



South African
NATIONAL PARKS



2016/2017



ANNUAL REPORT

IMAGES ON THE FRONT COVER

ADDO ELEPHANT NATIONAL PARK
AND
LEARNERS AT MUPUNGUBWE NP



TAKEN IN ADDO ELEPHANT NATIONAL PARK



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LEGAL AND CONSTITUTIONAL MANDATE

SANParks was initially established in terms of the now repealed National Parks Act, 57 of 1976 and continues to exist in terms of the National Environmental Management: Protected Areas Act, 57 of 2003; with the mandate to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

MANDATE

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

VISION

A sustainable National Park System connecting society.

MISSION

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

LIST OF ACRONYMS

AGSA – Auditor-General of South Africa

AVE – Advertising Value Equivalent

BBBEE – Broad-Based Black Economic Empowerment

BSP - Biodiversity Special Programmes

CAPS – Curriculum and Assessment Policy Statement

CCMA – Commission for Conciliation, Mediation and Arbitration

CEO – Chief Executive Officer

CITES – Convention on International Trade in Endangered Species

CSD - Conservation Services Department

CSI – Corporate Social Investment

DEA – Department of Environmental Affairs

EE – Employment Equity

ENSO – El Niño-Southern Oscillation

EPWP – Expanded Public Works Programmes

ExCo – Executive Committee

FMPPI – Framework for Managing Programme Performance Information

FTE – Full Time Equivalent

GRAP – Generally Recognised Accounting Practise

GRNP – Garden Route National Park

HCM - Human Capital Management

ICT – Information and Communications Technology

IDP – Infrastructure Development Programme

IPZ – Intensive Protection Zone

KGSI - Kudu Green School initiative

KiP – Kids in Parks

KNP – Kruger National Park

LEDET – Limpopo Economic Development, Environment and Tourism

MANCO - Management Committee

METT – Management Effectiveness Tracking Tool

MPA – Marine Protected Area

MTEF – Medium Term Expenditure Framework

MTPA – Mpumalanga Tourism and Parks Agency

NDP – National Development Plan

NDT – National Department of Tourism

OSV – Open Safari Vehicle

PFMA – Public Finance Management Act

PPP – Public Private Partnership

RPL – Recognition of Prior Learning

SADC – Southern African Development Community

SAHRA – South African Heritage Resources Agency

SANBI – South African National Biodiversity Institute

SANDF - South African National Defence Force

SANParks – South African National Parks

SANPW – South African National Parks Week

SAPS – South African Police Services

SHR – SANParks Honorary Rangers

SMME – Small, Medium and Micro Enterprise

SoAIM - State of Area Integrity Management

SoB - State of Biodiversity

SOE – State Owned Entity

SPfC – Strategic Plan for Commercialisation

TMNP – Table Mountain National Park

UNESCO – United Nations Educational, Scientific and Cultural Organisation

WfW - Working for Water



PART A: GENERAL INFORMATION

TAKEN AT AUGRABIES FALLS NATIONAL PARK



1. PART A: GENERAL INFORMATION

1.1 ABOUT SOUTH AFRICAN NATIONAL PARKS (SANPARKS)

In the 23 years since democracy, South African National Parks (SANParks) has transformed significantly from the being the bastion of single-minded preservation to the exclusion of people on the periphery of the parks and for the exclusive use under the apartheid regime, to a SANParks working towards being a major connector between societies. This has seen the vision of “Custos Naturae” slowly, but surely progressing to the vision of today as “A Sustainable National Parks System, Connecting Society.”

Restrictions on access to and resource use from National Parks have been perpetuated for decades, and it was only with the advent of South African democracy in 1994 when SANParks began to transform significantly. The long history of controlled access and forced removals both from within the parks and adjacent to parks.

As a result, on average, many of the people living next to parks can be characterized as low-income earning households, with high levels of unemployment, high dependency on social grants and high reliance on subsistence agriculture and natural resources. SANParks has made a concerted effort from the mid 1990's to engage positively with local neighbours in order to build positive relationships. However, it was only in the Protected Areas Act of 2003 where National Parks were officially defined as existing for sustainable use by broader society and where an emphasis is placed on their potential contribution to local economic development and the ecosystem goods and services that flow from them.

SANParks manages a system of 19 functional national parks in seven of the nine provinces of South Africa with a total area of just over 4 million hectares comprising 67% of the protected areas under state management. The SANParks of today is recognised as a world leader in conservation and protected area management. In the last two decades, seven new national parks have been established, totaling over 700 000 hectares, with much of this being in the under conserved biomes such as the Succulent Karoo and Fynbos. During the past year alone, 3 873 ha has been included into the conservation estate.

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

estates globally. Key to the sustainability of the ecotourism business of SANParks is a marketing strategy that attracts growth markets; a product development strategy congruent with the needs and preferences of all markets and the pursuance of mutually beneficial Public Private Partnerships (PPP's) that leverage private capital and expertise in diversifying facilities. 2016/17 brought a record breaking 14% growth in tourist numbers - the largest year-on-year growth in the number of guests to our parks in 4 years, with a total of 6.7 million guests visiting SANParks destinations and a concomitant increase in tourism revenues by 15%.

The commercialisation strategy, which include product development, saw the opening of new accommodation and camping sites at Addo, Kgalagadi, West Coast and Alzulhus National Parks. Public- Private Partnerships (PPP) projects awarded in this year include a range of activities such as Ziplining and Segway Tours in the Garden Route National Park; a new Spa in Skukuza and the conversion of two picnic sites in the Kruger to PPP's. The largest accommodation construction project that SANParks has embarked on in recent years was a key highlight of the year when the site of the 250 bed Skukuza Safari Lodge was officially handed over to the principle building contractor in February 2017 by Honourable Minister Molewa. The lodge, scheduled for completion in mid-2018, is anticipated to attract new markets to the popular Skukuza camp and enhance the viability of the Nombholo Mdluli Conference Centre.

SANParks administers a robust social legacy programme that aims to support and contribute to the achievement of government's mandate towards social development. SANParks invests resources for the provision of much-needed facilities in communities living adjacent to national parks. Through a 1% levy of tourism income a number of Social Legacy Projects were provided in the 2016/17 financial year, namely E-learning facilities to six primary schools, which are feeder schools to the Rietfontien Combined School, adjacent to the Kgalagadi National Park and four science laboratories were provided to schools adjacent to the Kruger and Mapungubwe National Parks..

The socio-economic development unit in the organisation has as primary objective to contribute to the development of communities adjacent to national parks through the implementation of social and economic development programmes. National parks are strategically located and can thus play a critical role as catalysts and drivers of local economic development, particularly in the rural areas of South Africa where the majority of the national parks are located. The Socio- Economic development programmes include; Social Legacy Programme; Green and Blue Economy; SMME development, Environmental Education and Awareness and the Land claims.

The Green Economy Programme is a government transformation initiative which seeks to facilitate participation of local communities by offering

opportunities in the wildlife industry value chain, centred on game and wild animals farming activities, relating to the stocking, breeding, trading and related eco-tourism activities. Green Economy means a system of economic activities related to the production, distribution and consumption of goods and services that result in improved human well-being over the long term, while not exposing the future generation to significant environmental risks or ecological scarcities. It is a sustainable development path that is based on addressing the interdependence between economic growth, social protection and the natural ecosystem

Numerous communities have lodged claims against parcels of land within national parks. In some instances, the claims are still being verified while in others, the process has been completed and settlements effected. As part of the settlement agreements, SANParks has committed to develop and implement a beneficiation programme which will enable claimant communities to receive specified benefits.

Through this programme SANParks donates or loans wild animals to communities and emerging game farmers, and provide technical expertise and support to ensure the success and sustainability of the programme.

