred and value for money was achieved and the transgression was free of fraudulent, corrupt or other criminal conduct; request condonation of irregular expenditure; and if amount(s) of irregular expenditure are condoned by the relevant authority disclose amount(s) in the irregular expenditure note as Current year amount(s) Condoned) for the current year, and disclose amount(s) in the irregular expenditure note as Prior year amount(s) Condoned) for the prior year.

If irregular expenditure was not condoned by the relevant authority, Refer the irregular expenditure to the accounting officer or accounting authority for removal; and disclose amount(s) of losses irrecoverable in the irregular expenditure note under Amount(s) not Condoned and not Recoverable.

If fraudulent, corrupt or other criminal conduct is alleged or confirmed, Follow the relevant steps required in terms of Treasury Regulations 33 and the debt management policy of SANParks, report in terms of section 34 of the Prevention and Combating of Corrupt Activities Act. Include supplementary disclosure on criminal proceedings instituted.

1.17 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the correction of error in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the correction of error.

1.18 Commitments

Commitments represent goods/services that have been ordered, but no delivery has taken place at the reporting date. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance as the annual financial statements are prepared on the accrual basis and prior delivery, no accrual can be recognised. These items are, however, disclosed as part of the disclosure notes.

The commitments disclosed in the disclosure note are the aggregate amount of capital and current expenditure approved and contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements.

Material contracts entered into after the reporting date but prior to the approval of the financial statements will be disclosed under subsequent events in the report of the Accounting Authority. Other commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note if both the following

criteria are met:

- non-cancellable contracts or only cancellable at significant cost contracts; and
- contracts that related to something other than the routine, steady, state business of the entity were taken into consideration.

In calculating commitments the following was taken into account pertaining to tenders awarded:

- the period of the tender awarded;
- amounts already paid pertaining to that tender/contract;
- amounts for which invoices have been received and which are therefore included in accruals should be deducted;
- commitments loaded on the procurement systems;
- commitments not loaded on the procurement system.

A distinction was made between capital and current commitments as well as between approved and contracted commitments and approved but not yet contracted for commitments.

Approved and contracted commitments are where the expenditure has been approved and the contract has been awarded at the reporting date.

Approved but not yet contracted commitments are where the expenditure has been approved and the contract is awaiting finalisation at the reporting date.

1.19 Taxation

Income Tax

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act No. 58 of 1962).

Value Added Tax (VAT)

SANParks accounts for VAT on the invoice basis as stipulated in Section 15 of the VAT Act regulating that every vendor shall account for VAT on the invoice basis unless differently approved by the SARS.

1.20 Accounting Policies, Estimates and Errors

Change in accounting estimate

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of a period consumption of an asset, the results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Change in accounting estimate result from new information and new developments and are not correction of errors.

The effect of a change in accounting estimate shall be recognised prospectively by including it in surplus or deficit in:

- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both.

Accounting Policies

1.20 Accounting Policies, Estimates and Errors (continued)

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or item of net assets in the period of the change.

Prior period errors

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use or misuse of, reliable information that:

- was available when financial statements for those period were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

When it is impracticable to determine the period-specific effects of the error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of the assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable (which may be the current period).

When it is impracticable to determine the cumulative effect, at the beginning of the current period, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

Change in Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

An entity shall change an accounting policy only if the change:

- is required by a standard of GRAP; or
- results in the financial statements providing reliable and more relevant information about the effects of the transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

A change in accounting policy shall be applied retrospectively, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information of one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of the assets and liabilities as at the beginning of the earliest period of which retrospective application is practicable, which may be the current period,

and shall make a corresponding adjustment to the opening balance of each affected component of net assets for that period.

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

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).

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 SANParks, including those charged with the governance of SANParks in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with SANParks.

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 SANParks 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 SANParks is exempt from the disclosures in accordance with the above, SANParks 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.

1.22 Segment reporting

Consolidated Financial Statements (segment consolidation) provide an overview of assets, liabilities, revenues and costs of an entity. Public entities control significant public resources and provide a wide variety of goods and services in different geographic areas, with different socio-economic conditions. Segment reporting was thus introduced to enable users to have information about the different segments that make up the composite financial statements. The objective of segment reporting is therefore, to provide information about the specific operational objectives and major activities of an entity, as well as the resources devoted to and costs of these objectives and activities in the different socio-economic or geographical areas that the entity operates in.

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

SANParks shall therefore report separately, information about each segment that has been identified. SANParks shall disclose the geographical areas in which it operates, that are relevant for decision making purposes, as segments.

Disclosure

An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates. To give effect to that principle, an entity shall disclose the following:

- general information;
- information about reported segment surplus or deficit, including specified revenues and expenses included in reported segment surplus or deficit, segment assets, segment liabilities and the basis of measurement; and
- reconciliations of the totals of segment revenues, reported segment surplus or deficit, segment assets, segment liabilities and other material segment items to corresponding entity amounts.

General Information

An entity shall disclose the following general information:

- factors used to identify the entity's reportable segments, including the basis of organisation;
- whether segments have been aggregated and the basis of the aggregation; and
- types of goods and/or services delivered by each segment.
- Information about surplus or deficit, assets and liabilities.

Information about surplus or deficit, assets and liabilities

An entity shall report a measure of assets and liabilities for each reportable segment if such an amount is regularly provided to management. An entity shall also disclose the following about each reportable segment if the specified amounts are included in the measure of segment surplus or deficit reviewed by management, or are otherwise regularly provided to management, even if not included in that measure of segment surplus or deficit:

- external revenue from non-exchange transactions;
- external revenue from exchange transactions;
- interest revenue;
- interest expense;
- depreciation and amortisation.

Reconciliations

An entity shall provide reconciliations of all of the following:

- The total of the reportable segments' revenues to the entity's revenue.
- The total of the reportable segments' measures of surplus or deficit to the entity's surplus or deficit before discontinued operations.
- The total of the reportable segments' assets to the entity's assets.
- The total of the reportable segments' liabilities to the entity's liabilities.
- The total of the reportable segments' amounts for every other material item of information disclosed to the corresponding amount for the entity.

Where the totals of such revenues, expenditures, surplus or deficits, segment assets and segment liabilities reported on the segments can be referenced to the exact amounts in the annual financial statements, performance of the above reconciliation will not be necessary.

1.23 New standards and interpretations

There were no new standards and interpretations effective and adopted in the current year.

Standards of GRAP approved and effective 01 April 2020, that entities may use in formulating an accounting policy. The impact of these standards on SANParks when they do become effective is as follows:

GRAP 110: Living and Non-Living Resources – Likely to have an impact on SANParks living resources controlled by the organisation.

The following standards of GRAP and Interpretations were approved, and an effective date of 01 April 2019, has been determined by the Minister of Finance, and for which SANParks has not early adopted but used in formulating an accounting policy (where necessary) are as follows:

GRAP 20: Related parties – Likely to have an impact on SANParks with regards to directors emoluments.

GRAP 32: Service concession arrangements: Grantor – Likely to have an impact on SANParks with regards to service concession agreements.

GRAP 108: Statutory Receivables– Unlikely to have an impact on SANParks.

Accounting Policies

1.23 New standards and interpretations (continued)

GRAP 109: Accounting by Principals and Agents – Likely to have an impact on SANParks in so far as SANParks acts as either a principal or agent, in principal-agent arrangements.

IGRAP 17: Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset – The potential impact is that concession assets may be recognised by SANParks once the standard becomes effective.

IGRAP 18: Recognition and derecognition of land. – Likely to have an impact on SANParks with regards to conservation land

IGRAP 19: Liabilities to pay levies – Likely to have an impact on SANParks with regards to municipal rates

Guidelines of Standards of GRAP that have been approved and for which entities are required to apply:

Guideline Accounting for Arrangements Undertaken in terms of the National Housing – Not likely to have an impact on SANParks.

Directives issued with an effective date of 01 April 2019, that entities are required to apply:

Directive 12: The selection of an appropriate reporting framework by public entities – Unlikely to have an impact on SANParks as public entities that currently apply the standards of GRAP are exempt from this directive.

