

SOUTH AFRICAN NATIONAL PARKS

# ANNUAL REPORT

2011/2012



South African  
NATIONAL PARKS

# vision

South African National Parks connecting to society.

# mission


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

# corporate values

*In all that we do, we shall:*

- Demonstrate leadership
- Embrace, and be guided by, environmental ethics
- Promote transformation both within and outside the organisation
- Strive for scientific and service excellence
- Act with professionalism
- Adopt and encourage initiative and innovation by all
- Treat all our stakeholders with equality and justice
- Exercise discipline
- Act with honesty and integrity
- Strive for transparency and open communication at all times.





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# board members & executive management

## SANPARKS BOARD MEMBERS:

Mr KD Dlamini (Board Chairperson)

Prof. G Kerley

Prof. G Swan

Dr MD Mabunda

Dr GC Dry

Ms B Kunene

Ms S Rensburg

Mr M Diemont

Mr F Mketeni

Mr RT Mabilane

## EXECUTIVE MANAGEMENT:

Dr MD Mabunda – Chief Executive Officer

Mr RT Mabilane – Chief Financial Officer

Dr H Magome – Managing Executive: Conservation Services

Mr G Phillips – Managing Executive: Tourism Development and Marketing

Mr P Daphne – Managing Executive: Parks Division

Mr A Sibiyi – Managing Executive: Kruger National Park

Mr L Mavuso – Managing Executive: Human Resources

Ms W Mkutshulwa – Head of Communications (by invitation)

Ms P van der Spuy – Head: Chief Executive Office and Board Secretary (by invitation)



Mr KD Dlamini

# Chairperson's REPORT

The 2011/12 financial year presented a number of significant challenges which tested the resolve of both management and the Board of South African National Parks. Chief among these was the need for SANParks to continue to deliver on its core conservation mandate in the face of the continuing global economic downturn, and within a context of a declining operational grant from government. This placed considerable pressure on our tourism function to continue to provide a high quality service and customer experience in order to generate sufficient revenue which would ensure the continued financial sustainability of the system of national parks being managed by the institution. Our performance in this regard was excellent, considering the economic context, with most of our tourism indicators on a par with those of the previous year, and our management and staff are to be congratulated for having performed as well as we did.

It is common knowledge that the pressures of rhino poaching continued to escalate throughout the country during the 2011/12 financial year, with an increase in the number of rhino killed nationally, and in the Kruger National Park in particular. The number of arrests made in connection with rhino poaching has continued to increase, bearing testimony to the effectiveness of the combined operations of the various branches of the security apparatus. It is recognised, however, that the long-term solutions to this scourge lie outside the domain of SANParks, in the area of dealing with the lucrative illegal international market in rhino horn. Government's response with the deployment of the National Joint Operations to address this issue is much appreciated and fully supported by the SANParks Board. Despite the unprecedented levels of poaching, however, I am pleased to report that there is no evidence of a decline in rhino numbers in any of the national parks, in that the natural rate of increase is still greater than the rate of loss through poaching and other natural mortalities.

The Mapungubwe National Park and World Heritage Site received a considerable amount of attention during the period under review on account of the establishment of the Vele Colliery in the vicinity of the eastern boundary of the Park. The public debate on this issue once again illustrated the inevitable tension that arises through the proximity of mining operations and protected areas. The role of SANParks in these processes has not been to adjudicate as to whether or not the mining should go ahead, but to ensure that the outstanding universal values for which this park was declared a World Heritage Site are protected. Once the Department of Environmental Affairs had issued the authorisation for certain of the activities to proceed, a Memorandum of Understanding was signed at the end of 2011 between the Department of Environmental Affairs, SANParks and the mining company, which provided for certain structured monitoring processes and laid the basis for a biodiversity offsets programme, which will be implemented once agreement has been reached between the parties.

The COP 17 Conference on Climate Change was held at the end of 2011, with SANParks participating in a number of events and being part of the exhibits at the Durban Exhibition Centre. The focus of the SANParks stand was on the role of protected areas, and national parks in particular, in mitigating the effects of climate change. The model used in the stand was of the Garden Route National Park, which is an example, among others, of a national park designed in anticipation of climate change through providing for altitudinal variation and linkages between protected areas within an economically productive landscape. SANParks has set up a range of initiatives that deal with areas of carbon sequestration and the provision of eco-system services as part of the national effort to deal with climate change.

National Parks the world over are no longer islands isolated from the societies that created them, but are an integral part of those societies. As such, the publication of the Strategy on Buffer Zones in the Government Gazette in 2011 fundamentally shapes the outcome of zoning efforts within and around a national park as part of its integration into the relevant municipal planning frameworks. The buffer zone outside of a national park would be an area within which SANParks would be an interested and affected party in respect of influencing developments in such a way that they are compatible with the objectives for which the park was established.

An extension of this concept is the process that is under way to create a Peripheral Development Zone (PDZ) within the boundary of the Kruger National Park, which extends two kilometres into the Park. The revised zonation efforts in this instance are based on the imperatives of biodiversity conservation, law enforcement, tourism development, transfrontier park regional initiatives and the socio-economic upliftment of communities in the whole region where the Park is situated.

In December 2011 the Board held its annual strategic planning workshop in the Kruger National Park. One of the most important products of this workshop was the re-visioning exercise which produced a new vision statement of 'South African National Parks Connecting to Society'. This is not just an aspirational goal for the organisation, but is also a reflection of the post-1994 reality and achievements of SANParks in moving beyond a traditional 'fences and exclusion' paradigm to one where SANParks connects to all elements of the broader society through a range

of social responsibility programmes designed to achieve this.

The social responsibility function is one that is exercised through a number of units within SANParks. In 2011, however, a Corporate Social Investment department was set up within SANParks in order to provide overall coordination and cohesion to our social investment programmes. A decision was also made that there would be a 1% community levy on fees charged for all tourism products for parks as a mechanism to fund a range of social investment projects in communities adjacent to national parks. This levy will come into effect in November 2012.


A leading initiative in providing benefits to communities is no doubt the Expanded Public Works Programmes (EPWP), in respect of which SANParks has established a reputation as one of the best implementers in the country, and has consequently seen an increasing allocation of funding. Through the various components of the SANParks EPWP projects, over 4 000 people are working in national parks in a range of programmes, inter alia alien plant clearing, landscape rehabilitation, coastal clean-ups and a range of other labour-intensive activities. These programmes contribute to performing core conservation functions in the parks while supporting livelihoods in communities around the parks.

Apart from the Expanded Public Works Programmes, SANParks is implementing a range of other projects which provide economic and other support to neighbouring communities and the broader South African public. Located as they generally are in often depressed rural areas,

national parks play a key role in local economic development and are a source of both direct and indirect employment. It is worth noting in this regard that on any given working day, over 10 400 people get up and go to work in a national park, including those in the EPWP projects.

This role as a catalyst for local economic development is in addition to the role the system of national parks plays as a key element of the national tourism economy. SANParks has also engaged with the Presidential Jobs Fund, and the Board is in full support of management's efforts to ensure that SANParks plays its role in supporting government's programmes towards both direct job creation and economic development.

Issues of corporate governance remained paramount for the Board, and I am pleased to report that SANParks once again achieved an unqualified audit for the 2011/12 financial year. The Chief Executive and management of SANParks, and the Board and its committees are to be congratulated on achieving successive unqualified audits for all of the three years of the term of this Board. In an environment where there is continuous public scrutiny on aspects of compliance of government departments and entities, it is crucial that SANParks maintains its clean record and image in this regard. All those involved can be proud of this record, and it is on this foundation that SANParks can move into the future with confidence.



**Mr KD Dlamini**  
**Chairperson**



Dr MD Mabunda

# Chief Executive Officer's REPORT

While national parks have historically been seen as the preserve of only a section of the South African population, there is increasing acceptance within the broader society that parks are part of the cultural and natural heritage of the nation as a whole. There is a potential for national parks to make a greater contribution to the nation-building project by ensuring that further mechanisms are put in place to ensure that hitherto marginalised sectors of society increasingly develop a sense of belonging and ownership in respect of national parks. SANParks remains committed to giving meaning to the new vision as developed at the December 2011 strategic planning session of 'South African National Parks Connecting to Society'.

During the 2011/12 financial year a large part of SANParks' energy and effort was directed towards dealing with issues of resource security. It needs to be stated that while certain species such as rhino tend to dominate the headlines, SANParks is tackling a broad range of resource security issues and is engaged in managing ecosystems rather than individual species as often perceived by mistaken or misled individuals.

Rhino poaching continued, however, to attract both national and international attention, and to pose a real threat in national parks, as well as private and provincial nature reserves across the country. In the 2011/12 financial year, 278 rhino were poached in the national parks, which is an increase over the number poached in the previous financial year (the figure for the 2011 calendar year was 252). As part of a suite of initiatives aimed at enhancing our capacity to combat rhino poaching, the Minister announced that an additional 150 rangers would be deployed in the KNP. Cooperation between the different components of the security forces has also been strengthened and formalised,

and the National Joints (NATJOINTS) 'Operation Rhino' continued their deployment of joint SANDF and SAPS units in the KNP in support of SANParks and surrounding protected areas. Through these joint initiatives the number of arrests grew, with 262 suspects being arrested and charged with crimes related to rhino poaching in the year under review in KNP and around the country.

Marine resource security continued to present a number of challenges, with abalone poaching being the most important of these. In the same manner as the trade in rhino horn, the illegal abalone trade is linked to national and international crime syndicates, with the consequence that it is extremely difficult for SANParks to fight this crime within the parks themselves. With the deployment of additional resources, however, it has been possible to eliminate abalone poaching from Bird Island, which forms part of the Addo Elephant National Park.

Visitor safety in Table Mountain National Park was another issue which received a good deal of public attention in the year under review. A spike in the incidence of reported crimes on Table Mountain in the 2010/11 financial year necessitated a decisive response, which saw the deployment of 50 new Visitor Safety Rangers in the Park in November 2011. Initial indications are that this intervention is having the desired effect, as there was a significant drop in reported crimes. Apart from the issue of the safety of visitors to the Park, this will have the effect of enhancing the image of the country in respect of the international tourism industry, given that Table Mountain is one of the country's icons for the marketing of tourism to international visitors.

SANParks' tourism performance in the financial year under review was clearly affected by the global economic

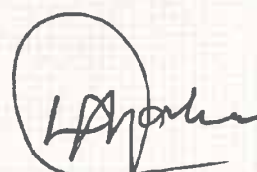
downturn, although we were affected less than other sectors of the tourism industry, with only a minimal drop overall in unit occupancies of 0,8% compared to the 2010/11 financial year. Our flagship park, the Kruger National Park, maintained a 76% unit occupancy, while at the other end of the country Table Mountain National Park managed to increase the number of paying guests visiting the Park to over 2,3 million, up by 4,5% over the previous year's figure. Overall we can be exceptionally pleased at the tourism performance of SANParks in the year under review, although there is reason to be cautious about our prospects for the new financial year.

In this financial year conferencing in the parks generated close to R12 million, and this is seen as a key growth area in the future. In this regard two key tourism developments were launched during this financial year, viz. the completion of the Nombolo Mdluli Conference Centre in Skukuza and the extensive upgrading of the Golden Gate Hotel and conference facilities. Not only is conferencing providing a new revenue stream, but it is also exposing black middle-class customers who are employed by government and corporates to the national parks. SANParks recognises the need to move beyond our declining historical support base to grow a new emerging market, while at the same time maintaining our loyal traditional customers. To attract this emerging market, it is clear that we will have to diversify our product offering so that the future growth and sustainability of our tourism function is secured.

In the period under review the SANParks' website-based reservation continued to perform well, and the platform has become very popular with local and international visitors to the parks. At present, 23% of all new bookings are done online, and R101,1 million in sales revenue was generated in the past year alone. Plans are in place to increase the usage of the online platform in the coming year by providing an incentive of an automatic discount of 5% for all online transactions. This creates a wonderful basis for SANParks to explore further the possibilities presented by web technology.

During the year under review a cost curtailment programme was put in place in order to deal with the severe cut in the state subsidy and the

uncertainties of the global economy as it impacts on our own potential to generate revenue. This was combined with a concerted drive on issues of compliance across all levels and functions in SANParks in order to ensure that we once again achieve an unqualified audit. I would like to congratulate the management team and all staff in SANParks on the strides we have made, and give recognition to the role played by the Board and its committees in providing oversight and guidance in this regard. The steps we have already taken both to cut costs and to look for additional areas for revenue generation will stand us in good stead as we face the challenges and uncertainty of managing a complex and multi-dimensional conservation agency in an equally challenging and complex emerging society.



**Dr MD Mabunda**  
**Chief Executive Officer**





# Conservation Services Report

## EXECUTIVE SUMMARY

The key performance areas of the Conservation Services Division of SANParks are grouped into the following categories:

- i. Improving the state of the conservation asset
- ii. Making a contribution to conservation nationally and globally
- iii. Building strong constituencies for the management of a national park system
- iv. Continuous improvement of knowledge and evidence on which management decisions are based.

## IMPROVING THE STATE OF THE CONSERVATION ASSET

### National Park Expansion

A total of 9 702 ha was acquired through the DEA Land Grant, SANParks self-generated funds and donor funding. Donor funding provided 75% of the land acquired. The acquisition improved the conservation status of the Savanna, Thicket, Succulent Karoo and Lowland Fynbos biomes.

### Transfrontier Conservation

Forty-seven buffalo from the Kruger National Park were relocated in Gorongosa National Park in Mozambique, providing a significant boost to the buffalo population of the Park.

### Wildlife Crime – with the Focus on Rhino Poaching

A total of 272 rhino were poached in the Kruger National Park and 9 in the Marakele National Park for the period April 2011 to March 2012 resulting into a 34.65% increase in rhinos killed compared to the previous corresponding period. The exponential increase in rhino poaching since 2008 can be attributed to 27 years of lack of adequate investment (since the poaching of more than 225 elephants between 1981-1989) in the appointment and training of rangers and other wildlife law enforcement agencies; lack of advanced technology and equipment to fight organized wildlife crime in protected areas and ports of entry and the sudden rise of the illegal international black market trade in rhino horn as a result of an astronomical demand in South East Asian countries like Vietnam, Laos, Cambodia, Thailand, Malaysia and China. The February 2012 Field Rangers' strike inhibited the deployment of additional capacity for patrols and monitoring and hampered operations to a certain extent. SANParks has since embarked on an aggressive capacity building strategy of adding better trained Field Rangers and provided night vision equipment to strengthen the fight against rhino poaching. It is envisaged that with the support of National Joint Operational and Intelligence Structure (NATJOINTS), Operation Rhino and the South African National Defense Force deployments the rhino poaching situation should be stabilized with the prospects of achieving decreases of incidents in the near future.



### **Greater Lebombo Conservancy**

The Ministers responsible for the management of the national park systems in both Mozambique and South Africa met to give effect to the provisions of articles 2(a) and (b) of the Treaty for the Great Limpopo Transfrontier Park (GLTP). The Mozambican and South African Governments have identified the need to formalise the Greater Lebombo Conservancy (GLC) as part of the GLTP and a buffer zone to control the rampant rhino poaching cross-border crime and to encourage the private sector concessionaires operating in the GLC to become part of this initiative. Emanating from this, a road map for the inclusion was developed. Once established, the GLC buffer zone will become the first layer of defence against rhino poaching, create a logical deterrent to poaching activities through the facilitation of ecotourism development opportunities in the buffer area and generate socio-economic opportunities such as jobs, and community facilities such as schools and clinics for the benefit of local communities in Mozambique.

### **Greater Limpopo Transfrontier Park**

The Joint Management Board of Greater Limpopo Transfrontier Park (GLTP), which straddles the borders of South Africa, Mozambique and Zimbabwe, in partnership with North-West University, initiated a pilot project to harmonise legislation and policies that will facilitate integrated and complementary conservation and economic development activities within the GLTP. The document will serve as a basis for the development of the SADC TFCA policy harmonisation document.

The GLTP Safety and Security plan was developed to guide the implementation of operational requirements in the three countries for efficient and effective management of all matters relating to safety and security, thereby contributing to and promoting the GLTP brand to tourists and visitors in the three countries. The GLTP marketing and communication strategy and the GLTP logo are also being finalised for the branding and marketing of the GLTP as a single tourism destination.

### **AI/AIS-Richtersveld Transfrontier Park (ARTP)**

The ARTP Joint Operational Strategy (JOS) was developed in compliance with the joint planning requirements as envisaged in article 14.3 of the ARTP Treaty to provide a tactical plan for the management of the ARTP as a functional and operational protected area transcending the international boundary. A number of successful joint cross-border operations were carried out as a result.

A cross-border radio frequency has been acquired for the establishment of a cross-border radio communication system.

The Orange River Festival, which has the overarching objective contribution towards unlocking the tourism potential of the ARTP by staging a world-class event, tapping into the cultural heritage of the region and promoting the unique landscape characteristics of the region, was held from 11 to 15 October 2011.

### **Greater Mapungubwe Transfrontier Conservation Area**

The draft GMTFCA treaty was finalised and the signing ceremony is being planned with the relevant Heads of States. The GMTFCA Integrated Development Plan was approved in principle by the ministerial meeting held in October 2011. The annual Tour de Tuli cycle ride, used as a vehicle to market the GMTFCA, was successfully held in August 2011, and was attended by 350 cyclists. Benefits to local communities, ranging from the use of local accommodation facilities to a financial contribution of R1,5 million to the Children in the Wilderness programme, were realised.

The community on the Botswana side of the GMTFCA requested incorporation of their communal land into the core conservation area of the GMTFCA. This is a significant step towards local communities' participation in conservation activities, from which they will derive benefits.

### **Management Plans**

Management plans for the Agulhas, Garden Route, Golden Gate Highlands, Mapungubwe, Namaqua and West Coast National Parks were submitted to the DEA to be reviewed for compliance.

### **Wildlife Management and Wildlife Sales**

The total income generated from wildlife sales during the financial year was R43 310 139. An additional R42 921 was generated through rental of SANParks game capture equipment to external users. Provisions were made to generate income from buffalo and other species during the coming year to compensate for the reduction of rhinoceros sales made necessary by continuing poaching.

## **MAKING A CONTRIBUTION TO CONSERVATION NATIONALLY AND GLOBALLY**

### **Policy Development**

SANParks' contributions to the development of international and national biodiversity legislation and activities included:

- Promotion of the 10-year strategic plan and framework for the implementation of the United Nations Convention to Combat Desertification (UNCCD).
- Preparations for the IUCN Rio +20 United Nations Conference on Sustainable Development to be held in Brazil in June 2012 and the IUCN World Conservation Congress which follows in September 2012 in Korea.
- Review of the final draft of the South African Environmental Outlook 2012.
- Presentations to the Scientific Authority (a body constituted in accordance with the CITES Convention) towards a non-detriment finding on trade in live white rhinoceros and hunting trophies.

## **BUILDING STRONG CONSTITUENCIES FOR THE MANAGEMENT OF A NATIONAL PARK SYSTEM**

### **Land Claims**

A report summarising the status of land claims nationally, the challenges faced and the remedial action planned, was presented by the Department of Rural Development and Land Reform. During the report year unresolved land claims received attention in Au-grabies Falls, Kruger, Golden Gate Highlands, Mapungubwe, Namaqua and West Coast National Parks.



### **Environmental Education and Awareness**

The Kudu Green School Initiative is further proving its success – highlights included Climate Change and Sustainability Projects initiated at schools and the completion of accredited training programmes by educators. A new concept project entitled *Future Youth Leaders in the Environment* has been presented to the Honorary Rangers for consideration. World Wetlands Day, in collaboration with various partners, was celebrated in the Golden Gate Highlands, Marakele, Mapungubwe and Kruger National Parks. Filming for a new TV youth series took place in Mokala, Auwabies Falls and Kalahari Gemsbok National Parks.

### **Community-based Conservation and Socio-Economic Development Projects**

Guidelines for the implementation of the Corporate Social Investment (CSI) programme have been completed and a steering committee was established to review projects. A skills audit of the members of the !khomani San Guides Association has been completed. The audit will inform the level of intervention required to formalise the Guiding Association. A social science research bursary was established and the first bursaries were awarded in March 2012. A project to establish computer centres for the benefit of local communities will be managed within SANParks. The SANParks CSI Unit will fund the purchase and installation of computers.

## **CONTINUOUS IMPROVEMENT OF KNOWLEDGE AND EVIDENCE ON WHICH MANAGEMENT DECISIONS ARE BASED**



### **Research in National Parks**

Space limitations preclude full reporting of on-going biodiversity research and monitoring programmes; only selected highlights are presented below.

The SANParks Global Environmental Change (GEC) project is assessing the status and trends in six drivers of global environmental change. The Climate Change component of the GEC project is making progress on the analysis of weather data to determine patterns of change in rainfall, temperature, wind and humidity data in parks, and also contributed to the National Biodiversity Assessment.

The International Council for Science has established a new 10-year *Program on Ecosystem Change and Society* (PECS) to follow up on the research gaps highlighted by the Millennium Ecosystem Assessment. SANParks was represented at a workshop, coordinated by the CSIR and the Stockholm Resilience Centre, to investigate the development of a multi-scale southern African case study that could form one of the core case studies of the global PECS initiative. An experimental infection study was initiated to investigate the immune response profile of white rhinoceros infected with the causative agent of bovine TB (*Mycobacterium bovis*). Scientific papers were published on a climate-vegetation response model linking plant metabolic performance to climate and on large herbivore population performance as affected by climate.

Monitoring requirements were assessed for two important resource use projects, medicinal plant use by the Khomani San in Kalahari Gemsbok National Park and the Sour Fig harvesting in the Agulhas National Park. In the Garden Route National Park bi-annual river bio-monitoring carried out in three streams downstream from timber harvesting areas indicated that timber harvesting operations carried out in those catchments have little or no impact on the water quality and organisms.

Ten biodiversity monitoring programmes (biodiversity mechanisms, degradation and restoration, freshwater and estuarine, resource use, alien and invasive species, species of special concern, climate change, habitat representation and persistence, disease, organisational reporting) have been documented for application in the national park system.

## Estimates of Abundance of Large Species in National Parks

The larger species of mammals, birds and reptiles in national parks are of particular importance. Many of them play a key role in ecosystem functioning, and furthermore they are a focus of interest for visitors. Some of the larger species need extensive areas in which to range, and may therefore be negatively affected by confinement within fenced parks. The status of the populations of the larger species can therefore provide an important indicator of the health of national parks. Estimates of the abundances of various large animal and bird species are presented below for each of the national parks in which a systematic census was undertaken during the year under review.






Estimating the abundance of animals is subject to various sources of error and bias which differ according to species and the environment in which the animals are found. Specialised techniques are applied to determine sources of error and bias, to correct for them and to assess the reliability of the estimate. The background methodology and assessment of reliability is too lengthy to present in this report, hence the results need to be interpreted with caution. Readers interested in details of accuracy and reliability may apply to SANParks for additional information. The tables below include only those species for which estimates of abundance are available.


## Estimates for Animal Abundances in Parks in the Arid Region

We provide 95% CI ranges where available and indicate the method, 5-year trend and year of last estimate. nc – not counted. Methods: t – total counts, s – fixed – width sample transects, si – spoor index. Trends: u – unknown, i – increase, d – decrease, 0 – non-directional. We round values larger than 10 to the nearest 5, and larger than 50 to the nearest 10. \* – indicates species for which reported techniques are not ideal.

Species	Augrabies	Golden Gate	Mokala	Kgalagadi Wet	Kgalagadi Dry
Aardwolf*	nc	nc	nc	nc	nc
Baboon*	86 t,i,2012	nc	20 t,u,2011	-	-
Bat-eared fox*	nc	nc	0 t,u,2012	nc	nc
Blesbok	-	2380 t,i,2010	99 t,i,2012	-	-
Black rhinoceros	🐘	🐘	🐘	🐘	🐘
Black wildebeest	-	1400 t,i,2010	84 t,0,2012	-	-
Blue wildebeest	-	-	878 t,i,2012	1007 t,0,2011	982 t,0,2011
Brown hyaena	nc	-	nc	600 g,u,2009	600 g,u,2009
Buffalo	-	-	371 t,i,2012	-	-
Burchell's zebra	-	1010 t,i,2010	156 t,i,2012	-	-

Species	Augrabies	Golden Gate	Mokala	Kgalagadi Wet	Kgalagadi Dry
Cattle	-	1080 t,i,2010	-	-	-
Cheetah	-	-	-	200 g,u,2009	200 g,u,2009
Cheetah	-	-	-	200 g,u,2009	200 g,u,2009
Common duiker*	1 t,i,2012	nc	27 t,u,2012	nc	nc
Donkeys	nc	35 t,0,2010	-	-	-
Eland	250 t,i,2012	710 t,0,2010	176 t,i,2012	80-1110 s,0,2009	91-517 s,0,2011
Gemsbok	336 t,i,2012	-	926 t,l,2012	8 146 - 8 884 s,0,2011	6 692 - 9 700 s,0,2011
Giraffe	36 t,i,2012	-	57 t,0,2012	nc	nc
Goats	-	70 t,0,2010	-	-	-
Greater kudu	96 t,i,2012	-	378 t,0,2012	nc	nc
Grey rhebok	-	140 t,0,2010	-	-	-
Hartmann's zebra	75 t,i,2012	-	-	-	-
Horses	-	80 t,0,2010	-	-	-
Impala	-	-	45 t,u,2012	-	-
Jackal*	nc	nc	14 t,u,2012	nc	nc
Klipspringer*	14 t,i,2012	-	-	-	-
Kori bustard*	-	-	nc	191-395 s,0,2011	228-538 s,0,2011
Leopard	nc	-	nc	150 g,u,2009	150 g,u,2009
Lion	-	-	-	130 si,0,2010	130 si,u,2010
Mountain reedbuck	-	15 t,0,2010	0 t,u,2012	-	-

Species	Augrabies	Golden Gate	Mokala	Kgalagadi Wet	Kgalagadi Dry
Nyala	-	-	1 t,u,2012	-	-
Oribi*	-	1 t,0,2010	-	-	-
Ostrich	314 t,u,2012	6 t,0,2010	246 t,i,2012	1553-2293 s,0,2011	1393-2027 s,0,2011
Porcupine*	nc	nc	nc	nc	nc
Reedbuck	-	0	0	-	-
Red Hartebeest	80 t,u,2012	1040 t,i,2010	313 t,i,2012	1355-2423 s,0,2011	1202-2342 s,0,2011
Roan antelope	-	-	65 t,u,2012	-	-
Sable antelope	-	-	31 t,u,2012	-	-
Sheep	-	530 t,0,2010	-	-	-
Spotted hyena	-	-	-	375 g,u,2009	375 g,u,2009
Springbok	307 t,i,2012	450 t,i,2010	358 t,i,2012	2337 t,0,2011	1441 t,0,2011
Steenbok*	4 t,i,2012	-	1 t,0,2012	1872-2984 s,0,2011	1741-2987 s,i,2011
Tsessebe	-	-	227 t,i,2012	-	-
Vervet monkey*	20 t,i,2012	-	nc	-	-
Vultures*	nc	nc	100 t,u,2011	nc	nc
Warthog	-	-	135 t,u,2012	nc	nc
Waterbuck	-	-	25 t,u,2012	-	-
White rhinoceros					

 White and black rhinos numbers have been excluded for security reasons.



## Estimates for Animal Abundances in Parks in the Frontier Region

We provide 95% CI ranges where available and indicate the method, 5-year trend and year of last estimate. nc – not counted. Methods: t – total counts, r – registration studies, g – guesstimate usually from ranger experience. Trends: u – unknown, i – increase, d – decrease, 0 – non-directional. We round values larger than 10 to the nearest 5, and larger than 50 to the nearest 10. \* – indicates species for which reported techniques are not ideal.

Species	Addo – Main/ Colchester	Addo – Kuzuko	Addo - Darlington	Addo - Nyathi	Addo - Zuurberg	Karoo	Mountain Zebra	Camdeboo
Aardwolf*	nc	nc	nc	nc	nc	nc	nc	nc
Blesbok	-	2 t,d,2009	-	-	-	1 t,u,2010	156 t,d,2012	120 t,i,2011
Black rhinoceros	🐘	🐘	🐘	🐘	🐘	🐘	🐘	🐘
Black wildebeest	-	171 t,u,2011	407 t,i,2011	-	-	0 t,u,2010	922 t,i,2012	80 t,0,2010
Buffalo	310 t,i,2011	3 r,0,2011	-	35 t,u,2009	-	4 t,u,2010	77 <sup>4</sup> t,u,2012	30 t,0,2011
Burchell's zebra	171 <sup>1</sup> t,i,2011	98 t,u,2011	-	180 t,u,2009	-	140 t,i,2010	82 t,0,2012	-
Bushbuck*	12 t,0,2011	nc	nc	20 t,u,2009	nc	nc	nc	nc
Bushpig*	0 t,u,2011	1 t,u,2011	nc	nc	nc	nc	nc	nc
Cheetah	-	2 <sup>3</sup> r,d,2011	-	-	-	-	13 r,d,2012	-
Common duiker*	2 t,0,2011	2 t,0,2011	8 t,u,2011	25 t,u,2009	0	15 t,0,2010	5 t,0,2012	0 t,0,2011
Eland	147 t,d,2011	35 t,d,2011	-	100 t,u,2009	25 t,u,2008	330 t,0,2010	260 t,0,2012	120 t,i,2011
Elephant	428 r,0,2010	21 r,u,2011	-	102 r,u,2010	-	-	-	-
Gemsbok	-	14 t,u,2011	244 t,i,2011	-	-	1450 t,0,2010	212 t,i,2012	60 t,0,2011
Greater kudu	965 T,d,2011	283 t,u,2011	889 t,i,2011	45 t,u,2009	nc	680 t,i,2010	299 t,0,2012	384 t,d,2011
Grey rhebok	-	-	-	-	-	100 t,0,2010	58 t,0,2012	nc
Impala	-	6 t,u,2011	33 t,u,2011	-	-	-	-	-
Jackal*	25 t,i,2009	14 t,u,2011	14 t,u,2011	1 t,u,2009	nc	50 t,u,2010	32 t,0,2012	10 t,0,2011
Klipspringer*	-	-	-	-	-	90 t,d,2010	3 t,0,2012	nc




Species	Addo – Main/ Colchester	Addo – Kuzuko	Addo - Darlington	Addo - Nyathi	Addo - Zuurberg	Karoo	Mountain Zebra	Camdeboo
Leopard	nc	nc	nc	nc	nc	nc	nc	nc
Lion	9 <sup>2</sup> r,0,2011	2 r,0,2011	-	- <sup>1</sup>	-	-	-	-
Mountain reedbuck	-	1 t,u,2011	?	nc	20 t,u,2008	30 t,0,2010	120 t,0,2012	8 t,0,2011
Mountain zebra	-	34 t,0,2011	74 t,u,2011	-	25 t,u,2008	550 t,i,2010	745 t,i,2012	150 t,0,2011
Ostrich	70 t,i,2009	22 t,0,2011	276 t,u,2011	120 t,u,2009	-	580 t,i,2010	105 t,0,2012	170 t,0,2011
Porcupine*	nc	nc	nc	1 t,u,2009	nc	nc	nc	nc
Red hartebeest	240 t,0,2009	60 t,0,2011	-	220 t,u,2009	70 t,u,2008	1240 t,i,2010	427 t,i,2012	200 t,0,2011
Spotted hyena	14 G,u,2010	-	-	-	-	-	-	-
Springbok	-	175 t,0,2011	1095 t,u,2011	-	-	420 t,d,2010	1003 t,0,2012	290 t,0,2011
Steenbok*	-	8 t,0,2011	13 t,u,2011	-	-	10 t,d,2010	3 t,d,2012	8 t,0,2011
Warthog	690 t,0,2009	0 t,u,2011	-	60 t,u,2009	-	-	-	-

🐾 White and black rhinos numbers have been excluded for security reasons.

### Estimates for Animal Abundances in Parks in the Northern Region.

We provide 95% CI ranges where available and indicate the method, 5-year trend and year of last estimate. nc – not counted. Methods: r – registration studies, b – block counts, d – transects using distance sampling, t – total counts, g – gestimate usually from ranger experience, p – photographic mark-recapture, c – call-up surveys, s – sample surveys using fixed –width transects. Trends: u – unknown, i – increase, d – decrease, 0 – non-directional. We round values larger than 10 to the nearest 5, and larger than 50 to the nearest 10. \* – indicates species for which reported techniques are not ideal.