During this reporting period, as part of a broader successful land claims beneficiation packages, 22 zebras have been donated to the Khomani San Erin Farm in the Arid Region. Six hippos have been donated to the Mashishimale CPA (Kruger National Park). On 21 May 2016 President Jacob Zuma handed over symbolic cheques totalling R84 million to six communities which claimed land inside the KNP. The event was held in Skukuza, graced by the Ministers of Environmental Affairs and Rural Development and Land Reform. Blue Economy refers to marine-based economic development that leads to improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.

As part of the Blue Economy Programme, the rezoning of the Tsitsikamma Marine Protected Area was gazetted during December 2016. This led to the restoration of access to the shoreline for fishing in certain areas. The park opened for registration of local fishermen on the 24 December 2016. To date 273 locals have registered with the park.

The social legacy programme aims to support and contribute to the achievement of government's mandate towards social development. SANParks invests resources for the provision of much-needed facilities in communities living adjacent to national parks. A 1% tourism income is set aside for this purpose. A number of Social Legacy Projects were provided in the 2016/17 financial year, namely E-learning facilities to six primary schools, which are feeder schools to the Rietfontein Combined School, adjacent to the Kgalagadi National Park and four science laboratories were provided to schools adjacent

to the KNP and Mapungubwe National Park (northern region).

A further element to the social legacy programme involves Environmental Education which is critical for sustainable development and increasing the capacity for people to address environment and development issues for sustainable living. It aims at promoting a conservation ethic by developing knowledge, skills and attitudes necessary to understand and appreciate the system of national parks that represents both the natural and cultural heritage assets - a total of 205 815 learners participated in the various programmes

Job creation is a key component of our contribution to the economic upliftment of neighbouring communities and through the Expanded Public Works Programme (EPWP) SANParks, created 6 013 full time equivalent jobs during the past year through a diverse range of projects for National Programmes such as the Environmental Monitor Programme and the Eco-Furniture Programme

Participants were recruited from 360 communities or villages adjacent to national parks, creating temporary employment opportunities for 11,879 people. Over the past year, 856 SMME's were supported by the programme and R 193 million paid to these small contractors. Youth made up 70%, women 55% and people with disabilities 2% of all jobs created.

The main activities of the EPWP projects are biodiversity management focusing on Alien invasive vegetation clearing; Land rehabilitation including erosion and bush encroachment. Wetland rehabilitation; and Conservation management support through the Environmental Monitor Programme

The annual Infrastructure Investment allocation for 2016/17 was R 358.785 million and expenditure of R 214.505 million was achieved. The award of the tenders for the construction of Skukuza Safari Lodge, to the value of R 250 million (bulk services infrastructure and buildings) was an achievement, as this is the first large project in SANParks. The Infrastructure Development Programme continued with projects such as the upgrade and construction of tourism accommodation facilities; upgrade and construction on staff accommodation; upgrade of roads and upgrade and replacement of bulk services infrastructure.

The cooperation between SANParks and the National Department of Tourism (NDT) was strengthened during the year and two further projects to the value of R 79 million approved, i.e. Construction of Agulhas Lighthouse Precinct, Agulhas National Park and Construction of an Environmental Education Facility for Mapungubwe National Park.

It is therefore clear that SANParks is on a positive trajectory towards making the management of its conservation and tourism estate relevant to the people of South Africa and the World, by ensuring co-operative governance and the continued flow of socio-economic benefits.

1.2 MINISTER'S FOREWORD



Dr B E E Molewa

I am pleased to present the 2016/2017 Annual Report of the South African National Parks (SANParks).

As a public entity under the jurisdiction of the Department of Environmental Affairs (DEA), SANParks manages an extensive network of 19 national parks in seven of the nine provinces of South Africa. These parks cover an area of just over 4 million hectares, and comprise 67% of the protected areas under state management.

SANParks, as the leading conservation authority in South Africa, has continued to play a critical role in maintaining our country's standing as the third-most mega-diverse country in the world.

As an entity of the Department, SANParks makes an important contribution to reaching the National Development Plan's (NDP) goal of creating an environmentally sustainable, climate change resilient, low-carbon economy and just society by 2030, in line with government's Nine Point Plan to reignite growth and create jobs.

As South Africa transitions along a low-carbon, inclusive climate resilient developmental pathway, SANParks is playing an increasingly important role in driving government's developmental agenda.

Through its network of national Parks, SANParks is perfectly positioned to address the pressing economic and social issues facing our society today – particularly through the provision of employment to rural communities living closest to these conservation areas, and the provision of support for small, medium and micro enterprises.

In the year under review progress has been made in transforming the wildlife sector for the benefit of rural communities.

To date two dazzles of zebras (22 in total) have been donated to the Khomani San community protected area that was recently inscribed as a World Heritage Site.

In September 2016, the Ba-Phalaborwa Ba Ga-Mashishimale community received a donation of six hippos and the Langebaan SWAP shop, a community project aimed at alleviating poverty, was opened in August 2016.

In addition, the implementation of various programmes in the Green Economy, Blue/Ocean Economy and Socio-Economic beneficiation programmes has been considerable.

SANParks epitomises the value of inclusive conservation, and the need for us to take our people along with us as we advance policies in line with the National Framework for Sustainable Development and the National Development Plan.

One of SANParks' key priorities has been the setting of an agenda of inclusion in our national parks, as opposed to previous policies of exclusion, for communities living adjacent to conservation areas. Because of this we have not only seen the expansion of the number and size of national parks, but also a significant improvement in the relationship between national parks and communities that live adjacent to the parks.

Today South Africa is part of a global conservation movement as we strive towards securing a more sustainable future for our Planet. As we move forward on this journey, special effort should be made to move away from our painful conservation past – where public institutions were used to implement a alienate the majority and deny them access to the country's most beautiful and biodiverse regions.

I am happy to note that in the reporting period three social legacy projects were also completed. These are three science laboratories donated to the Mahlale High School at Welverdiend in Mpumalanga and the Lepato Secondary School at Ga-Makushane and Makuya Secondary School at Ga-Makuya in Limpopo.

Despite the strides made in various conservation disciplines, SANParks and the country continue to face the growing problem of illicit wildlife crimes. Nonetheless, substantial successes were recorded in the fight against illicit wildlife crimes in the 2016/17 financial year.

These include:

- A 7.2% decline in detected rhino carcasses during 2016 (662), compared to 2015 (826).
- An increase of 18.4% in the number of firearms confiscated in 2016 to 148, compared to 125 confiscated in 2015.
- The exploration and implementation of new and improved technologies to primarily enhance situational awareness and proactive operations to combat illegal wildlife crime. Amongst the achievements has been the commissioning of sensors and a Wide Area Surveillance System to improve detection capabilities.
- Progress with regard to access control and the deployment of K9 units at most entrance gates to national parks despite technology lagging behind.
- A marked increase in arrests through the initiatives undertaken by SANParks, at all levels, resulting in a 39% hike from 2015 (202) to 2016 (281).

- SANParks rescuing 21 white rhino orphans. Of these, 19 are still alive.

It is indeed encouraging to see the extent of successes recorded in the fight against wildlife crime particularly in the Kruger National Park.

This is further testimony to the commitment and dedication of the men and women of the Ranger Corps, who continue to work in close collaboration with law enforcement agencies.

It is pleasing to see the progress made by SANParks in fulfilment of its mandate, as well as success realised in driving national and global conservation efforts.

I am pleased to announce that the 2016/2017 SANParks Annual Report complies with all statutory reporting requirements of the Public Finance Management Act (PFMA) as well the essential National Treasury Regulations.