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
2. Inventories		
Consumables	10,662	12,981
Retail goods and fuel	32,466	26,598
Military inventory	2,871	3,386
	45,999	42,965
3. Receivables from exchange transactions		
Trade debtors	24,311	37,194
Prepayments	–	1,162
Debtors control – other	12,617	12,258
Provision for doubtful debts	(6,772)	(10,702)
	30,156	39,912
Trade receivables age analysis		
Current (0 – 30 days)	12,003	9,977
31 – 60 days	2,494	5,913
61 – 90 days	450	1,044
91 – 120 days	299	500
Over 120 days	9,065	19,760
	24,311	37,194
Reconciliation of provision for doubtful debts		
Opening balance	(10,702)	(8,373)
Provision for impairment	(5,151)	(2,329)
Amounts written off as uncollectible	9,081	–
	(6,772)	(10,702)
Non-current assets – Receivables from exchange transactions		
Opening balance	245,366	210,114
Increase in provision	23,440	35,252
	268,806	245,366

In reference to note 14, SANParks only controls the right to receive service concession assets at the end of each of the service concession arrangements. This right to receive assets is the residual interest (i.e. receivable) in the concessionaire assets which is an exchange transaction. The value of the exchange receivable is equal to the provision in note 14 which is the residual value of the asset at the date of transfer.

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
4. Receivables from non-exchange transactions		
Receivables from non-exchange transactions comprises of:		
EPWP funds receivable	151,144	–
Nature conservation trust	–	–
	151,144	–
Nature Conservation Trust		
Opening balance	90,141	90,141
Interest	(17)	–
	90,124	90,141
Nature Conservation Trust funds receivable	90,124	90,141
Provision for impairment	(90,124)	(90,141)
	–	–

SANParks receives conditional grants from different funders. Normally SANParks has an agreement with the funder over the budget of the special project for which the grant has been afforded. For projects whose lifespan exceeds one reporting period, SANParks will contract with the funder to receive the funds in stages. It so happens that sometimes SANParks will incur the expenditure for the projects, and receive the funds/cash at a later stage. The closing balance for this account therefore represents cash receivable from the special projects for expenses incurred to date, which are within the allocated funds of the projects.

Receivables from non-exchange transactions past due but not impaired

Receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 31 March 2019, R 151,144 (2018: R -) were past due but not impaired. This receivable from non-exchange transactions relates to the EPWP work done inside the parks, that is receivable from DEA as at 31 March 2019. It was subsequently received in the month of April 2019.

The ageing of amounts past due but not impaired is as follows:

1 month past due	151,144	–
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Notes to the Annual Financial Statements

4. Receivables from non-exchange transactions (continued)

Receivables from non-exchange transactions impaired

As at 31 March 2019, receivables from non-exchange transactions of R 90,124 (2018: R 90,141) were impaired and provided for. These receivables from non-exchange transactions relate to the Nature Conservation Trust Grant where SANParks used its own funding to pay for some of the project's costs, however the costs incurred were never recovered from the project and have been outstanding for more than 2 years.

The amount of the provision is R 90,124 as of 31 March 2019 (2018: R 90,141).

	2019 R '000	2018 R '000
The ageing of this financial asset is as follows:		
Over 6 months	90,124	90,141
Reconciliation of provision for impairment of receivables from exchange transactions		
Opening balance	(90,141)	–
(Increase)/decrease in provision	17	(90,141)
Provision for impairment	–	–
	(90,124)	(90,141)
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	322	276
Bank balances	1,478,766	1,438,402
Short term investments	363,598	337,968
	1,842,686	1,776,646
Short term investments		
Notice account: First National Bank	99,081	92,106
Notice account: Investec Bank	133,009	123,652
Notice account: ABSA Bank	116,769	108,335
Notice account: Standard Bank	14,739	13,875
	363,598	337,968

Short term investments are done in accordance with the approved investment policy of SANParks.

Notes to the Annual Financial Statements

6. Property, plant and equipment

	2019			2018		
	Cost/ Valuation R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000	Cost/ Valuation R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000
Buildings and infrastructure	2,191,664	(418,509)	1,773,155	2,033,122	(384,447)	1,648,675
Vehicles and mechanical equipment	509,136	(239,113)	270,023	464,399	(172,574)	291,825
Furniture and office equipment	245,936	(156,791)	89,145	217,641	(140,305)	77,336
Aircraft	106,838	(57,513)	49,325	105,669	(48,274)	57,395
Total	3,053,574	(871,926)	2,181,648	2,820,831	(745,600)	2,075,231

Reconciliation of property, plant and equipment – 2019

	Opening balance R '000	Additions R '000	Disposals R '000	Depreciation R '000	Total R '000
Buildings and infrastructure	1,648,675	164,513	(4,641)	(35,391)	1,773,155
Vehicles and mechanical equipment	291,825	50,482	(1,130)	(71,154)	270,023
Furniture and office equipment	77,336	32,554	(811)	(19,934)	89,145
Aircraft	57,395	991	–	(9,061)	49,325
Total	2,075,231	248,540	(6,582)	(135,540)	2,181,648

Reconciliation of property, plant and equipment – 2018

	Opening balance R '000	Additions R '000	Disposals R '000	Depreciation R '000	Total R '000
Buildings and infrastructure	1,530,940	187,276	(29,281)	(40,260)	1,648,675
Vehicles and mechanical equipment	104,419	258,639	(16,144)	(55,089)	291,825
Furniture and office equipment	69,436	30,193	(2,233)	(20,060)	77,336
Aircraft	66,150	811	(16)	(9,550)	57,395
Total	1,770,945	476,919	(47,674)	(124,959)	2,075,231

Notes to the Annual Financial Statements

6. Property, plant and equipment (continued)

Included in movable assets are assets that are held under finance leases.

Assets that serve as security under finance leases as detailed in note 10.

	2019 R '000	2018 R '000
Cost	324,309	313,780
Accumulated depreciation	(129,025)	(78,713)
	195,284	235,067
Vehicles:		
Cost	305,210	275,233
Accumulated depreciation	(111,192)	(62,737)
	194,018	212,496
Furniture, Office equipment and Computer software:		
Cost	19,099	38,547
Accumulated depreciation	(17,833)	(15,976)
	1,266	22,571
Assets under construction		
The closing balance of property, plant and equipment includes the following assets under construction:		
Buildings and infrastructure	178,634	248,599
Vehicles and mechanical equipment	–	32
Furniture and office equipment	–	413
	178,634	249,044

Notes to the Annual Financial Statements

6. Property, plant and equipment (continued)

Assets under construction with delays are as follows:

Asset	Reason for delay	Amount R'000
Buildings and Infrastructure	Agulhas Ratelriver delayed by Public Private Partnership process, Tsitsikamma Big Tree project delayed due to termination of buildings contract and EIA processes impacted on Shangani Gate (KNP) and Phalaborwa Activity Hub (KNP).	11,917
Buildings and Infrastructure	The projects are taking longer to be completed due to the followings reasons: <ul style="list-style-type: none"> • EIA processes; • Poor performance by contractors and termination of contracts; • Planning of huge projects i.e. Tsitsikamma Restaurant; • Community Projects i.e. Addo Lodge site; and • Long tender and contracting processes. 	140,852

The register containing details of land and buildings is available for inspection at the Head Office of SANParks.

SANParks assesses at each reporting date whether there is any indication that the property, plant and equipment may be impaired. Indication existed at the end of the financial reporting period, however there was no impairment loss.

7. Intangible assets

	2019			2018		
	Cost/ Valuation R '000	Accumulated amortisation and accumulated impairment R '000	Carrying value R '000	Cost/ Valuation R '000	Accumulated amortisation and accumulated impairment R '000	Carrying value R '000
Patents, trademarks and other rights	22,936	–	22,936	22,936	–	22,936
Computer software	71,309	(49,770)	21,539	61,400	(38,354)	23,046
Total	94,245	(49,770)	44,475	84,336	(38,354)	45,982

Notes to the Annual Financial Statements

7. Intangible assets (continued)

Reconciliation of intangible assets – 2019

	Opening balance R '000	Additions R '000	Amortisation R '000	Total R '000
Patents, trademarks and other rights	22,936	–	–	22,936
Computer software	23,046	9,888	(11,395)	21,539
	45,982	9,888	(11,395)	44,475

Reconciliation of intangible assets – 2018

	Opening balance R '000	Additions R '000	Disposals R '000	Other changes, movements R '000	Amortisation R '000	Total R '000
Patents, trademarks and other rights	20,200	2,736	–	–	–	22,936
Computer software	38,590	3,407	(11)	(8,039)	(10,901)	23,046
	58,790	6,143	(11)	(8,039)	(10,901)	45,982

Assets in the process of being developed

	2019 R'000	2018 R'000
Computer software, internally generated	4,494	4,266

Intangible assets under construction with delays are as follows:

Asset	Reason for delay	Amount R'000
Computer software	There were additional modules added to the work order, which are in line with audit findings.	4,494

SANParks purchased rights over immovable property, to graze and stock water. SANParks also procured the Kruger Web Domain. SANParks have full access to the purchased rights from signature date to infinity, thus making the rights an intangible asset with an indefinite useful life. As the rights have an indefinite useful life, it has not been amortised. The useful life of the rights have been reviewed for the reporting period under review, to determine whether events and circumstances continue to support an indefinite useful life assessment for the rights. Furthermore, through an assessment conducted, it was noted that no impairment loss was required at year end.