Species	Kruger	Marakele	Mapungubwe
Aardwolf*	nc	nc	nc
Baboon*	nc	nc	nc
Bat-eared fox*	nc	nc	nc
Black rhinoceros	🐘	🐘	🐘
Blue wildebeest	6400-13100 d,0,2010	1020 t,d,2010	520 t,i,2010
Buffalo	40922 t,i,2011	0	-
Burchell's zebra	23700-35300 d,i,2010	510 t,u,2010	280 t,i,2010
Bushbuck*	500 g,u,2009	15 g,0,2010	10 t,u,2010
Bushpig*	nc	nc	nc
Cheetah	369-545 p,u,2009	nc	nc
Common duiker*	nc	nc	nc
Crocodile	4420 t,i,2009	nc	nc
Eland	460 g,u,2009	200 t,0,2010	330 t,i,2010
Elephant	14273 t,i,2011	150 t,i,2010	400 t,i,2010
Gemsbok	-	20 t,i,2010	130 t,d,2010
Giraffe	6800-10300 d,l,2010	50 t,0,2010	60 t,i,2010
Goats	-	nc	nc
Greater kudu	11200-17300 d,0,2010	180 t,0,2010	110 t,u,2010
Hippopotamus	3100 t,u,2008	nc	nc
Impala	132300-176400 d,i,2010	820 t,0,2010	1490 t,i,2010

Species	Kruger	Marakele	Mapungubwe
Jackal*	nc	nc	nc
Klipspringer*	nc	nc	nc
Kori bustard*	nc	nc	nc
Leopard	1000 g,u,2009	nc	nc
Lichtenstein hartebeest	50 g,u,2009	-	-
Lion	1617-1751 c,0,2008	20 r,i,2011	nc
Mountain reedbuck	150 g,u,2009	20 t,u,2010	-
Nyala	300 g,u,2009	6 g,u,2010	-
Ostrich	nc	15 t,0,2010	-
Porcupine*	nc	nc	nc
Reedbuck	300 g,u,2009	nc	-
Red hartebeest	-	30 t,0,2010	15 t,u,2010
Roan antelope	90 g,u,2009	3 t,u,2010	-
Sable antelope	290 g,u,2009	nc	-
Sheep	-	nc	-
Spotted hyena	3443-3891 c,u,2008	nc	nc
Steenbok*	nc	nc	15 t,u,2010
Tsessebe	220 g,u,2009	10 t,0,2010	1 t,u,2010
Vervet monkey*	nc	nc	nc
Vultures*	nc	nc	nc
Warthog	3100-5700 d,0,2010	230 t,0,2010	190 t,u,2010
Waterbuck	3100-7800 d,0,2010	70 t,u,2010	40 t,u,2010
White rhinoceros			

Species	Kruger	Marakele	Mapungubwe
Wild dog	166-191 p,u,2009	nc	nc

White and black rhinos numbers have been excluded for security reasons.

### Estimates for Animal Abundances in Parks in the Cape Region

We provide 95% CI ranges where available and indicate the method, 5-year trend and year of last estimate. nc – not counted. Methods: t – total counts, s – fixed – width sample transects. g – guesstimate usually from ranger experience. Trends: u – unknown, i – increase, d – decrease, 0 – non-directional. We round values larger than 10 to the nearest 5, and larger than 50 to the nearest 10. \* – indicates species for which reported techniques are not ideal.

Species	Agulhas	Bontebok	Table Mountain (South)	Tankwa	West Coast	Namaqua <sup>#</sup>
Baboon	-	-	30 t,u,2011	nc	-	nc
Bat-eared fox	nc	Nc	nc	nc	nc	nc
Blue wildebeest	-	0	-	-	20 t,d,2011	-
Bontebok	3 t,u,2011	210 t,i,2011	120 t,i,2011	-	35 t,d,2011	-
Burchell's zebra	-	-	nc	-	-	-
Bushbuck	0 t,u,2011*	0 t,u,2011*	-	-	-	-
Bushpig	nc	nc	nc	nc	-	nc
Cape fur seal	nc	-	nc	-	nc	500 g,u,2011
Cape grysbok	0 t,u,2011*	1 t,u,2011*	0 t,u,2011*	-	1 t,u,2011*	-
Common duiker	0 t,u,2011*	2 t,u,2011*	0 t,u,2011*	nc	1 t,u,2011*	nc
Eland	-	-	40 t,d,2011	4 g,u,2010	270 t,i,2011	-
Fallow deer	4 t,u,2011	-	-	-	-	-
Gemsbok	-	-	-	310 g,i,2010	6 t,d,2011	250 g,u,2011
Goats	-	-	-	nc	-	-
Greater kudu	-	-	-	20 g,u,2010	50 t,i,2011	-
Grey rhebuck	0 t,u,2011*	70 t,0,2011*	0 t,u,2011*	-	0 t,u,2011*	-
Horses (feral)	4 t,u,2011	-	-	-	-	-
Klipspringer	0 t,u,2011*	-	4 t,u,2011*	nc	-	nc
Leopard	-	-	-	nc	-	8 g,u,2011

Species	Agulhas	Bontebok	Table Mountain (South)	Tankwa	West Coast	Namaqua <sup>#</sup>
Mountain zebra	-	5 t,d,2011	3 t,d,2011	35 g,u,2010	10 t,i,2011	-
Ostrich	160 t,u,2011	15 t,d,2011	40 t,0,2011	-	500 t,d,2011	400 g,u,2011
Porcupine	nc	nc	nc	nc	nc	nc
Red hartebeest	0 t,u,2011	30 t,i,2011	40 t,d,2011	150 g,u,2010	60 t,d,2011	220 g,u,2011
Springbok	240 t,u,2011	-	-	690 g,u,2010	40 t,0,2011	400 g,u,2011
Steenbok	0 t,u,2011*	0 t,u,2011*	0 t,u,2011*	nc	5 t,u,2011*	nc

# - No census ever undertaken, all data are management estimates

🐘 White and black rhinos numbers have been excluded for security reasons.

### Estimates for Animal Abundances in Parks in the Garden Route Region.

We provide 95% CI ranges where available and indicate the method, 5-year trend and year of last estimate. nc – not counted. Methods: pc – pellet counts, g – guestimate usually from ranger experience. Trends: u – unknown, i – increase, d – decrease, 0 – non-directional. We round values larger than 10 to the nearest 5, and larger than 50 to the nearest 10. \* – indicates species for which reported techniques are not ideal.

Species	Garden Route National Park
Baboon	nc
Bushbuck	1.6 ± 1.1 / km <sup>2</sup> pc,u,2011
Bushpig	nc
Blue duiker	1.2 ± 1.2 / km <sup>2</sup> pc,u,2011
Klipspringer	nc
Leopard	nc
Porcupine	nc
Vervet monkey	nc
Steenbok	nc
Aardvark	nc
Elephant*	1-5 g,u 2011

🐘 White and black rhinos numbers have been excluded for security reasons.

#### (Footnotes)

1) Additional animals brought in to Colchester. 2) 3 removed to Nyathi during 2011. 3) only 2 remaining after removals during 2010/11. 4) 30 removed for game sales during 2011.







# Tourism

## Development and Marketing Report

### EXECUTIVE SUMMARY

Tourism in South African National Parks has not been immune to the global and domestic economic challenges. The 2011/12 financial year proved to be very challenging; however, although we are still performing very well compared to the national tourism accommodation sector, we experienced a 0,8% drop in overall occupancy. Due to new inventory becoming available, we grew our unit nights sold by 0,4% or 2 142 units. In terms of total tourism revenue we posted a positive growth of 3%, while accommodation revenue grew by 9%. The Wild Card programme system roll-out still poses several development challenges that our team are diligently working through with the software developer. We are happy, however, to report that at the time of writing this report, 69 071 new cards had been posted and collected by our members. In this financial year, the SANParks Board adopted the Minimum Standards of Responsible Tourism, which will be implemented through park management plans and eventually measured through the balanced scorecard system.

### SALES AND MARKETING REPORT

#### Conferencing in the Parks


The completion of the Nombolo Mdluli Conference Centre in Skukuza and the extensive upgrading of the Golden Gate Hotel conferencing facilities have resulted in conferencing becoming a high priority sales point of focus. Not only is conferencing providing a new revenue stream but it is also exposing a lot of black middle-class customers who are employed by government and various other corporates to the national parks. This exposure is also helping to grow SANParks black overnight visitor numbers, which will be a key focus area for many years to come. In this financial year conferencing in the parks generated close to R12 million and we are aiming to attract more business through the formation of the Meetings, Incentives, Conferences and Exhibitions (MICE) unit that will be dedicated to drive this business.

#### Online Booking Sales

Since its inception in 2007, the online booking platform has become very popular with local and international visitors to the parks. At present, 23% of all new bookings are done online and R101,1 million in sales revenue was generated in the past year alone. Plans are in place to increase the usage of the online platform in the coming year by providing an incentive of 5% automatic discount for all online transactions.

#### Face-to-Face Interaction with Clients

Exhibitions, travel trade road shows and familiarisation trips continue to provide SANParks sales and marketing staff with an excellent opportunity to sell our products and services to existing and potential clients. We get far more sales conversion from face-to-face interaction than through any other medium.



The inaugural Guguletu Wine Festival was held in the upmarket mall in the sprawling township of Guguletu. The festival attracted the top-of-the-crop black middle class from Cape Town and surroundings, giving SANParks an opportunity to showcase its parks to the audience while they tasted the good wines on display from reputable wine estates

A group of 35 conferencing sales consultants from leading travel agents in the country were taken on a tour of the Golden Gate Hotel to showcase the conferencing facilities and other services the park has to offer.

Other consumer exhibitions SANParks took part in includes Beeld Holiday Show, Cape and Gauteng Getaway, the Rand Easter Show, the Soweto Wine Festival and other regional based exhibitions.

### **The Year in the Wild**

The Year in the Wild is a journey endorsed by SANParks, KZN Ezemvelo Wildlife, CapeNature and Eastern Cape Parks to 31 of South Africa's most special nature reserves, including all the national parks. The main mission is to photograph the national parks and to interview the people who make conservation possible in South Africa. Ultimately, the goal is to create awareness of our country's beautiful wild areas, the importance of their conservation, and to encourage people to travel responsibly to them. Exciting moments of the journey through parks are captured daily on the website [www.yearinthewild.com](http://www.yearinthewild.com) and featured in several travel and tourism magazines.

### **Satellite Offices Business Workshop**

A total of nine walk-in satellite booking offices in key metropolitan areas in the country continue to provide excellent customer service to our young and old clients alike. A business workshop was held in August 2011 to align these independent operators with SANParks business strategy and to map efficient ways to attract walk-in customers. These offices contributed R127,8 million in business value to SANParks, representing a healthy 12% revenue growth year-on-year. In total, close to 30% of all new bookings were generated through these nine offices.

### **Travel Trade Business**

Although on a decline, travel trade remains an important avenue through which to expose international visitors to the parks. Attendance of the annual Tourism Indaba in Durban, travel trade road shows and familiarisation trips continue to provide an ideal opportunity to expand our trade business. In order to take our conferencing business to a higher level, a group of 35 conferencing sales consultants from leading travel agents in the country were taken on a tour of the Golden Gate Hotel to showcase the conferencing facilities and other services that the Golden Gate Highlands National Park has to offer.

### **WILD CARD PROGRAMME**



The new Wild Card Programme has certainly faced many challenges, one major challenge being that the previous service provider refused to hand over a clean and accurate database. Hence the focus was to ensure the development of a new and accurate database of all our members. This resulted in many frustrations and complaints, and due to this, the decision was taken not to increase Wild Card Membership tariffs for the 2011/2012 financial year. The new system software is being developed, and the full system and integration will be launched during the second quarter of the new financial year. The loyalty component is still being planned – and scoped and will be introduced during the next financial year. In this reporting period the Wild Card Programme provided SANParks with over R25 million in revenue.

## SANPARKS HONORARY RANGERS

Notwithstanding the challenging economic environment, the SANParks Honorary Rangers once again delivered significant support to SANParks by way of both duties performed and funds raised for projects.

Fuel prices were probably the most significant economic factor that influenced the ability of Honorary Rangers to travel long distances to national parks to perform their duties. During 2011 the average fuel price increased by around 20%. This forced many Honorary Rangers to be very selective with regard to the duties in parks that they could afford to perform.

The SANParks Honorary Rangers supported SANParks in two major areas: performing duties and raising funds. With regard to the value of direct duties performed, the contribution increased by 36,6% to R20 981 641.

New (valuable) duties were performed this year at the request of SANParks management, including visitor management (alcohol control) at gates, camps and picnic sites in the KNP, counter-poaching patrols during the field ranger strike and litter patrols on the major roads, in addition to the normal camp/caravan park duties, etc.

Fundraising became a major focus in line with the HR strategy agreed in October 2010. Fundraising now takes the form of the usual regional golf days, bush camps, public talks, etc., as well as corporate social investment where the HRs have had two major breakthroughs – Nampak (R2.3 million) and Unitrans Audi/VW (R1,2 million received so far from the R5 million per annum agreement starting in October 2011).

The highest profile project during the year was the fundraising and supply of ranger equipment to combat the rhinoceros poaching challenge by the Conservation Services National Project. HR's brand-building efforts with a new dedicated website and participation as associates in the quarterly Environment magazine among others have been very successful.

Measurable annual goals:

- **Membership** increased by 13,7% from 1 111 to 1 263, of whom 956 completed all the training required and have been appointed as Honorary Rangers.
- **HDI members** increased by 21,3% from 108 to 131 and represent 15,8% of the total number of appointed Honorary Rangers.
- **Environmental Education** increased by 29,7% from **R2,3 million** to **R2,9 million**.
- **Total contribution to SANParks** increased by 25,7% from R30,3 million to **R38,1 million**. This is broken down further as follows:
  - Duties (direct) increased by 36,6% from R15,4 million to **R21 million** as mentioned above.
  - Funds raised and donations in kind increased by 25% from R8,3 million to **R10,3 million**.
  - The cost of providing the service to SANParks (indirect) was held to the same level as the previous year at **R6,8 million**, showing an increase of only 1,2%.

The SANParks Honorary Rangers volunteers once again delivered excellent results during the year and are well set to continue this encouraging trend in future years.

## BUSINESS DEVELOPMENT AND PUBLIC PRIVATE PARTNERSHIPS (PPP's)

### Strategic Plan for Commercialisation (2006–2011) Implementation


Since 2000, Public Private Partnerships (PPPs) in South Africa have been regulated by the PFMA, providing a clear and transparent framework for government and its private sector partners to enter into mutually beneficial commercial transactions for the public good. Over the past eleven years, SANParks has progressively increased the number of PPP transactions, covering a wide range of projects, including accommodation, restaurants, retail, activities and the Table Mountain aerial cableway. By March 2012, more than forty PPP projects were being actively implemented.

The growing number of PPP projects attests to the growing body of experience related to PPPs, both within SANParks and across the private sector. There have been some key lessons over the years. SANParks accordingly developed the Strategic Plan for Commercialisation 2006–2011, which is a significant element of SANParks' tourism pillar and has as its objectives (through the implementation of PPPs) reducing the cost of delivery, improving service levels by focusing on core business, leveraging private capital and expertise, as well as the expansion of tourism products and the generation of additional revenue for the funding of conservation and constituency building.

Other high-level commercialisation objectives for SANParks include any or all of the following: revenue generation; loss minimisation or savings on existing operations; optimal use of under-performing assets; job creation and poverty alleviation; BBBEE; infrastructure upgrades; upgrade/development of historical and/or cultural sites; tourism promotion and further biodiversity protection and conservation.

An additional objective of the Strategic Plan for Commercialisation is to ensure an institutional understanding of the PPP imperatives and that SANParks has the fundamentals in place, including capacity for successfully managing existing and entering into new PPPs.

In particular, PPPs in SANParks have proved to be an important service delivery mechanism as they can facilitate rapid infrastructure delivery as envisaged under the Accelerated and Shared Growth Initiative for South Africa (AsgiSA). In addition, Black Economic Empowerment (BEE) is a national policy objective, and PPPs are a good vehicle for promoting and developing it. In each SANParks PPP project, there is a BEE scorecard with targets set for the private party to promote direct ownership of substantial interests by black people, black women and black enterprises, to achieve effective participation in the management control of the private party and its subcontractors by black people and black women, to ensure that the private party contracts a significant proportion of its subcontracting and procurement to black people, black women and black enterprises, and to promote positive local socio-economic impact from the project to the benefit of SMMEs, the disabled, the youth and non-governmental organisations within a targeted area of the project's operations.



During 2011/2012 there was significant progress in the implementation of the SPfC with emphasis placed on:

- The awarding of the fuel supply tender to service stations in national parks.
- The awarding of the fuel supply tender together with rights to appoint dealers to operate the fuel service stations in national parks. This was finalised, but a change in direction was driven from SANParks' Finance Department, whereby SANParks will continue to perform the dealer role as this implies substantial financial advantages to SANParks.
- The conclusion of the Nwanetsi concession re-tender with the concession awarded to Singita Game Reserves for a PPP term of 20 years.
- The successful conclusion of the Nguni arbitration with a ruling in SANParks' favour. SANParks has taken ownership of Nguni and will shortly commence with the conversion of the units to self-catering units and the installation of Eskom power to replace the costly generators. Upon completion, SANParks will manage the units on their inventory.
- Malelane Safari Lodge in the Kruger National Park – an internationally recognised brand, i.e. Rezidor Africa, was sourced for the development of the Malelane Safari Resort. Significant progress has been made with the Environmental Impact Assessment, and the draft Amended Scoping Report has been distributed for comments. It is anticipated that the Record of Decision will be issued between June and September 2012, with the estimated opening of the Resort scheduled for late 2013.
- The appointment of an operator for timber harvesting in the Garden Route National Park.
- The conclusion of the Micro PPP Strategy intended to strategise a process to decentralise the release of micro business opportunities and capacitate park managers to manage the process. This will allow the unlocking of new business ventures, especially when it comes to smaller state assets that have the potential as tourism destinations, refreshment facilities or recreational activities.
- Post-award management of PPPs – significant progress has been made with the variation management of PPPs. This included a focus on the service delivery of certain outsourced operations as well as a viability analysis and comparisons of PPPs in order to ensure the sustainability of such operations.

For the financial year 2012/13, the following projects are scheduled:

- The appointment of an operator for the restaurant and retail facilities in the Kruger National Park, Addo Elephant National Park, Storms River Rest Camp in the Garden Route National Park, Mountain Zebra National Park, the Karoo National Park, Augrabies Falls National Park and the Kgalagadi Transfrontier Park. This was planned for the previous financial year, but extensive investigations into alternative models resulted in extension of the project.
- The investigation and possible implementation of revised models in areas where service and quality delivery remain a challenge.
- Nkambeni Community Lodge – investigation of the opportunity of a partnership with the community in order to diversify the SANParks product and engage effectively with the community to ensure community development and local economic development in the area.
- Appointment of operators for paragliding and canoe hiring in the Wilderness section of the Garden Route National Park.
- Darlington Lake Lodge termination and re-tender.

- Skukuza Airport – pending the outcome of a litigation process, the tender process for the appointment of an airport operator and aircraft carrier for Skukuza Airport in the Kruger National Park will continue.
- The development of the Skukuza Conference Lodge.

### Summary Net PPP Income

Since inception up to 31 March 2012, in addition to infrastructural developments worth over R340 million with the assets reverting to SANParks, commercialisation has resulted in a total PPP income of R493 million to SANParks as the table shows:

SUMMARY NET PPP INCOME			
Concessions	Life-to-Date (2002 to 2012)	2012 - Mar	2011 - Mar
Tinga Private Game Lodge – Kruger	15 631 178	1 973 362	1 853 068
Jock Safari Lodge – Kruger	13 374 814	2 219 431	848 670
Lukimbi Safari Lodge – Kruger	5 104 516	547 145	543 803
Imbali Safari Lodge – Kruger	10 789 861	1 417 652	1 469 765
Rhino Walking Safaris – Kruger	2 746 876	424 197	682 301
Singita Lebombo – Kruger	66 502 299	8 460 556	13 571 335
Shishangeni Lodge – Kruger	16 256 553	2 174 134	2 030 694
Brandwag Hotel – Golden Gate	4 317 280	0	0
Gorah Elephant Camp – Addo	6 547 475	446 132	283 401
Addo Nyati Concession – Addo	3 180 478	0	346 110
River Bend Country Lodge – Addo	1 385 703	176 947	196 760
Kuzuko Safari Lodge – Addo	1 145 711	241 296	337 231
Darlington Lodge – Addo	175 000	0	33 333
Roundhouse Restaurant – Table Mountain	1 330 879	614 371	64 297
Tintswalo Atlantic – Table Mountain	862 415	-57 544	423 055
!Xaus Lodge – Kgalagadi	241 289	80 000	31 111
Intsomi Lodge – Addo	46 285	0	0
Knysna Oyster Company – Knysna	1 039 767	0	0
Quay 4 – Knysna	950 095	483 428	400 000
Tender Fees Received	514 803	0	0
Marakele (Pty) Ltd – Marakele	5 359 146	294 897	329 525
Langebaan Houseboats – West Coast	1 522 463	184 708	171 579
Duinepos – West Coast	215 689	60 545	62 052
Untouched Adventures – Tsitsikamma	100 590	62 107	18 861
Tankwa Lodge – Tankwa Karoo	22 635	12 923	9 712
MCA – TK Forest Income	710 316	710 316	0
Eden Adventure Canoe Trails – Wilderness	688 003	115 654	111 459

SUMMARY NET PPP INCOME			
Concessions	Life-to-Date (2002 to 2012)	2012 - Mar	2011 - Mar
Canoe Trails – Augrabies	43 918	9 091	0
Cape Point Lease and TMACC – TMNP	111 826 072	17 917 316	18 012 091
Rhodes Memorial Tearoom – TMNP	563 612	357 138	206 474
<b>Sub-Total Concessions</b>	<b>273 195 720</b>	<b>38 925 802</b>	<b>42 036 687</b>

Facilities Rentals	Life-to-Date (2002 to 2012)	2012 - Mar	2011 - Mar
KNP Shops – Tigers Eye	129 101 456	16 005 482	16 190 471
KNP Restaurants – Compass Game Park Services	44 867 752	4 617 950	3 872 505
Staff Shop KNP – Stoffels & Pursad CC	1 353 421	0	0
Tshokwane & Nkuhlu KNP – Outpost Picnics	622 578	0	41 262
West Coast – Geelbek Restaurant	521 689	94 310	147 272
Addo Shop and Restaurant – Tigers Eye	17 162 772	2 047 061	2 079 959
Tsitsikamma Shop & Restaurant – Tigers Eye	14 527 117	1 616 700	1 523 333
Mountain Zebra Shop & Restaurant – Tigers Eye	1 210 441	170 759	151 439
Augrabies Shop & Restaurant – EJ Viljoen	3 015 011	311 038	388 019
Kgalagadi Shops & Restaurants – EJ Viljoen	4 897 580	635 171	660 135
Karoo Shop & Restaurant – Jan Viljoen	1 491 045	213 515	209 303
KNP Avis Rentals	631 073	12 426	29 947
<b>Sub-Total Facility Rentals</b>	<b>219 401 936</b>	<b>25 724 412</b>	<b>25 293 644</b>
<b>TOTAL PPP INCOME</b>	<b>492 597 655</b>	<b>64 650 214</b>	<b>67 330 332</b>

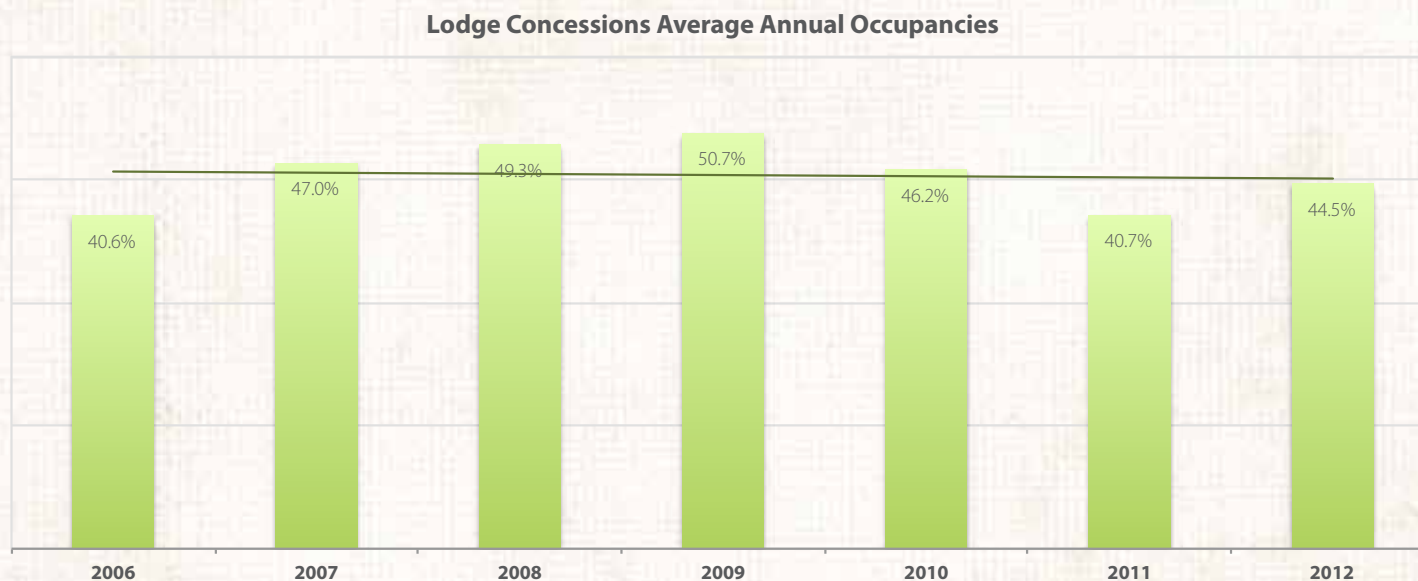
SANPARKS PPP INCOME MULTIPLE YEARS



### Concession Lodge Occupancies

The average annual lodge concession occupancies have shown a modest increase of 3,8% to 44,5% since the previous reporting period. This is an indication that although the tourism sector was negatively affected by the global economic downturn, the improving economic climate will lead to steady gains in both foreign and domestic visitors in South Africa. The continued financial volatility in Europe still poses a threat to this sector of the industry. Various interventions have been put in place to ensure that SANParks supports its partners during this time.

The highest average occupancy achieved by an operator was 57% in 2012 opposed to 56% in 2011, 60% in 2010, 66% in 2009, 69% in 2008, 63% in 2007 and 60% in 2006. The average annual occupancies from 2006 to 2012 for all the lodge concessions are depicted in the figure below:



### Restaurant Performance

The performance of the restaurant operations remained the weakest of all indicators measured and therefore required contract variation management. Weak performance, especially in the Kruger National Park, was confirmed and solutions/models were considered. This resulted in a mutual exit agreement between SANParks and the KNP operator. A model that will focus on standardisation of both product and service through a franchised brand could be considered as an alternative once the agreement has been signed.

The Business Development Unit started with preparations for the outsourcing of the restaurant opportunities that expired, and were extended to allow investigation of alternative models. The opportunities will be advertised in the 2012/2013 financial year.

### Retail Performance

The retail facilities in national parks outsourced to private operators continued to perform well. From these operations SANParks received rental to the amount of approximately R19 million for the reporting period. The number of complaints from customers about these operations continued to be negligible.





The Business Development Unit started with preparations for the outsourcing of the retail opportunities that expired, and were extended to allow investigation of alternative restaurant models (extension due to the fact that the retail facilities and restaurants are packaged together in some parks). The opportunities will be advertised in the 2012/2013 financial year.

### **Accessible Tourism for Guests with Mobility, Sensory or Cognitive Impairment**

The biggest development in the accessible tourism field during 2011/12 was the finalisation of a national action plan on Universal Access and a Declaration on Universal Access in Tourism drafted by the Universal Access Forum comprising representatives from government, tourism and people with disabilities. SANParks representatives were architects of these documents and both will be officially launched at the 2012 Tourism Indaba in Durban, where the SANParks' CEO or his representative will be one of the signatories. SANParks internal strategies on Universal Access will cascade down from these national agendas.

SANParks' marketing campaign for guests with mobility challenges has completed its second year of the 4-year plan to cover the entire organisation, and 2011 saw profiles published on the Garden Route National Park (Tsitsikamma Section), Augrabies Falls National Park, the Karoo National Park, the Kgalagadi Transfrontier Park and the Marakele National Park as well as on the central camps of the Kruger National Park. The annual ACSA Disability Show in October 2011 saw a change of venue from Midrand to Sandton Convention Centre, and SANParks was once again one of the most popular stands.

New accommodation in 2011/12 within SANParks specifically adapted for use by guests with mobility impairment has been added at Lilydale in Mokala National Park, Elandsberg in Tankwa Karoo National Park and Shingwedzi Rest Camp in the Kruger National Park. Accessibility audits were once more conducted in several of the parks and will continue to be done in consultation with park management during 2012 and beyond.

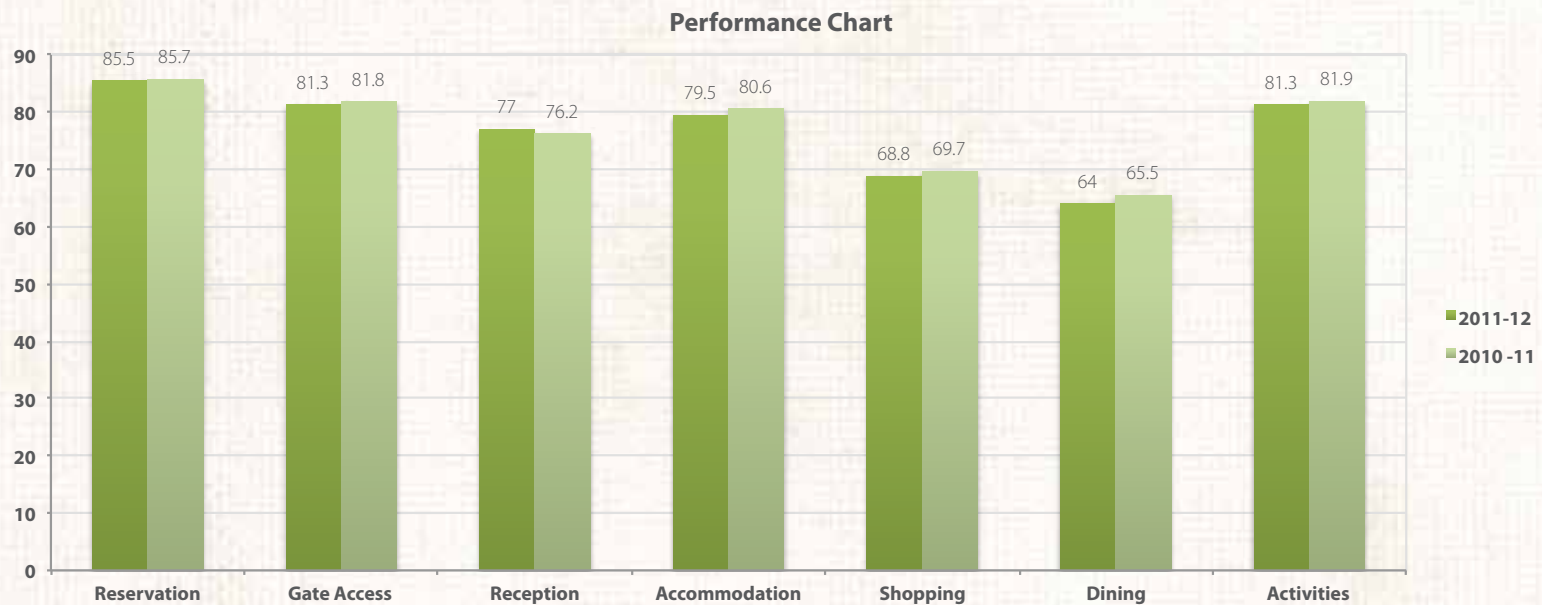
## **TOURISM OPERATIONS**



### **Electronic Guest Feedback System**

During the period under review, 43 110 guest feedback surveys were received through SANParks' web-based Guest Feedback System, which is a 31,4% return rate of the 137 238 e-mail invitations that were sent to guests who had visited our tourism establishments. This shows a decline of 0,6 percentage points when compared to the same period in the previous financial year. The overall Customer Satisfaction Index (CSI) based on the number of returns received dropped by 0,1 percentage points (from 77,6% to 77,5%) when compared to the same period in the previous financial year. The different functional areas contributed to the CSI as shown in the performance chart.