DR B E MOLEWA, MP

MINISTER OF ENVIRONMENTAL AFFAIRS

1.3 CHAIRPERSON'S REPORT



Ms Joanne Yawitch

OVERSIGHT AND FIDUCIARY FUNCTION

During the 2016/2017 financial year the SANParks Board focused its attention on issues related to transformation, community beneficiation and consideration of new tourism products for the organisation as well as ways of enhancing revenue streams. This has laid a good foundation for SANParks to accelerate its contribution to the Department of Environmental Affairs's (DEA) Green and Blue Economy Programme and as well as the transformation of the sector.

It is with great pleasure that I present this Annual Report and I am satisfied that the Board has been able to continue providing leadership and strategic oversight in the delivery of the organisation's Annual Performance Plan (APP) through the Board Committees. Although the 2016/17 financial year was a difficult year for the economy and our national parks were affected by the heavy drought, it is worth noting that a number of achievements against targets set for the period under review were executed diligently.

Significantly, in this reporting period there has been notable achievements as well as challenges recorded as far as the three core pillars (Conservation, Tourism & Socio-Economic Development) of the organisation are concerned.

As we continue to enhance delivery on our conservation mandate and improve corporate governance, I am happy to report that the Board as an Accounting Authority in line with the provisions of National Treasury, PFMA and King Code on Corporate Governance requirements, approved the appointment of Grant Thornton and a Chief Audit Executive for provision of Internal Audit services and an interface between board and internal audit function respectively.

The Board is satisfied that the content and quality of management financial and annual reports were carefully tabled and diligently considered by the organisation during the financial year under review. However, The Board has noted with great concern some challenges in the Auditor General Report.

CONSERVATION

The most notable achievements in this reporting period was the decision by the Convention on International Trade in Endangered Species (CITES) in formally delisting the Cape Mountain Zebra from the Appendix I list at the Conference of Parties (COPE 17) held in Johannesburg in April 2016. South African National Parks (SANParks) contributed to this historic conservation success as the greater proportion of the Cape Mountain Zebra population and the main source of the re-introduction of the species into numerous other

state and private conservation areas.

With regard to national park expansion, 3 874.95 ha was acquired for inclusion into the national parks system. This includes 3 873 ha in under-represented Succulent Karoo biome and 0.9 ha in Thicket biome. Upon the gazetting of 22 new marine protected areas (MPAs) for declaration under the Phakisa initiative, SANParks completed draft implementation plans for the Addo Elephant and Namaqua National Parks and the proposed Robben Island MPAs. SANParks achieved an average score of 71% in the METT (Management Effectiveness Tracking Tool) Assessments. Of the 19 national parks assessed, 10 achieved an average score above the 70% target set by management.

Despite the strides made in various conservation disciplines, SANParks and the country continue to face a growing problem of illicit wildlife crimes, the fourth largest syndicated criminal activity in the world after arms smuggling, drugs and human trafficking. However, for the period under review there was substantial success due to our improved detection, technology investment and awareness.

SOCIO-ECONOMIC DEVELOPMENT

In the area of Socio-economic development, SANParks has begun making in-roads in programmes such as Social Legacy Programmes; Green and Blue Economy; SMME development, Environmental Education and Awareness and the Land claim programme. However we note that there is still room for improvement.

Land claims continue to be both a challenge and an opportunity for inclusion at the same time. SANParks is committed to support government's commitment to redress past injustices by providing vital benefit, including economic access to the natural resources in protected areas. During the reporting period a number of green economy projects were implemented which included, loaning or donating of wildlife to various communities and emerging game farmers and SANParks provides support and technical expertise to ensure the success and sustainability of the programme.

In the Blue Economy, historic rights to fish in three allocated zones within the Tsitsikamma MPA have been restored and to date 273 locals have registered with the park. A number of Social Legacy Projects were established in the 2016/17 financial year. This included handover of science laboratories, e-learning centres, libraries and early childhood support programmes in various areas adjacent to our national parks.

TOURISM

SANParks ambition to achieve a reduced dependency on state funding, has set the organisation on an exciting trajectory in achieving its objectives as

outlined in its Commercialisation Strategy adopted in 2000. We are happy to report significant development in SANParks' approach to Public Private Partnerships (PPP's) initiatives.

By March 2017, there were 46 active PPP projects, covering a wide range of projects, including accommodation, restaurants, retail, activities, an airport and the Table Mountain Aerial Cableway. Since inception up to 31st March 2017, in addition to infrastructural developments worth over R755 million with the assets reverting to SANParks, Commercialisation has resulted in a total PPP Income of R934 million to SANParks.

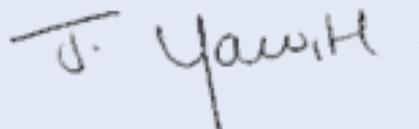
As a way of ensuring further growth in PPP's with the national parks system, SANParks hosted a Tourism Investment Summit on the 4th April 2017 with the objective of attracting potential investors for new PPP products, 54 new PPP Projects were presented to potential investors. The opportunities that attracted interest from Investors has informed the PPP Projects to be implemented during the financial year 2017/2018.

While we have recorded increases in various operations including occupancy in concession lodges and retail under management contract, SANParks has encountered some disputes with some franchisees of the facilities resulting in a decline in customer satisfaction.

In the year under review there has been a significant increase in total Guests to Parks; Accommodation Unit Nights Sold, Activities, Wild Card sales, Conservation Fees has also shown an impressive growth with the exception of Camping showing a decline. This means the Tourism plant overall increased by 15.0% to R1.417-billion, from R1.233-billion achieved in the previous year. This is 11.5% above the budget of R1.271-billion.

CONCLUSION

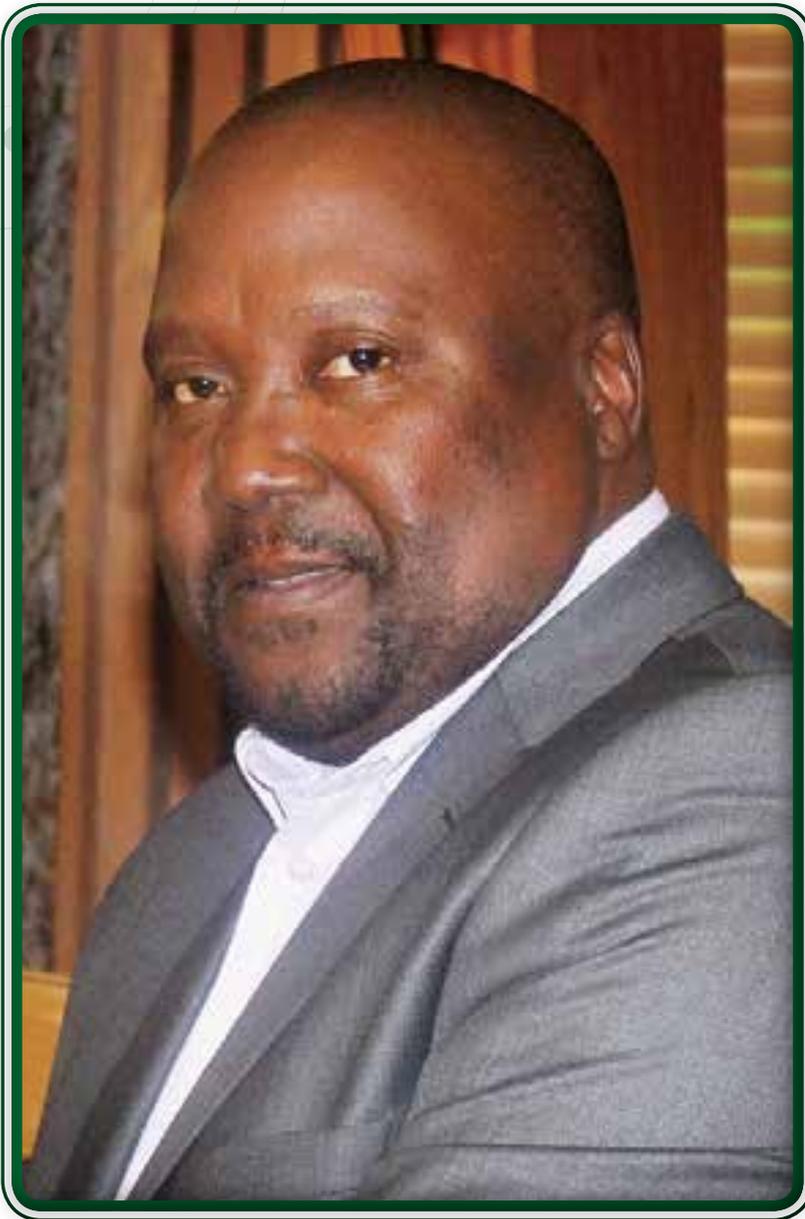
I am satisfied that in most areas we have achieved our annual performance plan for the year under review and those that were not achieved were duly affected by constraints beyond our control. Lastly the acknowledgment received from the Office of the Auditor General South Africa with regards to clean audits is dedicated to all SANParks employees for their meticulous work and dedicated approach to their duties.