The computer software useful life used in the calculation of amortisation of Software is between 3 years and 5 years. SANParks assesses at each reporting date whether there is any indication that the computer software may be impaired, or that the useful life is still appropriate. No such indication existed at the end of the current financial reporting period.

Notes to the Annual Financial Statements

8. Heritage assets

	2019			2018		
	Cost/ Valuation R '000	Accumulated losses impairment R '000	Carrying value R '000	Cost/ Valuation R '000	Accumulated impairment losses R '000	Carrying value R '000
Collections	19,854	–	19,854	19,854	–	19,854
Monuments	552	–	552	552	–	552
Conservation areas	540,169	–	540,169	540,169	–	540,169
Total	560,575	–	560,575	560,575	–	560,575

Reconciliation of heritage assets 2019

	Opening balance R '000	Total R '000
Collections	19,854	19,854
Monuments	552	552
Conservation areas	540,169	540,169
Total	560,575	560,575

Reconciliation of heritage assets 2018

	Opening balance R '000	Other changes, movements R '000	Total R '000
Collections	19,854	–	19,854
Monuments	552	–	552
Conservation areas	541,143	(974)	540,169
	561,549	(974)	560,575

Heritage assets whose fair values cannot be reliably measured

A significant number and value of SANParks Heritage assets were obtained through non exchange transactions from various state-owned organisations and these include:

- Land: National Parks
- 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)

Notes to the Annual Financial Statements

8. Heritage assets (continued)

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. which is 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) is not aware of any market to buy and sell National Parks or any other valuation method or technique that is available to measure National Parks. For those reasons SANParks' land acquired from non-exchange transactions could not be recognised in the Annual Financial Statements.

As this land is an inalienable item (withdrawal as a National Park and protected area in terms of the NEMPA Act is only by resolution of the National Assembly and/or the Minister depending on the circumstances), none of National Parks have been disposed of however information pertaining to such land has been disclosed below.

Heritage assets per park	Size in Hectares
Kruger National Park	1 962 362
AugrabiesFalls National Park	58 699
Kalahari Gemsbok National Park	960 029
Mokala National Park	29 414
Namaqua National Park	130 641
Richtersveld National Park	162 445
Agulhas National Park	20 415
Bontebok National Park	2 432
Table Mountain National Park	33 010
Tankwa Karoo National Park	138 570
West Coast National Park	47026
Addo Elephant National Park	172 578
Camdeboo National Park	18 946
Garden Route National Park	137 896
Karoo National Park	84 082
Mountain Zebra National Park	27 900
Golden Gate Highlands National Park	34 062
Mapungubwe National Park	15 311
Marakele National Park	60 865
Groenkloof National Park	7
Graspan/Vaalbos National Park	4 575

Notes to the Annual Financial Statements

8. Heritage assets (continued)

In addition SANParks has acquired other heritage assets which originate from National Parks, derive their significance from their association of National Parks and have the potential to yield information that enhances the cultural significance of National Parks when considering tourism experience and marketing. These are managed within the National Heritage Resources Act (NHRA). Due to the uniqueness of the heritage assets, mandate and nature of SANParks and in addition the limitations of the NHRA, neither the fair value, deemed cost or replacement cost could be determined for these heritage asset. For that reason SANParks could not recognise them in the Annual Financial Statements. None of these heritage assets have been disposed. However see below information pertaining to such heritage assets below:

Other heritage assets per park	Description
Kruger National Park	Archaeological sites, Collections, Geological sites, Graves of cultural significance, Historical buildings, Historical sites, Landscapes and natural features of cultural significance, Monuments, Palaeontology sites, Sacred sites (sites of spiritual or religious significance).
AugrabiesFalls National Park	Archaeological sites, Historical sites, Landscapes and natural features of cultural significance.
Kalahari Gemsbok National Park	Archaeological sites.
Mokala National Park	Archaeological sites, Collections, Graves of cultural significance, Historical buildings, Historical site.
Namaqua National Park	Archaeological sites, Geological sites, Historical building, Historical sites.
Richtersveld National Park	Graves of cultural significance, Historical sites.
Agulhas National Park	Historical buildings, Historical sites.
Bontebok National Park	Historical sites.
Table Mountain National Park	Archaeological sites, Collections, Geological sites, Historical sites, Historical buildings, Historical sites, Monuments.
Tankwa Karoo National Park	Archaeological sites, Historical buildings, Historical sites.
West Coast National Park	Graves of cultural significance, Historical buildings, Palaeontology sites.
Addo Elephant National Park	Archaeological site, Collections, Geological sites, Graves of cultural significances, Historical building, Historical site, Landscapes and natural features of cultural significance, Monuments, Sacred sites (sites of spiritual or religious significance).
Camdeboo National Park	Archaeological site, Geological site, Historical buildings, Historical site, Monument, Sacred sites (sites of spiritual or religious significance).
Garden Route National Park: Knysna;	Archaeological sites, Collections, Graves of cultural significance, Historical buildings, Historical sites, Landscapes and natural features of cultural significance.
Tsitsikamma;	Archaeological sites, Graves of cultural significance, Historical buildings, Historical sites, Landscapes and natural features of cultural significance.
Wilderness	Archaeological sites, Historical buildings, Monuments
Karoo National Park	Archaeological sites.
Mountain Zebra National Park	Archaeological sites, Graves of cultural significance, Historical sites.
Golden Gate Highlands National Park	Archaeological site, Geological site, Graves of cultural significance, Historical Buildings, Historical site, Palaeontology site.
Mapungubwe National Park	Archaeological sites, Collections, Historical sites.
Marakele National Park	Archaeological sites, Graves of cultural significance, Historical buildings.

Notes to the Annual Financial Statements

9. Biological assets

Non – Financial information

SANParks main purpose is the conservation of a representative system of biodiversity, landscape, encompassing fauna, flora, geological structures and unique scenery within the National Park under its management authority. SANParks can intervene in ecosystems responsibly and sustainably, but it focuses management on complementing natural processes (e.g. floods, fires and disease outbreaks) under a minimum interference philosophy. SANParks does not manage for the reproduction of biodiversity, but for biodiversity representivity and complementarity that promote resilience and ensure ecosystem integrity. SANParks acquired the majority of biodiversity at no cost to SANParks.

SANParks major source of revenue comprises retail, tourism and concession with tourism (in the form of accommodation and conservation fees) being the most significant revenue source. SANParks management is involved in the biological transformation of fauna and flora primarily as a service to the public for the purpose of a recreational activity, rather than for sale, and such recreational activity is specifically excluded from GRAP 27.

SANParks performs wildlife censuses from time-to-time on animals that can easily be counted from the air and for specific sections of National Parks where after the results of such counts are extrapolated to estimate the total number of animals in the National Park. SANParks is not able to accurately measure the quality and/or quantity of all their faunal and floral biological diversity within the National Park. SANParks does not perform counts on small animals, insects, birds, marine and freshwater biodiversity.

SANParks does not measure the quantities of living plants and animals as they are not of a nature that can be accurately and reliably counted and the Parks cannot keep up with births and deaths and migrations of wild life, although the Parks undertake regular game census. As the living animals and plants cannot be counted, it is impossible to calculate gains and losses in biological assets during the year.

SANParks animals and plants therefore fall outside the scope of GRAP 27 Agriculture.

This is a significant judgement by management.

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
10. Other financial liabilities		
Designated at fair value		
ICT Loan	–	5,541
SANParks entered into an agreement with ICT (a creditor), to purchase computer software on credit. The loan is unsecured, and repayable in three equal annual instalments and has no interest charges.		
Short term portion – current liabilities	–	5,541

	2019 R '000	2018 R '000
11. Finance lease obligation		
Minimum lease payments due		
– within one year	75,708	67,270
– in second to fifth year inclusive	148,417	184,109
– later than five years	–	–
	224,125	251,379
less: future finance charges	(33,443)	(42,382)
Present value of minimum lease payments	190,682	208,997
Non-current liabilities	130,569	158,853
Current liabilities	60,113	50,144
	190,682	208,997

It is SANParks policy to lease IT equipment and vehicle fleet under finance leases.