## Performance chart



Reception has shown a 0,8 percentage point improvement when compared to the same period last year. However, the rating can be further improved as it still rated poorly under the question **“Were you informed of activities available at the camp?”** It showed a 1,12 percentage point improvement when compared to the same period last year (from 57% to 58,2%), but further improvement can be achieved through frontline staff actively informing guests about available activities and facilities.

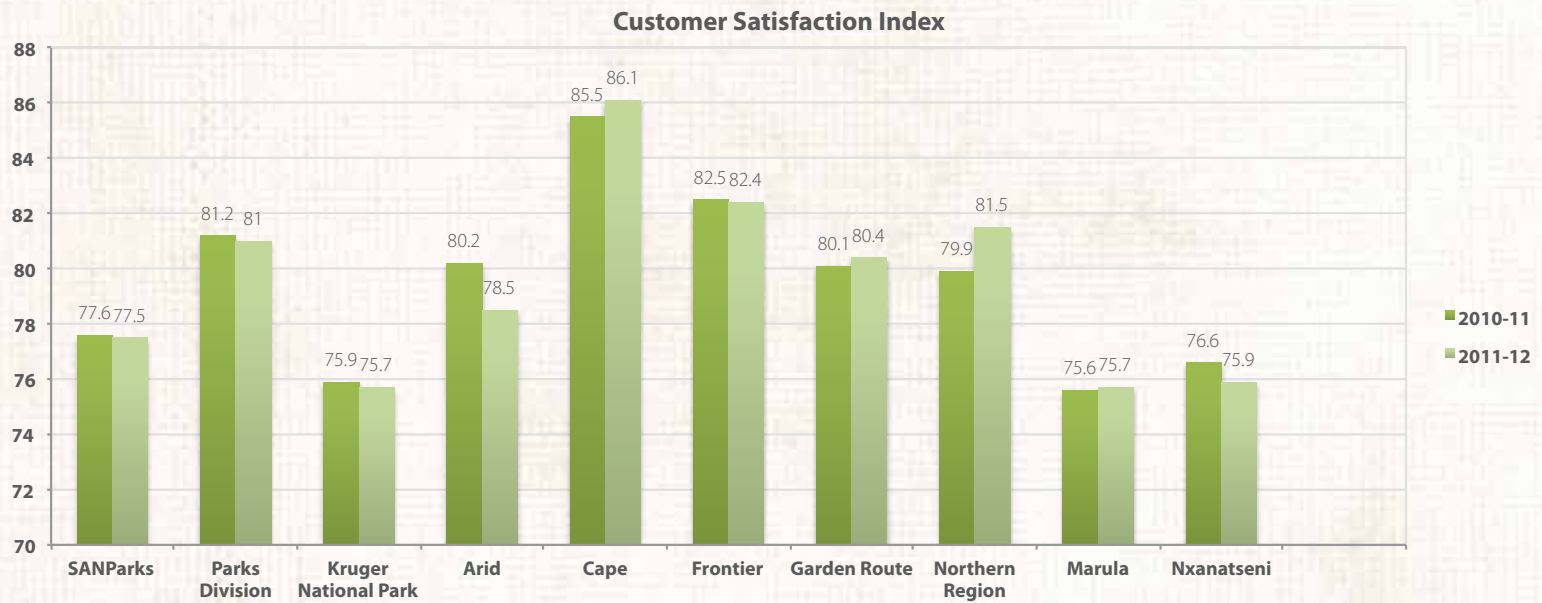
## Customer Satisfaction Index

During the period under review, Northern Region showed the highest improvement by achieving a +1,6 percentage point improvement (from 79,9% to 81,5%). The Arid Region, on the other hand, showed the lowest performance, having dropped by -1,7 percentage points (from 80,2% to 78,5%).

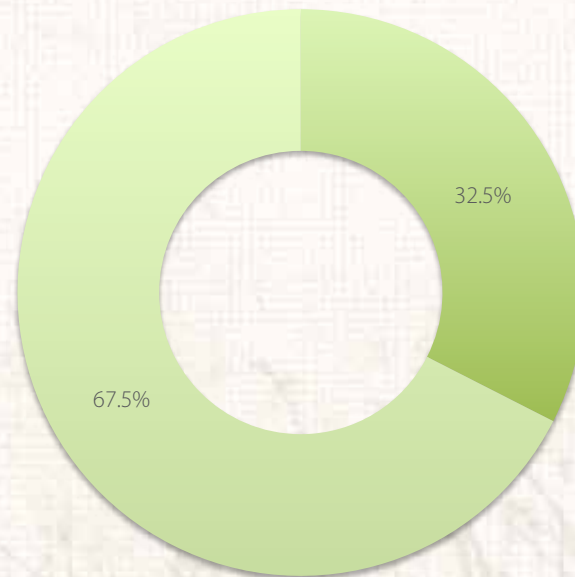
### Customer satisfaction index

	Apr'10 - Mar'11	Apr'11 - Mar'12	Trend %	Last 3 Months	Last 6 Months	Last 24 Months
<b>Arid Region</b>	80,2% (5 188)	78,5% (5 068)	-1,7%	78,1% (1 034)	78,7% (2 335)	79,3% (102 526)
<b>Cape Region</b>	85,5% (966)	86,1% (1196)	0,6%	85,5% (414)	85,5% (695)	85,8% (2 162)
<b>Frontier Region</b>	82,5% (4 246)	82,4% (4 526)	-0,1%	81,9% (1 459)	82,1% (2 556)	82,5% (8 772)
<b>Garden Route</b>	80,1% (2 339)	80,4% (2 183)	0,3%	80% (853)	80,3% (1 308)	80,3% (4 522)
<b>Kruger National Park</b>	75,9% (29 605)	75,7% (27 880)	-0,2%	75,2% (5 934)	75,6% (12 522)	75,6% (57 485)
<b>Northern Region</b>	79,9% (2 291)	81,5% (2 259)	1,6%	80,2% (648)	80,8% (1 082)	80,7% (4 548)

## Customer satisfaction index



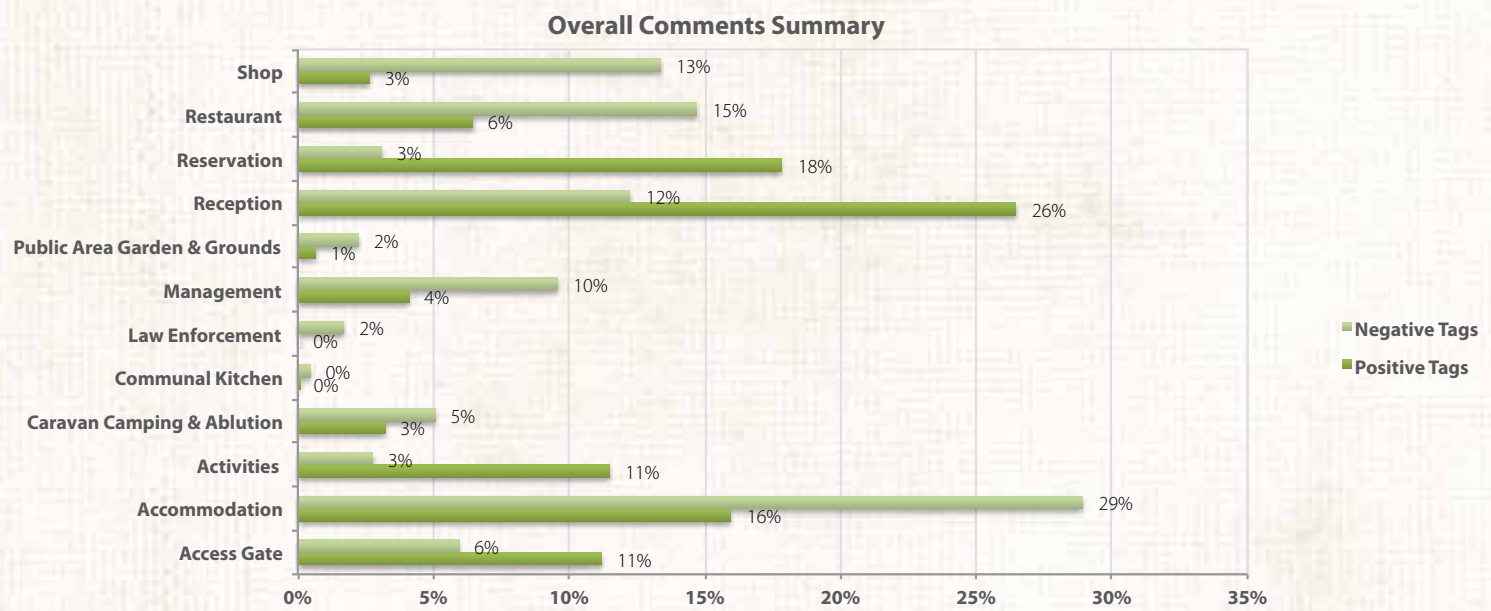
## Sentiment summary



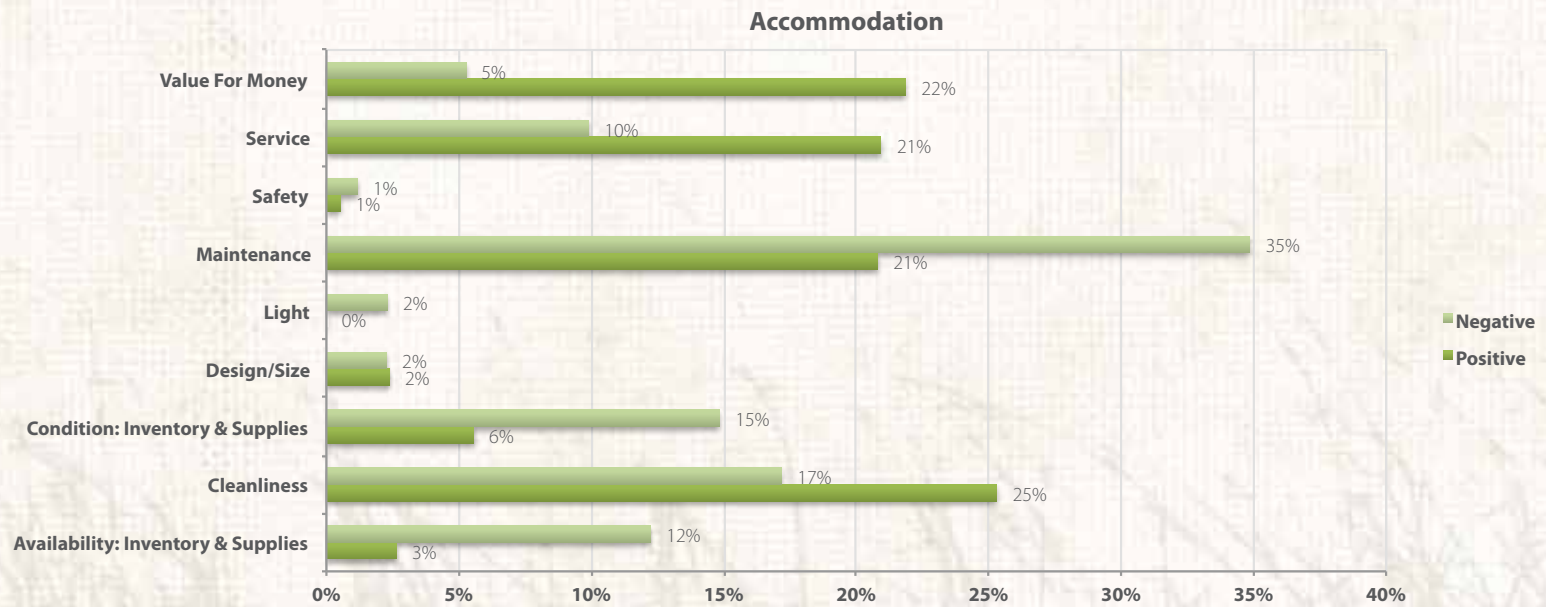
■ **Comments marked as Positive: 3 387**  
 ■ **Comments marked as Negative: 7 028**

To date 10 415 comments were tagged, of which 67,5% were tagged as negative and 32,5% as positive. This is a common trend when looking at customer feedback surveys: respondents will most likely give negative feedback rather than positive feedback. However, it is important for SANParks to take these comments seriously and address them accordingly to improve guest service level standards, as this may have a positive impact on revenue and guest return to the parks.

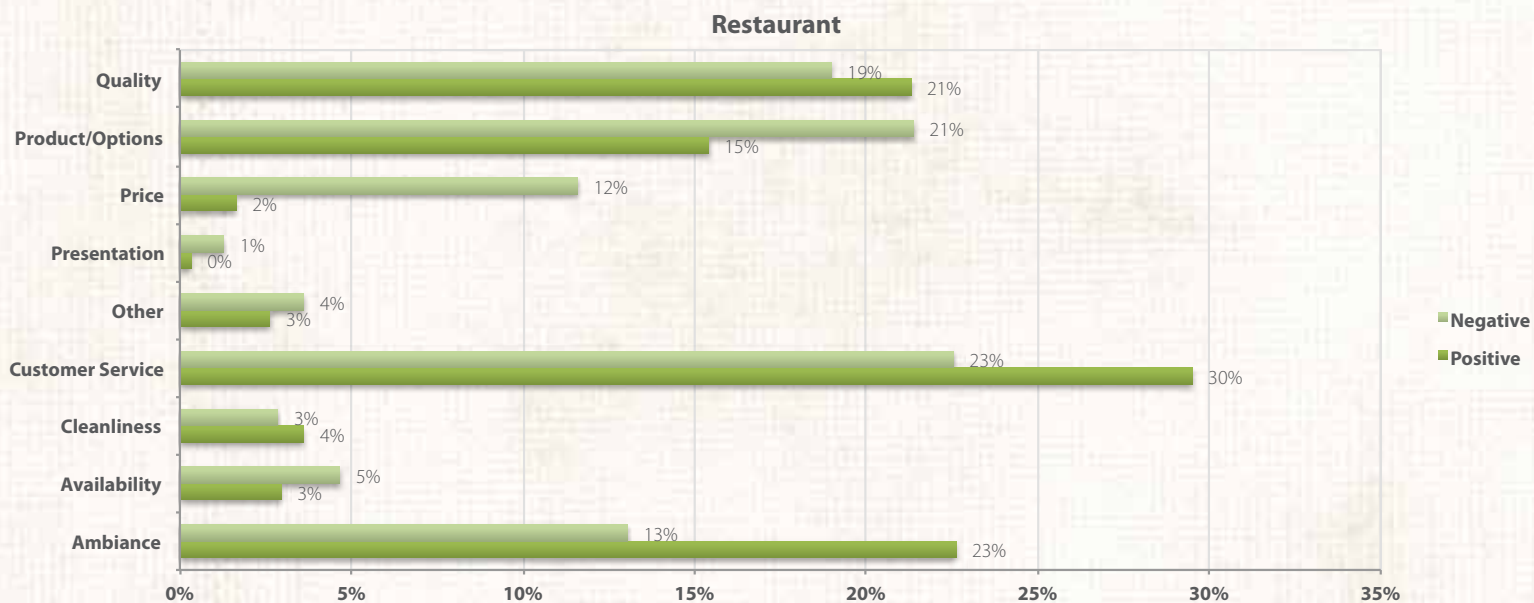
## Overall performance chart



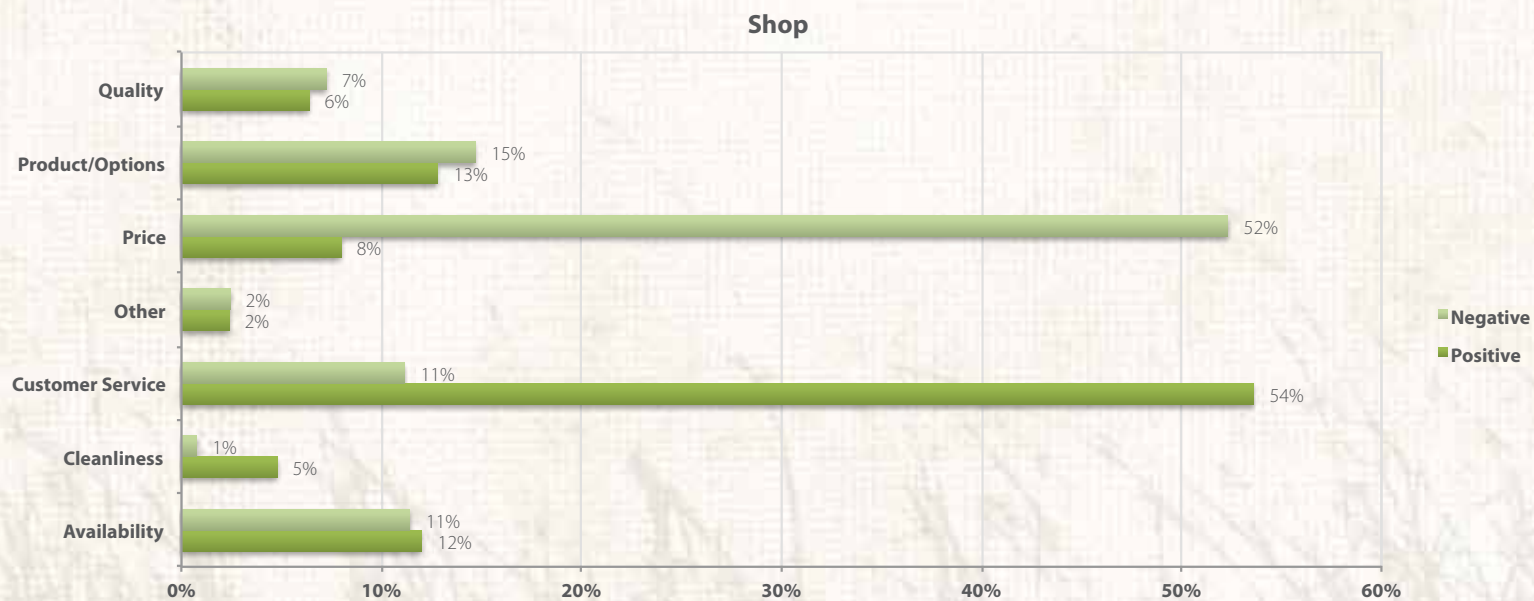
## Accommodation experience performance chart



Dining experience performance chart



Shopping experience performance chart



## YIELDING

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Various yielding initiatives undertaken during the 2011-2012 financial year resulted in real revenue gains in excess of R4 million. Similar interventions will be undertaken in the 2012-2013 financial year.

More than 128 000 users are currently registered to use the SANParks' online reservation system, with 29 611 of those having registered during the 2011-2012 financial year. Various incentives and continuous developments are undertaken to attract more users to this hugely successful booking channel, with the 2011-2012 financial year seeing a growth of 11% in the number of new online bookings made, an 18% growth in terms of the value of those new reservations made (exceeding R100 million for the first time in a calendar year) and an 84% increase in the value of payments made online for reservations made through more traditional booking channels.

## Tourism Systems

The following system changes were implemented during the past year:

- Changes were made to the RoomSeeker application, forms, reports and invoices and Online Reservations to accommodate the requirements of the CPA.
- Development and implementation of:
  - NomadMon – A monitoring system that identifies when SANParks is unable to trade via the credit card payment gateway (Nomad), and disables Online Reservations and alerts RoomSeeker system administrators via an SMS (the benefits of this are a proactive approach, no frustrated clients who go through the entire booking process on the web and then at the end find out that they cannot process the payment, and a decrease in SysAdmin support and overtime by not having to monitor the transactions on RoomSeeker for which they claim overtime).
  - A 'service' integrating with the business layer, i.e. file transfer protocol for RoomSeeker import of EFT payments as opposed to CAMS, which is becoming obsolete and no longer in use by FNB. An additional benefit of this is that users of Reservations Finance are notified immediately by e-mail of any failures or disruption preventing delivery of the file which allows them to identify who to contact for further support.
  - A 'central authentication' functionality, which is also a 'service' integrating with the business layer, limits the use of multiple user names and passwords and thus removes the requirement of third-party vendor software to manage separate login credentials and system administrators having to reset passwords. The advantages of this are that it prevents users from working on an application who have not been given access to SANParks' network, and it has also decreased the support needed to be provided by SysAdmin by 50%.
  - Community levy, the functionality of which was previously developed, was enabled on RoomSeeker at the end of July 2011 to apply on reservations with arrivals from 1 June 2012.
  - A portal (Tourism Systems Information Portal) on an infrastructure already in use by SANParks, SharePoint, where all the relevant information (documentation) of systems within the tourism systems infrastructure can live and be managed.
  - A help functionality within RoomSeeker interfacing with SharePoint, where RoomSeeker standard operation procedures in the main functional areas (Reservations, Gate Control, Front Desk, Finance, System Administration) were created. Users are thus now able to find help on RoomSeeker procedures with the click of a button in RoomSeeker, or alternatively easily search within SITE COLLECTION for the relevant information.
  - Processes in RoomSeeker enabling the business units to operate independently and effectively manage reservation balances on a sound financial basis without having to get support from systems administrators, i.e. billing to house account complete with reporting.

- Optimisation of other processes (delayed check-out and cons fee edit) by implementing more checks and balances to ensure more accurate calculation of total reservation costs – due for deployment in May 2012.

### Tourism Standards Stakeholder Engagements

Through the South African Bureau of Standards' Tourism Standards Committee, the Tourism Standards Office represented SANParks in the development of the following South African National Standards: Minimum Standards for Responsible Tourism and Tourism Service Excellence Requirements. The Minimum Standards for Responsible Tourism was launched by the Minister of Tourism in September 2011 and the Tourism Service Excellence Standards in March 2012 by the Deputy Minister of Tourism.

### TOURISM STATISTICS

The following statistics are for the twelve-month period ended in March 2012:

SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2012 FOR SOUTH AFRICAN NATIONAL PARKS																	
PARK	ACCOMMODATION (EXCL CAMPING)					CAMPING					GUESTS TO PARK	% CHANGE	WILD CARD FREE GUESTS	% CHANGE	TOTAL ACTIVITIES	% CHANGE	
	UNIT NIGHTS SOLD	% CHANGE	UNIT OCCUPANCY	BED NIGHTS SOLD	% CHANGE	BED OCCUPANCY	SITE NIGHTS SOLD	% CHANGE	CAMP SITE OCC	PERSON NIGHTS SOLD							% CHANGE
<b>ADDO</b>	24 955		81,2%	56 659		67,6%	8 545		70,8%	23 610		138 079		10 609		<b>25 340</b>	
<i>Previous year</i>	23 985	4,0%	81,8%	54 642	3,7%	67,6%	9 053	-5,6%	75,2%	26 436	-10,7%	125 816	9,7%	9 387	13,0%	<b>27 204</b>	-6,9%
<b>AGULHAS</b>	1 689		36,5%	4 608		26,1%	0		0,0%	0		31 239		451		<b>0</b>	
<i>Previous year</i>	329		23,0%	911		17,1%	0		0,0%	0		28 753	8,6%	8		<b>0</b>	
<b>AUGRABIES</b>	9 502		44,1%	20 161		40,6%	5 171		28,3%	15 260		66 042		3 983		<b>807</b>	
<i>Previous year</i>	10 783	-11,9%	50,3%	23 184	-13,0%	46,9%	6 511	-20,6%	34,5%	19 067	-20,0%	85 604	-22,9%	4 700	-15,3%	<b>977</b>	-17,4%
<b>BONTEBOK</b>	1 987		54,3%	4 540		41,3%	2 502		19,3%	7 472		15 259		2 268		<b>0</b>	
<i>Previous year</i>	1 801	10,3%	49,3%	4 233	7,3%	38,7%	2 558	-2,2%	23,8%	7 644	-2,3%	14 254	7,1%	2 810	-19,3%	<b>0</b>	
<b>CAMDEBOO</b>	0		0,0%	0		0,0%	114		24,5%	269		37 142		6 477		<b>0</b>	
<i>Previous year</i>	0	0,0%	0,0%	0	0,0%	0,0%	0	0,0%	0,0%	0	0,0%	38 533	-3,6%	6 882	-5,9%	<b>0</b>	
<b>GOLDEN GATE</b>	21 326		38,2%	46 114		29,0%	4 483		27,2%	12 383		41 056		1 232		<b>433</b>	
<i>Previous year</i>	19 152	11,4%	35,1%	42 947	7,4%	27,7%	4 821	-7,0%	29,4%	14 341	-13,7%	38 758	5,9%	450	173,8%	<b>799</b>	-45,8%
<b>GRNP - KNYSNA</b>	205		56,0%	572		39,1%	484		13,2%	1 252		3 735		0		<b>0</b>	
<i>Previous year</i>	89	130,3%	42,0%	225	154,2%	26,5%	276	75,4%	13,0%	746	67,8%	2 227	67,7%	0	#DIV/0!	<b>0</b>	
<b>GRNP - TSITSIKAMMA</b>	20 973		59,1%	50 299		49,3%	12 582		19,4%	37 077		180 107		2 163		<b>9 204</b>	
<i>Previous year</i>	21 789	-3,7%	62,5%	52 556	-4,3%	52,5%	13 457	-6,5%	21,1%	40 822	-9,2%	145 229	24,0%	2 253	-4,0%	<b>10 787</b>	-14,7%
<b>GRNP - WILDERNESS</b>	7 329		41,6%	17 760		33,6%	7 302		14,5%	21 834		67 004		4 064		<b>0</b>	
<i>Previous year</i>	7 930	-7,6%	44,5%	18 955	-6,3%	35,7%	7 383	-1,1%	14,7%	21 741	0,4%	78 140	-14,3%	9 751	-58,3%	<b>0</b>	

SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2012 FOR SOUTH AFRICAN NATIONAL PARKS

PARK	ACCOMMODATION (EXCL CAMPING)						CAMPING					GUESTS TO PARK	% CHANGE	WILD CARD FREE GUESTS	% CHANGE	TOTAL ACTIVITIES	% CHANGE
	UNIT NIGHTS SOLD	% CHANGE	UNIT OCCUPANCY	BED NIGHTS SOLD	% CHANGE	BED OCCUPANCY	SITE NIGHTS SOLD	% CHANGE	CAMP SITE OCC	PERSON NIGHTS SOLD	% CHANGE						
<b>KAROO</b>	8 368		60,2%	21 207		42,5%	5 373		58,7%	13 655		36 765		1 463		<b>981</b>	
<i>Previous year</i>	8 794	-4,8%	62,7%	21 151	0,3%	47,0%	5 157	4,2%	56,5%	13 390	2,0%	36 719	0,1%	2 265	-35,4%	<b>890</b>	<b>10,2%</b>
<b>KGALAGADI</b>	29 903		84,2%	69 851		67,9%	20 895		73,2%	61 460		28 938		1 229		<b>6 975</b>	
<i>Previous year</i>	28 912	3,4%	81,8%	67 487	3,5%	66,0%	20 257	3,1%	71,2%	59 745	2,9%	27 244	6,2%	4 315	-71,5%	<b>5 906</b>	<b>18,1%</b>
<b>KRUGER</b>	373 883		76,0%	915 431		60,1%	148 809		61,9%	414 493		1 411 796		288 851		<b>157 177</b>	
<i>Previous year</i>	377 030	-0,8%	76,0%	926 218	-1,2%	60,4%	146 488	1,6%	60,5%	414 148	0,1%	1 386 287	1,8%	249 609	15,7%	<b>162 342</b>	<b>-3,2%</b>
<b>MARAKELE</b>	2 569		70,2%	5 130		70,1%	6 002		41,0%	16 649		22 155		7 166		<b>1 598</b>	
<i>Previous year</i>	2 729	-5,9%	74,9%	5 436	-5,6%	74,6%	5 760	4,2%	39,5%	15 895	4,7%	22 415	-1,2%	8 427	-15,0%	<b>1 310</b>	<b>22,0%</b>
<b>MAPUNGUBWE</b>	5 443		53,1%	12 875		46,3%	2 222		60,7%	6 233		26 940		2 084		<b>5 732</b>	
<i>Previous year</i>	5 211	4,5%	51,8%	12 246	5,1%	44,7%	2 170	2,4%	59,5%	5 970	4,4%	26 675	1,0%	2 956	-29,5%	<b>3 741</b>	<b>53,2%</b>
<b>MOKALA</b>	4 012		36,6%	8 959		30,0%	1 295		41,7%	3 364		10 668		622		<b>1 128</b>	
<i>Previous year</i>	3 280	22,3%	28,0%	7 276	23,1%	20,6%	1 034	25,2%	56,7%	2 639	27,5%	9 768	9,2%	647	-3,9%	<b>1 130</b>	<b>-0,2%</b>
<b>MOUNTAIN ZEBRA</b>	4 848		66,2%	13 322		44,4%	3 038		41,5%	7 785		21 259		4 251		<b>1 329</b>	
<i>Previous year</i>	5 132	-5,5%	67,5%	13 708	-2,8%	41,6%	3 443	-11,8%	47,2%	8 689	-10,4%	21 826	-2,6%	6 149	-30,9%	<b>1 010</b>	<b>31,6%</b>
<b>NAMAQUA</b>	766		42,7%	1 812		28,0%	794		11,6%	2 982		11 998		2 366		<b>0</b>	
<i>Previous year</i>	747	2,5%	41,7%	1 728	4,9%	26,7%	0		0	0		6 516	84,1%	1 678	41,0%	<b>0</b>	
<b>RICHTERSVELD</b>	1 758		27,1%	3 887		24,5%	3 460		15,2%	11 615		4 880		30		<b>0</b>	
<i>Previous year</i>	1 891	-7,0%	29,7%	4 276	-9,1%	27,4%	3 802	-9,0%	16,8%	12 782	-9,1%	5 470	-10,8%	27	11,1%	<b>0</b>	
<b>TABLE MOUNTAIN</b>	3 028		25,5%	8 837		20,6%	0		0	0		2 344 340		0		<b>1 046</b>	
<i>Previous year</i>	837	261,8%	57,3%	3 466	155,0%	32,2%	0		0,0%	0		2 220 333	5,6%	0		<b>4 827</b>	<b>-78,3%</b>
<b>TANKWA KAROO</b>	2 230		51,1%	6 348		28,2%	483		15,4%	1 354		4 767		197		<b>0</b>	
<i>Previous year</i>	2 177	2,4%	50,2%	6 178	2,8%	28,0%	371	30,2%	15,3%	1 030	31,5%	4 328	10,1%	421	-53,2%	<b>0</b>	
<b>WEST COAST</b>	721		65,7%	2 714		37,1%	0		0	0		201 137		0		<b>0</b>	
<i>Previous year</i>	755	-4,5%	68,9%	2 874	-5,6%	39,4%	0		0,0%	0		214 772	-6,3%	0		<b>0</b>	
<b>TOTAL 2011/12</b>	<b>525 495</b>		<b>68,3%</b>	<b>1 271 086</b>		<b>54,2%</b>	<b>233 554</b>		<b>45,0%</b>	<b>658 747</b>		<b>4 705 306</b>		<b>339 506</b>		<b>211 750</b>	
<b>TOTAL 2010/11</b>	<b>523 353</b>		<b>69,2%</b>	<b>1 269 697</b>		<b>55,2%</b>	<b>232 541</b>		<b>45,9%</b>	<b>665 085</b>		<b>4 539 667</b>		<b>312 735</b>		<b>220 923</b>	
<b>DIFFERENCE</b>	<b>0,4%</b>		<b>-0,8%</b>	<b>0,1%</b>		<b>-0,9%</b>	<b>0,4%</b>		<b>-0,9%</b>	<b>-1,0%</b>		<b>3,6%</b>		<b>8,6%</b>		<b>-4,2%</b>	



### Guests to Parks

For the period under review, total *Guests to Parks* increased by **3,6%** from **4 539 667** to **4 704 023** persons entering SANParks gates. For the **Kruger Division** the number increased by **1,8%** from **1 386 287** to **1 411 796** and for the **Parks Division** it increased by **4,4%** from **3 153 380** to **3 292 227** persons.