MS JOANNE YAWITCH

CHAIRPERSON OF THE BOARD
SANPARKS

1.4 CHIEF EXECUTIVE OFFICER'S REPORT



Mr Fundisile Mketeni

The South African National Parks continues to implement its mandate of conserving, protecting and managing national parks and other defined protected areas through innovation and best practice for the just and equitable benefit of current and future generations. SANParks strategy over the last three years has been supported by three key pillars which guide and inform the work of the organisation. These are sustainable conservation assets, diverse and responsible tourism and radical socio-economic transformation. The three key pillars find resonance in the government's key policy priorities as outlined in the Medium Term Strategic Framework and the National Development Plan.

In pursuit of its vision of a sustainable national parks connecting society, great strides have been made in the last financial year. At the close of the last financial year, SANParks welcomed 6.7 million visitors into its 19 parks which is a 14% increase compared to the 2015/16 financial year. We also witnessed a corresponding increase in the tourism revenue which grew by 14.5% from the previous year. Overall SANParks performance in the 2016/17 financial year has been impressive and I am proud to report that total revenue in the last financial year was approximately to R2, 079 billion which is R220, 6 million more than the anticipated R1, 858 billion budgeted. Drawn to the hallmark of SANParks's pristine unspoilt landscapes and abundance of wildlife, each visitor that passes through our gates contributes directly to the maintenance and sustainability of South Africa's conservation estate. Managing over 15,000 beds, SANParks is indisputably a major player in South Africa's tourism industry. Key components of our tourism revenue demonstrated solid growth in the year under review with conservation fee income growing by 28%, accommodation income increased by 8% and income from concessionaire fees increased by 6%.

At the core of SANParks Strategy is a fundamental obligation to contribute in improving the living standards of communities around our National Parks by increasing access to our national parks, and providing employment and business opportunities. In the year under review we granted free access to over 62 312 people through the South African National Parks Week. We acknowledge that this number may be low in relation to the size of the South African population, but we believe we are making progress in deconstructing the legacy of apartheid where these parks were only to the benefit of a privileged minority. We will continue to expand access to our National Parks particularly targeting communities around National Parks and individuals from the previously disadvantaged backgrounds.

Unemployment, poverty and inequality remain key challenges facing

government, and SANParks continues to place greater emphasis in contributing to socio-economic and transformation objectives of the country. Through the implementation of the Expanded Public Works Programmes in and around our National Parks, approximately 6 000 jobs were created in the year under review. In addition to job creation, SANParks implements SMME development programmes as one of the key instruments to drive transformation and job creation. In the last financial year, 856 SMMEs were supported through various EPWP projects in National Parks, with a total of R213 million having been paid to these SMMEs.

The conservation of biodiversity and the management and control of National Parks is SANParks primary mandate as defined in the National Environmental Management Act: Protected Areas Act, no.57 of 2003. The last 22 years have seen massive expansion of the national park system. Much of the expansion has been geared towards enhancing the biome range, to allow for species migration across the landscape and contribute towards mitigating the anticipated impacts of climate change. Over the last financial year, a total of 3 874 hectares were acquired and added into the National Parks. It is also pleasing to report that SANParks recorded an average score of 71% for the Management Effectiveness Tracking Tool (METT) which reflects good progress in effective management of our protected areas.

As part of Operation Phakisa, the Minister of Environmental Affairs published the intended declaration of 22 new Marine Protected Areas. This includes amongst others; Addo, Namaqua- and Robben Island MPA's. The regulations on the re-zonation of Tsitsikamma Marine Protected Area (MPA) that allows for controlled fishing was gazetted on 19 December 2016. Registration for anglers and angling was opened as from 24 December 2016. The regulations provide for 3 'take' zones comprising 20% of the coastline. Restrictions are placed on bag and size limits per species as well as times and frequency of angling.

The scourge of wildlife crime particularly Rhino poaching continues to be a major challenge for South Africa's conservation authorities. A great concern over the last financial year is the increasing trend in elephant poaching, while there are there are small signs of improvement in Rhino poaching in the recent past. For example, in 2016, 662 Rhinos were poached in Kruger National Park, this constitutes a 7.2% decrease from the previous year. We are also pleased to announce that there were no recorded Rhino fatalities in other six rhino parks. While these improvements provide some measure of optimism we are concerned about the increase in the number of poaching incidents and corollary increase in the number and type of firearms confiscated by law enforcement officials. SANParks will continue to work closely and tirelessly with communities around National Parks, the Security cluster, the civil society, the private sector and our Transfrontier conservation partners to turn the tide

against wildlife crime.

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



MR FUNDISILE MKETENI

CEO SANPARKS

1.5 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

The Board is responsible and accountable for the integrity of the Financial Statements of the organisation and the objectivity of other information presented in the Annual Report.

To the best of the Board's knowledge and belief, we confirm the following:

- All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements audited by the AGSA. The report is complete, accurate and free of omissions.
- The Annual Report has been prepared in accordance with the guidelines as issued by National Treasury and the Annual Financial Statements were prepared in accordance with the PFMA, and Generally Recognised Accounting Practice (GRAP).
- The going concern basis has been adopted in preparing the Financial Statements. The Board, after having reviewed management's assessment of SANParks ability to operate as a going concern, has a reasonable expectation that the organisation will have adequate resources to continue its operations as a going concern for the foreseeable future.
- Management and employees operated within a framework requiring compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business, except where indicated otherwise in the Annual Report.

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

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

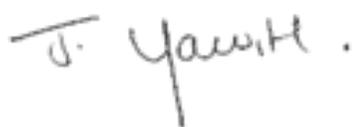
- establishing and maintaining an effective, efficient and transparent systems of financial, risk management and internal controls;
- managing, including the safe guarding of assets and for the management of the revenue, expenditure and liabilities of SANParks;
- taking effective and appropriate steps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

In the Board's opinion, the Annual Report and Financial Statements fairly presents in all material respects, the state of affairs of SANParks, its business, its financial results, its performance against predetermined objectives for the year ended 31 March 2017 and its financial position as at 31 March 2017.