The average lease term is 3-5 years and the average effective borrowing rate was 11.5% (2018: 9.5%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

SANParks obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 6.

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
12. Payables from exchange transactions		
Trade payables	110,725	102,697
Payments received in advanced	46,789	41,698
VAT payable	12,362	12,669
Accrued expenses	48,557	68,815
Deposits received	759	406
Other payables	12,059	14,602
	231,251	240,887
Trade Payables Age Analysis		
Current (0 – 30 days)	57,128	89,104
31 – 60 days	(2,826)	(3,884)
61 – 90 days	4,743	5,825
91 – 120 days	(22,978)	(1,940)
120 days	74,658	13,592
	110,725	102,697

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
13. Unspent conditional grants and receipts		
Unspent conditional grants comprises of:		
Infrastructure grant	370,668	447,939
Special projects and Expanded Public Works	337,586	325,033
Land grant	62,255	41,438
	770,509	814,410
Movement during the year		
Infrastructure grant		
Infrastructure grant – Department of Environmental Affairs (DEA)	318,049	397,318
Infrastructure grant – National Department of Tourism (NDT)	52,619	50,621
Infrastructure grant total	370,668	447,939
Infrastructure grant – Department of Environmental Affairs (DEA)		
Infrastructure grant balance at the beginning of the year	397,318	403,173
Infrastructure grant received during the year	90,912	183,930
Infrastructure grant utilised during the year	(187,926)	(210,298)
Interest received during the year	17,744	20,514
Infrastructure grant closing balance at the end of the year	318,049	397,318
Infrastructure grant – National Department of Tourism (NDT)		
Infrastructure grant balance at the beginning of the year	50,621	50,393
Infrastructure grant utilised during the year	(623)	(2,643)
Interest received during the year	2,621	2,871
Infrastructure grant closing balance at the end of the year	52,619	50,621

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
13. Unspent conditional grants and receipts (continued)		
Special projects		
Special projects opening balance at the beginning of the year	194,338	173,005
Opening balance adjustment	36,039	–
Special projects funds received during the year	178,631	140,331
Interest received during the year	3,086	2,280
Special projects funds utilised during the year	(97,354)	(121,278)
Special projects closing balance at the end of the year	314,741	194,338
Land grant		
Land grant opening balance at the beginning of the year	41,438	22,504
Land grant received during the year	18,348	17,531
Land grant utilised during the year	(11)	(3)
Interest received during the year	2,480	1,406
Land grant closing balance at the end of the year	62,255	41,438
Expanded Public Works Programme (EPWP)		
EPWP opening balance at the beginning of the year	130,695	72,066
EPWP opening balance adjustment	(36,036)	–
Funds received during the year	241,505	596,742
Interest received during the year	3,968	4,050
Funds utilised during the year	(317,357)	(542,163)
EPWP closing balance at the end of the year	22,845	130,695

Notes to the Annual Financial Statements

14. Provisions

Reconciliation of provisions – 2019

	Opening Balance R'000	Increase during the year R'000	Total R'000
Concessionaires provision	245,366	23,440	268,806
Leave liability	58,909	(5,260)	53,649
	304,275	18,180	322,455

Reconciliation of provisions – 2018

	Opening Balance R '000	Increase during the year R '000	Total R '000
Concessionaires provision	210,114	35,252	245,366
Leave liability	55,164	3,745	58,909
	265,278	38,997	304,275

	2019 R '000	2018 R '000
Non-current liabilities	268,806	245,366
Current liabilities	53,649	58,909
	322,455	304,275

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.

15. Reservation deposits

Opening balance	353,370	324,079
Current year deposits	2,054,701	1,850,598
Deposits utilised during the year	(2,032,239)	(1,821,307)
	375,832	353,370

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
16. 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	552,228	496,532
Interest cost	48,364	47,447
Current service cost	8,149	7,890
Actual employer benefit payments	(25,349)	(22,668)
Actuarial (gain) or loss	(69,775)	23,027
	513,617	552,228
Net expense recognised in the statement of financial performance		
Current service cost	8,149	7,890
Interest cost	48,364	47,447
Actuarial (gains) losses	(69,775)	23,027
	(13,262)	78,364
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	10.30 %	9.70 %
Medical cost trend rates	9.40 %	8.00 %
Mortality pre-retirement		
Male	SA 85-90 (light)	
Female	SA 85-90 (light) down by three years	
Mortality post retirement		
Male	PA90 male – rated down by one year	
Female	PA90 female – rated down by one year	

Sensitivity analysis

Effect of 1% increase and decrease in the health care cost inflation rate is as follows:

	Valuation basis R'000	1% increase R'000	1% increase R'000
Employer's accrued liability	513,617	579,993	457,786
Actuarial (gain)/loss	(69,775)	(1,530)	(123,737)

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
17. Tourism, retail, concession and other		
Retail activities		
Shops and restaurant	53,437	48,812
Filling station sales	206,442	184,435
	259,879	233,247
Tourism		
Accommodation	801,420	768,448
Drive fees	67,654	62,630
Trail fees	40,875	38,364
Other tourism related activities	41,756	40,601
	951,705	910,043
Concession fees		
Facilities rental	43,365	42,283
Concession fees received	103,148	90,576
	146,513	132,859
Conservation fees		
Wild card income	89,536	80,755
Conservation fees	592,396	510,619
Entrance fees	9,096	9,491
	691,028	600,865
Other		
Rent received	11,459	13,547
Services rendered	101,525	10,108
	112,984	23,655
	2,162,109	1,900,669
18. Sales – fauna and flora		
Sales – fauna and flora*	4,266	17,634

* The sale of fauna and flora is used for biodiversity and to improve representative conservation estate.

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
19. Other operating income		
Sales – non-retail	1,566	1,051
Fines	1,000	147
Course fees	1,849	1,743
Commission received	4,591	1,051
Water and electricity	12,807	10,678
Location fee for filming right	3,843	2,486
Other income	15,902	16,497
	41,558	33,653
20. Interest received		
Interest revenue		
Interest	67,141	59,585
21. Government grants and other funding		
Roads	13,473	12,904
Conservation	598,994	424,106
Special projects income	97,355	121,278
	709,822	558,288
22. Donations		
Donations	16,310	12,445

Non-specific donations form a minor part of the funding of conservation and people and conservation programs of SANParks. Due to the varying nature of such funding and the direct allocation thereof to identifiable projects, it is not deemed to be part of normal operations.

SANParks received services in kind to an estimated value of R 1 043 000 (2018: R 0) in the form of vehicles.

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
23. Employee related costs		
Salaries and wages	910,369	802,463
Social contributions	133,359	120,355
Other salary related costs	109,494	97,319
Post-retirement benefits (note 16)	(13,269)	78,364
	1,139,953	1,098,501

Included in employee related costs are related parties transactions pertaining to key management personnel remuneration as detailed in note 35.

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 R46, 403 million for 2 421 employees to the retirement fund (2018: R44, 072 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 R31, 309 million for 2 258 employees (2018: R29, 461 million for 2 250 employees).

24. Depreciation and amortisation

Buildings and infrastructure	35,391	40,260
Vehicle and mechanical equipment	71,154	55,089
Furniture and office equipment	19,933	20,060
Aircraft	9,061	9,550
Intangible assets – amortisation	11,395	10,901
	146,934	135,860

25. Finance costs

Finance leases	19,152	10,663
Current borrowings	61	74
	19,213	10,737

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
26. Operating lease payments		
Rent paid vehicles	27,052	58,034
Rent paid other	15,713	14,614
	42,765	72,648
27. Repairs and maintenance		
Property and buildings	114,294	112,512
Machinery and equipment	9,910	8,145
Office and computer equipment	1,971	579
Consumables utilised in maintenance programs	25,145	15,974
	151,320	137,210
28. Loss on disposal of assets		
Loss on disposal of assets	2,243	9,403
29. Operating expenses		
Assessment rates and municipal charges	65,807	61,256
Auditors remuneration (Note 30)	6,018	6,105
Bank charges	27,366	23,142
Consulting and professional fees	170,738	27,441
Consumables	60,200	43,143
Insurance	6,147	1,734
Information and communication technology expenses	27,523	16,700
Motor vehicle expenses	70,276	43,102
Promotions	19,188	16,664
Software expenses	8,346	9,126
Staff welfare	90,553	57,062
Telephone and fax	26,588	28,310
Other operating expenses	172,028	155,359
Impairment of financial assets	5,151	92,453
Special projects expenses	111,965	139,514
Cost of retail operations	216,710	194,669
	1,084,604	915,780

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
30. Auditors' remuneration		
Internal audit fees	1,231	1,633
External audit fees	4,787	4,472
	6,018	6,105
31. Irregular expenditure		
Opening balance	468	21
Less: Amounts condoned by the relevant authority included in the opening balance	–	(21)
Add: Irregular expenditure assessed in the current year	34,281	6,164
Add: Irregular expenditure incurred in prior year but identified in current year	165,093	–
Less: Amounts condoned by the relevant authority for irregular expenditure identified and assessed during the current year	(1,104)	(5,696)
Balance carried forward not condoned	198,738	468

The increase in the irregular expenditure is attributed to the clean-up of the contract management register. The determination test has not yet been conducted in accordance with the latest Irregular Expenditure Framework which came into effect on 17 May 2019. SANParks could therefore not determine amounts of losses (if any) to be recovered, or amounts of losses irrecoverable (if any). The issue regarding if value for money was achieved, and if the transgressions were free of fraudulent, corrupt or other criminal conduct, that process is still to be conducted.