### Unit Occupancy

The average *Unit Occupancy* for the **twelve-month period** was **68,3%** [previous year 69,2% (-0,8)], comprising **54,7%** [previous year 56,1% (-1,4)] for the **Parks Division** and **76,0%** [previous year 76,0% (-0,0)] for the **Kruger Division**.

### Bed Occupancy

*Bed Occupancy* for the **twelve-month period** across all national parks was **54,2%** [previous year 55,2% (-1,0)], comprising **43,2%** [previous year 44,7% (-1,5)] for the **Parks Division** and **60,1%** [previous year 60,4% (-0,3)] for the **Kruger Division**.

### Camping

For the **twelve-month period** under review, *Person-Nights Sold* was down by **-1,0%** from the previous year from **665 085** to **658 747** person-nights. In the case of the **Parks Division**, *Person-Nights Sold* was down by **-2,7%** from **250 937** to **244 254** person-nights, while the **Kruger Division** increased by **0,1%** from **414 148** to **414 493** person-nights.

*Site Nights Sold* increased for the **twelve-month period** by **0,4%** from **232 541** to **233 554**. In the case of the **Parks Division** *Site Nights Sold* decreased by **-1,5%** from **86 053** to **84 745**, while for the **Kruger Division** there was an increase of **1,6%** from **146 488** to **148 809**.

*Camp Site Occupancy* (sites occupied as a margin of sites available) for the **twelve-month period** decreased by **-0,9 percentage points** from **45,9%** to **45,0%**. In the case of the **Parks Division**, *Camp Site Occupancy* decreased by **-2,1 percentage points** from **32,6%** to **30,4%**, while the **Kruger Division** increased by **1,4 percentage points** from **60,5%** to **61,9%**.

### Activities

For the **twelve months** under review, the *Activity* statistics show an overall decrease of **-4,2%** from **220 923** to **211 750** activities across SANParks, with the **Kruger Division** showing a decrease of **-3,2%** from **162 342** to **157 177** activities and the **Parks Division** showing a decrease of **-6,8%** from **58 581** to **54 573** activities.

**74,2%** of all SANParks activities were performed in the Kruger National Park, compared to **73,5%** (+0,7) for the previous year.

### Demographics

Please note that the following parks are excluded from reporting of the categories below, as demographics information is not captured there: Table Mountain and the West Coast National Parks.

## Black Guests

For the **twelve-month** period, total Black guests declined by **2,0%** from **397 618** to **389 624**, comprising a decline of **3,1%** from **360 243** to **349 090** in *Day Visitors* and an increase of **8,5%** from **37 375** to **40 534** in *Overnight Guests*. Black guests comprised a total of **29,7%** (previous year 31,3%) of *Total South African Day Visitors* and **8,6%** (previous year 8,0%) of *Total South African Overnight Guests*. The total Black guests (day and overnight visitors) comprised **23,6%** (previous year 24,6%) of *Total South African Guests*.

## Composition of Guests

Category		2011/12	2010/11	% change
SA Residents	Number	1 649 648	1 620 291	+1,8%
	% of total	77,3%	78,1%	-0,8
SADC Nationals	Number	21 290	19 012	+12,0%
	% of total	1,0%	0,9%	+0,1
Other Countries	Number	463 066	436 248	+6,1%
	% of total	21,7%	21,0%	+0,7
Day Visitors	Number	1 491 535	1 423 182	+4,8%
	% of total	69,9%	69,6%	0,0
Overnight Visitors	Number	642 867	613 829	+4,7%
	% of total	30,1%	30,1%	+0,0

## South African Provinces

Position	Province	Guest Numbers (12 months) <i>Previous year &amp; change in brackets</i>	% of Total SA Guests (12 months) <i>Previous year &amp; change in brackets</i>
1	Gauteng	559 700 (525 740) +6,5%	33,9% (32,4%) +1,5
2	Mpumalanga	337 306 (326 475) +3,3%	20,4% (20,1%) +0,3
3	Limpopo	260 987 (277 955) -6,1%	15,8% (17,2%) -1,4
4	Western Cape	220 738 (224 706) -1,8%	13,4% (13,9%) -0,5
5	Eastern Cape	137 246 (121 166) +13,3%	8,3% (7,5%) +0,8
6	Free State	41 647 (48 588) -14,3%	2,5% (3,0%) -0,5
7	KwaZulu-Natal	35 965 (35 243) +2,0%	2,5% (2,2%) +0,3
8	North West	30 035 (30 662) -2,0%	1,8% (1,9%) -0,1
9	Northern Cape	26 024 (29 756) -12,5%	1,6% (1,8%) -0,2

## International Markets

### Top Five Countries

Position	Country	% of Total Foreign Guests (12 months) <i>Previous year &amp; change in brackets</i>	Number of Guests <i>Previous year &amp; change in brackets</i>
1	Germany	35,6% (29,1%) +6,5	172 503 (132 330) +30,4%
2	United Kingdom	9,4% (12,4%) -3,0	45 504 (56 411) -19,3%
3	Holland	8,9% (8,6%) +0,3	43 129 (38 987) +10,6%
4	France	6,6% (7,8%) -1,2	32 127 (35 438) -9,3%
5	United States	6,4% (6,5%) -0,1	30 739 (29 504) +4,2%





# Human Resources

## Report

### EXECUTIVE SUMMARY

The Corporate Human Resources programme for the year 2011/2012 was structured according to SANParks' needs, as detailed in the Business Plan of the year. The programme was informed by both policy and strategy, and covers the following areas:

- Employee Benefits
- Staff Procurement (Recruitment)
- Labour Relations
- Human Capital and Organisational Development
- Employee Wellness and Occupational Health and Safety

This report details the high-level strategic objectives of the Human Resources programme, the highlights and achievements, and provides quantitative Human Resources information where necessary.

### Employee Benefits

Similar to most organisations, SANParks expresses its employee value proposition through a number of benefits other than remuneration, as part of the retention programme. These include the following:

- Medical aid and retirement benefits
- Study bursary scheme
- Motor vehicle and financing scheme at special rates
- Hostel fee subsidy for employees' children
- Free holiday accommodation for staff

The above benefits are periodically reviewed to ensure that they continue to give SANParks the competitive advantage over other employers.

SANParks offers three different medical aid schemes to its employees. This is done in order to provide a wider choice to all employees at different levels. The broad range of medical aid schemes continues to have a positive impact on employee retention strategy, and interventions are being introduced to address the escalation of post-retirement medical aid liability.

## Staff Procurement (Recruitment)

Since the quality of an organisation is determined by the people it employs, SANParks has in the past year adopted a more strategic focus in managing talent to enable the organisation to identify trends, opportunities and threats that affect the procurement of talent. The introduction of social media tools such as Twitter, Facebook and LinkedIn as part of the recruitment tools has not only saved recruitment costs, but has widened the net for sourcing talent and ensuring that the organisation gets the best fit for the job. In order to minimise risk in sourcing talent, SANParks introduced vigorous verification process, ensuring that staff procurement processes were executed successfully and candidates vetted, in line with related human resources policies.

## Labour Relations

SANParks complied with all the applicable labour legislation, which resulted in good governance for the organisation. Consequently no disputes were lodged against SANParks for failure to comply with any labour legislation during the period under review. The following unions played an active role within SANParks as displayed by their representivity (see table below).

### Union membership: March 2012

Trade Union	Total Membership
Health and Other Services Personnel Trade Union of South Africa (HOSPERSA)	1 156
South African Commercial, Catering and Allied Workers Union (SACCAWU)	890
<b>Total</b>	<b>2 046</b>

The relationship between SANParks management and organised labour was improved through the sharing of information based on the relationship-by-objectives principle. Several consultation meetings to discuss outsourcing of fuel service stations, changes to conditions of service and lease agreements yielded positive results.

The Organisational Rights agreement with HOSPERSA was successfully reviewed, and one of the major achievements was the signing of a joint collective bargaining agreement wherein both HOSPERSA and SACCAWU agreed to establish a joint bargaining forum with SANParks for collective bargaining purposes. All matters of mutual interest will be negotiated jointly. Consequently, the two unions further agreed to set up a joint salary parity task team with SANParks. The purpose of this task team is to jointly investigate salary disparities and recommend possible interventions in order to ensure salary parity.

Labour disputes were managed efficiently to ensure minimum liability for SANParks as per the statistics below.

- 31 cases were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA).
  - 27 cases were disputes over alleged unfair dismissals, two (2) were disputes over alleged unfair labour practices, one (1) was for a matter of mutual interest and one (1) was for organisational rights.
  - Of the above, 25 cases were amicably resolved and six (6) are still pending.
- Seven (7) cases were referred to the Labour Court (LC) during the period under review. One (1) Labour Court case was ruled in favour of SANParks and the others are pending.

In terms of labour peace, a minority group of employees led by field rangers embarked on strike action in the Kruger and Mapungubwe National Parks. The dispute concerned salary disparities and allowances. At the time of writing this report, a third of the striking employees had already returned to work.

### Learning and Development

Human Capital Development is underpinned by the following broad principles, which reflect the overall strategy:

- Promoting lifelong learning as a principle that governs learning organisations.
- Providing sustainable capacity development opportunities for staff and management to enhance performance.
- Promoting equity and fairness in employment by ensuring legal compliance with skills development and employment equity requirements as determined by legislation.
- Promoting learning and development as a means to create capacity of relevant competencies to meet organisational performance requirements.

Based on the above strategic intent, the following projects were implemented:

- The Human Capital Development programme contributed to the social outreach project by recruiting 53 interns and 13 learners for experiential learning.
- The accreditation of SANParks Learning Academy is in progress, and the Academy is planned to be in full operation by the second quarter of the financial year 2012/2013.
- A total of 51 educational bursaries were made available to children of employees, as compared to 31 bursaries in the previous financial year. This considerable increase was attributed to SANParks' efforts to harness its retention efforts and improve the employee value proposition.
- SANParks complied with the legislative requirements in accordance with the Skills Development Act No. 97 of 1998 by submitting the Workplace Skills Plan and the Annual Training Report.
- A total of 762 training and other interventions were implemented during the period under review, and 1,1% of the salary bill was spent on staff training.

### SANPARKS' WORKFORCE PROFILE AS AT 31 MARCH 2012

OCCUPATIONAL LEVEL	MALE				FEMALE				TOTAL MALE	TOTAL FEMALE	TOTAL EMPLOYEES
	AFRICAN	INDIAN	COLOURED	WHITE	AFRICAN	INDIAN	COLOURED	WHITE			
F	5 71%	0 0	0 0	2 28%	0 0	0 0	0 0	0 0	7 100%	0 0	7
E	9 19%	1 2%	4 9%	19 40%	10 21%	0 0	1 2%	3 6%	33 70%	14 30%	47
D	72 25%	5 2%	16 6%	94 33%	41 14%	4 1%	11 4%	41 14%	187 66%	97 34%	276

OCCUPATIONAL LEVEL	MALE				FEMALE				TOTAL	TOTAL	TOTAL
	AFRICAN	INDIAN	COLOURED	WHITE	AFRICAN	INDIAN	COLOURED	WHITE	MALE	FEMALE	EMPLOYEES
C	159 34%	1 0.22%	46 10%	50 11%	101 22%	2 0.42%	38 8%	70 15%	<b>256</b> <b>55%</b>	<b>211</b> <b>49%</b>	<b>467</b>
B	824 54%	0 0	287 19%	20 1%	254 17%	3 0.19%	97 6%	33 2%	<b>1131</b> <b>75%</b>	<b>387</b> <b>25%</b>	<b>1518</b>
A	697 52%	0 0	63 5%	0 0	497 37%	0 0	78 6%	1 0.07%	<b>760</b> <b>57%</b>	<b>576</b> <b>43%</b>	<b>1336</b>
TEMPORARY EMPLOYEES	288	2	83	53	238	2	66	43	<b>426</b>	<b>349</b>	<b>775</b>
<b>TOTAL</b>	<b>205</b>	<b>9</b>	<b>499</b>	<b>238</b>	<b>1141</b>	<b>11</b>	<b>291</b>	<b>191</b>	<b>2800</b>	<b>1634</b>	<b>4434</b>

## Organisational Development

The Organisational Development Model is underpinned by the culture of organisational performance as driven by the Balanced Score Card, thus a number of interventions were introduced in the year under review which entailed the following:

- SANParks' Strategy for the Improvement of Organisational Climate, which seeks to ensure that SANParks sustains the new processes, systems and products that are being implemented. The strategy ensures that employees understand and are committed to change, and that the benefits of change at organisational and individual levels are understood by all. The appointment of change agents has assisted in championing change management programmes that have change imperatives in the organisation.
- Implementation of the Remuneration Philosophy and Strategy is on track. The processes of job profiling, job evaluation and salary parity were implemented in identified areas. An exercise to compare salary levels of employees against similar and/or equivalent positions in the general employment market and relevant industries was conducted and implementation of recommendations has commenced.
- SANParks has started a process of implementing a once-off adjustment of minimum salaries and an above-inflation increase of salaries to categories of employees in the Bargaining Unit. The process primarily aims to ensure continued improvement of salaries and benefits of employees at Peterson A and B bands, attainment of salary parity and overall promotion of productivity.

## OCCUPATIONAL HEALTH AND SAFETY PROGRAMME

The programme is underpinned by strategic programmes which were implemented in the year under review. The strategic intent of the programme is to minimise risk factors through the introduction of relevant interventions as summarised below:

- **Health and Safety Planning:** The objective of the Occupational Health and Safety (OHS) programme is to promote and improve health and safety in the workplace with the aim of achieving legal compliance and reducing risk to employees, stakeholders and the environment. This objective is achieved by implementing several initiatives, which include awareness and training, periodic workplace inspections, introduction of evaluation and monitoring systems and programmes, i.e. OSHAS 18001, the Disaster Management System and the Occupational Medical Surveillance programme. During the period under review, these systems and programmes were phased in and plans are in place to roll out the whole programme in the next financial year.



- **Accidents and Incidents:** The annual incident statistic shows that disabling injuries have been significantly reduced as compared to the last financial year. This has resulted in SANParks' Disabling Injury Frequency Rate (DIFR) becoming low. The reporting of Minor Incidents and Near Miss Incidents has improved, and serious incidents are being prevented.
- **Legal Compliance:** The Annual Legal Compliance Audit was conducted using the OSHAS 18001 auditing tool. The aim was to measure the gaps that exist between the current system and the OSHAS 18001 system. The average compliance was **61,1%** and **60,9%** in 2010/2011, signifying that SANParks' compliance with international audit standards is improving.

## EMPLOYEE WELLNESS PROGRAMME

The Employee Wellness Programme (EWP) is a comprehensive proactive strategy that is underpinned by the adage that "healthy employees are the most productive". During the year under review the scope of employee wellness was highlighted by the following:

- Wellness Programme: Wellness champions were trained on managing wellness challenges in the workplace.
- Health promotion and disease prevention initiatives were carried out, such as men's health, healthy heart and fitness day, sports day, etc.
- The HIV/AIDS programme continued to be implemented, with the Candlelight and World Aids Day being commemorated throughout SANParks in collaboration with other partners from the health sector.
- 24-hour counselling services for staff including their families is offered.

During the year under review, the most commonly utilised service was Professional Counselling, which constituted 59% of the total engagement compared to 68,9% during the previous period.

The proportion of SANParks users who were formally referred during the year under review was 6,1% (4 cases). Of all cases managed during the review period, 22,7% related to difficulties experienced by managers. This compares to 18,9% in the previous reporting period. Of the services provided, 9,8% related to managerial consultancy.

Problems relating to relationship issues constituted the most commonly presenting a broad problem category during the most recent review period, accounting for 23,1% of all difficulties. This is unchanged from the previous comparable period, when the same problem category accounted for 25,5% of all issues dealt with by the Extended Public Works Programme.

The divisional breakdown of engagement indicates that the highest usage of the EWP services was in the Northern Cluster, where 15 new cases were opened, and the fewest were in the Kruger National Park, with five cases.

The integration of Occupational Health and Safety (OHS) initiatives and the Wellness Programme have minimised the number and levels of injuries in the workplace, and improved the health awareness of employees, thereby ensuring regulatory compliance, and entrenching a culture of health, safety and wellness in the organisation.

### SANPARKS SALARY SCALES: 2011/2012

EMPLOYEES WHO QUALIFY FOR HOUSING ALLOWANCE								
BAND	ANNUAL			MONTHLY			30 Percentile	Salary pm
	MINIMUM	AVERAGE	MAXIMUM	MINIMUM	MIDPOINT	MAXIMUM		
A1	R 43 248.00	R 56 783.14	R 70 318.28	R 3 604.00	R 4 731.93	R 5 859.86	R 51 369.08	R 4 280.76
A2	R 43 248.00	R 56 783.14	R 70 318.28	R 3 604.00	R 4 731.93	R 5 859.86	R 51 369.08	R 4 280.76
A3	R 43 248.00	R 56 783.14	R 70 318.28	R 3 604.00	R 4 731.93	R 5 859.86	R 51 369.08	R 4 280.76
B1	R 43 934.88	R 58 514.12	R 73 093.36	R 3 661.24	R 4 876.18	R 6 091.11	R 52 682.42	R 4 390.20
B2	R 45 143.28	R 60 583.77	R 76 024.26	R 3 761.94	R 5 048.65	R 6 335.36	R 54 407.57	R 4 533.96
B3	R 46 351.68	R 62 729.74	R 79 107.80	R 3 862.64	R 5 227.48	R 6 592.32	R 56 178.52	R 4 681.54
B4	R 49 976.88	R 66 793.78	R 83 610.68	R 4 164.74	R 5 566.15	R 6 967.56	R 60 067.02	R 5 005.59
B5	R 60 852.48	R 74 945.18	R 89 037.88	R 5 071.04	R 6 245.43	R 7 419.82	R 69 308.10	R 5 775.68
C1	R 139 454.66	R 184 046.33	R 228 637.99	R 11 621.22	R 15 337.19	R 19 053.17	R 166 209.66	R 13 850.80
C2	R 141 325.56	R 186 514.93	R 231 704.30	R 11 777.13	R 15 542.91	R 19 308.69	R 168 439.18	R 14 036.60
C3	R 161 647.88	R 213 335.71	R 265 023.53	R 13 470.66	R 17 777.98	R 22 085.29	R 192 660.58	R 16 055.05
C4	R 177 305.14	R 233 999.78	R 290 694.42	R 14 775.43	R 19 499.98	R 24 224.54	R 211 321.92	R 17 610.16
C5	R 200 956.92	R 265 213.95	R 329 470.98	R 16 746.41	R 22 101.16	R 27 455.92	R 239 511.14	R 19 959.26
D1	R 295 932.92	R 390 558.44	R 485 183.96	R 24 661.08	R 32 546.54	R 40 432.00	R 352 708.23	R 29 392.35
D2	R 341 023.20	R 450 069.46	R 559 115.72	R 28 418.60	R 37 505.79	R 46 592.98	R 406 450.96	R 33 870.91
D3	R 344 278.46	R 454 363.95	R 564 449.45	R 28 689.87	R 37 863.66	R 47 037.45	R 410 329.76	R 34 194.15
D4	R 411 258.80	R 542 762.21	R 674 265.62	R 34 271.57	R 45 230.18	R 56 188.80	R 490 160.85	R 40 846.74
D5	R 419 591.46	R 553 760.59	R 687 929.72	R 34 965.96	R 46 146.72	R 57 327.48	R 500 092.94	R 41 674.41
EL	R 566 888.00	R 748 156.53	R 929 425.07	R 47 240.67	R 62 346.38	R 77 452.09	R 675 649.12	R 56 304.09
EU	R 649 760.92	R 857 528.10	R 1 065 295.27	R 54 146.74	R 71 460.67	R 88 774.61	R 774 421.23	R 64 535.10

**EMPLOYEES WHO DO NOT QUALIFY FOR HOUSING ALLOWANCE**

BAND	ANNUAL			MONTHLY			30 Percentile	Salary pm
	MINIMUM	AVERAGE	MAXIMUM	MINIMUM	MIDPOINT	MAXIMUM		
<b>A1</b>	R 43 248.00	R 56 783.14	R 70 318.28	R 3 604.00	R 4 731.93	R 5 859.86	R 51 369.08	R 4 280.76
<b>A2</b>	R 43 248.00	R 56 783.14	R 70 318.28	R 3 604.00	R 4 731.93	R 5 859.86	R 51 369.08	R 4 280.76
<b>A3</b>	R 43 248.00	R 56 783.14	R 70 318.28	R 3 604.00	R 4 731.93	R 5 859.86	R 51 369.08	R 4 280.76
<b>B1</b>	R 43 934.88	R 58 514.12	R 73 093.36	R 3 661.24	R 4 876.18	R 6 091.11	R 52 682.42	R 4 390.20
<b>B2</b>	R 45 143.28	R 60 583.77	R 76 024.26	R 3 761.94	R 5 048.65	R 6 335.36	R 54 407.57	R 4 533.96
<b>B3</b>	R 46 351.68	R 62 729.74	R 79 107.80	R 3 862.64	R 5 227.48	R 6 592.32	R 56 178.52	R 4 681.54
<b>B4</b>	R 49 976.88	R 66 793.78	R 83 610.68	R 4 164.74	R 5 566.15	R 6 967.56	R 60 067.02	R 5 005.59
<b>B5</b>	R 60 852.48	R 74 945.18	R 89 037.88	R 5 071.04	R 6 245.43	R 7 419.82	R 69 308.10	R 5 775.68
<b>C1</b>	R 102 623.90	R 130 675.74	R 158 727.58	R 8 551.99	R 10 889.65	R 13 227.30	R 119 455.00	R 9 954.58
<b>C2</b>	R 104 494.80	R 133 058.09	R 161 621.38	R 8 707.90	R 11 088.17	R 13 468.45	R 121 632.77	R 10 136.06
<b>C3</b>	R 124 816.06	R 158 935.87	R 193 055.68	R 10 401.34	R 13 244.66	R 16 087.97	R 145 287.95	R 12 107.33
<b>C4</b>	R 140 474.38	R 178 874.47	R 217 274.56	R 11 706.20	R 14 906.21	R 18 106.21	R 163 514.43	R 13 626.20
<b>C5</b>	R 164 124.04	R 208 996.49	R 253 868.94	R 13 677.00	R 17 416.37	R 21 155.75	R 191 047.51	R 15 920.63
<b>D1</b>	R 247 402.94	R 315 032.53	R 382 662.12	R 20 616.91	R 26 252.71	R 31 888.51	R 287 980.69	R 23 998.39
<b>D2</b>	R 279 008.96	R 365 707.95	R 452 406.94	R 23 250.75	R 30 475.66	R 37 700.58	R 331 028.35	R 27 585.70
<b>D3</b>	R 292 494.28	R 374 967.58	R 457 440.88	R 24 374.52	R 31 247.30	R 38 120.07	R 341 978.26	R 28 498.19
<b>D4</b>	R 362 729.88	R 461 884.40	R 561 038.92	R 30 227.49	R 38 490.37	R 46 753.24	R 422 222.59	R 35 185.22
<b>D5</b>	R 371 062.54	R 472 496.59	R 573 930.64	R 30 921.88	R 39 374.72	R 47 827.55	R 431 922.97	R 35 993.58
<b>EL</b>	R 509 295.02	R 648 514.36	R 787 733.70	R 42 441.25	R 54 042.86	R 65 644.48	R 592 826.62	R 49 402.22
<b>EU</b>	R 592 167.94	R 754 041.07	R 915 914.20	R 49 347.33	R 62 836.76	R 76 326.18	R 689 291.82	R 57 440.98



# Corporate

## Communications and Reputation Management Report

### EXECUTIVE SUMMARY

The three key objectives for the Corporate Communications Division are to:

1. Build and grow SANParks' reputation among its stakeholders and in the broader society.
2. Share and provide access to correct information and knowledge to internal and external stakeholders.
3. Grow ambassadors for the national parks system of South Africa through awareness.


Highlights of the financial year under review were the following:

- SANParks continued to enjoy low negative ranking across all media, at an average of 4%, which is 1% below that of the previous reporting period and within the target of less than 10% overall.
- The growth in tourism revenue collected through the website was far below the trend of the previous year of 98,6%. However, it was still at an acceptable growth level of 18%.
- The SANParks Week programme received extensive media coverage and community support throughout South Africa.
- The Kudu Awards programme continues to receive national support, even from provinces without national parks.
- Membership of the SANParks website forum increased by 28%, while activity online through forum articles increased by 15%.
- Facebook and Twitter have provided more channels to create access for customers and stakeholders to tourism, conservation and current affairs information pertaining to national parks.

### BUILD AND GROW SANPARKS' REPUTATION AMONG ITS STAKEHOLDERS AND IN THE BROADER SOCIETY

#### External Stakeholder Relations

Due to limited resources for formal, mutually beneficial activities with stakeholders, SANParks continues to focus on nurturing existing relationships, while identifying potential future relationships. Existing relationships continued to yield tangible and intangible benefits for national parks. Relations continued to improve with strategic partners such as media houses, sponsors and donors, government departments and entities, NGOs, SANParks HRs, and neighbouring businesses and communities.



Strategic alliances with donors and business partners such as First National Bank (FNB) for the SANParks Week and Kudu Awards 2011, Pick n Pay for the Kids in Parks programme, Peace Parks Foundation (PPF) for the TFCA programme, De Beers for various land and conservation agreements and many others, allowed SANParks to build its reputation and advance the mandate of conserving South Africa's national parks.

The organisation also received a delegation from the Tanzanian Wildlife and Tanzanian Environmental and Tourism Members of Parliament on their study of the South African National Parks management process.

### **Government Relations**


The Department of Environmental Affairs (DEA), as SANParks' overseeing government department, continues to give outstanding support to the organisation and to partner it in a number of initiatives aimed at improving biodiversity management in the country. The DEA has worked closely with SANParks in addressing in the media the contentious issue of rhino poaching in public and private protected areas. SANParks participated in the DEA-led Rhino Summit, where stakeholder views and concerns were heard and the way forward was charted.

SANParks is represented in three government communicators' structures. We have an established relationship with the Environmental Affairs Government Communicators Forum (EAGCF), which was formed after the separation of the Environmental Affairs and Tourism portfolios and is led by the DEA. The key focus of the EAGCF is to coordinate the public relations efforts of the environmental sector at national and provincial level; to align the priorities of parastatals and provincial departments and authorities to the national strategy; and to create a national calendar of key campaigns and events.

SANParks also attended the Government Communicators Forum which is led by the Government Communications and Information Service (GCIS). At the meeting communicators were reminded of the government's key priorities and urged to align their programmes to these. The issue of the dwindling government coffers was also a main issue, with the CEO of the GCIS, Jimmy Manyi, encouraging communicators to ensure that their departments and entities share funds that will not be used with other struggling departments.

Through people and conservation programmes, SANParks continues to enjoy great provincial and national support from the Department of Basic Education (DBE). The Department remains a key partner in the Kids in Parks programme and is partnering SANParks in a new initiative in Gauteng schools, the Kudu Green School Initiative, which is covered in the Conservation Services report. At the time of reporting, SANParks and the Board of Trustees of My Acre of Africa were discussing dissolving the organisation in its present form and having its functions, personnel and assets absorbed into the relevant SANParks divisions. My Acre of Africa helped to establish the Kids in Kruger youth outreach programme, the forerunner of Kids in Parks.

The Department of Arts and Culture and its entity, the South African Heritage Resources Agency (SAHRA), are consulted on matters relating to the cultural heritage sites managed by SANParks in Mapungubwe National Park and the KNP particularly. SANParks opened the Mapungubwe Interpretive Centre in December 2011, which houses, among other items, artefacts excavated in the area.



SANParks, with the support of the DEA, held talks with the Department of Mineral Resources on proposed mining projects in national parks, specifically approved coal mining by Coal of Africa (CoAL) in properties near the Mapungubwe National Park. Objection to mining by the Mapungubwe Action Group is gaining momentum, with the decision to launch a legal objection. The group has been joined by other NGOs such as the Endangered Wildlife Trust, Birdlife South Africa, the PPF, the Association of Southern African Professional Archaeologists (ASAPA), the Wilderness Foundation South Africa (WFSA) and the Worldwide Fund for Nature South Africa (WWF). The group has established a website which appeals to visitors to sign a petition, write a letter of objection to listed government officials or donate funds to the cause. A Facebook page had, at the time of reporting, about 5 000 supporters.

**A good working relationship was maintained with the Department of Tourism and its entity SAT, also through:**

### **Corporate and Media Partnerships**

SANParks continues to nurture relations with the media in a bid to create a lasting relationship of mutual respect and benefit. SANParks also recently entered into a partnership agreement with the Caxton newspaper group as a means of publishing various programmes within the organisation, particularly issues that are not necessarily featured as 'everyday news'.


SABC radio and eTV were key media partners in disseminating targeted conservation messages to all South Africans. SANParks' efforts to forge formal partnerships with print and broadcast community media continues to be hampered by this sector's lack of resources, many voices and other factors. However, it remains a priority for its potential to reach and mobilise local communities in remote areas through more than 100 radio stations, which account for an estimated 20% of overall national listenership and more than 90 publications, with a circulation topping 5 million, against the 14,5 million of the mainstream press. The Caxton agreement will assist some in the print sector.

FNB once again sponsored SANParks' two major awareness programmes, investing R1 million in SANParks Week 2011, and R200 000 for Kudu Awards 2011 prizes, namely the community contribution, environmental education/capacity building, environmental media contribution and corporate contribution awards for external stakeholders, and the Chief Executive Officer's awards for lifetime achievement and bravery for employees or retired employees. Sponsorships were also received from several organisations for a number of public campaigns and events at corporate and park levels.

SANParks held an engagement (which is still continuing) with the Proudly South Africa Campaign to mobilise all South Africans to support the anti-rhino poaching campaigns. The SANParks Honorary Rangers (HRs) launched an "Own the Night" campaign to raise funds for anti-poaching activities in national parks. The campaign aims to raise R2 million to buy night surveillance equipment for KNP rangers. This is one of numerous fundraising projects. A full report on HRs is provided in the tourism development and marketing report.

### **Agreements with Local and International Conservation Bodies**

The credit crunch continues to affect the implementation of joint initiatives with countries with which SANParks has forged relations. Both formal and informal relations are in place with African and international conservation authorities to share expertise, knowledge and skills. Formal agreements are activated through memoranda of understanding (MoU). Informal relationships have been created by hosting foreign delegations and sharing expertise in conservation services, tourism development and constituency building (people and conservation). Technical cooperation agreements are in place between SANParks and parks in



the USA, Italy and Argentina. Relationships with African countries continue to take priority as SANParks plays its role in the development of African institutions. Existing agreements include those with provincial conservation bodies such as the Northern Cape Parks and Tourism Board, the Eastern Cape Parks Board, the Limpopo Parks and Tourism Board and Mpumalanga Parks Authority. Other agreements are pending and SANParks remains committed to pursuing more formal relations with provincial conservation bodies.

## **Share and Provide Access to Correct Information and Knowledge to Internal and External Stakeholders**

### **Media Relations and Management**

SANParks and its national parks enjoyed 95% neutral/balanced to positive media reporting as at March 2012. The most negative coverage was received in March 2012 at 12%, and the least in September 2011 at 1%.

The proactive approach when attending to issues has assisted in turning the situation of dealing with negative coverage to a more favourable status. However, it has been noted that the high of 10% in March 2012 was the result of a matter that SANParks could not control, in which four employees were arrested for alleged rhinoceros poaching, and the much-publicised strike in the Kruger National Park.

The Kruger National Park topped the coverage. SANParks recorded the second highest coverage and the third highest was Table Mountain National Park, followed by the Garden Route National Park, the Karoo National Park and Addo Elephant National Park.

The issues of most media interest were:

- The KNP safari hotel developments continue to be a contested issue in various online interactive forums.
- Media interest in the poaching of rhino in the KNP.
- Extensive interest in flooding in the KNP.
- SANParks Week 2011.
- Change in Wild Card management.


SANParks' handling of issues resulted in potentially contentious issues receiving neutral rather than negative media coverage.

### **Website Management**

The website remained at the core of SANParks' communication efforts. A number of key interventions and achievements have enhanced the organisation's reputation among online stakeholders. The website continued to attract high numbers of visitors, with 6 252 732 visitor sessions during the year (a 2% increase), over 1 892 329 921 hits (a 74% increase) and 206 867 average number of unique visitors to the site per month.