Mr F Mketeni

Chief Executive Officer



Ms J Yawitch

Chairperson

Pretoria

31 July 2017

CORPORATE VALUES

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

These corporate values are listed below:

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

PARKS LOCATION & OPERATIONS

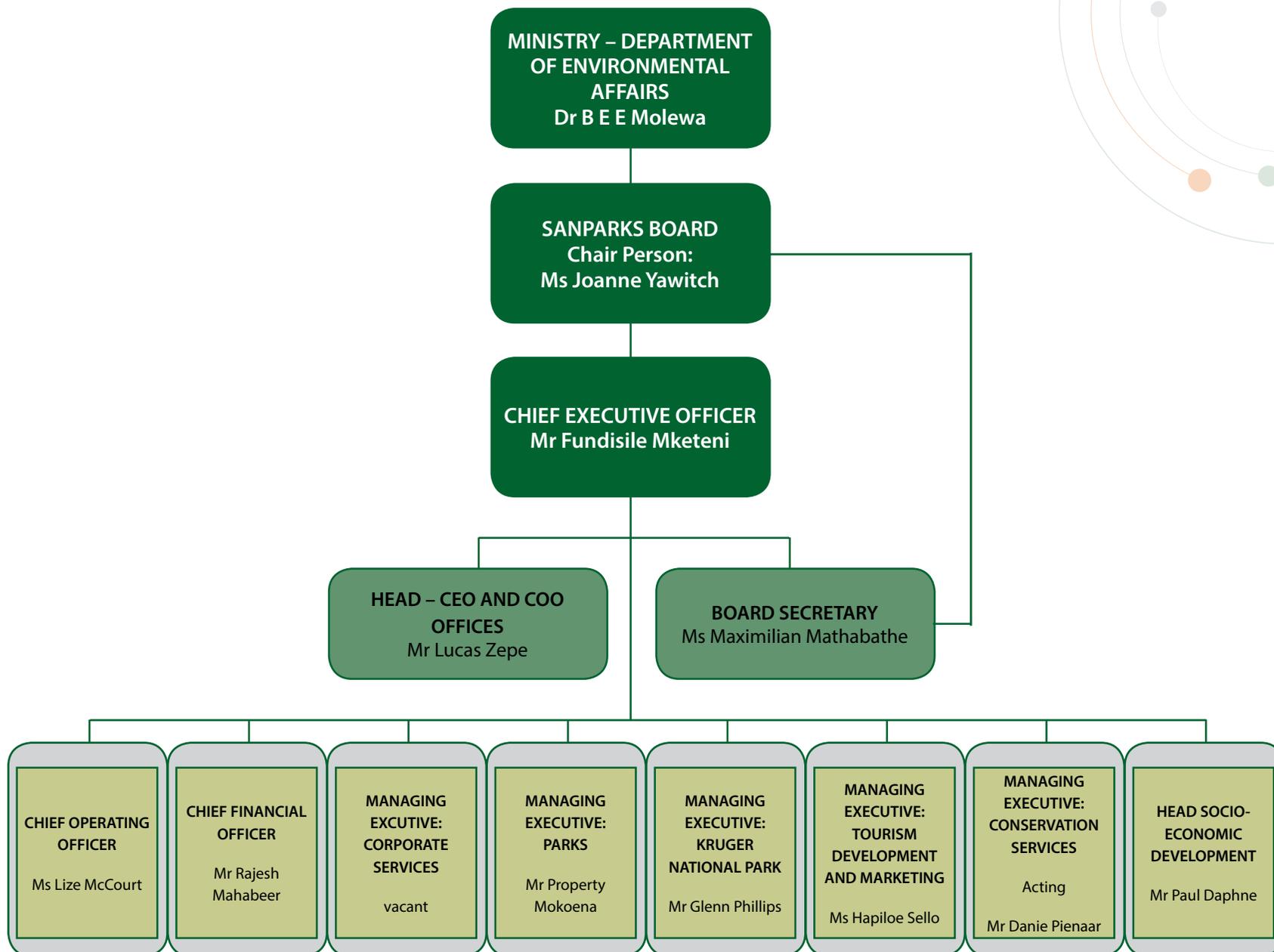
The operational component of SANParks is delivered through the current 21 national parks – these being organised under two divisions namely, KNP and the Parks Division (Note: Groenkloof and Graspan/Vaalbos are declared national parks in legislation but are not operationally functional national parks).

Figure 1: Map of SA National Parks



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

1.6 ORGANISATIONAL STRUCTURE



1.7 SANPARKS BOARD MEMBERS AND EXECUTIVE MANAGEMENT

SANPARKS BOARD MEMBERS

Ms J Yawitch
Chairperson

Ms K Njobe

Dr C G Olver

Ms F Futwa

Ms B Ferguson

Mr M India

Mr L Zita

Dr M Matlou

Dr N Mzilikazi

Ms T Semane

Mr F Mketeni
(SANParks Chief Executive Officer)

Ms H Schoeman

Mr S Munzhedzi

SANPARKS EXECUTIVE MEMBERS

Mr F Mketeni
Chief Executive Officer

Ms L McCourt
Chief Operating Officer

Mr R Mahabeer
Chief Financial Officer

Mr D Pienaar
Acting Managing Executive:
Conservation Services

Mr G Phillips
Managing Executive:
Kruger National Park

Mr P Mokoena
Managing Executive: Parks

Ms H Sello
Managing Executive: Tourism
Development and Marketing

Mr P Daphne
Head: Socio-Economic Development

Ms M Mathabathe
Board Secretary, CEO's Office

The image features three bat-eared foxes lying on a sandy surface. The foxes are the central focus, with their large, upright ears clearly visible. The background is dark, making the lighter-colored fur of the foxes stand out. Overlaid on the image are several decorative elements: a large, semi-transparent grey circle on the left; several thin, curved lines in white, green, and orange; and several solid circles in white, orange, and green. The text 'PART B: PERFORMANCE INFORMATION' is written in a bold, white, sans-serif font, curving across the middle of the image.

PART B: PERFORMANCE INFORMATION

BAT-EARED FOXES TAKEN IN KALAHARI GEMSBOK NATIONAL PARK



2. PART B: PERFORMANCE INFORMATION

2.1 AUDITOR GENERAL'S REPORT ON PREDETERMINED OBJECTIVES

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

REPORT ON THE AUDIT FOR THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the South African National Parks set out on pages 140 to 213, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African National Parks as at 31 March 2017, 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).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. As disclosed in note 38 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of an error in the entity's financial statements at, and for the year ended, 31 March 2017.

Responsibilities of the accounting authority

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the public entity or cease operations, or there is no realistic alternative but to do so.

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

10. My objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No.

25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

13. My procedures address the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the department for the year ended 31 March 2017:

Objectives	Pages in the annual performance report
Objective 1 – improved, representative conservation estate	27 - 29
Objective 2 – effectively managed eco-system, species and cultural heritage assets	30 - 36
Objective 4 – enhanced tourism returns	38 - 42
Objective 6 – optimised contribution to the green and blue economy	45 - 46
Objective 7 – enhanced awareness and skills	47

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. The material findings in respect of the usefulness and reliability of the selected objective are as follows:

Objective 2 – effectively managed eco-system, species and cultural heritage assets

Percentage reduction in recorded fatalities of rhinos and elephants poached as a ratio of recorded number of poaching activities in KNP

17. The framework for managing programme performance information requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported achievement of 7.2 % reduction (YOY) in recorded fatalities of rhino and elephant poached in KNP was not adequately supported by sufficient appropriate audit evidence due to errors identified in the supporting listings of the current year and insufficient information provided to support the prior year achievement. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 7.2% reduction.

Objective 4 – enhanced tourism returns

Percentage growth in total number of local black visitors

18. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target of 2% (YoY) as the systems implemented by management did not allow me to accurately verify the reported performance. I was unable to confirm by alternative means that the reported achievement of this indicator was reliable. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 9,9%.

Percentage growth in overnight local black visitors

19. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target of 4% (YoY) as the systems implemented by management did not allow me to accurately verify the reported performance. I was unable to confirm by alternative means that the reported achievement of this indicator was reliable. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 16,7%.

Objective 7 – enhanced awareness and skills

Total number of free access entrants during SANParks week and other planned events

20. The framework for managing programme performance information requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported achievement for the target was misstated as the evidence provided indicated that the actual free entrants during SANParks week was 48 603 as opposed to 62 312 as reported in the annual performance report.
21. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following objectives:
 - Improved, representative conservation estate
 - Optimised contribution to the green and blue economy.