The amount of R468 000 irregular expenditure carried forward from the previous year is irregular expenditure awaiting condonation by National Treasury, as the relevant authority to condone such transactions. These transgressions are mainly due to appointing service providers without them being tax compliant. There were no losses incurred and value for money was achieved through the goods and services received.

It can be confirmed that for the amount of R 1,104 million condoned irregular expenditure goods and service were rendered and as a result SANParks did not suffer any loss. It can also be confirmed that the transgressions were not due to fraud, corruption or other criminal conduct, and value for money was achieved.

In the current year, of the 71 transgressions assessed irregular expenditure (R 198, 738 million), 60% (41 of 71 transgressions) were due to contracts being expanded or varied without adhering to due process, in terms of Treasury Regulation 8.2 and Instruction Note no 31 dated 31 May 2012. 30% (22 of 71 transgressions) of the transgressions were due to non-compliance with Treasury Regulations 16A6.4 and Practice Note No 8 of 2007/2008 and the remaining 10% is due to non – compliance of Treasury Regulations 16A9.1(d) and Chapter 6 of PFMA: Paragraph 51 (1) (a)(i);b(iii);c.

32. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure

62

74

Interest on overdue creditors relates to interest charged for late payments to suppliers. Subsequently management has reviewed internal controls around payment terms for creditors.

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
33. Cash generated from operations		
Surplus	414,174	202,135
Adjustments for:		
Depreciation and amortisation	146,934	135,860
Loss on sale of assets	2,243	9,403
Finance costs	19,152	10,663
Movements in retirement benefit liabilities	(13,269)	66,433
Movements in provisions	18,180	38,997
Changes in working capital:		
Inventories	(3,035)	(11,512)
Receivables from exchange transactions	9,754	(3,441)
Payables from exchange transactions	(9,633)	31,756
Receivables from non-exchange transactions	(151,144)	90,141
Unspent conditional grants and receipts	(43,901)	93,270
Reservation deposits	22,462	29,291
	411,917	692,996

34. Risk management

Financial risk management

SANParks activities exposes it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

SANParks overall risk management program focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on SANParks financial performance. Risk management is carried out under policies approved by the Accounting Authority. The Accounting Authority provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment.

Liquidity risk

SANParks is exposed to liquidity risk as a result of the funds available to cover future commitments. SANParks manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and borrowing facilities are monitored.

Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. SANParks only deposits cash with major banks with high quality credit standing.

Cash deposits and cash equivalents: SANParks minimizes its credit risk, which is the risk of loss due to the failure of the security issuer by using banks with an BB+ grading according to the Fitch IBCA and similar grading reports. These banks are registered in South Africa and approved by the National Treasury.

Notes to the Annual Financial Statements

34. Risk management (continued)

Trade debtors: Sales to retail customers are settled in cash or using major credit cards. No credit is allowed unless backed by tender or agreement whereby risk control assesses the credit worthiness of the customer, taking into account its financial position, past experience and other factors.

The financial assets carried at amortised cost exposes the entity to credit risk. The value of the maximum exposure to credit risk are as follows for each class of financial asset at amortised cost.

	2019 R '000	2018 R '000
Financial instrument		
Cash and cash equivalents	1,842,686	1,776,646
Receivables from exchange transactions	30,156	39,912

Concentration of Credit Risk

Potential concentrations of credit risk consist mainly of short-term cash, cash equivalent investments and trade debtors.

SANParks limits its counter party exposure from its money market investment operations by only dealing with well-established financial institutions of high quality standing. The credit exposure to any one counter party is managed by setting transaction/exposure limits, which are reviewed annually.

Trade debtors comprise a large number of customers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Trade debtors are presented net of doubtful debts.

	Exposure R'000	Percentage of total exposure
Concentration of credit risks		
Bank balances and cash on hand	1,479,088	80%
Short term investments	363,598	20%
	1,842,686	100%

Capital Risk Management

SANParks objectives, when managing capital, are to safeguard their ability to continue as a going concern in order to provide benefits for stakeholders and to maintain an optimal capital structure.

The capital structure of SANParks consist of debt, which includes borrowings and cash and cash equivalents.

Interest rate risk

As SANParks has no significant interest-bearing assets, SANParks income and operating cash flows are substantially independent of changes in market interest rates.

SANParks interest rate risk arises from long-term borrowings. Borrowings issued at variable rates exposes SANParks to cash flow interest rate risk. Borrowings issued at fixed rates will expose the entity to fair value interest rate risk.

Notes to the Annual Financial Statements

34. Risk management (continued)

The table below analyses SANParks financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date together with the cash flow interest rate risk.

	Within one year R'000	Later than one year and not later than five years R'000	Current interest rate
2019			
Gross finance lease obligation	75,258	150,087	11.5%
Trade and other payables	231,251	–	–
Reservation deposits	375,832	–	–
Post retirement health benefit obligation	513,617	–	–
Unspent conditional grants and receipts	770,509	–	–
	Within one year R'000	Later than one year and not later than five years R'000	Current interest rate
2018			
Gross finance lease obligations	67,270	184,109	9.5%
Borrowings	5,541	–	0
Trade and other payables	240,887	–	–
Reservation deposits	353,370	–	–
Post retirement health benefit obligation	552,228	–	–
Unspent conditional grants and receipts	814,410	–	–

These amounts best represent maximum exposure to credit risk at the end of the reporting period without taking into account any credit enhancements.

Notes to the Annual Financial Statements

34. Risk management (continued)

Interest Rate Risk sensitivity analysis

The susceptibility of South African National Park's financial performance to changes in interest rates can be illustrated as follows:

	Current interest rate	Value 31 March 2019 R'000	Discounted value at current rate R'000	Discounted value at Current rate (+1%) R'000	Discounted value at Current rate (-1%) R'000
Effect of 1% change in the interest rate					
Trade and other receivables from exchange transactions	13%	30,156	34,076	34,377	33,775
Trade and other payables from exchange transactions	10%	231,251	254,376	256,689	252,064
Cash in current banking institution	6.5%	1,478,766	1,574,886	1,589,673	1,560,098
Call investment deposits	7.65%	363,598	391,413	395,049	387,777

The sensitivity analysis was based on the assumption that a 1% increase or decrease in the interest rate could occur. The method used to prepare the sensitivity analysis was based on the discounted value of the respective cash flow for 1 year using the respective current interest rate in order to determine the effect of applicable market risk of a 1% increase or decrease in the interest rate.

Financial assets pledged as security

The following financial assets were pledged as security for liabilities

Description of financial asset	Line item financial asset is included in	Value of the balance pledged as security – R'000	Details of the liability that it was pledged as security for
Vehicles, furniture and office equipment and computer software	Property, plant and equipment and intangible assets	195,284	Serves as security under finance leases

Notes to the Annual Financial Statements

35. Related Parties

Relationships Controlling entity: DEA

SANParks does not have control or significant influence over any other entity. SANParks is a statutory organisation governed by the National Environmental Management Protected Areas Act, no. 57 of 2003, and a national public entity as listed under Schedule 3A of the PFMA No. 1 of 1999 as amended.

SANParks is not required to disclose the value of transactions with other public sector entities as the transactions were concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person.