Website uptime was maintained at an acceptable 99.9% and online communication was further enhanced through Facebook, Twitter and YouTube. At the time of reporting, support on Facebook was 14 806 (a 76% increase over the previous year), which compares favourably with similar platforms of big corporates in South Africa. Membership is dominated by individuals between the ages of 25 and 34 and 35 to 44, at 29% and 27% respectively. The age group 55+ constituted 9%. Female membership was higher than male membership, at 53%. These statistics auger well for any online marketing SANParks may decide to undertake. The number of followers on Twitter reached 5 346.

It is commendable that the website community forum, formed in November 2004, is still gaining momentum, having a membership of 23 433 at the time of reporting, an increase of 28% from the previously reported 18 348 members. The forum has 837 215 active articles (excluding articles removed by volunteer moderators during the reporting period), an increase of 15% over the previous 727 848. The target is 20%.

Social media channels allowed SANParks to avert a potential crisis at minimum cost and maximum return when Infinity's Wild Card contract was terminated. With social media, within the week, almost all 100 000 Wild Card members had registered their details on the SANParks database. Customer frustrations, tantrums, misunderstandings, anger and even gratitude and support were all dealt with through these channels. Other contentious issues were dealt with similarly. The issue of a small section of society trying to use SANParks platforms for their own interests were dealt with appropriately.

During the year, SANParks raised just under R101 million through online reservations, an 18% increase over the previous years' R86 million. The number of reservations made online increased by 11% from 43 823 to 48 716, while the number of registered clients dropped by 3% from 30 463 to 29 611. A full report on this appears under Tourism Development and Marketing.

In another development, the website entered the mobile world, with sanparks.mobi equipped with a full suite of services, including checking the availability of tourism facilities and online bookings. The mobile website is in line with the global trend of creating access to the information highway for people with cellphones but no computers. Some 16 million South Africans own cellphones, two thirds with Internet capability. Since only about half are using the service, there is still tremendous potential for growth.

## **GROW AMBASSADORS FOR THE NATIONAL PARKS SYSTEM OF SOUTH AFRICA THROUGH AWARENESS**




### **Public relations, campaigns and corporate events**

#### **South African National Parks Week 2011**

SA National Parks Week 2011 was officially opened by the Minister of Water and Environmental Affairs, Edna Molewa, in the Garden Route National Park. The Week ran from 12 to 16 September 2011.

The Minister of Tourism, Marthinus van Schalkwyk, was invited to participate in the SABC2 Morning Live broadcast in Wilderness National Park on the opening of South African National Parks Week.



SANParks Week 2011 focused on the involvement of communities and young people. All activities were geared to benefit these stakeholders. The event's selling point was, again, open access to neighbouring communities and other South Africans coming in as day visitors to enjoy the splendour and tranquillity of the national parks. Media messages were targeted not only at driving traffic to the parks, but at ensuring that communities were educated about parks in general and their neighbouring national parks specifically. Most importantly, the week-long celebration of national parks demonstrated the importance of community and individual involvement in the conservation of the parks' natural heritage.

Media coverage for the week was impressive, with 98 print and broadcast media items, a 42% increase over last year's coverage of 69 items. More importantly, the review period achieved 81% positive media coverage compared to the previous period's 29%. In both years, no negative coverage was received on the campaign. The advertising value equivalent (AVE) for the previous year was R1,25 million, compared to R2 million in 2010, an increased value of 60%. For both years the reputation grade remained at 71%.

### **Kudu Awards 2011**

The annual Kudu Awards programme drew more entries, particularly in the community contribution to conservation and environmental education/capacity building categories.

The Kudu Awards were held on 28 November 2011 at the Nombolo Mdhuli Conference Centre in the Kruger National Park, and the Deputy Minister of Water and Environmental Affairs, Rejoice Mabudafhasi was the keynote address speaker. The Deputy Minister also used the opportunity to officially open the Nombolo Mdhuli Conference Centre.

### **Launches, events and campaigns**

- SANParks again celebrated Earth Day and Earth Hour, World Biodiversity Day, Arbour Week, World Wetlands Week, World Environment Day, National Heritage Day, etc.
- The revamped Golden Gate Hotel in the Golden Gate Highlands National Park was officially launched by the Minister of Water and Environmental Affairs in June 2011.
- The newly developed Nombolo Mdhuli Conference Centre was officially opened in Skukuza in the Kruger National Park, .



# Special Programmes

## Report

### EXPANDED PUBLIC WORKS PROGRAMME

The Expanded Public Works Programmes (EPWP) implemented by SANParks continued to grow during 2011/12 with the addition of two new programmes to the Natural Resource Management Programme (NRMP), i.e. Wildlife Economy: Rehabilitation and Environmental Monitors. The total expenditure for the year amounted to R194,6 million.

The following programmes were implemented in most of the parks:

- Working for Water (WfW): Clearing of alien vegetation
- Working for Land (WfL): Addressing bush encroachment in the Kruger and Marakele National Parks
- Wildlife Economy: Rehabilitation – Erosion control & rehabilitation
- Farleigh Furniture Factory: Value-added industry – manufacture of school desks and furniture
- Environmental Monitors: Support to conservation functions in parks
- Working for the Coast (WftC): Beach clean-up & rehabilitation
- Working for Wetlands(WWetlands): Rehabilitation of wetlands
- Working for Fire (WfF): Fire prevention & control, not implemented by SANParks
- People & Parks (P&P): Park infrastructure development

The programmes achieved all the planned deliverables, including the social, biodiversity and infrastructure deliverables. Most of the projects in the 'People and Parks' programme funded by the Department of Environmental Affairs' Social Responsibility Programme were completed, while the Working for the Coast programme implemented the first year of a two-year cycle. The annual Natural Resource Management Programmes were concluded on 31 March 2012, as was Working for Wetlands. The EPWP plays a major role in the SANParks social investment programme, the development of skills and small contractors, and social initiatives in communities, i.e. Aids Day, 'Adopt a School' and substance abuse training.

Table below presents the social deliverables achieved by the EPWP programme:

Programme	No. of People	Person-days	FTEs	Training	SMMEs	Amount paid to SMMEs ('000)	Expenditure YTD ('000)
Planned 2011/12	4 015	575 151	2 501	67 895	292	81 416	148 793
Working for the Coast	540	80 636	351	5 651	46	11 156	17 640
Working for Wetlands	146	21 115	92	1 566	11	2 757	5 769
Working for Water	3 097	326 111	1 418	33 600	191	57 232	94 826
Working for Land	114	20 177	86	1 906	2	2 009	4 354
VAI Farleigh Furniture	89	9 407	37	1 746	9	2 039	6 959
Working for Fire	197	80 657	351	6 420	-	-	-
WfWildlife & Rehabilitation	956	40 297	175	328	65	5 7394	9 474
NRMP projects: Additional	1 032	31 761	138	-	-	-	18 530
<i>People and Parks Ph 1</i>	192	26 415	115	-	20	3 403	3 403
<i>People and Parks Ph 2</i>	1 161	108 515	472	6 262	76	19 872	33 697
<b>TOTAL</b>	<b>7 524</b>	<b>745 091</b>	<b>3 233</b>	<b>57 479</b>	<b>420</b>	<b>104 207</b>	<b>194 652</b>
<b>Percentage</b>	<b>187%</b>	<b>130%</b>	<b>130%</b>	<b>85%</b>	<b>144%</b>	<b>128%</b>	<b>131%</b>

#### Summary of EPWP: Biodiversity Deliverables: 1 April 2011 – 31 March 2012

Deliverables	Planned	Achieved Year To Date	Percentage
<b>Beach clean-up</b>			
WftC Beach clean-up (km)	17 383	17 658	102%
WftC Beach area rehabilitation (m <sup>2</sup> )	30 574	41 608	136%
<b>Wetlands rehabilitation</b>			
Cubic metres	7 864	8 711	111%
<b>Alien vegetation clearing</b>			
Initial hectares	22 529	55 590	247%
Follow-up hectares	138 463	183 229	132%
<b>Bush encroachment</b>			
Hectares (mopane and sickle bush)	663	575	87%



## INFRASTRUCTURE DEVELOPMENT PROGRAMME 2010/11

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The Infrastructure Development Programme received a R60 million allocation for 2011/12 – the first year of a three-year cycle allocation totalling R189.8 million. The bulk of the funds, 80% or R151,2 million was allocated to the Kruger National Park. The implementation started in September 2011 only when the transfer payment had been received and impacted on expenditure. R33,9 million was spent, and the following projects were completed:

- KNP: Biyamiti cable & hybrid system
- KNP: Berg en Dal low-impact day visitors' site
- Construction started on three additional units at Matyholweni, Addo Elephant National Park.

A submission was made to National Treasury and an MTEF budget allocation of R350 million was approved for 2013/14 and 2014/15. The focus will be on income generation infrastructure in view of the reduced operational budget, with attention to critical support infrastructure that will include roads, bulk services and staff accommodation.



# Performance against

## Pre-Determined Objectives for 2011/2012 Financial Year

### 1. Promoting Effective Budget Management

Performance Indicator	Annual Target	Actual Performance
1.1 Income Budget Variance 1.2 Expenditure Budget Variance	Break-even Break-even	1% above budget -6% over budget
<b>Performance Analysis</b>	<p>The Income Budget and Expenditure Budget variances for the year under review were -1% and -6% respectively. This means that although the organisation cumulatively incurred 6% (equivalent of R61 million) expenses above budget, the total revenue exceeded the budget by 1% (equivalent of R8 million), thereby showing an operating loss of R58 million.</p> <p>Although our tourism revenue streams made a significant contribution to enhancing our collective income performance, our expenses were under pressure due to an increase in our human capacity requirements to deal with the influx of tourists during peak seasons, poaching and general inflationary increases in operating costs.</p> <p>Furthermore, for the period under review, SANParks' Retail Gross Profit has improved by 50,4% (R4,8 million) and 33,6% (R3,6 million) when compared to both the annual budget and the performance in the same period of the previous financial year respectively.</p>	
<b>Planned Improvement/ Corrective Actions</b>	<p>Over and above continuous monitoring of budgetary variances, regular (monthly and quarterly) financial forecasts will be undertaken to closely monitor performance in this regard and to implement cost-curtalement measures, with a particular focus on human resources management and other operational items. Additional income-generating sources will be sought to enhance revenue-yielding streams.</p>	

### 2. Growing Revenue

Performance Indicator	Annual Target	Actual Performance
2.1 Gross Operating Revenue – Year-on-Year	7,0%	8%
<b>Performance Analysis</b>	<p>Gross Operating Revenue (tourism income) for the year under review improved by 8% (R23,3 million) year-on-year, and this is 1% above the planned annual target of R707 million.</p> <p>This performance can mainly be attributed to an improvement in day visitor numbers to national parks, and more recovery of rebates when compared to the same period in the previous financial year. Furthermore, this was influenced by an increase in our tourism tariffs.</p> <p>Although revenue generated from our accommodation income has declined by 2% (R7,5 million) when compared to the planned annual budget, Retail Gross Profit, conservation fees and concession fees have improved by 19% (R3,2 million), 4% (R8,8 million) and 5% (R3 million) respectively when compared to budget.</p> <p>In total, revenue from the tourism business increased by 8% year-on-year.</p>	
<b>Planned Improvement/ Corrective Actions</b>	<p>The Product Development Strategy will be rolled out in the next financial year with funding from the Infrastructure Development Programme grant.</p>	



Performance Indicator	Annual Target	Actual Performance
<b>2.2 Alternative Revenue</b>	<b>R45 million</b>	<b>R59 million</b>
<b>Performance Analysis</b>	<p>The Alternative Revenue for the period under review performed 52% (R22 million) better than the annual target of R45 million.</p> <p>Although there was a decline of 12,0% from interest received, this good performance can mainly be attributed to the improvement in sales of Fauna and Flora when compared to the planned annual targets.</p> <p>The re-opening of Skukuza Airport in the Kruger National Park was delayed due to legal technicalities which are still in progress.</p>	
<b>Planned Improvement/ Corrective Actions</b>	<p>Regular (monthly and quarterly) financial forecasts will be undertaken to closely monitor performance in this regard, and consideration will be given to spreading our budget for game sales to bring it in line with the new field-to-field sales model.</p>	

### 3. Enhancing Organisational Reputation

Performance Indicator	Annual Target	Actual Performance
<b>3.1 Media Reputation Rating</b>	<b>64,7%</b>	<b>78,0%</b>
<b>Performance Analysis</b>	<p>In the year under review, SANParks' media reputation rating was 13,3 percentage points better than the set annual target. This performance can be attributed to improvement made in both positive and negative media coverage, which was 12% and 7,0% respectively.</p> <p>Key media focus areas for the period under review were the following:</p> <ul style="list-style-type: none"> <li>• Rhino poaching incidents and related arrests, particularly in the Kruger National Park, sponsorships and other public support in this regard.</li> <li>• Joint patrol operations by both SANParks and other law enforcement agencies such as the SA National Defence Force and SAPS to fight rhino poaching in the Kruger National Park.</li> <li>• Conviction and sentencing of three rhino poachers who were sentenced to 25 years each by the Mpumalanga regional court.</li> <li>• Coverage of property damage caused by floods in the Kruger National Park.</li> <li>• Coverage of the DEA taking over all media communiqués relating to rhino poaching in protected areas, including SANParks.</li> <li>• An announcement about Table Mountain being one of the 'Seven Wonders of the World'.</li> </ul> <p>Some of the negative publicity that has affected our reputational rating for the period under review is:</p> <ul style="list-style-type: none"> <li>• The field rangers' strike in the Kruger National Park.</li> <li>• Allegations of tender irregularities involving SANParks officials.</li> <li>• Opposition to construction of the Skukuza Conference Lodge and the Malelane Safari Lodge in the Kruger National Park by the various lobby groups in the country.</li> <li>• Opposition to the development of the Chapman's Peak toll plaza.</li> </ul> <p>It is worth mentioning that overall the worth of the media coverage received for the year under review is estimated to be more than R83,7 million.</p>	
<b>Planned Improvement/ Corrective Actions</b>	<p>Continuous reputation management will be monitored while corrective measures are being implemented to enhance our organisational reputation.</p>	

Performance Indicator	Annual Target	Actual Performance
3.2 Total of Online Stakeholder Membership	38 850	49 762
Performance Analysis	The total online stakeholder membership for the year under review improved by 55,5% (17 762) when compared to 32 000 in the previous financial year, and 28,1% (10 912) better than the annual target. This reflects the impact made by the social networks towards enhancing our communication efforts, and as a result of this many people have been engaging in several informative topics relating to SANParks' reputation, such as the development of the Skukuza Conference Lodge and the Malelane Safari Lodge in the Kruger National Park, rhino poaching and SANParks' loyalty programme (WildCard), to name a few.	
Planned Improvement/ Corrective Actions)	Online stakeholder membership will be regularly monitored and engaged through web forums and various social networking platforms.	

Performance Indicator	Annual Target	Actual Performance
3.3 Number of Stakeholder Engagement Interventions	5	5
Performance Analysis	<p>In the period under review, five stakeholder engagement interventions were undertaken by SANParks, which is exactly as per the planned annual target. Due to limited resources, SANParks' focus has been to continue to nurture existing relations while being on the lookout for other potential relations to be pursued.</p> <p>The following additional stakeholders have been engaged for possible collaboration in various current and future projects:</p> <ul style="list-style-type: none"> <li>• Proudly South Africa and Media 24 for collaboration in an anti-rhino poaching project.</li> <li>• Tanzania Wildlife Services, Tanzania Environmental and Tourism Ministry for knowledge and information sharing relating to business operations and other conservation-related issues.</li> <li>• The Department of Basic Education, Pick n Pay and the SABC (Corporate Social Investment and Public Radio Stations management) for collaboration on the Kids in Parks programme.</li> <li>• Caxton Newspapers, Ramsay Media and National Community Radio Stations Forum for the LeadSA campaign.</li> <li>• Miss Earth also as part of organisational reputation.</li> </ul>	
Planned Improvement/ Corrective Actions	Co-ordinated stakeholder engagements will be undertaken to enhance collaboration in this regard.	

#### 4. Growing Community Support and Providing Access and Benefit Sharing

Performance Indicator	Annual Target	Actual Performance
<b>4.1 Total Number of Participants in Environmental Education Programme</b>	<b>Learners: 160 000 Junior Rangers: 520</b>	<b>173 685 491</b>
<b>Performance Analysis</b>	<p>The total number of learners participating in SANParks' Environmental Education Programme in the year under review improved by 8,6% (13 229) and 11,2% (17 517) when compared to both the annual target and the performance in the same period of the previous financial year respectively.</p> <p>This improvement can be attributed to both intensive recruitment and outreach drive by SANParks' Corporate Social Investment initiatives focusing on environmental education in collaboration with identified stakeholders in various projects of this programme.</p> <p>Although the number of Junior Rangers recruited to date declined compared to the previous financial year, it improved by 23,7% (94) compared to the previous quarter.</p> <p>The following is a list of initiatives that are contributing to the SANParks' Environmental Education Programme:</p> <ul style="list-style-type: none"> <li>• Kudu Green School Initiative: This programme is meant to make both school learners and their educators aware of matters relating to climate change.</li> <li>• Kids in Parks (including the 'Take Kruger to Kasie' project): The curriculum and training materials have been developed for both learners and their educators to enhance environmental literacy.</li> <li>• Park-Based Environmental Education Programme: This programme is aimed at the training of both school learners and the general public about environmental issues, particularly during school holidays, and an interactive booklet has been developed as a hand-out.</li> <li>• Imbewu Youth Project: This training programme is meant for the older youth, and thus far 16 youth leaders have been participating in various camps that have been arranged across national parks.</li> <li>• SANParks' Junior Rangers and the Kruger National Park's Kids in Kruger (My Acre of Africa): This is a voluntary programme meant to enhance career development in the field of environmental science and nature conservation.</li> </ul>	
<b>Planned Improvement / Corrective Actions</b>	Interventions have been undertaken to adhere to the school tour policy established by the Department of Basic Education.	

Performance Indicator	Annual Target	Actual Performance
<b>4.2 Total Number of Free Access Entrants</b>	<b>14 900</b>	<b>18 572</b>
<b>Performance Analysis</b>	<p>In the year under review, the total number of free access entrants to national parks improved by 24,6% (3 672) when compared to the annual target of 14 900. About 71,7% (12 858) of these were people who visited national parks during the SA National Parks Week, of whom 83,7% (10 765) and 16,3% (2 093) were adults and children respectively.</p> <p>The 2011/12 Kudu Awards was completed as planned. The actual event was held at the Kruger National Park, which also included an official launch at the Nombolo Mdluli conference facility in Skukuza.</p> <p>At this event the new organisational vision and mission were unveiled to communicate them to our stakeholders. It should be noted that SANParks only had one campaign during the year on free access to parks, hence no movement figures are presented for the previous quarter.</p>	
<b>Planned Improvement / Corrective Actions</b>	Performance in this regard was satisfactory. No corrective action is required at this stage.	

Performance Indicator	Annual Target	Actual Performance
4.3 Total Number of Sustainable Resource Use Projects	11	11
Performance Analysis	<p>In the year under review a total of 11 sustainable resource use projects were undertaken in five national parks. These projects are aimed at promoting and facilitating sustainable and equitable sharing of multi-stakeholder benefits from the national parks to improve human livelihood and well-being without compromising SANParks' conservation principles.</p> <p>The following projects were implemented:</p> <p><b>Garden Route:</b> Bee farming, <i>Bulbine latifolia</i> nursery project, Farleigh Eco Furniture Factory, Fern, Fynbos and Timber Harvesting projects</p> <p><b>Kruger National Park:</b> Mopani Worm Harvesting, Thatch Grass Harvesting and a <i>Warburgia salutaris</i> propagation and conservation project</p> <p><b>Agulhas National Park:</b> Sour Fig Harvesting Community Project</p> <p><b>Golden Gate National Park:</b> Thatch Grass Harvesting Project</p> <p><b>Kgalagadi Transfrontier National Park:</b> Khomani San Resource Use Project.</p> <p>Nine of the above projects were on target as of the end of the year in terms of their performance; however the Fynbos Harvesting Project was behind schedule and measures have been put in place to resolve difficulties.</p>	
Planned Improvement / Corrective Actions	No long-term negative implications in the sustainable resource use projects are anticipated. No corrective actions are required at this stage.	

## 5. Promoting Customer-Focused Responsible Tourism

Performance Indicator	Annual Target	Actual Performance
5.1 Accommodation Occupancy	70,5%	68,3%
Performance Analysis	<p>In the year under review, SANParks' accommodation occupancy rate declined by 2,2 and 0,9 percentage points below the set annual targets when compared to the same period of the previous financial year respectively. It is worth mentioning that the occupancy rate percentages of both accommodation and camping were also affected downwards by significant increases in inventory of both types while actually showing growth in the real number of units sold (see below).</p> <p>Accommodation Unit Nights Sold and Bed Nights Sold increased by 0,4% (2 142) and 0,1% (1 389) respectively. Similarly, Camping Site Nights Sold increased by 0,4% (1 013). Camping Person Nights Sold and Activities declined by 1,0% (6 338) and 4,2% (9 173) respectively, when compared to the same period of the previous financial year - note that a decline of about 28% in Activities is attributed to changed reporting related to Hoerikwaggo Trail products, which are now reported as Accommodation, while previously they were reported as Activities.</p> <p>This negative performance can mainly be attributed to shortened school holidays and reduced overnight visitor numbers (2010 FIFA Soccer World Cup effects), recent floods in the Kruger National Park, and continuous economic pressure experienced by our guests, particularly domestic (South African) visitors.</p> <p>Although SANParks' occupancy performance was less than the planned annual target, it remained relatively higher than the average SA tourism occupancy. This performance can be attributed to the global economic pressures experienced by our general customers.</p> <p>Accommodation bookings for the following 12 months declined by an average of 1,65% compared to the previous year, hence future revenue growth cannot be guaranteed and will not necessarily be adequate to off-set current budgetary constraints.</p>	
Planned Improvement / Corrective Actions	Other than SANParks' cost-curtaiment strategies, future bookings are being analysed for better forecasts, while marketing and promotional initiatives, particularly at regional levels, will be undertaken to enhance performance in this regard.	

Performance Indicator	Annual Target	Actual Performance
5.2 Total Number of Visitors	4 600 000	4 705 306
5.3 Total Number of Domestic Black Visitors	400 000	389 624
<b>Performance Analysis</b>	<p>The total number of visitors to national parks in the year under review improved by 2,3% (105 306) and 3,6% (168 815) when compared to the set annual targets and the same period of the previous financial year respectively.</p> <p>Furthermore, total numbers for day and overnight visitors improved by 4,8% and 4,7% respectively. Note that the day and night visitor numbers excludes Table Mountain National Park and West Coast National Park.</p> <p>Contrary to the above figures, the total number of domestic black visitors to national parks (excluding Table Mountain National Park and West Coast National Park) for the year under review declined by 2,6% (10 376) and 2,0% (7 994) compared to the set annual target and the same period of the previous financial year respectively. Although there was an improvement of 8,5% (3 159) on overnight visitors in this category, day visitor numbers declined by 3,1% (11,153) for the same period.</p> <p>It is worth mentioning that the Table Mountain and West Coast National Parks demographics (i.e. black visitor numbers) have been excluded from the counting as their visitor monitoring systems are not in line with the one used by the rest of the national parks.</p>	
<b>Planned Improvement / Corrective Actions</b>	Continued marketing and sales efforts will be undertaken to attract more visitors to the national parks, with the emphasis on domestic black visitors.	

Performance Indicator	Annual Target	Actual Performance
5.4 Customer Satisfaction Index	78,3%	77,4%
<b>Performance Analysis</b>	<p>In the year under review, SANParks' overall Customer Satisfaction Index improved by 0,7 percentage points (from 76,9% to 77,4%) when compared to the same period in the previous financial year, although it performed at 0,9 percentage points less than the set annual target of 78,3%.</p> <p>This performance can mainly be attributed to delays in the upgrading of some of our tourism facilities. Recommendations made through tourism standards audits are still to be implemented.</p> <p>Furthermore, for the period under review, the margin of feedback received over invitations sent for guest feedback was 31,4% (equivalent to 43 110 out of 137 238 invitations sent), which is a 0,6 percentage point less response return rate compared to the same period in the previous financial year. Ageing tourism infrastructure in the parks, and dining and shopping experiences by our visitors still need urgent attention for improvement.</p>	
<b>Planned Improvement / Corrective Actions</b>	<p>Satisfaction ratings, customers' comments and suggestions will be continuously monitored and used to identify areas of improvement.</p> <p>Continuous tourism standards audits will be undertaken to encourage both maintenance and hospitality management to act on findings and recommendations to improve our products and services.</p> <p>Customers will be regularly engaged to effectively understand and effectively respond to their needs regarding our products and service offerings.</p>	

Performance Indicator	Annual Target	Actual Performance
5.5 Total Number of Jobs Created through Private-Public Partnerships (PPP)	7	0
<b>Performance Analysis</b>	<p>To date, no jobs have been created though any of SANParks' PPP initiatives due to delays experienced in the Mapungubwe Interpretive Centre. However, six permanent posts will be created by the end of the first quarter of the next financial year through the same initiative. It is envisaged that an additional seven posts will be created once the entire centre is fully operational.</p> <p>It is worth mentioning that various PPP initiatives have been planned for the next financial year, hence sustainable jobs will be created once such initiatives have commenced.</p>	
<b>Planned Improvement / Corrective Actions</b>	Continuous monitoring of various existing PPP initiatives will be undertaken to sustain current jobs and create further employment in the future.	

## 6. Improving Corporate Governance

Performance Indicator	Annual Target	Actual Performance
6.1 Percentage Progress against Risk Response Plan	90%	100%
Performance Analysis	<p>The Corporate Risk Response Plan was completed as planned, and the following is a list of activities that have been undertaken to date:</p> <ul style="list-style-type: none"> <li>• Following the reduction in SANParks' grant allocation of about R22 million for the next financial year, several corporate budgetary adjustments were undertaken in both the 5-Year Strategic Plan and the Annual Performance Plan (APP) for the fiscal year 2012-2013.</li> <li>• Reinforcement of cost curtailment measures, while ensuring that sufficient funds are spent on essential services, as well as re-evaluation of both financial and operational controls to protect and/or enhance revenue streams, particularly those from commercial activities.</li> <li>• Completion of comprehensive insourcing of the SANParks Tourism Loyalty Programme (WildCard) subsequent to the liquidation of the outsourced service provider.</li> <li>• Commencement with the development of the Corporate Business Continuity Plan.</li> <li>• Re-evaluation of both financial and operational controls to enhance SANParks' revenue streams, particularly those from commercial activities.</li> <li>• Conducting internal audits in selected camps in the Kruger National Park.</li> <li>• Commencement with repairs and reconstruction work subsequent to damages caused by recent flooding in the Kruger National Park. The estimated cost of damage is about R63 million, of which R35 million will be covered by our insurers. Furthermore, an application to the National Disaster Management Relief Fund has been made to cover the remaining R28 million in costs.</li> <li>• Working with the Wildlife Crime Reaction Unit to enhance SANParks' efforts to combat rhino anti-poaching.</li> <li>• SANParks' risk profile has been reviewed in conjunction with the Audit and Risk Management Committee.</li> </ul>	
Planned Improvement / Corrective Actions	<p>Current levels of awareness of emerging operational issues will be maintained. Furthermore, poaching incidents (particularly of rhino) and recent threats posed by floods in the Kruger National Park will be closely monitored, and risk mitigation interventions will be provided where appropriate.</p>	

Performance Indicator	Annual Target	Actual Performance
6.2 Auditor-General's Audit Report	Unqualified	Unqualified
Performance Analysis	<p>Audit fieldwork by the Auditor-General (AG) for the financial year 2011/12 audits is still in progress.</p> <p>New audit plans were put in place to engage the AG on 2011/12 financial year audits.</p> <p>In conjunction with the DEA, new members from the AG were inducted in various business operation areas to enhance the carrying out of their duties.</p> <p>SANParks' management is currently responding to any queries that might have been raised by the AG in their current work as the fieldwork is being completed. For the year under review, apart from the corporate office, three regions were selected for audit, namely the Cape, the Garden Route regions and the Kruger National Park. All three were completed; however, the corporate office will only be completed in the month of May 2012 to conclude the AG's audit.</p>	
Planned Improvement / Corrective Actions	<p>Management rectified elements of weak systems controls and/or poor adherence to internal controls. Revision of fixed assets management and Supply Chain Management (SCM) received specific attention. No corrective actions are required at this stage.</p>	

## 7. Improving the State of Conservation Estate

Performance Indicator	Annual Target	Actual Performance
<b>7.1 Percentage Progress against Biodiversity Monitoring Plan</b>	<b>95.0%</b>	<b>75.0%</b>
<b>Performance Analysis</b>	<p>SANParks' Biodiversity Monitoring Plan achieved 72% progress towards completion during the year under review, which is 20 percentage points behind the planned annual target.</p> <p>This performance can mainly be attributed to delays in completion of the two planned programme documents which are still to be completed after sufficient consultation. The delays were caused by the following:</p> <ul style="list-style-type: none"> <li>• The Park Ecological Systems Management programme document is still to be written.</li> <li>• The Organisational Reporting Management programme document is still to be completed. It must be ensured that it plays a co-ordination, prioritisation and collation role to implement the Biodiversity Monitoring System and communicate it effectively to and across parks, within the organisation and beyond. It is envisaged that this process should be completed by the end of the second quarter of the next financial year.</li> </ul> <p>However, to date the following have been achieved:</p> <ul style="list-style-type: none"> <li>• Completion of eight monitoring programme documents.</li> <li>• The preparation of a series of publications in <i>Koedoe</i> based on the Monitoring Programme documents is under way. It is envisaged that this will be completed by the next financial year.</li> <li>• The process of prioritising programmes for implementation per park is under way, but the results of this process have yet to be collated across parks to determine organisational-level monitoring priorities.</li> </ul>	
<b>Planned Improvement / Corrective Actions</b>	<p>Completion of the two outstanding documents will be expedited to bring next financial year's plans in line with organisational parks management and conservation plans.</p>	

Performance Indicator	Annual Target	Actual Performance
<b>7.2 Number of Revised Park Management Plans</b>	<b>3</b>	<b>0</b>
<b>Performance Analysis</b>	<p>During the year under review, considerable efforts were made to complete the six outstanding management plans from the previous year. As a result, the following have been achieved:</p> <ul style="list-style-type: none"> <li>• Garden Route was evaluated by the DEA and submitted for approval by the Minister.</li> <li>• The Golden Gate Highlands, Mapungubwe, West Coast, the Namaqua and Agulhas national parks were submitted for evaluation by the DEA.</li> </ul> <p>The three planned park management plans for this reporting period are at various stages of completion, as follows:</p> <ul style="list-style-type: none"> <li>• <b>Augrabies Falls National Park</b> – 70% completed: In consultation with stakeholders, the development of the park's strategic objectives was completed. The associated operational programmes have been identified and incorporated into the plan. A draft plan is currently under review.</li> <li>• <b>Camdeboo National Park</b> – 65% completed: In consultation with stakeholders, the park's strategic objectives were developed. The associated operational programmes were identified and incorporated into the plan. A draft plan is currently under review.</li> <li>• <b>Bontebok National Park</b> – 70% completed: In consultation with stakeholders, the desired state and development of the park's strategic objectives were completed. The associated operational programmes were identified and incorporated into the plan. A draft plan has been completed, and is currently under review.</li> </ul>	
<b>Planned Improvement / Corrective Actions</b>	<p>The focus in the next financial year will be on the following:</p> <ul style="list-style-type: none"> <li>• Public participation consultations on the draft plans, and</li> <li>• Preparation for submission to the DEA.</li> </ul>	

Performance Indicator	Annual Target	Actual Performance
7.3 Percentage Progress against Implementation of Listed Species Management Programme	80%	100%
Performance Analysis	<p>The Listed Species Management Programme was completed as planned, of which the following key deliverables were undertaken.</p> <p><b>Elephant Management:</b> Five elephant management plans were completed and re-submitted to the DEA for ministerial approval. The proposed vegetation enclosures in Addo Elephant National Park were approved in principle. A study is being undertaken to address the role of elephants in ecological and social systems in the Garden Route National Park. A research proposal to address vegetation responses in Mapungubwe National Park is being reviewed. Although there have not been any major elephant management requirements for the Marakele National Park, elephant effects are being assessed. Subsequent to completion of the elephant and buffalo census in the Kruger National Park, it has been established that to date their population can be estimated at 14 500 (5,5% growth) and 14 000 respectively. An extensive adaptive elephant management experiment is being undertaken to address local human interaction with the elephants as damage-causing animals. In Mapungubwe National Park, elephant cannot be prevented from moving into three of the existing elephant exclusion zones due to inadequate fencing. This is exacerbated by theft of fencing material.</p> <p><b>Rhino Management:</b> The National Species Management plan for black rhino was submitted to the DEA for ministerial approval, while plans for white rhino are being prepared. Media reports relating to rhino poaching were handled by SANParks and the DEA working committee to further address challenges relating to distorted reporting and to prevent bogus rhino anti-poaching fundraisers. Rhino poaching, particularly in the Kruger and Marakele National Parks, continues to be a major challenge for the country, especially considering the prevalent financial constraints under which the organisation is operating. Recent census and analysis show that the white rhino population in the Kruger National Park has stabilised; however, if the current poaching rate continues, the population might start to decline by 2016.</p> <p>This result indicates the need for innovative strategic thinking and exploring of several possibilities that will reduce the difference between demand and supply of rhino horn which determines its financial value and hence incentive for poaching.</p>	
Planned Improvement / Corrective Actions	No corrective measures are required at this stage.	