Other matters

22. I draw attention to the matter below.

Achievement of planned targets

23. Refer to the annual performance report on page(s) 27 to 54 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets. This information should be considered in the context of the material findings reported on the usefulness and reliability of the reported performance information in paragraphs 17; 18; 19 and 20 of this report.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of objective 1 – improved, representative conservation estate; objective 2 – effectively managed eco-system, species and cultural heritage assets; objective 4 – enhanced tourism returns; objective 6 – optimised contribution to the green and blue economy; and objective 7 – enhanced awareness and skills. As management subsequently corrected only some of the misstatements, I reported material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are included in the basis for conclusions.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

25. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
26. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

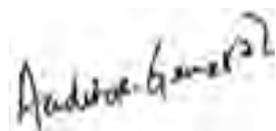
27. The public entity's accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.
28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon.

Performance management

31. Management did not design and implement appropriate systems and internal controls to report reliable performance information for certain indicators.



PRETORIA

31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements, as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority.
- conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the South African National Parks' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

2.2 SITUATION ANALYSIS

PERFORMANCE DELIVERY ENVIRONMENT

The cost curtailment measures initiated over the last 5 years, focussing on financial discipline and strong internal controls, continue to yield satisfactory financial performances. Furthermore, interim financial analysis and forecasts, risks and governance systems have been undertaken to control the risks that the organisation may have been exposed to.

SANParks shows a net surplus of R257, 050m against a budgeted net surplus of R336, 688m, which reflects an unfavourable variance of R80m. The unfavourable variance of R80m is however not a true reflection of SANParks normal operations. When special and infrastructure projects are removed from the normal activities of SANParks, the negative variance increases slightly by R 39k to R118, 772 m. The income to cost ratio is 1.11: 1. The main reason for the variance is the lag in the Infrastructure grant from DEA.

The total revenue, for the year to date, amounts to R2, 079b (R2, 520 b), which is R220, 6m more than the anticipated R1, 858b. The positive variance however represents a mixture of revenue generated from SANParks normal activities and revenue accrued from special projects. Total revenue attributable to special projects totals R201, 151m, and is not budgeted for as it falls outside SANParks normal operations. When special projects revenue is deducted from total revenue, SANParks positive variance decreases to only R19m due to poor performance in the retail gross profit and the lag in the infrastructure grant.

Total expenditure to date shows a R271, 6m unfavourable variance when compared to the budget as a result of special projects operating expenditure. For the period under review, it is **3%**, after the deduction of the special projects expenditure amount.

State of Area Integrity assessments (**SOAIM**) were conducted in all parks during June - August 2016. A total of 43 assessments over 18 parks were conducted. A number of changes were introduced to the 2015/16 assessment for the Parks Division. These changes included a risk factor against the measured criteria and also a weighting of the assessment categories. The final scores will reflect both against the risk and importance of the criteria assessed. The scores achieved are indicative of the current status of Area Integrity and also where interventions are required. Individual park assessments were analysed and corrective actions were identified. Each park identified between 5-15 corrective actions against which progress was reported. Parks focussed primarily on areas where a low score is achieved against a high risk factor. The score of 69 % progress was achieved at the end of the fourth quarter of 2016-2017.

No rhinos were poached in the six parks outside of KNP, however the

incidence of rhino poaching in areas of close proximity to these parks (14 successful attempts close to Addo; 3 to Mountain Zebra; 3 to Mokala and 1 close to Mapungubwe) highlights the very imminent threat of poaching. The Rhino Protection Plan for Parks is being effectively implemented and assists immensely towards efforts to protect rhinos in the parks. In terms of rhino poaching fatalities year on year in Kruger there has been a significant reduction of 21% which is very encouraging given the fact that poaching activities year on year has increased by 9%. Although there has been a significant increase of 18% shown in elephant poaching, this translates to 37 animals in 2015/16 versus 44 animals in 2016/17.

The total number of full-time equivalent (**FTE**) jobs created through the SANParks Expanded Public Works Programme (EPWP) for the period under review was 6 013, which is 7% below the target of 6 469 FTE's. For the same reporting period **856 SMMEs** were supported through the EPWP programmes, representing 59% more than the annual target of 540. This target was significantly exceeded as the number of work teams had to be doubled up for programmes such as the Working for Water, Working for Ecosystems and Working for Wetlands which started late on account of delays in the approval of business plans, interference in recruitment processes and registration of SMME's on the Central Supplier Database. An amount of **R 213 million was paid to these SMME's** working in national parks and neighbouring areas.

The rehabilitation targets for land were exceeded for initial- and follow-up rehabilitation **45 493.42** hectares (104%) and **223 181.71** hectares (114%) respectively. More follow-up rehabilitation was done than originally planned to make provision for the drought in the Northern areas of the country, and lower densities of alien invasive vegetation areas.

The regulations on the re-zonation of **Tsitsikamma Marine Protected Area (MPA)** that allows for controlled fishing was gazetted on 19 December 2016. Registration for anglers and angling was opened as from 24 December 2016. The regulations provide for 3 'take' zones comprising 20% of the coastline. Restrictions are placed on bag and size limits per species as well as times and frequency of angling. A communication protocol was put in place to assist DEA in dealing with the media. Researchers from Scientific Services have been monitoring registration, catch details, data records, and impact of the opening. To date 273 persons from 14 settlements in the Koukamma District have registered as bona fide local fishermen. Fish catches have not been high, and catch per unit effort is surprisingly low; believed to be due to difficult access over very steep topography and the very rocky shoreline. Researchers suggest stricter data control and diligence on the control systems which are in place.

As part of Operation Phakisa, the Minister of Environmental Affairs published

the intended declaration of 22 new Marine Protected Areas. This includes amongst others; Addo-, Namaqua- and Robben Island MPA's. During the commenting process a number of objections were received. The Departments of Mineral Resources and Agriculture Forestry & Fisheries opposed all but 5 of the 22 Phakisa MPAs. These objections are presently being dealt with and it is anticipated that most of these MPA's will be declared in the 2017/2018 financial year.

The total number of learners participating in SANParks **Environmental Education Programmes** were **205 815**, which constitutes 94 % of the target. The drop in anticipated numbers is due to a decision by the Department of Education to limit the off-premises activities for learners.

In summary SANParks achieved 90 % of its set targets, with 10% off target for the Annual Performance Indicators in the Annual Performance Plan. The off target areas are as follows:

- % of Women as part of management: 37,2 % against target of 50%;
- % of payroll spent on the Skills Development Programme : 0.29% against target of 3%;
- % Expenditure Budget Variance: 3% against target of $\leq 0\%$
- Total Revenue Generated from fundraising per annum: R 17, 122, 662 against a target of R 50 million.

ORGANISATIONAL ENVIRONMENT

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

- **Conservation** – the primary mandate of the organisation is the conservation of South Africa's biodiversity, landscapes and associated heritage assets through a system of national parks.
- **Responsible Tourism** – the organisation has a significant role in the promotion of South Africa's nature-based tourism, or ecotourism business targeted at both international and domestic tourism markets. The eco-tourism pillar of the business architecture provides for the organisation's self-generated revenues from commercial operations that are necessary to supplement government funding of conservation management. A significant element of the ecotourism pillar is the Commercialisation Strategy, which (through the implementation of Public Private Partnerships) SANParks has adopted to expand tourism products and the generation of additional revenue for funding of conservation and socio-economic development.
- **Socio-Economic Development** – SANParks has taken a strategic decision to expand it's role in the developmental support provided to neighbouring communities as an entity of the developmental state. In addition, SANParks is required to build constituencies at international, national and local levels, in support of conservation of the natural and cultural heritage of South Africa through its corporate social investment. It has to ensure that a broad base of South Africans participate and get involved in biodiversity initiatives, and further that all its operations have a synergistic existence with neighbouring or surrounding communities for their educational and socio-economic benefit, hence enabling the broader society to be connected to national parks.