Key management personnel remuneration

	Emoluments R'000	Other benefits* R'000	Bonuses and incentives R'000	Total R'000
2019				
Mr F Mketeni – CEO	2,535	2	158	2,695
Mr D Dlamini – CFO	2,123	2	–	2,125
Mr G Phillips – ME KNP	2,097	2	125	2,224
Ms L McCourt – COO	2,192	2	121	2,315
Mr P Mokoena – ME Parks	1,996	2	112	2,110
Ms H Sello –ME Tourism	1,991	2	114	2,107
Dr L Dziba – ME Conservation Services	2,153	2	90	2,245
	15,087	14	720	15,821
	Emoluments R'000	Other benefits* R'000	Bonuses and incentives R'000	Total R'000
2018				
Mr F Mketeni – CEO	2,433	2	150	2,585
Mr D Dlamini – CFO (Appointed 01 December 2017)	671	2	–	673
Mr G Phillips – ME KNP	1,984	2	126	2,112
Ms L McCourt – COO	1,870	3	124	1,997
Mr P Mokoena – ME Parks (Appointed 01 April 2016)	1,767	2	114	1,883
Ms H Sello – ME Tourism	1,746	3	116	1,865
Dr L Dziba – ME Conservation Services (Appointed 01 August 2017)	1,375	2	–	1,377
Mr R Mahabeer – CFO (Resigned 31 March 2017)	–	–	142	142
	11,846	16	772	12,634

* Other benefits comprise uniform allowance.

Notes to the Annual Financial Statements

35. Related Parties (continued)

Board members and attendance at meetings, remuneration and associated costs 2019

2019	Board meetings and work-shops	Conservation, tourism and socio economic development committee	Audit and risk committee	Conservation and Socio Economic Development Committee	Tourism	Human capital management committee	Other	Remuneration	Subsistence and travel allowance
Ms J Yawitch (Re-appointed 01 August 2018)	8	–	–	1	1	1	11	103,935	7,700
Ms K Njobe (Re-appointed 01 August 2018)	8	2	–	2	2	1	4	48,702	3,057
Dr CG Olver (Retired 31 July 2018)	2	–	1	–	–	–	–	17,394	1,303
Ms F Futwa (Retired 31 July 2018)	–	–	2	–	–	–	1	11,306	1,256
Ms B Ferguson (Retired 31 July 2018)	2	–	–	–	–	1	1	19,134	225
Mr M India (Retired 31 July 2018)	2	2	–	–	–	–	3	22,179	2,650
Mr L Zita (Retired 31 July 2018)	2	2	2	–	–	–	1	28,265	348
Dr M Matlou (Retired 31 July 2018)	1	1	–	–	–	1	–	14,349	261
Ms T Semane (Retired 31 July 2018)	1	–	1	–	–	1	1	16,089	1,264
Dr N Mzilikazi (Retired 31 July 2018)	1	1	–	–	–	–	1	10,438	–
Mr L Mogakane (Appointed 01 August 2018)	6	–	4	1	2	–	3	81,746	15,047
Mr T Motsepe (Appointed 01 August 2018)	6	–	–	2	2	2	3	67,397	9,781
Dr T Abrahamse (Appointed 01 August 2018)	4	–	2	2	–	–	–	45,220	2,879
Adv T Mphahlane (Appointed 01 August 2018)	6	–	4	2	1	1	3	70,007	5,378
Ms S Molokoane (Appointed 01 August 2018)	6	–	–	2	2	2	3	63,049	6,686
Dr U Govender (Appointed 01 August 2018)	3	–	2	1	1	–	–	–	1,333
Prof E Mokotong (Appointed 01 August 2018)	6	–	–	1	2	2	3	62,614	1,637
Ms T Essop (Appointed 01 August 2018)	4	–	3	1	2	–	2	56,528	793
Mr S Munzhedzi (DEA Representative)	4	–	–	–	–	–	–	–	–
Ms E Makau (DEA CFO) (Appointed 01 August 2018)	–	–	2	–	–	–	–	–	–
Ms E Makau	–	–	2	–	–	–	–	–	–
Ms Z Silevu	–	–	2	–	–	–	–	–	–
Mr F Mketeni (CEO)	8	2	6	1	2	3	–	–	–
								738,352	61,598

Notes to the Annual Financial Statements

35. Related Parties (continued)

	Board meetings and workshops	Conservation, tourism and socio economic development committee	Audit and risk committee	Human capital management committee	Remuneration	Subsistence and travel allowance
2018						
Ms J Yawitch	3	–	–	–	61,631	5,382
Ms K Njobe	5	4	–	5	117,395	1,972
Dr GC Olver	5	–	5	–	62,615	6,302
Ms F Futwa	5	–	5	–	59,350	4,920
Ms B Ferguson	3	–	–	5	72,180	2,891
Mr M India	3	2	–	–	63,479	7,288
Mr L Zita	4	4	5	–	100,220	7,141
Dr M Matlou	3	2	–	2	37,393	1,768
Ms T Semane	4	–	2	3	77,174	4,722
Dr N Mzilikazi	3	4	–	–	9,566	–
Mr S Munzhedzi	2	–	–	–	–	–
Mr S Munzhedzi	–	–	–	–	–	–
Ms Z Slevu (Appointed 16 May 2017)	–	–	5	–	22,610	1,546
Mr C De Cock	–	–	3	–	14,349	485
					697,962	44,417

Mr S Munzhedzi and Ms E Makau are working for government and are not eligible to receive the remuneration payable to members for attending meetings.

Dr N Mzilikazi is no longer working for government and is eligible to receive the remuneration payable to members for attending meetings from February 2018.

Ms Zimasa Silevu and Mr Charl De Kock are independent ARC members appointed 16 May 2017.

Notes to the Annual Financial Statements

36. Commitments

Authorised capital expenditure

	2019 R '000	2018 R '000
Already contracted for but not provided for		
• Property, plant and equipment	133,472	405,639
Not yet contracted for and authorised		
• Property, plant and equipment	53,859	215,842

- Commitments represent goods/services that have been ordered, but no delivery has taken place at 31 March 2019. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are only disclosed in this note. Majority of SANParks capital commitments are funded by grants from the DEA. Approved and contracted for capital commitments pertains to existing contracts with external parties for the construction of SANParks infrastructure. Approved but not yet contracted for capital commitments represents agreements for funding, of specific capital projects, between SANParks and the DEA. Other commitments are funded by SANParks operational grant and pertains to operational orders that were not delivered as at 31 March 2019.

Commitments in respect of operational expenditure

Already contracted for but not provided for

• Within one year	202,020	173,259
• Between two and five years	489,555	110,718
	691,575	283,977

This committed expenditure relates to vehicles, buildings and equipment and will be financed by funds internally generated.

37. Contingencies

Contingent liabilities

Land Claims

The Department of Rural Development and Land Reform did not award any land rights or land managed by SANParks to any claimant person or communities in the current financial year. SANParks is still supportive of the process of appropriate redress for persons or communities who unjustly lost rights or ownership of land as a result of it being declared a National Park. No significant financial obligations are placed on SANParks in consequence of this process, however the co-management framework with successful claimant communities and the attendant beneficent scheme will exert financial strain on SANParks once the land has been restored to the claimants.

Notes to the Annual Financial Statements

37. Contingencies (continued)

Municipal Property Rates

National Parks constitute rateable property in terms of the Local Government: Municipal Property Rates Act, No. 6 of 2004 (the Rates Act) which came into effect on 2 July 2005. The Rates Act started applying to National Parks as from 2 July 2009.

SANParks made a submission to the Minister of Environmental Affairs in March 2011 whereby the Minister was requested to make a formal submission on behalf of SANParks to the Minister of Co-operative Governance and Traditional Affairs requesting:

- a total exemption of all National Parks from the application of the Property Rates Act.; or
- to consider prescribing a National Rates framework that can be applied to all National Parks to bring about consistence to the application of the Rates Act. by all municipalities to ensure that National Parks afford the prescribed rates; and
- in the interim all National Parks that are rateable, be exempted from payment of Property Rates until such time that the Minister of Co-operative Governance and Traditional Affairs has made a decision in respect of the paragraphs above.

Marakele National Park Settlement of Debt

During November 2000 SANParks and Marakele (Pty) Ltd entered into a contractual agreement for the joint management of the portion of Marakele (Pty) Ltd in the Marakele National Park. Marakele (Pty) Ltd provided support to SANParks in the form of financial resources to acquire and rehabilitate land, construct or repair fencing and to introduce game. Additional expenses relating to expansion of visitor facilities and husbandry of buffalo in boma were also incurred. Portions of the debt were repaid through cash or through animal or land swaps. There has been a considerable confusion as to the rights and obligations of both parties and it was resolved that the parties would jointly appoint an independent facilitator to resolve the dispute on the debt between the parties. The facilitator made a presentation to the Board in March 2019 and the parties are negotiating the settlement value and process to finalise the settlement of the historic debt. The parties will further review the contractual agreement going forward.