Performance Indicator	Annual Target	Actual Performance
7.4 Percentage Progress against Implementation of Cultural Heritage Programme	95%	95%
Performance Analysis	<p>SANParks' Cultural Heritage programme was completed as planned, and the following projects were undertaken in the year under review:</p> <ul style="list-style-type: none"> <li>• <b>Skukuza Museum:</b> The design and narrative for the upgrading of the Skukuza Museum were finalised.</li> <li>• <b>Mapungubwe Interpretation Centre:</b> The process of transferring the Mapungubwe heritage artefacts from the University of Pretoria to the interpretive centre has been completed, and the PPP agreement is being negotiated.</li> <li>• <b>Mofele Exhibition Centre (Mokala):</b> The Mofele exhibition was delayed due to slow progress of completing the McGregor museum storyline, and due to lack of funding. The entire initiative has been shifted to the next financial year.</li> <li>• <b>Oral History Lottery Project:</b> Community research was completed as written reports.</li> <li>• <b>Thulamela Stone Walls Reconstruction:</b> Using local stone masons, the site reconstruction was completed as planned.</li> <li>• <b>Heritage Education and Awareness:</b> The Annual Heritage Camp was completed in Mokala National Park, in which 10 schools from all nine provinces participated, and preparatory work for the next financial year commenced in Tsitsikamma.</li> </ul>	
Planned Improvement / Corrective Actions	<p>The McGregor Museum will be engaged to speed up development of the narrative.</p> <p>Additional funding has been secured to fast track the Mokala initiative. If the MacGregor Museum is unable to deliver on the exhibition, an alternative service provider will be engaged.</p>	



Performance Indicator	Annual Target	Actual Performance
<b>7.5 Percentage Progress against Implementation of Climate Change Response Programme</b>	<b>80%</b>	<b>90%</b>
<b>Performance Analysis</b>	<p>Bioregional Linkage Programme: The Programme is 10 percentage points ahead of the planned annual target, and the following key deliverables were undertaken in the period under review:</p> <ul style="list-style-type: none"> <li>• Although draft documentation regarding the Addo buffer project was completed, there were delays with spatial products of the project.</li> <li>• The climate change assessment process for SANParks was completed. Key events include new ecosystem-based adaptation layers and biome predictions which have both been through an international review process and publication. A response strategy will be developed in the next financial year as part of the GEC project.</li> <li>• Buffer zones for the following parks were reviewed and updated: Augrabies Falls, Camdeboo, Bontebok and Mapungubwe National Parks.</li> <li>• The process of reviewing the buffer zone in the Cape Cluster national parks is in progress, and it is expected to be completed by the end of the next financial year. The West Coast National Park will be completed with assistance of additional funding from the GEF5 programme.</li> <li>• Buffer zone issues have been included in the anticipated monitoring programmes for SANParks.</li> <li>• The Mountain Zebra-Camdeboo CEPF project is in progress.</li> <li>• Funding for bioregional linkage projects was secured through GEF5. The SANParks Waste Management Strategy is currently being developed and should be completed by the end of the first quarter of next financial year. Initial work was done in the parks towards implementation of the strategy in terms of waste recycling as one form of effective waste management. The Marakele National Park, Mokala National Park and Kimberley Veterinary Wildlife Service and Scientific Services Offices were assisted with the implementation of recycling stations.</li> </ul>	
<b>Planned Improvement / Corrective Actions</b>	<p>Although there is no budget for the implementation of the waste management programme in the parks, the initial project will not be compromised. No corrective action plans are required at this stage.</p>	

Performance Indicator	Annual Target	Actual Performance
<b>7.6 Total Area added to National Parks (Terrestrial)</b>	<b>1 353 ha</b>	<b>2 420,2 ha</b>
<b>Performance Analysis</b>	<p>In the period under review, a total of 2 420,20 ha of additional land was added to the national park estate. This is 78,9% (1 067 ha) more land added than the planned 1 353 ha, which was acquired with DEA Land Grant Funds.</p> <p>Land transactions in Addo and Mokala National Parks, totalling R11,6 million (for 1 562 ha), were signed by both parties, and are awaiting final registration with the Deeds Office. In the Marakele National Park, the land transaction for the remainder of the farm Zandfontein 315 property (worth R12 675 million) was signed, and is due to be registered at the Deeds Office.</p>	
<b>Planned Improvement / Corrective Actions</b>	<p>Performance in this regard is satisfactory given the economic situation; moreover, the annual target of 1 353 ha was exceeded, hence no corrective actions are required.</p>	

Performance Indicator	Annual Target	Actual Performance
<b>7.7 Total Area Rehabilitated by Alien/Invasive Species clearing</b>	<b>New Area = 56 325 ha Follow-Up = 145 900 ha</b>	<b>55 590 ha 183 229 ha</b>
<b>Performance Analysis</b>	<p>In the year under review, the total area rehabilitated by alien and invasive species clearing was 55 590 ha and 183 229 ha for both new areas and follow-ups, respectively. This performance brings the collective vegetation rehabilitated to 165,4% (25 462,50 ha) better than planned targets. Although cumulatively new rehabilitated areas is 1,3% (735 ha) below the planned annual target, follow-up rehabilitated areas improved by 25,6% (37 329 ha) compared to the set annual target.</p> <p>Performance to date is according to the approved Annual Operation Plans (AOP) of the programme. As a result of funding received in December 2011 and January 2012, more people were employed for alien vegetation clearing at various parks. Subsequently, additional funding – a total of R150 million, of which R87 million is for alien invasive vegetation clearing – was allocated for the 2012/13 Natural Resource Management Programme (NRMP).</p>	
<b>Planned Improvement / Corrective Actions</b>	Extra efforts will be made to improve the timeous allocation of suitable resources to enhance project delivery.	

Performance Indicator	Annual Target	Actual Performance
<b>7.8 Percentage of Acceptable Animal Population Decline due to Poaching</b>	<b>Rhino = 1,46% Elephant = 0,00%</b>	<b>2,78% 0,00%</b>
<b>Performance Analysis</b>	<p>The percentage of acceptable rhino population decline due to poaching in the year under review is about 2,78% (a loss of 278 animals cumulatively). This is a 31,3% (85) increase over the previous quarter of the current financial year. No elephant poaching incidents were reported in the year under review.</p> <p>Operation Rhino, consisting of the National Wildlife Reaction Unit, SANParks, SAPS, NPA and SARS, is the government's response to combat rhino poaching. Although the numbers of rhino killed are still on the increase, the incidents decreased and more people were arrested.</p> <p>In the year under review, there were 278 cumulative rhino poaching incidents in SANParks (particularly in the Kruger National Park). This is 37,6% (from 202 to 272) more poached animals compared to the same period in the previous financial year. For the same period, 262 suspects were arrested and charged with rhino poaching crimes, which is 65,8% (104) and 21,9% (47) more suspects arrested compared to the third quarter of the current financial year and the same period in the previous financial year respectively.</p> <p>No elephant poaching incidents were reported in the year under review.</p>	
<b>Planned Improvement / Corrective Actions</b>	Continued implementation and roll-out of the National Strategy on Safety and Security of Rhino Populations in South Africa and the NATJOINTS Priority Committee "Operation Rhino" initiatives in the Kruger National Park and provinces.	

## 8. Facilitating Socio-Economic Development

Performance Indicator	Annual Target	Actual Performance
<b>8.1 Percentage Achievement against Tourism BEE Charter and Scorecard</b>	<b>Achieve "Good BEE Contributor" Status</b>	<b>77,3%</b>
<b>Performance Analysis</b>	<p>The Tourism BEE Charter and Scorecard remained unchanged at 77,30%, and the score still fell within the category of "Good BEE Contributor" status as planned, although there were minor changes on related indicators.</p> <p>It should be noted that SANParks, as a wholly-owned state enterprise, and according to the Broad Based Black Economic Empowerment code of good practice published in February 2007, is not capable of evaluating black ownership under the code series 100. Therefore the generic scorecard will have to be adjusted to rectify the currently used scorecard which incorrectly includes ownership, and this process will be undertaken by the next financial year after adequate consultation.</p> <p>The revised scorecard will cover the following elements of measurement and points, with the associated code series given in brackets:</p> <ul style="list-style-type: none"> <li>• Management Control (200) = 15 points</li> <li>• Employment Equity (300) = 15 points</li> <li>• Skills Development (400) = 20 points</li> <li>• Preferential Procurement (500) = 20 points</li> <li>• Enterprise Development (600) = 15 points</li> <li>• Social Development (700) = 15 points</li> </ul>	
<b>Planned Improvement / Corrective Actions</b>	<p>Adherence to BEE Tourism Scorecard targets will be consistently monitored.</p> <p>The following performance areas will be prioritised:</p> <ul style="list-style-type: none"> <li>• Revision of the existing scorecard to comply with the adjusted generic scorecard as gazetted by the DTI, B-BBEE Act.</li> <li>• Preparatory work to get SANParks ready and ultimately rated for B-BBEE as required is in progress, and this process should be completed by the end of the second quarter of the next financial year.</li> </ul>	

Performance Indicator	Annual Target	Actual Performance
<b>8.2 Total Number of Person-Days on Temporary Jobs Created through EPWP</b>	<b>575 151</b>	<b>745 091</b>
<b>Performance Analysis</b>	<p>The total number of person-days on temporary jobs created through the SANParks' Expanded Public Works Programme (EPWP) during the year under review cumulatively improved by 29,5% (169 940) compared to the set annual target. This achievement is equivalent to 3 240 person-days of full-time employment (FTE).</p> <p>This performance can mainly be attributed to better performance on the DEA Social Responsibility Programme (SRP) infrastructure projects and Working for Water (WfW), which exceeded their set annual targets. In addition, the new Working for Wildlife project (referred to as the Spekboom project) in Addo Elephant National Park, which only started towards the end of the year, contributed to this performance by adding 1 050 more person-days than planned. It is envisaged that this good performance will continue as more funding has been injected.</p>	
<b>Planned Improvement / Corrective Actions</b>	<p>All SANParks Expanded Public Works Programme (EPWP) projects exceeded their planned annual targets for person-days, and no major challenges are foreseeable in the near future. No corrective action plans are required at this stage.</p>	

Performance Indicator	Annual Target	Actual Performance
8.3 Total Number of Temporary Jobs Created through EPWP	4 015	7 524
8.4 Total Number of SMMEs Supported through EPWP	292	420
Performance Analysis	<p>The total number of jobs created through the SANParks Expanded Public Works Programme (EPWP) in the period under review were cumulatively exceeded by 87,4% (3 509) compared to the set annual target. Furthermore, 43,8% (128) more SMMEs were supported through the same programme, at a cost of R104,2 million, which is about 54% of the total Expanded Public Works Programme expenditure to date, which is R194 million.</p> <p>The overall programme performance is attributed to the retainment of critical staff under the Working for the Coast (WfC) project, better starting time for Working for Water (WfW), Working for Land (WfL) and DEA SRP infrastructure projects. The additional funding of R39,7 million for the Natural Resource Management Programme (NRMP) under the EPWP allowed the employment of an additional 2 061 people during the last quarter of the year. Capacity building and skills development over the past few years enabled SANParks to recruit and employ SMMEs and beneficiaries at very short notice, allowing implementation of the various projects and their deliverables.</p>	
Planned Improvement / Corrective Actions	No corrective action plans are required at this stage.	

Performance Indicator	Annual Target	Actual Performance
8.5 Number of Community-based Socio-Economic initiatives implemented	9	9
Performance Analysis	<p>In the period under review, nine additional community-based socio-economic initiatives were implemented. Most projects were at their initiation stage, hence stakeholder consultation was prioritised. This includes required legalities to avoid score creeping and possible community disputes. The following is a list of initiatives in progress:</p> <ul style="list-style-type: none"> <li>• Wild Flower Harvesting (Addo Elephant National Park)</li> <li>• Awelani Community Eco-Lodge (Kruger National Park)</li> <li>• Schools Computer Lab (Kruger National Park)</li> <li>• School Admin Block Building (Kruger National Park).</li> </ul> <p>Despite the excellent Kruger National Park Park'n Ride project performance, the next phase will only be undertaken once adequate funding has been received from the National Development Agency (NDA) in the next financial year.</p>	
Planned Improvement / Corrective Actions	Based on the outcome of the next phase, this project will gradually be extended to other Kruger National Park gates.	

## 9. Promoting Research and Development

Performance Indicator	Annual Target	Actual Performance
9.1 Percentage of New Research Projects Relevant to SANParks Key Issues	80% in "Essential" and "Important" Categories	69,1%
Performance Analysis	<p>To date a total of 588 research projects have been registered across SANParks, of which 69,1% (414) are collectively considered as essential and important to address key SANParks issues. Although most projects are being undertaken in the Kruger National Park, others are being rolled out at Garden Route and Cape Research centres. Collectively these implemented research projects are contributing significantly to research and development within South Africa and internationally, resulting in significant knowledge generation and scientific growth, which can be beneficial for SANParks.</p>	
Planned Improvement / Corrective Actions	The web-based research application is currently being developed. This will enhance both administrative and logistical prioritisation, improving our turnaround of projects approval.	

## 10. Promoting Effective Management of Human Capital

Performance Indicator	Annual Target	Actual Performance
10.1 Total Number of New Employment (Jobs Created)	Permanent: 100 Temporary: 15	135 735
Performance Analysis	<p>In the year under review, SANParks created 135 and 735 permanent and temporary jobs respectively. This is 35% and 4 900% greater performance compared to the set annual targets. An increase in the appointment of non-permanent employees was partly a measure to augment efforts to populate positions, which were vacated by striking rangers and tourism staff at the Kruger National Park.</p> <p>These are vacancies spread across various structures of the organisation, covering a wide variety of expertise. Most non-permanent appointments are a variety of temporary positions based on various business requirements, as well as interns across the national parks, and other fixed-term contractors.</p>	
Planned Improvement / Corrective Actions	No corrective actions are required at this stage.	

Performance Indicator	Annual Target	Actual Performance
10.2 Percentage of Employees from Designated EE Groups	Women in Management = 40,0% People with Disabilities = 0,7%	40,0% 0,6%
Performance Analysis	<p>To date SANParks' management consists of 40% women, while people with disabilities constitute 0,6% of the entire SANParks' staff complement.</p> <p>Performance on gender equity can mainly be attributed to the following performance per occupational level:</p> <ul style="list-style-type: none"> <li>• Top management (F): 100% Male, 0% Female and 71% Black, with 7 incumbents.</li> <li>• Senior management (E): 70% Male, 30% Female and 52% Black, with 48 incumbents.</li> <li>• Professionally qualified and experienced specialists (D): 66% Male, 34% Female and 53% Black, with 283 incumbents.</li> <li>• Technical and academically qualified workers, junior management, supervisors, foremen and superintendents (C): 55% Male, 45% Female and 74% Black, with 467 incumbents.</li> <li>• Semi-skilled and discretionary decision making (B): 75% Male, 25% Female and 97% Black, with 1 518 incumbents.</li> <li>• Unskilled and defined decision making (A): 57% Male, 43% Female and 100% Black, with 1 336 incumbents.</li> </ul> <p>To date, the total permanent SANParks staff complement is 3 659; of which 65% (2 374) are males and 35% (1 285) are females. At management and supervisory levels (C level and upper), black people constitute of 65,3% (equivalent 526) out of 805 incumbents, while at operational level (A and B level) black people constitute 98% (equivalent 2 800) out of 2 854 incumbents.</p> <p>People with Disabilities remained unchanged at 0,6% of the total staff complement. Interventions have been planned to ensure disability and diversity mainstreaming in the current financial year.</p>	
Planned Improvement / Corrective Actions	The Employment Equity (EE) Plan was drafted and will be implemented in the next financial year, with the objective of redressing gender and disability inequalities within the occupational categories.	

Performance Indicator	Annual Target	Actual Performance
10.3 Disabling Injury Frequency Rate (DIFR)	< 0,88	0,68
Performance Analysis	<p>SANParks' Disabling Injury Frequency Rate (DIFR) for the year under review improved by 22,7% (0,20) compared to the set annual target of 0,88.</p> <p>This performance can mainly be attributed to improved awareness of health and safety issues by line management in terms of understanding the implications of Injuries On Duty (IODs) as well as understanding the benefits of investigation of serious incidents.</p> <p>Furthermore, this is 63,8% (1,19) compared to the same period in the previous financial year</p>	
Planned Improvement / Corrective Actions	The Occupational Health and Safety (OHS) strategies, which include training in various structures of the organisation, will be expedited to further improve performance in this regard.	



# Financial Report

for the year ended 31 March 2011

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## STATEMENT OF RESPONSIBILITY OF THE BOARD

The Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, requires the Board (accounting authority) to ensure that South African National Parks keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of South African National Parks, its financial results, its performance against predetermined objectives and its financial position at the end of the year in terms of Generally Recognised Accounting Practice (GRAP), including any interpretation of such Statements by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The members of the Board of South African National Parks are ultimately responsible for the preparation, integrity and fair presentation of the annual financial statements of South African National Parks. The Auditor-General is responsible for independently auditing and reporting on the financial statements. The Office of the Auditor-General has audited South African National Parks' financial statements and the Auditor-General's report appears on pages 94 to 95.

The annual financial statements presented on pages 96 to 132 have been prepared in accordance with International Financial Reporting Standards where applicable and include amounts based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates made by management.

The Board has reviewed South African National Parks' budgets and cash flow forecasts for the year ended 31 March 2012. On the basis of this review, and in view of the current financial position, the Board has every reason to believe that the organisation will be a going concern in the year ahead, however this is dependant on continued future funding from Government. The annual financial statements support the viability of South African National Parks. The going concern basis has therefore continued to be adopted in preparing the annual financial statements.

The Board sets standards to enable management to meet the above responsibilities by implementing systems of internal control and risk management that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. South African National Parks maintains internal financial controls to provide assurance regarding:

- The safeguarding of assets against unauthorised use or disposition
- The maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or the overriding of controls. An effective system of internal control therefore aims to provide reasonable assurance with respect to the reliability of financial information and, in particular, financial statement presentation. Furthermore, because of changes in conditions, the effectiveness of internal controls may vary over time.

The Board has reviewed South African National Parks' systems of internal control and risk management for the period from 1 April 2011 to 31 March 2012. The Board is of the opinion that South African National Parks' systems of internal control and risk management were effective for the period under review.



In the opinion of the Board, based on the information available to date, the annual financial statements fairly present the financial position of South African National Parks at 31 March 2012 and the results of its operations and cash flow information for the year and that the Code of Corporate Practices and Conduct has been adhered to.

The annual financial statements and appendices for the year ended 31 March 2012, set out on pages 96 to 132, were submitted for auditing on 31 May 2012 and approved by the Board in terms of section 51(1)(f) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, and are signed on its behalf by:



**Mr KD Dlamini**  
**Chairperson**  
**Pretoria, 31 July 2012**



**Dr MD Mabunda**  
**Chief Executive Officer**  
**Pretoria, 31 July 2012**



## ACCOUNTING AUTHORITY'S REPORT

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The Accounting Authority of South African National Parks hereby presents its report for the year ended 31 March 2012.

### NATURE OF BUSINESS

South African National Parks is a schedule 3A Public Entity, governed by the Protected Areas, 2003 (Act No. 57 of 2003) and is primarily engaged in nature conservation as well as the tourism and hospitality industries.

### FINANCIAL RESULTS

Full detail of the financial results for the year under review are set out on pages 96 to 132.

#### Revenue

Total revenue from tourism, retail, concession and other income increased to R897.408 million in 2012 (2011 - R815.258 million). This represents an increase of 10%.

#### Net income before investing activities

The deficit from operations before investing activities amounts to R8.75 million (2011 surplus of R35.4 million), a decrease of 125%.

#### Net investment income

The income from investments and interest decreased by R5.294 million from the previous year as a result of less investment funds, and lower returns.

#### Finance charges and interest paid

The finance cost increased by R2.336 million from the previous year as a result of interest calculations on time value of money.

#### Actual performance versus budget

The South African National Parks budgeted for a break-even position. A surplus of R0.822 million was achieved in 2012 (2011 - R52.6 million). The achievement of the surplus is mainly due to:

- Land acquisition grant of R6.2 million (2011 - R19.5 million) was received from the Department of Environmental Affairs. R13.9 million (2011 - R37.4 million) was recognised as revenue in the current year as the balance of the inflow (R23 million) was recognised as a liability due to the application of GRAP 23.
- Improved revenue collection and better cost management.
- Park Development Fund, sales of Fauna and Flora.



## DEPARTMENT OF ENVIRONMENTAL AFFAIRS

### Expanded Public Works Programme

South African National Parks' participation in the Expanded Public Works Programme (EPWP) enables the creation of temporary employment, small contractor- and skills development through the implementation of labour-intensive projects in all national parks. The transfer of the Natural Resource Management Programme (NRMP) to the Department of Environmental Affairs (DEA) meant that all EPWP projects implemented by SANParks are funded by the DEA, within two main programmes:

- DEA Social Responsibility Programme
- Natural Resource Management Programme

### DEA SOCIAL RESPONSIBILITY PROGRAMME

#### Working for the Coast Programme

The Working for the Coast (WftC) Programme implements projects and activities that support the coastal policy and at the same time provide temporary employment in coastal communities to create a clean and safe coastline.

During 2011/12, the implementation of a two-year cycle funding allocation of R48.5 million started. Projects were implemented in eight national parks and 540 people were employed, 80 636 person days worked and 46 SMMEs used. R11.7 million or 66% of expenditure (R17.6 million) was paid to these SMMEs. Most of the planned deliverables for the year were achieved, and include 17 658 km of coastal clean-ups and 41 608 m<sup>2</sup> beach area rehabilitation.

#### Working for Wetlands Programme


Working for Wetlands is implemented by the South African National Biodiversity Institute, and funding of R5.9 million was approved which allowed the implementation of four projects by SANParks during 2011/12.

All planned deliverables in the projects were achieved, including the employment of 146 people, working 21 115 person days and the use of 11 SMMEs.

Work carried out in the identified wetland areas resulted in 8 711 m<sup>3</sup> of rehabilitation and included gabion construction, earth plugs and earth works.

#### “People and Parks” Programme

The People and Parks Programme has to date focused mainly on infrastructure development and upgrades, with various rehabilitation projects associated with it.



Six of the eight approved projects for the second-phase implementation of this programme were completed in 2011/12, resulting in R116 million expenditure of the approved R123 million. The programme created 1 161 temporary jobs achieving 108 515 person days. The creation and use of SMMEs to develop construction skills is still a main focus of the programme and 76 small contractors were employed during the year. Infrastructure that was completed included the upgrade of 12 houses in the Qwa Qwa area of Golden Gate Highlands National Park, replacement of six asbestos staff houses in Kgalagadi Transfrontier Park, and the upgrade of 9 km of road, 7 staff accommodation units and Punda Maria main buildings in the Kruger National Park.

### **Natural Resources Management Programme**

This programme had the biggest growth in terms of funding and number of projects implemented during 2011/12, resulting in a total budget of R140 million. Various new programmes started implementation, such as Wildlife Economy: Rehabilitation and Environmental Monitors.

### **Working for Water Programme**

The Working for Water (WfW) programme to remove and control invasive alien plants in national parks remains one of main biodiversity programmes of high importance in SANParks.

The budget for the Working for Water projects increased to R94.8 million cycle. Alien vegetation removal created temporary work for 3 097 people resulting in 326 111 person days. Initial clearing of alien species was done on 55 590 ha with a follow-up clearing of 183 229 ha. 191 SMMEs were used and R57 million was paid to these small contractors.

### **Farleigh Eco Furniture factory (FEFF) project**

The first eco factory of its kind received a budget of R7 million. 89 people were employed and 9 407 person days worked. Nine SMMEs were used and production started with harvesting and making school and office furniture and picnic benches.

### **Working for Land**


The budget of this programme increased to R4.3 million and projects were implemented in Marakele (Sickle Bush) and Kruger National Parks (Mopane) to address bush encroachment. These projects developed secondary industries where the wood recovered from the 575 ha cleared, was packed and sold as firewood to tourists. The two projects employed 86 people, achieved 20 177 person days and used 2 SMMEs.

### **Wildlife Economy: Rehabilitation**

This new programme received a budget of R9.4 million and was able to employ 956 people over a period of five months. The Addo Spekboom rehabilitation for carbon credits also formed part of the programme. Person days achieved amounted to 40 297 and 65 SMMEs were used by the programme.

### **NRMP: Additional projects**

During the last quarter of the year, R22 million was made available for additional projects. An important programme started during this time was the training and employment of Environmental Monitors. The initial budget of R5.2 million was used to employ and train 120 environmental monitors. Other projects included Bushbuckridge Nature Reserve and Lisbon Estate next to the KNP and as such support to neighbouring communities and provincial agencies.



### **Working for Fire**

Eight projects were implemented in the various national parks across the country by an Implementing Agent contracted by the DEA. These projects employed 197 people and achieved 40 598 person days. The teams focused on fire prevention and control, and general base duties.

### **INFRASTRUCTURE DEVELOPMENT PROGRAMME**

The objective of the Infrastructure Development Programme is to develop and upgrade tourism facilities, personnel accommodation, roads and other infrastructure services within the national parks.

The implementation started on the second funding cycle of R189.6 million with an allocation of R60 million for 2011/12. The bulk of the funds are earmarked for projects in the KNP, in particular to upgrade existing tourism accommodation at the end of its life cycle, and addressing the staff accommodation challenges. R33.9 million was spent, and completed projects include the Biyamite Cable & Hybrid system, Berg en Dal-low impact day visitor's site and three new units in Matyholweni, Addo Elephant National Park.

The programme outputs will increase again after an MTEF budget allocation of R350 million is approved for 2013/14 and 2014/15. The focus will be on income generation infrastructure in view of the reduced operation budget.

### **Recognition of fauna and flora**

As part of its mission, South African National Parks is responsible for managing a wide range of biodiversity, encompassing fauna, flora, geological structures, unique scenery and heritage assets. The exact quantity and value of these assets cannot be measured with reliable accuracy. The key drivers to ensure successful biodiversity include scientific management of the eco-system in terms of fauna and flora and the implementation of processes to maintain these patterns. This does not, however, constitute the management of the biological transformation through growth, degeneration or procreation. IAS 41 (Agriculture) will therefore not be applicable to the accounting of wildlife. As such, South African National Parks does not reflect the value of wildlife in its financial statements.

### **Useful life of assets**

In compliance with GRAP 17 South African National Parks assesses the useful life of assets annually. During this process a number of assets were detected where the assets were fully depreciated but are still in active use. These assets were evaluated and adjustments were made as per note 21.1.

### **Acquisition of property, plant and equipment**

During the year South African National Parks acquired land at a cost of R13.826 million (2011 - R37.28 million) for the purpose of expanding land under conservation and the system of national parks. The following land was registered in the name of South African National Parks during the financial year:

	ha	Rand
Portion 1 of Wellspark 37	457.520	5 230 000
Kameel Doorns No. 118	1284.798	8 596 186

### Business development

In September 1998, the former Department of Environmental Affairs and Tourism articulated the need for South African National Parks to prepare for a lesser dependence on state funding, which would increasingly be aimed at funding the essential conservation requirements. This formed the basis of the Commercialisation Strategy adopted by South African National Parks in 2000 with its foundation in the economic theory which defines the State's responsibility as one of performing a regulatory function and intervening in the market place only where there is market failure. The objective was to reduce the dependence on state funding and improve existing operational efficiencies.

The implementation of the Commercialisation Strategy 2000 resulted in the award of 12 lodge concession sites to private operators as well as the outsourcing of 21 shops and 17 restaurants across all national parks to private operators. Following the implementation of the Commercialisation Strategy 2000, there have been significant developments in South African National Parks' approach to PPP initiatives. South African National Parks accordingly developed the Strategic Plan for Commercialisation 2006 - 2012 which is a significant element of South African National Parks' ecotourism pillar and has as its objectives (through the implementation of Public Private Partnerships) reducing the cost of delivery, improving service levels by focusing on core business, leveraging private capital and expertise as well as expansion of tourism products and the generation of additional revenue for the funding of conservation and constituency building.

Over the past eleven years, South African National Parks has progressively increased the number of PPP transactions, covering a wide range of projects. By March 2010, there were more than forty PPP projects. The growing number of PPP projects attests to the growing body of experience related to PPPs, both within South African National Parks and across the private sector.

In particular, PPPs in South African National Parks have proved to be an important service delivery mechanism as they can facilitate rapid infrastructure delivery as envisaged under the Accelerated and Shared Growth Initiative for South Africa (AsgiSA). In addition, Black Economic Empowerment (BEE) is a national policy objective, and PPPs are a good vehicle for promoting and developing it. In each South African National Parks PPP project, there is a BEE scorecard with targets set for the private party in relation to equity, management and employment, subcontracting and local socio-economic impact.

## Board members' attendance at meetings, remuneration and associated costs

					2012	
	Board Meetings & Workshops	Conservation & Tourism Committee	Audit & Risk Committee	HR & Remuneration Committee	Remuneration	Subsistence & Travel Allowance
<i>Number of Meetings:</i>	5	3	6	3		
	No	No	No	No	R	R
Mr KD Dlamini <sup>1</sup>	5	0	0	0	-	-
Dr GC Dry	5	2	6	3	38 940	2 630
Prof. G Kerley	5	3	0	0	33 748	32 004
Ms B Kunene <sup>3</sup>	5	0	6	0	18 172	2 574
Prof. G Swan <sup>2</sup>	4	2	0	0	-	-
Mr F Mketeni	3	2	0	2	-	-
Ms S Rensburg <sup>4</sup>	4	0	0	3	12 980	1 559
Mr M Diemont	5	0	6	0	23 364	58 072
Dr MD Mabunda	5	3	6	3	-	-
Mr RT Mabilane	5	0	6	0	-	-
<b>Total</b>					<b>127 204</b>	<b>96 839</b>

1 - Chairperson - Board

2 - Chairperson - Conservation & Tourism Committee

3 - Chairperson - Audit and Risk Committee

4 - Chairperson - HR & Remuneration Committee

The Chairperson of the Board, Mr KD Dlamini has opted not to claim.

Mr F Mketeni is a Government employee and he is therefore not eligible to receive the Board per diem remuneration.


Prof. G Swan has opted not to claim.

Dr MD Mabunda and Mr RT Mabilane are employees of South African National Parks and therefore not eligible for Board per diem remuneration.

## MATERIALITY FRAMEWORK

During the year under review for purposes of materiality (sections 50(1), 55(2) and 66(1) of the Public Finance Management Act) and significance (section 54(2) of the Public Finance Management Act), South African National Parks determined a materiality figure of R6.11 million for the year ended 31 March 2012. This has been determined by applying 0.75% to last year's gross annual turnover of R815.258 million.

All losses of a quantitative nature need to be disclosed in the annual report and financial statements if they arose through irregular, fruitless and wasteful expenditure.



Material facts of a qualitative nature need to be disclosed if:

- Disclosure of the event/item is required by law, or
- The fact discovered could influence the actions of the executive authority or legislature.

Any material losses arising through criminal conduct need to be disclosed.

## **IRREGULARITIES**

The Board has reviewed South African National Parks' systems of internal control and risk management for the period from 1 April 2011 to 31 March 2012. The Board is of the opinion that South African National Parks' systems of internal control and risk management were effective for the period under review.