The mandate of the organisation is derived from its biodiversity conservation role, thus the conservation pillar, is regarded as the basis upon which the other two core pillars' programmes and activities are directed.

In addition to the core functions (Conservation, Tourism and Socio-Economic Development), which provide SANParks with a level of uniqueness, the organisation has generic support functions of the Chief Operating Officer (which includes Human Capital Management; Risk Management and Strategy & Performance Management) and the Chief Financial Officer (which includes Finance and Supply Chain Management) and Corporate Services (which includes Information Technology, Enterprise Applications, Corporate Communications and Legal Services).

2.3 STRATEGIC OUTCOME ORIENTED GOALS

SANParks has adopted the following outcome oriented goals to guide its Medium Term Strategic Framework (MTSF) Strategic Plan:

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

STRATEGIC OBJECTIVES		2016/17 Budget	Percentage	2016/17 Actual	Percentage
SO1 :	Improved representative conservation estate	180 218 756	11%	187 242 548	11%
SO2 :	Effectively managed eco-system, species and cultural heritage assets	180 218 756	11%	187 242 548	11%
SO3 :	Enhanced knowledge for decision making	81 917 616	5%	85 110 249	5%
SO4 :	Enhanced tourism returns	229 369 325	14%	238 308 697	14%
SO5 :	Diversified and enhanced tourism opportunities and experiences	81 917 616	5%	85 110 249	5%
SO6 :	Optimised contribution to the green and blue economy	114 684 663	7%	119 154 349	7%
SO7 :	Enhanced awareness and skills	81 917 616	5%	85 110 249	5%
SO8 :	Enhanced Stakeholder Engagement	81 917 616	5%	85 110 249	5%
SO9 :	Adequate, appropriately skilled, transformed and diverse human capital	114 684 663	7%	119 154 349	7%
SO10 :	Conducive working environment	180 218 756	11%	187 242 548	11%
SO11 :	Optimised business processes and knowledge management systems	81 917 616	5%	85 110 249	5%
SO12 :	Accountable corporate governance	81 917 616	5%	85 110 249	5%
SO13 :	Financial sustainability	147 451 709	9%	153 198 448	9%
		1 638 352 324		1 702 204 982	

2.4 PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE 2016/17 FINANCIAL YEAR

SO 1: IMPROVED REPRESENTATIVE CONSERVATION ESTATE:

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
1.1 Total Area Added to National Parks	Terrestrial: 1 387 ha	Terrestrial: 3 873 ha
	Marine : 0 km ²	Marine : 0 km ²
PERFORMANCE ANALYSIS	<p>Reasons for variation</p> <p>This target is over achieved due to the following reasons:</p> <ul style="list-style-type: none"> • Obtaining land is based on the “Willing buyer, willing seller” principle and it can therefore never be predicted accurately • Exorbitant prices of certain land parcels, which had originally been identified for inclusion, caused SANParks to buy affordable land elsewhere. • Limitations placed on the Land Grant to only purchase in thicket, savannah and Fynbos, limits opportunistic purchase of land parcels. <p>Terrestrial: The hectares acquired exceeded the target by 2 846 ha. This was made possible by the use of donor funds to acquire approved parcels of land. The hectares added to National Parks comprise 1.15 ha in Thicket Biome and 3 873 ha in the Succulent Karoo and Thicket Biome. Both these biomes are classified as under-represented.</p> <p>Marine: No new marine protected areas have been proclaimed and SANParks is reliant upon the DEA processes towards and for proclamation. The Draft Implementation Plans for Addo, Robben Island and Namaqua MPAs have been completed. These plans must be proclaimed and gazetted by the Minister.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued implementation of the land acquisition plan	

TSITSIKAMMA MARINE PROTECTED AREA



PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
1.2 State of Biodiversity Rating	State of Biodiversity (SoB) Baseline determined	A state of biodiversity baseline has been determined at 53 %
PERFORMANCE ANALYSIS	The assessment of the delivery of biodiversity objectives remains the most important part of the assessment and should be the focus of further assessments.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	The SOB should be repeated every 3-5 years.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
1.3 METT Score	Mid-Terms METT report submitted *** Target changed from 70% following mid-term review	The Mid-term METT report has been submitted to DEA.
PERFORMANCE ANALYSIS	METT SA-3: Mid-term assessments were undertaken in 19 Parks Average score of 71%; METT Mid-term assessment report finalized and submitted.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implement correctives measures identified per park.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
1.4 State of Area Integrity Assessments (SoAIM)	State of Area Integrity Baseline determined	SoAIM baseline determined at 69%
PERFORMANCE ANALYSIS	All parks identified required corrective measures for SoAim Criteria where the level of compliance was not achieved during the assessment undertaken in Q2; Progress against the corrective measures at the end of Q4 stands at 69 %. A new SoAim assessment tool was developed and approved by EXCO.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implement corrective actions as identified per park	



RANGERS AND SCIENTISTS IN FIELD

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
1.5 % Reduction of fossil fuel generated energy consumption	Audit for 3 identified parks *** Target changed following mid-term review	3 parks have been identified as ready to be audited during 2017/18.
PERFORMANCE ANALYSIS	Three parks are ready to commence determining baselines	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	The determination of baselines will enable the monitoring of consumption and subsequent measures to be implemented to reduce consumption.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
1.6 % Reduction of water consumption	Audit for 3 identified parks *** Target changed following mid-term review	3 parks have been identified as ready to be audited during 2017/18.
PERFORMANCE ANALYSIS	Reasons for looking at the readiness for an audit, rather than the audit itself is due to the other parks (excluding Kruger) did not all have the appropriate equipment to do the assessment. The baseline will be established in 2017/18.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	The determination of baselines will enable the monitoring of consumption and subsequent measures to be implemented to reduce consumption.	



SO 2: EFFECTIVELY MANAGED ECOSYSTEM, SPECIES AND CULTURAL HERITAGE ASSETS

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE											
2.1 Total Hectares of Land Rehabilitated / Restored Follow up = 196,341 ha *** Target updated from 209,630 ha following mid-term review Wetlands = SANParks = 6 600 m ³ (26 sites)	Initial = 43 697 ha **** Target updated from 38,537 ha following mid-term review)	Initial = 45 493.42 ha (104%)											
	Follow up = 196 341 ha *** Target updated from 209,630 ha following mid-term review	Follow up = 223,181.71 ha (114%)											
	Wetlands = SANParks = 6 600 m ³ (26 sites)	Wetlands = SANParks 6 188 m ³ (94%) (25 Sites)											
PERFORMANCE ANALYSIS	Number of hectares rehabilitated: Rehabilitation of land in all national parks continued through the implementation of the Working for Water (WfW) and Working for Ecosystems (WfE) programmes, funded by the Department of Environmental Affairs Natural Resource Management Programme (DEA NRMP). Rehabilitation includes clearing of alien invasive vegetation, erosion control and bush encroachment. Reporting for full year performance is against the revised targets as approved by DEA:												
	<table border="1"> <thead> <tr> <th>Initial 2016/17 Target</th> <th>Revised 2016/17 target</th> <th>Full Year Achievement</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Initial = 38,537 ha</td> <td>Initial = 43,697 ha</td> <td>Initial = 45,433 ha</td> <td>104%</td> </tr> <tr> <td>Follow-up = 209,630 ha</td> <td>Follow-up = 196,341 ha</td> <td>Follow-up = 223,115 ha</td> <td>114%</td> </tr> </tbody> </table>		Initial 2016/17 Target	Revised 2016/17 target	Full Year Achievement	Percentage	Initial = 38,537 ha	Initial = 43,697 ha	Initial = 45,433 ha	104%	Follow-up = 209,630 ha	Follow-up = 196,341 ha	Follow-up = 223,115 ha
Initial 2016/17 Target	Revised 2016/17 target	Full Year Achievement	Percentage										
Initial = 38,537 ha	Initial = 43,697 ha	Initial = 45,433 ha	104%										
Follow-up = 209,630 ha	Follow-up = 196,341 ha	Follow-up = 223,115 ha	114%										
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Reasons for Variance Due to the drought situation in the Northern areas of the country, teams had to be moved to work in other areas, as well as doing more follow-up work in alien invasive vegetation areas. In total, SANParks exceeded the planned target for initial rehabilitation with 1,736 ha (4%). Follow-up rehabilitation in all parks and integrated zone areas exceeded the annual planned target of 26,774 ha (14%). More work was undertaken in follow-up areas due to the impact of the drought on the densities of alien invasive vegetation areas.												
	Wetlands rehabilitation: The rehabilitation of wetlands had a delayed start in August 2016 due to late approval of the business plan for 2016/17. During the six month implementation, teams were doubled and the Working for Wetlands programme was on track to achieve the planned target. Heavy rains in Mapungubwe-, Golden Gate Highlands- and Kruger National Park impacted on structures and teams could not get in-field for periods of time. The Department of Environmental Affairs extended the implementation to end of April 2017.												
Continued implementation of the land rehabilitation plan.													