Litigation claims against SANParks

Various contractual claims by contractors are currently in dispute and are subject to mediation. The potential extent of the liability cannot be determined since it is subject to litigation. Based on management assessment, a provisional estimate of R8,179m (2018: R0) has been determined.

38. Public Private Partnership Programme – PPP Fee Income

Lodge Concession PPP Fees

The lodge concessions entail allowing private operators to build and operate tourism facilities within the National Parks, on the basis of a defined period usually over a 20 year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The contractual mechanism is a concession contract, which enables the private operator to use a defined area of land, plus any building that may already exist on that land, over a specific time period in return for payment of concession fees. Against these rights of occupation and commercial use of facilities, there is a set of obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, underpinned by performance bonds, and finally termination of the contract, with the assets reverting to SANParks.

The annual concession fee payable by the concessionaire to SANParks for any given concession year shall be the higher of a minimum rental as determined by the agreement for the concession year or a calculated annual concession fee based on the bid percentage of gross revenue for the concession year.

At the end of the concession period the concessionaires shall hand over the concession area, the camp, all concession assets and its rights or interest in the developments to SANParks free of charges, liens, claims or encumbrances of any kind whatsoever and free of any liabilities in good condition, fair wear and tear excepted. The concessionaire shall not, other than as provided for in respect of the residual value, be entitled to payment of any compensation in connection therewith.

Notes to the Annual Financial Statements

38. 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	31 December 2025
Kruger – Mutlumuvi	Rhino Walking Safaris (Pty) Ltd	1 July 2002	30 June 2022
Kruger Mpanamana	Shishangeni Lodge (Pty) Ltd	1 January 2002	31 December 2021
Kruger – Jakkalsbessie	Jakkalsbessie Lodge (Pty) Ltd	1 January 2002	31 December 2021
Kruger – Jock of the Bushveld	Mitomeni River Lodge (Pty) Ltd	1 July 2001	30 June 2021
Kruger – Lwakahle	Lukimbi Safari Lodge (Pty) Ltd	1 November 2001	31 October 2021
Kruger – Mluwati	Imbali Safari Lodge (Pty) Ltd	1 January 2002	31 December 2021
Kruger – Nwanetsi	Singita Lebombo (Pty) Ltd	1 March 2002	31 December 2032
Table Mountain – Roundhouse	Roundhouse (Pty) Ltd	1 August 2002	31 July 2030
Table Mountain – Koeel Bay	Koeel Bay Hospitality (Pty) Ltd	1 January 2004	31 December 2023
West Coast – Houseboats	Kraalbaai Houseboats (Pty) Ltd	1 June 2017	31 May 2027

Public Private Partnership Programme: Retail and Restaurant Facility Rental Income

The concession contracts for retail and restaurant operations entail allowing private operators to operate SANParks' existing facilities on the basis of a medium-term operating agreement. Investors manage and upgrade existing retail and restaurant facilities (it should be noted that as part of the most recent tender process SANParks undertook refurbishments to some facilities which included upgrading to electricity, refrigeration, roofs, floors and tiling). The agreements enable the operators to use a defined area over a pre-determined term in return for payment of concession fees. Funding for the refurbishment of ageing infrastructure is for the Concessionaires account. Against the right of occupation and commercial use of facilities, there are set obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, including termination of the contract with the assets reverting to SANParks.

The monthly rental payable for the facilities by the private operator to SANParks for any given month shall be the higher of the fixed monthly rental as defined by the agreements, escalating on an annual basis; or the rental based on actual gross revenue realised, expressed as a percentage of gross revenue.

The private operators have provided SANParks with Performance Bonds equivalent to 3 months fixed rental in the form of Performance Guarantees that secure the operators performance under the Operating Agreement on the basis set out in the Facilities Rental Agreement.

Notes to the Annual Financial Statements

38. Public Private Partnership Programme – PPP Fee Income (continued)

The following schedule summarises the potential income receivable from the various operators for the various sites:

Retail and Restaurant	Commissioning date	Termination date
The Park Shop North (Tigers Eye KNP)	1 February 2013	31 January 2023
The Park Shop South (Tigers Eye – Addo and Tsitsikamma)	1 February 2013	31 January 2023
Jobojali cc t/a Salt and Pepper Restaurant (Karoo)	1 December 2013	30 November 2023
Garden Route Catering and Restaurant	1 March 2010	28 February 2025
Crocodile Bridge Gate Bush Braai Facility – Royal Ibhubesi Safari Co (Pty) Ltd	28 March 2018	28 March 2026
Astrorail 145 cc (Augrabies – Shop and Restaurant)	15 November 2012	14 November 2022
Goedeten (Pty) Ltd – (Mugg and Bean – Lower Sabie)	1 March 2014	28 February 2024
Tourvest Holdings (Pty) Ltd Cattle Baron Restaurant Skukuza	1 October 2014	30 September 2024
Select Events and Venues cc	1 December 2013	30 November 2023
Westcoast Geelbek Restaurant – Potjie Restaurant (Pty) Ltd	01 May 2018	30 November 2020
Quay 4 Knysna	28 March 2008	27 March 2023
Tourvest Holdings (Pty) Ltd – Cattle Baron Restaurant Tsitsikamma	01 August 2014	31 July 2024
Tourvest Holdings (Pty) Ltd Cattle Baron Restaurant Addo	01 April 2014	31 March 2024
Ringgold 474 (Pty) Ltd (Mugg and Bean – Olifants) (Terminated Nov 2017)	03 April 2014	02 April 2024
Ringgold 477 (Pty) Ltd (Mugg and Bean – Satara) (Terminated Nov 2017)	11 March 2014	10 March 2024
Eysbos (Pty) Ltd – (Mugg and Bean – Pretoriuskop)	25 March 2014	24 March 2024
Tshokwane Picnic Site – Tourvest Holdings	1 October 2016	30 September 2031
Afsaal Picnic Site – Tindlovu Bush Cafe	1 June 2016	31 May 2031

Activities	Contracting Party	Commissioning Date	Termination Date
Kruger National Park	Skukuza Airport Management Co	01 June 2014	31 May 2024
	AM Spa	22 May 2017	21 May 2027
Cape Point Lease and TMAAC	Cape Point – Concor	1 May 1995	30 June 2021
	Table Mountain Aerial Company	26 November 2006	25 November 2025
	Absailing	1 June 2015	31 May 2020
	Rhodes Memorial	01 November 2010	31 October 2020
Tsitsikamma Forest Income	Adventures Out There	24 October 2013	01 July 2019
	Storms River Adventures Tree Top	01 April 2013	30 September 2019
	Mild2Wild	01 April 2013	31 March 2020
	Tours and Woodcutter Trail Cadeau Hiking Trail	01 December 2016	31 March 2022
Tsitsikamma Rest Camp	Untouched Adventures	01 Jan 2015	31 December 2020
	Segway Bike Tours	01 December 2013	31 December 2020

Notes to the Annual Financial Statements

38. Public Private Partnership Programme – PPP Fee Income (continued)

Contractual Parks	Contracting Party	Commissioning Date	Termination Date
Addo Nyati Section	Riverbend Country Lodge	01 June 2004	31 May 2054
Marakele	Marakele (Pty) Ltd	02 November 2000	01 December 2030
Addo	Kuzuko Lodge	99 year lease	99 year lease
Kgalagadi National Park	Ixhaus Lodge	01 May 2007	30 April 2027
Tankwa Karoo National Park	Gannaga/Tankwa Lodge	01 April 2010	Revised every 3 years

39. Prior period adjustments

1. Correction of accounting treatment of military inventory

Nature: SANParks is registered as an official institution to possess and use firearms, by the Registrar of Firearms of the South African Police Service (SAPS) with the Registered number 2(1200105), as defined in Section 95(vi) of the Firearms Control Act 2000 (Act No. 60 of 2000). SANParks procures ammunition for the game rangers across the national parks for wildlife protection and training purposes. Due to the GRAP improvements effective from 1 April 2018 and the qualitative nature of ammunition to the organisation, the treatment of ammunition had to be corrected to in line with GRAP 12.

The effect of the change in the prior years' annual financial statements is as follows:

	2019 R '000	2018 R '000
Statement of financial position		
Increase in inventory	–	3,386
Increase in accumulated surplus	–	3,386

2. Heritage assets – Collections

Nature: Recognition of heritage assets – collections, incorrectly classified as heritage assets with no value. A great deal of knowledge is 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. Values have been assigned to heritage assets – collections, which are considered to be appreciating in value. 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.

Where no value can be placed on an item, it will not be recognised, but information has been disclosed about such items and the reason why such items cannot be valued note 8.