SANParks tightened controls to avoid similar future occurrences of irregular procurement expenditure and disciplinary actions will be instituted where gross negligence is found. SANParks started an awareness campaign in the form of road shows to all our geographically spread parks and engaged reputable training institutions to render training to relevant staff members. SANParks has increased human capacity in its SCM offices in order to render effective procurement related support to the entire organisation. SCM policies and procedures have been aligned to all PFMA and other applicable prescripts and have been workshopped with all relevant staff. As part of the continuous improvement, SANParks has prioritised the automation of the procurement manual processes in the next financial year.

## **EXECUTIVE MANAGEMENT'S INTEREST IN CONTRACTS**

No contracts involving Executive Management's interests were entered into in the current year.



## EXECUTIVE MANAGEMENT AND THEIR REMUNERATION

The following people served on the Executive Management of South African National Parks during the Financial Year and were appointed by the Accounting Authority:

		Basic Remuneration	Reimbursed Expenses	Bonuses and Incentives	2012	2011
		R'000	R'000	R'000	R'000	R'000
<b>Mabunda, MD</b>	Chief Executive Officer	2 122	53	498	2 673	2 631
<b>Daphne, P</b>	Managing Executive: Parks	1 320	31	299	1 650	1 647
<b>Sibiya, AVA</b>	Managing Executive: Kruger National Park	1 435	44	329	1 808	1 801
<b>Magome, DT</b>	Managing Executive: Conservation Services	1 428	58	321	1 806	1 810
<b>Mavuso, L</b>	Managing Executive: Human Resources	1 167	20	257	1 444	1 436
<b>Phillips, G</b>	Managing Executive: Tourism	1 244	29	278	1 552	1 551
<b>Mabilane, T</b>	Chief Financial Officer	1 555	7	357	1 920	1 939
<b>Total</b>		<b>10 271</b>	<b>242</b>	<b>2 339</b>	<b>12 851</b>	<b>12 815</b>


*Note: The remuneration disclosed above excludes the cost of providing for post-retirement health benefit. The bonuses paid relates to the previous financial year.*

## AUDITORS

South African National Parks, as a Public Entity, is audited by the Auditor-General.

## APPROVAL

The annual financial statements and appendices set out on pages 94 to 130 have been approved by the Accounting Authority.



**Mr KD Dlamini**

**Chairperson**

**31 July 2012**

## CORPORATE GOVERNANCE STATEMENT

South African National Parks is a Schedule 3A Public Entity, and therefore fully adheres to the rules and regulations as set out in the Public Finance Management Act, Act 1 of 1999 and applicable Treasury Regulations. In addition to this the South African National Parks subscribes and is committed to comply, where applicable, to the principles and standards of integrity and accountability as contained in the recommendations of the King III Report on Corporate Governance 2009.

### BOARD OF SOUTH AFRICAN NATIONAL PARKS

The Board of SANParks is established by the Minister of Environmental Affairs by notice in the Government Gazette for the control, management and preservation of national parks and protection of public interest therein. The current Board was established from 1 April 2009 for three years ending 31 March 2012.

The current Board consists of 10 members appointed by the Minister of Environmental Affairs.


Mr KD Dlamini	Appointed 1 April 2009 (Chairperson)
Mr M Diemont	Appointed 1 April 2009
Prof. G Kerley	Appointed 1 April 2009
Prof. G Swan	Appointed 1 April 2009
Dr MD Mabunda	Re-appointed 1 April 2009 (Chief Executive Officer)
Dr GC Dry	Appointed 1 April 2009
Ms B Kunene	Appointed 1 April 2009
Ms S Rensburg	Appointed 1 April 2009
Mr F Mketeni	Re-appointed 1 April 2009
Mr RT Mabilane	Re-appointed 1 April 2009 (Chief Financial Officer)

### AUDIT AND RISK COMMITTEE

The Committee further assists the Board by critical, objective evaluation of the Board's financial control measures, accounting practices, information systems and audit procedures. It performs this function continuously by way of close liaison with the Executive Management and with the Board's internal and external auditors. The Audit and Risk Committee consists of five Board members (three members are non-executive, plus the Chief Executive Officer and Chief Financial Officer). Nominated representatives of the Auditor-General and Department of Environmental Affairs attend by invitation. The Committee may involve other members of Management or external specialists in meetings for specific purposes. The authority and mandate of the audit and risk committee, its duties and functions, its composition and its modus operandi have been approved by the Board in the form of a detailed charter.

### RISK MANAGEMENT

Effective risk management is integral to the organisation's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks.



Operating risk is the potential for loss to occur through a breakdown in control information, business processes and compliance systems. Key policies and procedures that have been developed to mitigate and manage operating risk, involve segregation of duties, transaction authorisation, supervision, monitoring of financial and management reporting.

The insurance and risk management policies adopted by SANParks are aimed at obtaining sufficient cover to protect its asset base, earning capacity and legal obligations against possible insurable losses.

Risks of a possible catastrophic nature are identified and insured while acceptable risks of a non-catastrophic nature are self-insured through a dedicated self insurance fund. These risks are reviewed on an annual basis to ensure that cover is adequate. An amount of R12 million, as a self insurance fund, is allocated to cover these risks. This amount is included in cash and cash equivalents in the Statement of Financial Position. Claims of a general nature are adequately covered.

SANParks manages risks associated with financial instruments and this is dealt with in note 23 to the financial statements.

## **INTERNAL CONTROL SYSTEMS**

In order to meet its responsibility of providing reliable financial information, SANParks maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's delegated authority, that the assets are adequately protected against material loss of unauthorised acquisition, use or disposition, and that transactions are properly authorised and recorded. A three-year rolling internal audit plan has been completed by our Internal Auditors to ensure that risks identified in their risk assessment are adequately covered in their audit plan.

The system includes a documented organisational structure and division of responsibility, established policies and procedures, including a code of ethics to foster a strong ethical climate, which are communicated throughout the organisation, and the careful selection, training and development of people.

South African National Parks has appointed the auditors, SizweNtsalubaGobodo VSP, to provide internal audit services. Internal auditors monitor the operation of the internal control system and report findings and recommendations to Management and the Audit and Risk Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Board, operating through the Audit and Risk Committee, provides oversight of the financial reporting process and internal control systems.

### **Audit and Risk Committee Members:**

Ms B Kunene (Chairperson)

Mr M Diemont

Dr GC Dry

Dr MD Mabunda (Chief Executive Officer)

Mr RT Mabilane (Chief Financial Officer)



## **CONSERVATION AND TOURISM COMMITTEE**

The primary function of this committee is to identify, acquire, develop and advise on the management of a system of national parks for South Africa. This Committee also monitors the application of both the science and the ethics of conservation in SANParks and ensures that the Board is aware of international trends in biodiversity science and environmental management. The Committee further assists the Board in the formulation of policy especially with regard to reconciling conservation with human development needs by assessing and interpreting the significance of scientific and technological considerations.

The Committee must consist of at least four (4) non-executive members of the Board plus the Chief Executive Officer. The Chief Executive Officer, Managing Executives of Conservation Services, Tourism and Marketing, Parks and Kruger Divisions are required at each meeting. In addition, the Committee may co-opt adhoc members as and when required. The Committee will, as a primary responsibility, recommend the strategic plans of the Conservation Services and Tourism and Marketing Divisions prior to submission to the Board. This will ensure compliance to the strategic plan, communicate its activities to the Board, and recommend to the Board any policy or financial requirement that may require Board attention or approval. The Committee also monitors the performance of the Tourism and Marketing and Conservation Services Divisions, and helps forge business and stakeholder linkages where possible. The Committee further ensures the maintenance of the balance between tourism developments against the core mandate of SANParks, which is conservation.

### **Conservation and Tourism Committee Members:**

Prof. G Swan (Chairperson)  
Prof. G Kerley  
Mr F Mketeni  
Dr GC Dry (By invitation)  
Dr MD Mabunda (Chief Executive Officer)

## **HUMAN RESOURCE AND REMUNERATION COMMITTEE**

The Committee provides strategic advice to the Board and Management on matters of Human Resources and Remuneration. The Committee formulates and reviews Human Resources and Remuneration policies as and when appropriate. The Committee consists of the Chairperson of the Human Resources and Remuneration Committee and the Department of Environmental Affairs and Tourism representative.

### **Human Resources and Remuneration Committee Members:**

Ms B Kunene - Chairperson  
Mr. M Diemont  
Dr. GC Dry  
Dr. MD Mabunda (Chief Executive Officer)  
Mr. RT Mabilane (Chief Financial Officer)





## REPORT OF THE AUDIT AND RISK COMMITTEE

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The Audit and Risk Committee has adopted appropriate formal terms of reference, which have been confirmed by the Board, and has performed its responsibilities as set out in the terms of reference.

In performing its responsibilities the Audit and Risk Committee has reviewed the following:

- The effectiveness of internal control systems
- The effectiveness of the internal audit function
- The risk areas of the organisation's operations to be covered by the scope of internal and external audits
- The adequacy, reliability and accuracy of financial information provided to management and other users of such information
- The accounting or auditing concerns identified as a result of the internal and external audits
- The organisation's compliance with legal and regulatory provisions
- The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations
- The independence and objectivity of the external auditors
- The scope and results of the external audit function and its cost effectiveness

The Audit and Risk Committee is also responsible for:

- Reporting to the Board and the Auditor-General where a report implicates any members of the Board in fraud, corruption and gross negligence
- Communicating any concerns it deems necessary to the Board, the Auditor-General and if appropriate the external auditors
- Confirming the internal audit charter
- Conducting investigations within its terms of reference
- Concurring with the appointment and dismissal of the head of the internal audit department
- Deciding whether or not an interim audit report should be subjected for review by the external auditors
- Detailed study of the financial statements

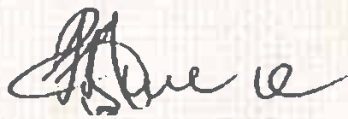


The Audit and Risk Committee is satisfied that internal controls and systems have been put in place and that these controls have functioned effectively during the period under review.

The Audit and Risk Committee considers the organisation's internal controls and systems appropriate in all material respects to:

- Reduce the organisation's risks to an acceptable level
- Meet the business objectives of the organisation
- Ensure the organisation's assets are adequately safeguarded
- Ensure that the transactions undertaken are recorded in the organisation's records

The Audit and Risk Committee agrees that the adoption of the going concern premise is appropriate in preparing the annual financial statements. The Audit and Risk Committee has therefore recommended the adoption of the annual financial statements by the Board.



**Ms B Kunene**

**Chairperson**

**Pretoria, 31 July 2012**





# REPORT OF THE AUDITOR-GENERAL ON THE ANNUAL FINANCIAL STATEMENTS

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1. I have audited the financial statements of the South African National Parks set out on pages 96 to 132, which comprise the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with 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), 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.

#### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

6. 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 2012, and its financial performance and cash flows for the year then ended in accordance with 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).

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 10 to 38 of the annual report.
9. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

10. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

### Compliance with laws and regulations

11. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA.

### Internal control

12. I did not identify any deficiencies in internal control which we considered sufficiently significant for inclusion in this report.

*Auditor-General*

Pretoria, 31 July 2012



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## ACCOUNTING POLICIES

### 1.1 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.

The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated. The financial statements have been prepared on the historical cost basis, except where indicated to the contrary.

### 1.2 Underlying concepts and comparative figures

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

Assets and liabilities and income and expenses are not offset unless specifically required or permitted by an accounting standard.

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

Comparative figures are restated in the event of a change in accounting policy or prior period error.

### 1.3 Revenue recognition

#### 1.3.1 Revenue from exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

#### *Tourism income*

- 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.

#### *Sales*

- Sales are recognised upon delivery of the products and customer acceptance.

#### *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.”

## **1.3.2 Revenue from non-exchange transactions**

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.

### ***Government grants***

- Government grants related to income are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Funding from non-exchange transactions are recognised as revenue, except to the extent that a liability is recognised for the same inflow.
- Government grants related to the acquisition of assets, excluding land, are disclosed as deferred income and amortised as a credit to the depreciation expense over the useful lives of the respective assets.

### ***Donations and special grant funding***

- Donations received for the acquisition of land are recognised in surplus and deficit when received, unless the conditions associated with the donations have not yet been met. The unrecognised portion at year end is presented as deferred income. Adhoc donations are recognised in surplus and deficit when received.
- Funding from non-exchange transactions is recognised as revenue, except to the extent that a liability is recognised for the same inflow.
- Special grant funding utilised for the acquisition of assets, excluding land, are disclosed as deferred income and amortised as a credit to the depreciation expense over the useful lives of the respective assets.

### ***Interest***

- Interest is accrued on a time apportionment basis taking into account the principal amount outstanding and the expected effective interest rate over the period to maturity. Interest is recognised as it accrues unless the collectability is in doubt.

### ***Rent Received***

- Rent received is accrued on a daily basis in accordance with the substance of the relevant agreements



#### 1.4 Irregular, and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which it is incurred.

#### 1.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are expensed in the period in which they are incurred.

#### 1.6 Foreign currencies

Transactions in currencies other than the organisation's reporting currency (Rand) are initially recorded at the rates of exchange prevailing on the date of the transactions. Gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

#### 1.7 Retirement benefit costs

South African National Parks operates a number of defined contribution plans, the assets of which are held in separate trustee-administered funds. The plans are generally funded by payments from the organisation and its employees, taking account of the recommendations of independent qualified actuaries. The contributions to these funds are recognised in the statement of financial performance in the year to which they relate.

#### 1.8 Recognition of fauna and flora

As part of its mission, South African National Parks is responsible for managing a wide range of bio-diversity, encompassing fauna, flora, geological structures and unique scenery. The exact quantity and value of these assets cannot be measured with reliable accuracy. South African National Parks therefore does not reflect the value of these assets in its financial statements.

Produce from any biological assets is also not recognised until sold.

#### 1.9 Self- insurance

As part of the insurance philosophy of South African National Parks, a certain amount is carried as self-insurance costs, hence reducing the insurance premium. The self- insurance costs are expensed directly in the statement of financial performance.

### 1.10 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes all costs directly attributable to bringing the asset to its working condition for its intended usage. Depreciation is charged so as to write off the depreciable amount of the assets, other than land, over their estimated useful lives, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity.

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 following methods and rates were used during the year:

<b>Buildings, roads and infrastructure</b>	Straight line	20 to 50 years
<b>Vehicles, machinery and equipment</b>	Straight line	5 to 8 years
<b>Aircraft support tools and equipment</b>	Straight line	5 to 10 years
<b>Furniture, office equipment and computer software</b>	Straight line	3 to 10 years

Land is not depreciated.


South African National Parks has acquired the usage of certain land that is registered in the name of the State and which is incorporated as part of its national park system. This land is reflected as an asset of South African National Parks.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter over the term of the relevant lease.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of financial performance.

#### **Intangible assets**

The only intangible assets owned by South African National Parks are computer software. Computer software that is not an integral part of the hardware and which can be identified and separated is capitalised as intangible assets. Intangible assets are accounted for at carrying value and are amortised over the expected useful lives. The useful lives vary between 3 and 10 years and are reviewed annually.



### 1.11 Work in progress

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.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

### 1.12 Inventories

Inventories, which exclude fauna and flora, are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, adjusted for any selling expenses. Cost is determined by the first-in-first-out method.

### 1.13 Post-retirement health benefit obligation

The South African National Parks provides post-retirement health care benefits by way of medical aid schemes to some of its retirees. The level of entitlement to post-retirement health care benefits is dependant upon the employees' date of appointment and the employees remaining in continued service up to their respective retirement ages. The obligation is provided for in full. Current service costs are charged to the statement of financial performance and include the expense for benefits received by the employee currently in service and the cost of funding for the employee after retirement. Actuarial gains and losses are recognised in the statement of financial performance. The current service cost is determined by professional qualified independent actuaries, after taking into account the level of funding for the post-retirement benefits. The current health benefit obligation is unfunded.

### 1.14 Leasing

Finance leases as per the Treasury Regulations refer to a contract that transfers the risks, rewards, rights and obligations incident to ownership and are recorded as a purchase of equipment by means of long-term borrowings. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the organisation at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the statement of financial performance over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

Assets acquired under leases where all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease or another basis if more representative of the time pattern of the user's benefit.

Where an operating lease is terminated before the lease expiry date, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

## 1.15 Financial Instruments

### **Recognition**

Financial assets and financial liabilities are recognised on the statement of financial position when South African National Parks becomes a party to the contractual provisions of the instrument.

All “regular way” purchases and sales of financial assets are initially recognised using trade date accounting.

Financial instruments comprise cash and cash equivalents, investments, receivables, trade creditors, revenue received in advance, cash held to finance grant-funded projects funded by outside institutions, leases and borrowings.

### **Measurement**

Financial instruments are initially measured at fair value plus transaction costs. Financial liabilities are recognised at the original debt less principal repayments and amortisation. Subsequent to initial recognition these instruments are measured as set out below:

#### **Financial Assets**

- *Trade receivables*

Trade receivables are measured at fair value less provision made for impairment of these receivables. A provision for impairment of the receivables is established when there is objective evidence that it will not be possible to collect all amounts due according to the original terms of the receivables.

- *Investments in insurance policies*

Investments in insurance policies are shown at the original amount invested plus actual investment bonuses declared up to the date of the financial statements. No provision is made for the possible early withdrawal of capital and the accompanying loss of income, since it is the intention to retain the investments until their maturity dates.

- *Other investments*

Other investments are shown at their respective fair values. Changes in fair value are recognised in income in the year in which they arise.


On disposal of an investment, the difference between the net proceeds and the book value is recognised in the statement of financial performance.

#### **Financial liabilities**

All financial liabilities are measured at amortised cost, comprising original debt less principal payments and amortisations.

- *Trade payables*

Trade and other payables are stated at their fair value.



### ***Derecognition of assets and liabilities***

Financial assets or parts thereof are derecognised, i.e. removed from the statement of position, when the contractual rights to receive the cash flows have been transferred or have expired or if substantially all the risks and rewards of ownership have passed. Where substantially all the risks and rewards of ownership have not been transferred or retained, the financial assets are derecognised if they are no longer controlled. However, if control in this situation is retained, the financial assets are recognised only to the extent of the continuing involvement in those assets.

All other assets are derecognised on disposal or when no future economic benefits are expected from their use or on disposal.

Financial liabilities are derecognised when the relevant obligation has either been discharged or cancelled or has expired.

### **1.16 Provisions**

Provisions are recognised when the organisation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

### **1.17 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held in call with banks net of bank overdrafts. In the statement of financial position, bank overdrafts are included in current borrowings.

### **1.18 Non-current assets held for sale**

Non-current assets (or disposal group) are classified as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use.

Immediately prior to being classified as held for sale, the carrying amount of the item is measured in accordance with the applicable standard. After classification as held for sale, it is measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down of the asset and disposal group to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognised in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognised.

Non-current assets or disposal groups that are classified as held for sale are not depreciated.

### **1.19 Cost of sales**

When inventories are sold, the carrying amount is recognised as part of cost of sales. Any write-down of inventories to net realisable value and all losses of inventories or reversals of previous write-downs or losses are recognised in cost of sales in the period the write-down, loss or reversal occurs.

## 1.20 Taxation

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).

## 1.21 Value Added Taxation (VAT)

SANParks is a registered VAT vendor.

## 1.22 New GRAP standards issued but not yet effective

The following new standards of GRAP have been issued but are not yet effective and were therefore not yet adopted by South African National Parks:

GRAP 17: Property Plant and Equipment measured using fair value. Disclosure using cost no longer required. Other disclosures recommended no longer required are temporary idle property plant and equipment, and fully depreciated assets still in use.

GRAP 21: Impairment of non-cash generating assets - Will not have an impact on the financials of South African National Parks.

GRAP 23: Revenue from non-exchange transactions - This standard is in line with IAS 20 and will have no significant impact on the financials of South African National Parks.

GRAP 24: Presentation of budget information in Financial Statements - Reconciliation between budget and statement of financial performance is disclosed in note 31.

GRAP 25: Employee benefits - This standard is in line with the IAS 19 which is applied and therefore there will be no significant impact in the period of initial application of GRAP 25.

GRAP 26: Impairment of cash-generating assets - IAS 36 is currently applied and therefore there will be no significant impact in the period of initial application of GRAP 26.

GRAP 103: Heritage assets - Assets are in line with GRAP 17 and do have future economic benefit, therefore this GRAP standard will have no significant impact on the financials of South African National Parks.



## STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	31 March 2012 R'000	31 March 2011 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9.1	1 115 970	1 102 765
Intangible assets	9.2	16 445	20 689
Work in progress	10	568 992	523 179
Investments	11	83 545	223 264
		<b>424 800</b>	<b>274 532</b>
<b>Current assets</b>			
Inventories	12	22 749	20 524
Receivables and prepayments	13	24 527	21 758
Cash and cash equivalents	14	377 524	232 250
<b>Total assets</b>		<b>2 209 752</b>	<b>2 144 430</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions - Post-retirement health benefit obligation	15	(243 509)	(217 777)
Long-term borrowings	16	(14 908)	(19 618)
Deferred income - asset grants	17	(969 756)	(910 644)
		<b>(432 769)</b>	<b>(433 989)</b>
<b>Current liabilities</b>			
Trade and other payables	18	(151 882)	(120 473)
Provisions	19	(25 082)	(25 023)
Short-term portion of long-term borrowings	16	(6 598)	(7 365)
Reservation deposits held		(128 364)	(122 752)
Deferred income - obligation regarding special project grants	20	(120 843)	(158 376)
<b>Total liabilities</b>		<b>(1 660 942)</b>	<b>(1 582 028)</b>
<b>Net assets</b>		<b>548 810</b>	<b>562 401</b>
<b>NET ASSETS</b>			
Accumulated surpluses		(548 810)	(562 401)
<b>Total net assets</b>		<b>(548 810)</b>	<b>(562 401)</b>

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	31 March 2012 R'000	31 March 2011 R'000
<b>Revenue</b>			
• <b>Exchange Revenue</b>			
Tourism, retail, concession and other	2.1	(964 043)	(879 609)
Sale of fauna and flora	4	(897 408)	(815 258)
Other operating income	2.3	(45 098)	(11 505)
• <b>Non-Exchange Revenue</b>			
Operational grants received	2.2	(21 536)	(52 846)
Land acquisition grant	3	(717 383)	(506 465)
Income from special project grants	20	(151 007)	(164 467)
Donations	5	(13 916)	(37 375)
		(551 958)	(301 513)
		(502)	(3 109)
		<b>(1 681 425)</b>	<b>(1 386 075)</b>
<b>Expenses</b>			
Operating expenses	6.1	1 690 176	1 350 660
Administration expenses	6.2	497 184	466 076
Compensation of employees	6.3	56 660	63 249
Expenses relating to special project grants	20	584 373	519 821
		551 958	301 513
<b>(Surplus)/Deficit from operations</b>	6.4	<b>8 750</b>	<b>(35 415)</b>
<b>Net investment income</b>			
Investment income	7	(9 575)	(17 206)
Finance costs	8	(20 212)	(25 506)
		10 636	8 300
<b>Income from ordinary activities</b>		<b>(825)</b>	<b>(52 621)</b>
Extraordinary Items		3	-
<b>Surplus for the year</b>		<b>(822)</b>	<b>(52 621)</b>

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	31 March 2012 R'000	31 March 2011 R'000
<b>ACCUMULATED SURPLUS</b>			
Opening accumulated surplus		(562 401)	(516 957)
Correction of prior period error	21	(11 216)	-
Restated opening balance as at 01 April 2011		(573 617)	(516 957)
Treasury approved surplus retained		(3 741)	(83 119)
Land acquisition surplus		-	(22 715)
Park development surplus		-	(24 404)
Operational surplus		(3 741)	(36 000)
Opening accumulated surplus as previously stated		(569 876)	(433 838)
Retained surpluses utilised		25 629	7 177
Balance at 01 April as restated		<b>(547 988)</b>	<b>(509 780)</b>
<b>Adjusted surplus for the year</b>		<b>(822)</b>	<b>(52 621)</b>
Surplus for the year		(822)	(52 621)
<b>Closing accumulated surplus</b>		<b>(548 810)</b>	<b>(562 401)</b>

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	31 March 2012 R'000	31 March 2011 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Receipts</i>			
Sales of goods and services		964 043	879 631
Special project grants and donations		552 459	304 622
Government grants		164 923	201 843
		<u>1 681 425</u>	<u>1 386 096</u>
Cash paid to suppliers and employees		(1 630 705)	(1 288 335)
<b>Net cash generated by operations</b>	<b>22</b>	<b>50 720</b>	<b>97 759</b>
Investment income	<b>7</b>	20 212	25 506
Finance costs	<b>8</b>	(10 636)	(8 300)
<b>Net cash inflow from operating activities</b>		<b>60 295</b>	<b>114 965</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	<b>9</b>	(63 909)	(60 701)
Work in progress - costs incurred	<b>10</b>	(50 314)	(147 777)
Decrease in investments	<b>11</b>	139 719	8 055
Proceeds on disposal of property, plant and equipment		1 712	2 883
<b>Net cash outflow from investing activities</b>		<b>27 208</b>	<b>(197 540)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from special project grants related to assets		77 634	38 515
Repayment of long-term borrowings		(4 710)	(3 504)
Payment of post-retirement health benefits		(10 444)	(9 575)
Repayment of finance lease obligations		(4 710)	(2 337)
		<u>57 770</u>	<u>23 099</u>
Net increase in cash and cash equivalents		145 274	(59 475)
Cash and cash equivalents at the beginning of the year		232 250	291 725
<b>Cash and cash equivalents at the end of the year</b>	<b>14</b>	<b>377 524</b>	<b>232 250</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>2.1 Revenue - Tourism, retail, concession and other</b>		
<b><i>Retail activities conducted by South African National Parks</i></b>	(147 600)	(121 150)
- Shops and restaurant ( <i>Note 2.4</i> )	(27 190)	(17 004)
- Filling station sales ( <i>Note 2.4</i> )	(120 411)	(104 146)
<b><i>Tourism</i></b>	(452 930)	(420 727)
- Accommodation	(381 771)	(351 836)
- Drives	(30 277)	(29 207)
- Trails	(24 550)	(25 322)
- Other tourism-related activities	(16 332)	(14 362)
<b><i>Concession</i></b>	(66 636)	(67 330)
- Facilities rental on retail and restaurant operations	(25 758)	(25 294)
- Lodge concession fees	(40 878)	(42 037)
<b><i>Conservation levy and entrance fees</i></b>	(214 044)	(194 164)
- Wild Card income	(25 356)	(22 632)
- Conservation levy	(184 696)	(166 756)
- Entrance fees	(3 992)	(4 776)
<b><i>Other</i></b>	(16 198)	(11 887)
- Rent received	(10 915)	(9 148)
- Services rendered (incl. managing of special projects, technical services)	(5 283)	(2 739)
	<b>(897 408)</b>	<b>(815 258)</b>
<b>2.2 Operational grants received</b>		
- Conservation	(120 349)	(124 885)
- Road	(10 526)	(10 526)
Department of Agriculture, Forestry and Fisheries	(20 132)	(29 056)
	<b>(151 007)</b>	<b>(164 467)</b>
<b>2.3 Other operating income</b>		
Sundry income	(10 237)	(41 026)
Income from conservation management	(1 169)	(2 074)
Commission received and filming rights	(2 398)	(2 484)
Rebates received	(1 298)	(1 790)
Water and electricity recoveries	(6 435)	(5 472)
	<b>(21 536)</b>	<b>(52 846)</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>2.4 Gross Profit</b>		
- Shop and restaurant sales	(27 190)	(17 004)
- Filling station sales	(120 411)	(104 146)
- Cost of sales retail operations	118 448	97 405
- Cost of sales other	9 656	1 368
- Filling station cost of sales	108 791	96 037
	<b>(29 153)</b>	<b>(23 745)</b>
<b>3 Land acquisition grant</b>		
Department of Environmental Affairs ( <i>Note 17</i> )	<b>(13 916)</b>	<b>(37 375)</b>
<b>4 Sale of fauna and flora</b>		
The sale of fauna and flora is used for bio-diversity and related expenses to expand the national park system.	<b>(45 098)</b>	<b>(11 505)</b>
<b>5 Donations</b>		
Various donations	<b>(502)</b>	<b>(3 109)</b>

Donations form a minor part of the funding of conservation and people and conservation programmes of the South African National Parks. 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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>6.1 Operating expenses</b>		
Operating lease payments (Note 6.4)	86 564	80 359
Depreciation and amortisation	41 682	39 202
- Charge for the year (Notes 6.4 & 9)	57 729	54 031
- Recognition of deferred income - asset grants (Note 6.4)	(16 047)	(14 830)
Cost of sales retail operations (note 2.4)	118 447	97 405
Marketing and promotions	13 937	15 147
Operating costs	44 338	40 433
Minor assets	1 337	2 393
Interest paid	8 257	7 979
Consumables	30 237	32 475
Office costs	5 900	5 490
Employee expenses	33 913	32 273
Voice communication costs	12 025	11 501
Vehicle and aircraft operating costs	11 223	9 307
Information technology outsourced services	9 641	10 004
Water and electricity costs	34 567	29 585
Bank charges	12 069	9 913
Software assurance costs	8 234	7 606
Data communication costs	9 718	8 066
Consultants, contractors and special services	11 371	9 193
Investment management fees	-	512
Board membership fees	219	110
Legal fees	6 074	5 090
Losses and net shortages	479	4 085
Self-insurance costs	1 582	8 351
Net (profit)/loss on sale of property, plant and equipment (Note 6.4)	1 042	2 551
Auditors' remuneration (Note 6.4)	2 586	2 551
	<b>497 184</b>	<b>463 601</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>6.2 Administration expenses</b>		
Maintenance, repairs and running costs	56 660	63 249
- Property and buildings	40 867	46 772
- Machinery and equipment	4 818	4 527
- Office and computer equipment	363	636
- Consumables utilised in maintenance programs	10 613	11 314
	<b>56 660</b>	<b>63 249</b>
<b>6.3 Compensation of employees</b>		
<i>Salaries and wages</i>	448 449	410 703
- Salaries	356 626	321 108
- Performance awards	9 795	4 028
- Periodic payments	19 987	19 815
- Other non-pensionable allowances	62 041	65 752
<i>Social contributions</i>	59 909	50 200
- Pension costs - Defined contribution plans (Note 25)	35 537	32 439
- Medical	17 094	10 319
- UIF	3 366	3 077
- Insurance	3 913	4 365
<i>Other salary-related costs</i>	39 362	36 953
- Staff development costs	8 825	7 843
- Recruitment and placement costs	1 541	1 606
- Other costs	28 995	27 505
<i>Post-retirement health benefit obligations (Note 16)</i>	36 654	21 965
	<b>584 373</b>	<b>519 821</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>6.4 Surplus from operations</b>		
Surplus from operations has been arrived at after taking into account the following:		
<b>Auditors' remuneration (Note 6.1)</b>		
External audit fees	2 586	2 551
	<b>2 586</b>	<b>2 551</b>
<b>Write-down of inventories recognised as an expense</b>	<b>76</b>	<b>1 401</b>
<b>Depreciation and Amortisation (Notes 6.1 &amp; 9.1)</b>		
Buildings and infrastructure	21 254	20 695
Vehicles, aircraft and mechanical equipment	15 208	15 736
Furniture & office equipment	15 605	12 314
Software	5 654	5 287
	<b>57 720</b>	<b>54 031</b>
<b>Amortisation of deferred income in respect of depreciable assets acquired with government special grants (Note 6.1)</b>	<b>(16 047)</b>	<b>(14 830)</b>
<b>Net profit/(loss) on sale of property, plant and equipment (Note 6.1)</b>	<b>1 042</b>	<b>2 551</b>
<b>Operating lease payments (Note 6.1)</b>	<b>86 564</b>	<b>80 359</b>
- Current	732	4 257
- Between 1 and 5 years	287	7 751
	<b>1 019</b>	<b>12 008</b>

The following represent significant leasing arrangements and the basis on which future minimum lease payments were calculated:

- (i) Lease agreement between Royal Hotel Knysna CC and South African National Parks for rental of offices. Commencement date 1st August 2011 for a period of 1 year. Monthly rental R32 370.00.
- (ii) The rental agreement with VUSWA Fleet Services (Pty) Ltd provides for the provision of a vehicle fleet in both the Kruger National Park and the rest of South African National Parks. All vehicles are rented on a full maintenance lease and operational lease with managed maintenance basis. All monthly fees (not fixed dependent on the vehicles leased during a month) except the finance portion of the lease are subject to an annual CPI adjustment from the effective date. The interest rate is set at prime minus 1% and will fluctuate with changes as set by First National Bank.
- (iii) Rental agreement between MTO Forestry (Pty) Ltd. Rental of premises for a period of 3 years ending 31 September 2014 or until such time determined by MTO's lease agreement with Government. Monthly rental is R5 000 and is subject to an annual CPI adjustment from the effective date.
- (iv) Rental agreement between FFA Aviation and South African National Parks for the lease of an aircraft. The hiring shall be for the period commencing on 10 November 2011 and terminating on 30 April 2012 or 1 December 2011 to 10 May 2012. Monthly payment shall be R250 754.00.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>6.5 Irregular expenditure</b>		
Opening balance	5 798	3 697
Irregular expenditure - current year	-	2 101
Irregular expenditure condoned by the accounting officer	(5 798)	-
<b>Irregular Expenditure awaiting condonation</b>	<b>-</b>	<b>5 798</b>

### Analysis of Irregular Expenditure

Incident	Correction measures taken
- Services obtained through quotations i.s.o. an open tender process	Tender process was conducted
- One quotation i.s.o three, as per SCM policy, was obtained.	Three quotations were obtained

Disciplinary steps were completed in the previous financial year.

### 6.6 Fruitless and wasteful expenditure

SANParks incurred a penalty of R574 452 15 and interest of R4 013 29 for the late payment of PAYE to SARS. The PAYE was paid a day late after due date, as a result of SANParks reaching its daily FNB limit for EFT's.

### 7 Investment income

Interest income	(20 177)	(25 510)
Net foreign exchange transaction (loss)/gain	(35)	3
	<b>(20 212)</b>	<b>(25 506)</b>

### 8 Finance costs

Borrowings	10 137	7 667
Finance leases	499	633
	<b>10 636</b>	<b>8 300</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

9.1 <i>Property, plant and equipment</i>	Land	Buildings and Infrastructure	Vehicles Aircraft and Mechanical equipment	Furniture & Office equipment	Total
	R'000	R'000	R'000	R'000	R'000
<b>Year ended 31 March 2012</b>					
Opening book value	441 564	575 386	48 550	37 267	1 102 765
Capitalisation of work in progress (Note 10)	-	3 225	-	9	3 234
Purchase of property, plant and equipment	23 005	9 840	11 971	17 684	62 499
Disposals	-	(181)	(1 057)	(474)	(1 712)
Transfers	-	(64)	372	-	308
Depreciation charge	-	(21 254)	(15 045)	(14 825)	(51 124)
<b>Closing book value</b>	<b>464 569</b>	<b>566 952</b>	<b>44 790</b>	<b>39 660</b>	<b>1 115 970</b>
<b>At 31 March 2012</b>					
Cost	464 569	739 124	135 927	106 408	1 446 028
Accumulated depreciation	-	(172 173)	(91 137)	(66 748)	(330 058)
<b>Book value</b>	<b>464 569</b>	<b>566 952</b>	<b>44 790</b>	<b>39 660</b>	<b>1 115 970</b>
<b>Year ended 31 March 2011</b>					
Opening book value	404 280	571 702	56 288	25 969	1 058 239
Capitalisation of work in progress (Note 10)	37 284	7 101	74	105	44 563
Purchase of property, plant and equipment	-	20 260	10 448	19 044	49 751
Disposals	-	(3 374)	(1 607)	(454)	(5 434)
Transfers	-	392	(917)	4 911	4 386
Depreciation charge	-	(20 695)	(15 736)	(12 308)	(48 740)
<b>Closing book value</b>	<b>441 564</b>	<b>575 386</b>	<b>48 550</b>	<b>37 267</b>	<b>1 102 765</b>
<b>Year ended 31 March 2011</b>					
Cost	441 564	726 335	126 406	90 758	1 385 064
Accumulated depreciation	-	(150 950)	(77 857)	(53 491)	(282 298)
<b>Book value</b>	<b>441 564</b>	<b>575 386</b>	<b>48 550</b>	<b>37 267</b>	<b>1 102 765</b>

The register containing details of land and buildings is available for inspection at the Head Office of South African National Parks. The Board is of the opinion that the market value of land and buildings substantially exceeds its book value.

Certain land included above is registered in the name of the State.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

### 9.2 Intangible Assets

	31 March 2012			31 March 2011	
	R'000			R'000	
	Cost	Accumulated amortisation	Book value	Cost	Accumulated amortisation
Computer Software	39 205	(22 759)	16 445	37 800	(17 111)
	<b>Opening book value</b>	<b>Additions</b>	<b>Disposals/transfers</b>	<b>Amortisation</b>	<b>Closing book value</b>
Computer Software <b>2012</b>	20 689	1 410	-	(5 654)	<b>16 445</b>
	<b>Opening book value</b>	<b>Additions</b>	<b>Disposals/transfers</b>	<b>Amortisation</b>	<b>Closing book value</b>
Computer Software <b>2011</b>	14 841	10 949	191	(5 292)	<b>20 689</b>

The amortisation expense has been included in the line item 'operating expenses' in the income statement and in the line item 'depreciation and amortisation' in note 6.1.

The useful life used in the calculation of amortisation of software is between 3 years and 10 years.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
(i) Included in movable assets are assets that serve as security for a notarial bond in favour of IDC as detailed in <i>Note 16 (i)</i>		
Cost	147 696	136 413
Accumulated depreciation	(99 571)	(85 841)
<b>Book value</b>	<b>48 125</b>	<b>50 572</b>
(ii) Included in moveable assets are assets that serve as security under finance leases as detailed in <i>Note 16 (ii)</i>		
Cost	25 457	24 724
Accumulated depreciation	(17 696)	(15 217)
<b>Book value</b>	<b>7 761</b>	<b>9 507</b>
<b>Vehicles:</b>		
Cost	6 526	7 474
Accumulated depreciation	(3 721)	(3 286)
<b>Book value</b>	<b>2 805</b>	<b>4 188</b>
<b>Furniture, office equipment and computer software:</b>		
Cost	18 931	17 249
Accumulated depreciation	(13 974)	(11 930)
<b>Book value</b>	<b>4 957</b>	<b>5 319</b>
<b>Total book value</b>	<b>7 761</b>	<b>9 507</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>10 Work in progress</b>		
Work in progress involves construction work in progress as well as land acquisitions in process.		
Opening balance	523 179	480 741
	50 314	147 777
- Special project grant funds (Note 20)	-	-
- Other funds	50 314	147 777
Capitalised/transferred during the year (Note 9)	(4 501)	(105 339)
- Land	-	(37 284)
- Buildings and infrastructure	(3 225)	(27 361)
- Furniture, office equipment and computer software	(9)	(19 149)
- Software	(1 267)	(10 919)
- Vehicles and mechanical equipment	-	(10 626)
Non-current assets held for sale (Note 15)	-	-
<b>Closing balance</b>	<b>568 992</b>	<b>523 179</b>
<b>11 Investments</b>		
<b>Unlisted investments</b>		
32-day call account: FNB	10 000	82 044
32-day notice: Investec	29 333	63 534
32-day notice: ABSA	30 963	65 125
32-day notice: Nedbank	13 250	12 561
<b>Total investments</b>	<b>83 545</b>	<b>223 264</b>
Fair value of unlisted investments	<b>83 545</b>	<b>223 264</b>
<b>12 Inventories</b>		
Retail goods and fuel	15 257	14 488
Consumables	7 492	6 036
	22 749	20 524
Less: Provision for obsolete stock	-	-
	<b>22 749</b>	<b>20 524</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>13 Receivables and prepayments</b>		
Concession debtors	6 754	1 989
Trade receivables ( <i>note 30</i> )	13 256	15 742
Other receivables	4 023	4 936
Prepayments	1 603	1 767
	25 635	24 433
Provision for doubtful debts	(1 108)	(2 675)
	<b>24 527</b>	<b>21 758</b>
<b>14 Cash and cash equivalents</b>		
Expanded public works programme	19 644	20 174
Special projects	202 592	82 492
Land acquisition	28 765	22 715
Insurance	3 240	12 000
Park Development Fund	49 458	24 404
Infrastructure	33 373	32 598
Operational	40 451	37 867
	<b>377 524</b>	<b>232 250</b>

On 31 March 2012 the South African National Parks had short-term general banking facilities that amounted to R25 million (2011 – R25 million). The interest rate on overdraft is prime. The facilities are unsecured.

<b>15 Post-retirement health benefit obligation</b>		
Liability provided for at the beginning of the year	217 777	205 386
Expense reflected in statement of financial performance ( <i>Note 6.3</i> )	36 654	21 965
Contributions paid	(10 922)	(9 575)
<b>Liability provided for at end of year</b>	<b>243 509</b>	<b>217 777</b>

### Principal assumptions of the latest actuarial valuation are:

- (i) Long-term medical scheme contribution inflation was assumed to be 6% per annum (2011 - 7.43%)
- (ii) A discount rate of 8.5% was assumed (2011 - 8.5%).
- (iii) The combination of the inflation rate (i) and discount rate (ii) give a net discount rate of 1.00% (2011 - 1.00%)
- (iv) Pre-retirement mortality was assumed to occur in line with the published SA 1985-90 light Mortality Tables, rated down by 3 years for females (2011 - SA 1985-90 light, rated down by 3 years for females).
- (v) Post-retirement mortality was assumed to occur in line with the published PA90 Mortality Tables rated down by 1 year (2011 - PA90 rated down by 1 year).
- (vi) The effect of HIV/Aids has not been taken into account in the calculation as the prevalence of HIV/AIDS cannot be estimated.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>16 Long-term borrowings</b>		
<b>Secured borrowings</b>	<b>21 507</b>	<b>26 983</b>
(i) Industrial Development Corporation (IDC) - Commercial development	15 728	19 232
(ii) Wesbank Limited - Lease obligations	5 779	7 751
<b>Total borrowings</b>	<b>21 507</b>	<b>26 983</b>
Short-term portion transferred to current borrowings	6 598	7 365
Long-term borrowings	<u>14 908</u>	<u>19 618</u>

- (i) The commercial development IDC long-term loan was entered into for development of new infrastructure to a total value of R35 million.

The loan is repayable in 119 equal monthly instalments of R0.292 million that commenced on 1 October 2006 with a final instalment of R0.252 million on 1 August 2016. The loan bears interest at prime less 2.5%. (At 31 March 2012 the interest rate was 7.5% (2011 -7.5%)) subject to a minimum rate of 7.5%.

The IDC loans are guaranteed by a notarial bond over movable assets as detailed in *Note 9 (i)*.

- (ii) Lease obligations are secured by moveable assets which revert to the lessor in the event of default as detailed in *Note 9 (ii)*. The lease obligations bear interest at 7% (2011 - 7% and 8.5% ) per annum.

In terms of section 32.1.1 of the Treasury Regulations, South African National Parks may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions.

### **Maturity of long-term borrowings**

Within 1 year	3 504	3 504
Later than 1 year and no later than 5 years	5 779	7 751
Later than 5 years	6 445	7 977
	<u>15 728</u>	<u>19 232</u>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b><i>The present values of capitalised finance leases are as follows:</i></b>		
Within 1 year	3 094	3 861
Later than 1 year but not later than 5 years	2 684	3 890
	<b>5 779</b>	<b>7 751</b>
Within 1 year		
Total value of future minimum lease payments	3 094	4 257
Less: Future finance charges	280	395
Present value of leases	<b>2 815</b>	<b>3 862</b>
Later than 1 year but not later than 5 years		
Total value of future minimum lease payments	2 818	4 102
Less: Future finance charges	134	212
Present value of leases	<b>2 684</b>	<b>3 890</b>
<b>17 Deferred Income - asset grants</b>		
Special project grants relating to property, plant and equipment		
- Property, plant and equipment	941 625	860 572
- Construction work in progress	64 888	64 888
- Amortised / Recognised to date	(66 432)	(53 520)
	940 081	871 940
- Land deferred income closing balance	23 078	30 750
- Land deferred income opening balance	30 750	48 506
- Land Acquisition Grant received	6 244	19 527
- Assets purchased <i>with grant</i> (Note 3)	(13 916)	(37 283)
- Marine Protected Areas Grant	3 701	4 450
- Mountain Catchment Area Grant	2 897	3 504
	<b>969 756</b>	<b>910 644</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>18 Trade and other payables</b>		
Other payables	19 085	19 541
Trade payables (note 30)	93 803	51 236
Accrued expenses	11 480	22 306
Revenue received in advance	23 562	22 157
Value Added Tax	3 953	5 232
	<b>151 882</b>	<b>120 473</b>
<b>19 Provisions</b>		
Provision for leave pay	25 082	25 023

Employee entitlement to annual leave is recognised as and when it accrues to employees. An accrual is made for the liability for annual leave as a result of past services rendered by employees to the year end date. The organisation allows its employees to accumulate annual leave to a maximum of one year's allocation. The organisation remains liable to pay out an amount equal to the leave balance at the current rate of remuneration.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

### 20 Deferred income - obligation regarding special project grants

	EPWP	Coast Care	Working for Water	Limpopo Transfrontier Park	Sale of Ivory	Mellon Foundation	Theta	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Year ended 31 March 2012</b>									
<b>Opening balance</b>	<b>20 877</b>	<b>488</b>	<b>2 068</b>	<b>2 017</b>	<b>62 004</b>	<b>7 859</b>	<b>2 510</b>	<b>60 553</b>	<b>158 376</b>
Add: Prior year error adjustment	-	-	-	-	6 757	-	-	-	6 757
Add: Income	56 331	18 661	280 938	1 043	21 057	663	1 573	148 065	528 331
Funds received	55 209	18 571	280 885	993	17 343	57	1 573	145 201	519 832
Interest	1 122	90	53	50	3 714	606	-	2 864	8 499
Less: Expenditure (Operating plus Capital)	97 899	15 572	280 957	1 265	30 727	570	848	144 784	572 622
<b>Closing Balance</b>	<b>(20 691)</b>	<b>3 577</b>	<b>2 049</b>	<b>1 795</b>	<b>59 091</b>	<b>7 952</b>	<b>3 235</b>	<b>68 502</b>	<b>120 842</b>

Expenditure									572 622
Operational Expenditure									551 958
Capital Expenditure									20 664

	EPWP	Coast Care	Working for Water	Limpopo Transfrontier Park	Sale of Ivory	Mellon Foundation	Theta	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Year ended 31 March 2011</b>									
<b>Opening balance</b>	<b>76 226</b>	<b>6</b>	<b>(550)</b>	<b>2 023</b>	<b>61 693</b>	<b>9 391</b>	<b>-</b>	<b>49 484</b>	<b>198 273</b>
Add: Income	76 300	7 195	36 141	1 006	311	1 147	4 758	140 123	266 981
Funds received	56 623	6 631	36 141	927	-	391	4 758	140 107	245 578
Interest	19 677	564	-	79	311	756	-	16	21 403
Less: Expenditure (Operating plus Capital)	131 649	6 713	33 523	1 012	-	2 679	2 248	129 054	306 878
<b>Closing Balance</b>	<b>20 877</b>	<b>488</b>	<b>2 068</b>	<b>2 017</b>	<b>62 004</b>	<b>7 859</b>	<b>2 510</b>	<b>60 553</b>	<b>158 376</b>

Expenditure									306 878
Operational Expenditure									301 513
Capital Expenditure									5 365

South African National Parks periodically manages special projects. These projects are funded by various donors in the form of grants. For most projects the monies are received in advance but in other cases the costs relating to the projects are reimbursed on a regular basis.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

### 21 Prior period errors

#### 21.1 Interest received

- South African National Parks had previously accounted for interest received on the Sales of Ivory in the statement of performance instead of adding it to the special project debtors, in the statement of financial position. This has been corrected in the current financial year.

	31 March 2012 R'000
Decrease in interest received	1 668
Decrease in retained surplus as at 01 April 2011	11 216
Increase in liabilities	<u>13 109</u>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	31 March 2012 R'000	31 March 2011 R'000
<b>22 Net cash (utilised)/generated by operations</b>		
Surplus from operations	(8 750)	37 889
<b>Adjustments for non-cash items:</b>	64 462	59 442
- Net loss / (surplus) on disposal of property, plant and equipment	1 014	2 550
- Depreciation	57 729	54 031
- Recognition/amortisation of deferred income - asset grants	(16 047)	(14 830)
- Provision for post-retirement health benefit obligations	21 767	17 691
<b>Changes in working capital</b>	(4 992)	(1 375)
- Inventories	(2 225)	(4 838)
- Receivables and prepayments	(2 769)	(5 115)
- Trade and other payables	31 468	32 293
- Deferred income - obligation regarding special project grants	(37 078)	(39 587)
- Reservation deposits held	5 612	15 871
<b>Cash generated by operations</b>	<b>50 720</b>	<b>95 956</b>

### 23 Financial risk management

#### Liquidity risk

South African National Parks manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

#### Interest rate management

Interest rate risk arises from incremental funding / new borrowings and the roll-over of maturing debt / refinancing of existing borrowings. South African National Parks borrows at both fixed and floating interest rates.

#### Credit risk management

Potential concentrations of credit risk consist mainly of short-term cash, cash equivalent investments and trade debtors.

South African National Parks limits its counter-party exposures from its money market investment operations by only dealing with well-established financial institutions of high-quality credit 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. Where appropriate, credit guarantee insurance cover is purchased. Trade debtors are presented net of the allowance for doubtful debt.

#### Concentration of credit risks

	Exposure R'000	% of Total exposure
Rated agencies	377 524	78%
Other parties	109 196	22.4%
	<b>486 720</b>	<b>100.0%</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

### 24 Financial Instruments

#### 24.1 Financial Assets

Class	Fair value through profit / loss Held for trading	Available for sale	Loans and receivables
	R'000	R'000	R'000
Trade receivables			13 256
Concession debtors			6 754
Value Added Tax			-
Other receivables			4 023
Prepayments			1 603
Investments		83 545	
Cash and cash equivalents	377 524		
<b>Total - March 2012</b>	<b>377 524</b>	<b>83 545</b>	<b>25 635</b>

Class	Fair value through profit / loss Held for trading	Available for sale	Loans and receivables
	R'000	R'000	R'000
Trade receivables			15 742
Concession debtors			1 989
Value Added Tax			-
Other receivables			4 936
Prepayments			1 767
Investments		223 264	
Cash and cash equivalents	232 250		
<b>Total - March 2011</b>	<b>232 250</b>	<b>223 264</b>	<b>24 433</b>

#### 24.2 Financial Liabilities

Class	Fair value through profit / loss - designated	Fair value through profit / loss Held for trading	Other measured at amortised cost
	R'000	R'000	R'000
Trade payables			93 803
Accrued expenses			11 480
Revenue received in advance			23 562
Value Added Tax			3 953
Leave liability			25 082
Long-term borrowings			14 908
<b>Total - 2012</b>	<b>-</b>	<b>-</b>	<b>172 787</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

Class	Fair value through profit / loss - designated	Fair value through profit / loss Held for trading	Other measured at amortised cost
	R'000	R'000	R'000
Trade payables			51 236
Accrued expenses			22 306
Revenue received in advance			22 157
Value Added Tax			5 232
Leave liability			25 023
Long-term borrowings			19 618
<b>Total - 2011</b>	-	-	<b>145 573</b>

### 24.3 Credit risk - Age analysis of financial assets that are neither past due nor impaired

	30 days	60 days	90 days	120 days plus
	R'000	R'000	R'000	R'000
Trade receivables	225	35	26	82
Concession debtors	2 638	1 000	867	1 288
Other receivables				
<b>Total - 2012</b>	<b>2 514</b>	<b>1 099</b>	<b>117</b>	<b>4 851</b>

	30 days	60 days	90 days	120 days plus
	R'000	R'000	R'000	R'000
Trade receivables	193	14	1	94
Concession debtors	2 322	1 085	116	4 757
Other receivables				
<b>Total - 2011</b>	<b>2 514</b>	<b>1 099</b>	<b>117</b>	<b>4 851</b>

### 24.4 Liquidity Risk - Maturity analysis of financial liabilities

	30 days	60 days	90 days	120 days plus
	R'000	R'000	R'000	R'000
Trade payables	81 907	37	144	4 383
Other payables				
<b>Total - 2012</b>	<b>81 907</b>	<b>37</b>	<b>144</b>	<b>4 383</b>

	30 days	60 days	90 days	120 days plus
	R'000	R'000	R'000	R'000
Trade payables	35	48	103	102
Other payables				
<b>Total - 2011</b>	<b>35</b>	<b>48</b>	<b>103</b>	<b>102</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

### 24.5 Market Risk - Sensitivity Analysis - Interest Rates

	Closing Balance	Expected movement in rates	Effect on equity and Profit & Loss if rate increase	Effect on equity and Profit & Loss if rate decrease	Comments
	R'000		R'000	R'000	
Trade receivables	13 256	200 Points	265	(265)	No material exposure
Concession debtors	6 754	200 Points	135	(135)	No material exposure
Cash and cash on hand	377 524	200 Points	7 550	(7 550)	No material exposure
Investments	83 545	200 Points	1 671	(1 671)	No material exposure
Long-term borrowings	14 908	200 Points	298	(298)	No material exposure
<b>Total - 2012</b>	<b>495 986</b>		<b>9 920</b>	<b>(9 920)</b>	

	Closing Balance	Expected movement in rates	Effect on balance if rate increase	Effect on balance if rate decrease	Comments
	R'000		R'000	R'000	
Trade receivables	15 742	200 Points	315	(315)	No material exposure
Concession debtors	1 989	200 Points	40	(40)	No material exposure
Cash and cash on hand	232 250	200 Points	4 645	(4 645)	No material exposure
Investments	223 264	200 Points	4 465	(4 465)	No material exposure
Long-term borrowings	19 618	200 Points	392	(392)	No material exposure
<b>Total - 2011</b>	<b>492 863</b>		<b>9 857</b>	<b>(9 857)</b>	

Where the fair value of financial instruments is disclosed the following methods and assumptions were used by South African National Parks in establishing fair values:

#### **Financial instruments traded in an organised financial market**

The current quoted market prices are used to determine fair values.

#### **Monetary financial assets and liabilities not traded on an organised financial market**

The carrying amounts of trade debtors, trade creditors and accruals reported in the statement of financial position approximate their fair values.

#### **Interest-bearing debt**

The carrying amounts of short-term interest-bearing debt approximates their fair values.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

### 25 South African National Parks retirement funds

#### 25.1 South African National Parks joint retirement funds

The South African National Parks retirement fund consists of the South African National Parks Pension Fund and was established 1 November 1993.

Contributions by the employer and the employees are allocated to the South African National Parks 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 South African National Parks contributed an amount of R35.5 million (Note 6.3) for 2 564 employees (2011 - R32.4 million for 2 495 employees) to the retirement fund.

#### 25.2 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 South African National Parks contributed an amount of R7.2 million (Note 6.3) for 1 074 employees (2011 - R5.6 million for 1 082 employees).

### 26 Related parties

South African National Parks does not have control or significant influence over any other entity.

South African National Parks is a statutory organisation governed by the Protected Areas Act, 2003 (No. 57 of 2003), and a national public entity as listed under Schedule 3 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended.

#### Key personnel

Key personnel is viewed to be all members of the Executive Management appointed by the Accounting Authority.

		Basic Salary	Reimbursed expenses	Bonuses and incentives	Retirement Fund plus medical aid contributions	2012 Total	2011 Total
		R'000	R'000	R'000	R'000	R'000	R'000
Mabunda, MD Dr	Chief Executive Officer	1 803	53	498	319	2 673	2 631
Daphne, P	Managing Executive: Parks	1 143	31	299	177	1 650	1 647
Sibya, AVA	Managing Executive: Kruger National Park	1 231	44	329	204	1 808	1 801
Magome, DT Dr	Managing Executive: Conservation Services <sup>1</sup>	1 191	58	321	236	1 806	1 810
Mavuso, L	Managing Executive: Human Resources	985	20	257	182	1 444	1 436
Phillips, G	Managing Executive: Tourism	1 065	29	278	179	1 552	1 551
Mabilane, RT	Chief Financial Officer	1 377	7	357	178	1 920	1 939
		<b>8 795</b>	<b>242</b>	<b>2 339</b>	<b>1 476</b>	<b>12 851</b>	<b>12 815</b>

No loans outside the policy applied when loans are granted to staff, have been made to key personnel. Dr D Mabunda and Dr H Magome qualify for post-retirement health benefits and the liability as at 31 March 2012 has been included in the total liability of South African National Parks (Note 15).

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

## 27 Capital commitments

No material commitments for the acquisition of property, plant and equipment contracted for existed at 31 March 2012.

## 28 Contingent liabilities

### 28.1 Legal disputes

South African National Parks is currently involved in a legal dispute relating to the payment of property rates in terms of the Local Government: Property Rates Act, 2004 (No. 6 of 2004) ("the Rates Act"). The amount involved is R119 million. SANParks is defending the summons and the outcome of the legal proceedings is uncertain at this stage.

### 28.2 Land claims

A number of land claims have been instituted on land owned or managed by South African National Parks. South African National Parks is supportive of the process of appropriate redress for persons or communities who unjustly lost access to, or ownership of, land as a result of it being declared a national park. No significant financial obligations are currently placed on South African National Parks in consequence of this process, however the core management framework with successful claimant communities and the attendant beneficent scheme will exert financial strain on South African National Parks.

### 28.3 Motor vehicle financing for employees - Wesbank

SANParks implemented an employee motor vehicle scheme with financing through Wesbank at a finance rate of prime minus 2.25%.

Total cash liability being R28,088,343.93 Payments due for the next 12 months being R6,053,275.77.

### 28.4 Accumulated Surpluses

South African National Parks has the following surpluses:

	R'000
- Surplus for the 2012 financial year	822
- Cash and cash equivalents	377 524
- Accumulated surplus at the end of 2012	548 810

In accordance with PFMA section 53, South African National Parks has to surrender surpluses to National Treasury unless prior approval, to retain surpluses, has been approved by National Treasury.

The possibility of South African National Parks not receiving approval to retain the surpluses is remote.

## 29 Contingent assets

### 29.1 Lodge Concession Fees

The lodge concessions entail allowing private operators to build and operate tourism facilities within the National Parks on the basis of a 20-year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The annual concession fee payable by the concessionaire to South African National Parks 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. Due to the fact that the final calculation of the annual concession fee is calculated on the gross revenue as per the audited financial statements for the concession year it might result in top-up fees to be paid and the top-up fees will be received in the next financial year.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

### 29.2 Biological assets

South African National Parks' 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. South African National Parks does not focus on traditional natural resource management of species, but rather on ecosystem management and ecological integrity within the National Park; South African National Parks 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. South African National Parks does not manage for the reproduction of biodiversity, but for biodiversity representivity and complementarity that promote resilience and ensure ecosystem integrity. South African National Parks acquired the majority of biodiversity at no cost to South African National Parks.

South African National Parks major sources of revenue comprise retail, tourism and concession, with tourism (in the form of accommodation and conservation fees) being the most significant revenue source. South African National Parks 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.

South African National Parks performs wildlife censuses from time to time on animals that can easily be counted from the air and for specific sections of national parks whereafter the results of such counts are extrapolated to estimate the total number of animals in the National Park. South African National Parks is not able to accurately measure the quality and/or quantity of all their faunal and floral biological diversity within the national parks. South African National Parks does not perform counts on small animals, insects, birds, and marine and freshwater biodiversity.

South African National Parks does not measure the quantities of biological assets as they are not of such a nature that they can be easily counted. South African National Parks cannot keep up with births, deaths and migrations of wild life, although it undertakes an annual game census which is reported under the individual parks reports in the annual financial report. As the biological assets cannot be counted it is impossible to calculate gains and losses in biological assets during the year.

### 30 Accounts payable and receivable - time value of money

South African National Parks takes into account the effect of the time value of money on Purchases and Receivables and accrues an interest expense/income until the date of payment/receipt.

The effect of discounting debtors and creditors is summarised below:

	During the year	At the end of the year	Total effect
	R'000	R'000	R'000
Income	(6 368)	142	<b>(6 227)</b>
Interest Received	6 368		<b>6 368</b>
Expenditure	(8 201)	(922)	<b>(9 123)</b>
Interest Paid	8 201		<b>8 201</b>
Debtors		(142)	<b>(142)</b>
Creditors		922	<b>922</b>

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	Actual	Budget	Variance	Actual	Budget	Variance
		31 March 2012	31 March 2012	31 March 2012	31 March 2011	31 March 2011	31 March 2011
		R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>	<b>31</b>						
Tourism, retail, concession and other		(897 408)	(753 279)	(144 129)	(815 258)	(701 994)	(113 263)
Operational grants received		(151 007)	(149 052)	(1 955)	(164 467)	(162 915)	(1 552)
Income from special project grants		(547 290)	-	(547 290)	(301 513)	-	(301 513)
Other operating income		(21 536)	(37 268)	15 732	(52 846)	(62 314)	9 468
Land acquisition grant		(13 916)	(6 244)	(7 673)	(37 375)	(19 527)	(17 848)
Sale of fauna and flora		(45 098)	(12 000)	(33 098)	(11 505)	(18 000)	6 495
Donations		(502)	-	(502)	(3 109)	-	(3 109)
		<b>(1 676 757)</b>	<b>(957 843)</b>	<b>(718 914)</b>	<b>(1 386 075)</b>	<b>(964 750)</b>	<b>(421 323)</b>
<b>Expenses</b>	<b>31</b>	<b>1 685 508</b>	<b>958 551</b>	<b>726 957</b>	<b>1 350 660</b>	<b>944 553</b>	<b>406 107</b>
Operating expenses		497 184	353 377	143 808	466 076	359 922	106 154
Administration expenses		56 660	62 830	(6 170)	63 249	69 132	(5 883)
Compensation of employees		584 373	542 344	42 029	519 821	515 498	4 323
Expenses relating to special project grants		547 290	-	547 290	301 513	-	301 513
		<b>8 750</b>	<b>707</b>	<b>8 043</b>	<b>(35 415)</b>	<b>(20 198)</b>	<b>(15 216)</b>
<b>Surplus from operations</b>	<b>31</b>	<b>8 750</b>	<b>707</b>	<b>8 043</b>	<b>(35 415)</b>	<b>(20 198)</b>	<b>(15 216)</b>
<b>Net investment income</b>		<b>(9 575)</b>	<b>(13 079)</b>	<b>3 504</b>	<b>(17 206)</b>	<b>(12 193)</b>	<b>(5 013)</b>
Investment income		(20 212)	(15 716)	(4 495)	(25 506)	(15 589)	(9 917)
Finance costs		10 636	2 637	7 999	8 300	3 396	4 904
<b>Income from ordinary activities</b>	<b>31</b>	<b>(825)</b>	<b>(12 372)</b>	<b>11 547</b>	<b>(52 621)</b>	<b>(32 391)</b>	<b>(20 229)</b>
Extraordinary Items		3	-	3	-	-	-
<b>Surplus for the year</b>	<b>31</b>	<b>(822)</b>	<b>(12 372)</b>	<b>11 550</b>	<b>(52 621)</b>	<b>(32 391)</b>	<b>(20 229)</b>

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2012

### Reconciliation between budget and statement of financial performance

	31 March 2012
	R'000
Surplus as per the Statement of Financial Performance	(822)
Variances on budget	
• Operational revenue - realised more than budget due to more visitors in Parks than anticipated	(718 412)
• Operational expenditure - spent more than budgeted due to higher than anticipated cost increases	733 127
• Maintenance expenditure - spent less than budgeted due to running behind on schedules	(6 170)
• Finance activities - more interest than anticipated due accounting for time value of money, which is not part of the budget	7 999
• Finance activities - more than budgeted due to time value of money adjustment	(4 495)
• Donations received	(502)
• Capital expenses paid by Land Development Fund and Parks Development Fund	(10 725)
Net surplus/deficit per approved budget	-





## NOTES





## NOTES

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## NOTES

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A large green circle with a white border is centered on a background image of a savanna landscape with orange and yellow flowers in the foreground and rolling hills in the distance under a blue sky. The circle contains contact information for SANParks. The entire page is framed by a decorative border consisting of a dotted green line and a diamond-shaped pattern.

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