SANParks has assessed the degree of certainty attached to the flow of future service potential or economic benefits. The service potential of the following heritage items are undetermined until they are subjected to evaluation and research to determine if they conform to the set collection criteria. These items cannot be recognised in the financial statements, but will be recorded and controlled in the register.

Items of Research Significance. Particularly the Mapungubwe Collection. Within 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.

Notes to the Annual Financial Statements

39. Prior period adjustments (continued)

Unassembled or fragmented artefacts. These items are found across the collections and cannot be recognised in the financial statements, but are recorded and controlled in the register.

No commercial value – these include severely damaged specimens or organic material which retain their research significance but have no commercial value.

Animal or human remains are not valued.

The reclassification results in adjustments as follows:

	2019 R '000	2018 R '000
Statement of financial position		
Increase in heritage assets	–	19,854
Increase in accumulated surplus	–	19,854

40. Segment Reporting

SANParks' activities are very broad, and are undertaken in a wide range of different geographical areas with different socio- economic characteristics. To enable efficient and effective delivery on the strategy, the Executive Management structure sub- divided SANParks into three categories namely; Kruger, Parks and Corporate. In establishing the segments to report on, management organised the financial information according to the three existing Executive Management existing structures.

Each of the three categories was identified to meet the definition of segments as it was noted that each;

- generates economic benefits or service potential;
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Management opted to combine Parks operations into a single segment as the Parks have similar economic characteristics and share a majority of the aggregation criteria stipulated below;

- the nature of the goods and/or services delivered is more or less similar;
- the type or class of customer or consumer to which goods and services are delivered are similar;
- the methods used to distribute the goods or provide the services is almost identical; or
- the nature of the regulatory environment that applies to the segment (NEMPAA).

The segments were structured such that the totals of revenues, reported segment surplus or deficit, segment assets, segment liabilities and other material segment items corresponds to figures recognised in the Annual Financial Statements. Therefore, a reconciliation of the segment figures to the Annual Financial Statements is not necessary.

Notes to the Annual Financial Statements

40. Segment Reporting (continued)

Statement of financial performance as at 31 March 2019

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Revenue from exchange transactions				
Tourism, retail, concession and other	208,457	1,161,943	791,709	2,162,109
Sales – fauna and flora	4,266	–	–	4,266
Other operating income	16,659	17,875	7,024	41,558
Interest received	67,141	–	–	67,141
Total revenue from exchange transactions	296,523	1,179,818	798,733	2,275,074
Revenue from non-exchange transactions				
Transfer revenue	721,155	3,867	1,110	726,132
Total revenue	1,017,678	1,183,685	799,843	3,001,206
Expenditure				
Employee related costs	(298,271)	(483,227)	(358,455)	(1,139,953)
Depreciation and amortisation	(12,180)	(69,981)	(64,773)	(146,934)
Finance costs	(3,332)	(8,275)	(7,606)	(19,213)
Operating lease	(4,669)	(23,782)	(14,314)	(42,765)
Repairs and maintenance	(54,631)	(28,843)	(67,846)	(151,320)
Operating expenses	(510,233)	(368,152)	(206,219)	(1,084,604)
Total expenditure	(883,316)	(982,260)	(719,213)	(2,584,789)
Operating surplus	134,362	201,425	80,630	416,417
Loss on disposal of assets	3,846	(128)	(5,961)	(2,243)
Surplus/(Deficit) for the year	138,208	201,297	74,669	414,174

Notes to the Annual Financial Statements

40. Segment Reporting (continued)

Segment reporting statement of financial position as at 31 March 2019

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Assets				
Current assets				
Inventories	1,091	29,685	15,223	45,999
Receivables from exchange transactions	23,627	(157)	6,686	30,156
Receivables from non-exchange transactions	151,144	–	–	151,144
Cash and cash equivalents	1,283,575	85,345	473,766	1,842,686
Total Current Assets	1,459,437	114,873	495,675	2,069,985
Non-current assets				
Property, plant and equipment	462,716	703,139	1,015,793	2,181,648
Intangible assets	21,715	63	22,697	44,475
Heritage assets	7,126	1,121	552,328	560,575
Receivables from exchange transactions	268,806	–	–	268,806
Total Non-Current Assets	760,363	704,323	1,590,818	3,055,504
Total assets	2,219,800	819,196	2,086,493	5,125,489
Current liabilities				
Finance lease obligation	60,113	–	–	60,113
Trade and other payables from exchange transactions	202,506	1,206	27,539	231,251
Liabilities from non-exchange transactions	1,274,005	(338,677)	(164,819)	770,509
Provisions	53,649	–	–	53,649
Reservation deposits	373,363	–	2,469	375,832
Total Current Liabilities	1,963,636	(337,471)	(134,811)	1,491,354
Non-current liabilities				
Finance lease obligation	130,569	–	–	130,569
Employee benefit obligation	513,617	–	–	513,617
Provisions	268,806	–	–	268,806
Total Non-Current Liabilities	912,992	–	–	912,992
Total liabilities	2,876,628	(337,471)	(134,811)	2,404,346
Net Assets	(656,828)	1,156,667	2,221,304	2,721,143
Accumulated surplus/(deficit)	(656,828)	1,156,667	2,221,304	2,721,143

Notes to the Annual Financial Statements

40. Segment Reporting (continued)

Segment reporting statement of financial performance as at 31 March 2018

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Revenue from exchange transactions				
Tourism, retail, concession and other	106,862	1,092,418	701,389	1,900,669
Sales of fauna and flora	17,634	–	–	17,634
Other operating income	12,542	15,254	5,857	33,653
Interest and royalties received	59,585	–	–	59,585
Total revenue from exchange transactions	196,623	1,107,672	707,246	2,011,541
Revenue from non-exchange transactions				
Transfer revenue	560,494	8,680	1,559	570,733
Total revenue	757,117	1,116,352	708,805	2,582,274
Expenditure				
Employee related costs	(310,400)	(452,028)	(336,073)	(1,098,501)
Depreciation and amortisation	(22,105)	(62,285)	(51,470)	(135,860)
Finance costs	(789)	(5,044)	(4,904)	(10,737)
Operating lease	(4,094)	(41,799)	(26,755)	(72,648)
Repairs and maintenance	(41,132)	(43,465)	(52,613)	(137,210)
Operating expenses	(406,303)	(329,878)	(179,599)	(915,780)
Total Expenditure	(784,823)	(934,499)	(651,414)	(2,370,736)
Operating surplus	(27,706)	181,853	57,391	211,538
Loss on disposal of assets	(7,547)	(418)	(1,438)	(9,403)
Surplus/(Deficit) for the year	(35,253)	181,435	55,953	202,135

Notes to the Annual Financial Statements

40. Segment Reporting (continued)

Segment reporting statement of financial position as at 31 March 2018

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Assets				
Current assets				
Inventories	1,197	31,221	10,547	42,965
Receivables from exchange transactions	33,330	(65)	6,647	39,912
Receivables from non exchange transactions	-	-	-	-
Cash and cash equivalents	1,257,977	80,076	438,593	1,776,646
Total Current Assets	1,292,504	111,232	455,787	1,859,523
Non-current assets				
Property, plant and equipment	374,054	717,640	983,537	2,075,231
Intangible assets	22,993	183	22,806	45,982
Heritage assets	7,126	1,121	552,328	560,575
Receivables from exchange transactions	245,366	-	-	245,366
Total Non-Current Assets	649,539	718,944	1,558,671	2,927,154
Total assets	1,942,043	830,176	2,014,458	4,786,677
Current liabilities				
Other financial liabilities	5,541	-	-	5,541
Finance lease obligation	50,144	-	-	50,144
Trade and other payables from exchange transactions	196,975	18,158	25,754	240,887
Liabilities from non-exchange transactions	5,034,766	(340,568)	(3,879,788)	814,410
Provisions	58,909	-	-	58,909
Reservation deposits	353,370	-	-	353,370
Total Current Liabilities	5,699,705	(322,410)	(3,854,034)	1,523,261
Non-current liabilities				
Financial lease obligation	158,853	-	-	158,853
Employee benefit obligation	552,228	-	-	552,228
Provisions	245,366	-	-	245,366
Total Non-Current Liabilities	956,447	-	-	956,447
Total liabilities	6,656,152	(322,410)	(3,854,034)	2,479,708
Net assets	(4,714,109)	1,152,586	5,868,492	2,306,969
Accumulated surplus/(deficit)	(4,714,109)	1,152,017	5,849,828	2,306,969

Notes



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RP233/2019

ISBN: 978-0-621-47540-1



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