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
2.2 Total Number of Park Management Plans Reviewed and Submitted per annum	2	Revised Park Management Plans for Karoo and Mokala NPs have been submitted to DEA for technical review.
PERFORMANCE ANALYSIS	The two park management plans have undergone a thorough process as per framework.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Effecting changes after input from the DEA technical review.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
2.3 % Reduction in recorded fatalities of rhinos and elephants poached as a ratio of recorded number of poaching activities in KNP	2% reduction from baseline (YoY)	There has been a 7.2 % reduction (YOY) in recorded fatalities of rhino and elephant poached in KNP.
PERFORMANCE ANALYSIS	<p>Reasons for variance</p> <p>It is difficult to predict the efficacy of any ant-poaching measures that gets implemented and this year results were effective and yielded positive outcomes. The huge improvement is due to the following reasons:</p> <ul style="list-style-type: none"> • Earlier detection due to improved technologies in place. • The severe drought made it easier for tracking. • Additional K9 dogs have been used in fields. <p>663 animals were poached in 2016/17 and a total of 2 764 poaching activities were recorded resulting in a ratio of 1:4.17 (i.e. 23.99%). The ratio for 2015/16 was 1:3.14 (i.e. 31.87%). The outcome reflects a 7.2% reduction (YOY) in the number of animals poached, despite an increase in poaching related activities.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Poaching efforts continue to increase. SANParks plan to increase its effort on awareness raising within neighbouring communities	





The Skukuza Regional Court started operating on 7 March 2017

The new Skukuza Regional Court is already making significant progress in addressing the backlog of trials relating to rhino poaching crimes. High profile cases regarding rhino poaching and other wildlife crimes are being transferred from other courts in the region such as Mala Regional Court in Bushbuckridge and Nelspruit Regional Court in a decision that will expedite case turnaround times. The new court, which was formerly known as the Skukuza Periodical Court, will now be primarily dedicated to rhino poaching cases.

“Having a Regional Court in Skukuza will ensure that the case turnaround times for rhino poaching and related cases are expedited thus making a significant contribution to tackling the illicit trade in rhino horn and any other related activities,” says Minister of Environmental Affairs, Dr Edna Molewa.

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
2.4 Number of rhinos poached per annum in 6 Rhino Parks (other than KNP)	0	0
PERFORMANCE ANALYSIS	0 rhinos poached; however the incidence of rhino poaching in areas of close proximity highlights the very imminent threat. Incidences include 12 white rhinos and 8 black rhinos around the Addo Elephant NP; Mountain Zebra NP; Mokala and Mapungubwe NP poached	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued implementation of the Rhino Protection Plan	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
2.5 % Implementation of SANParks Rhino Management Strategy	100% implementation of planned annual activities	30% of activities planned and prioritised for 2016/17 have been implemented.
PERFORMANCE ANALYSIS	30% of the activities were planned and prioritised for 2016/17 and these have been implemented as per plan. These activities include: <ul style="list-style-type: none"> • Risk assessments, • Strategic needs analysis, • Full spectrum integrated anti-poaching operations, • Dedicated black Rhino rangers, • Rhino protection plans for parks. 	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implement actions as per Rhino Management Strategy	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
2.6 % Increase in SANParks EMI fines (J534) for key spp (+total) and arrests for key spp (+total)	2% increase from baseline for fines	There was a 47.54% reduction in SANParks EMI J534 fines issued by Rangers in 2016/2017 when compared to the baseline.
	2% increase from baseline for arrests	There was a 59.62% increase in EMI arrests for key species in 2016/17
PERFORMANCE ANALYSIS	<p>Reasons for variance : It is difficult to predict the efficacy of any ant-poaching measures that gets implemented and this year results were effective and yielded positive outcomes.</p> <p>The significant lower number of J534 fines for 2016/17 is as a result of the effective anti-poaching activities performed in parks. New technologies are in place to assist with earlier detection. The drought made it easier for tracking. Additional K9s have been deployed into the field.</p> <p>The annual target of a 2% increase in J534 fines for 2016/2017 when compared to the baseline of 326 in 2015/2016 has not been achieved. A total of 171 J534 fines for key species poaching related activities were issued by Rangers. The significant lower number of J534 fines for 2016/2017 is as a result of the effective anti-poaching activities performed inside National Parks.</p> <p>The annual target of a 2% increase for arrests for key species has been exceeded. A total of 249 people were arrested for poaching related activities on key species during 145 joint operations with South African Police Services and/or South African National Defence Force.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued law enforcement and anti-poaching activities as per Rhino Management Plans as well as for the other key species.	



RANGERS

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
2.7 % Variation against sustainability threshold of identified key species managed	Rhino sustainability threshold determination	Sustainability thresholds and acceptable limits of variation for rhino have been determined.
	Elephant sustainability threshold determination	Sustainability thresholds and acceptable limits of variation for elephant have been determined.
	Cycad sustainability threshold determination	Sustainability thresholds and acceptable limits of variation for cycads have been determined
	Penguin sustainability threshold determination	Sustainability thresholds and acceptable limits of variation for African Penguins have been determined.
PERFORMANCE ANALYSIS	<p>% Variation against sustainability threshold of identified key species managed:</p> <p>Rhinos: For rhinos, the current thresholds indicate that SANParks:</p> <ul style="list-style-type: none"> a) will achieve the south-western black rhino (SWBR) targets for 2020; b) has a 96% chance of failing to reach the targets for southern white rhinos (SWR), and c) has a 99% chance of failing to reach the targets for the south-central black rhino (SCBR). <p>Elephants: For elephants, the sustainability thresholds for both ecological impact and the ecological role of elephants in the ecosystem are based on the number of poached carcasses per day, in five national parks where elephants occur. Quarter 4 focused on consultation and review of the proposed indicators resulting in simplified performance indicators for 2017/2018.</p> <p>Cycads: For cycads, the specific thresholds for cycad species are given at the scale of the loss of individuals from the various populations, represented by minimum losses of individuals from populations.</p> <p>Penguins: For penguins, the sustainability thresholds are based on the variation of the number of breeding pairs (expressed as a percentage) in 4 colonies over 5 years.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implementation of monitoring plans for rhinos, elephants, cycads and penguins.	



AFRICAN PENGUIN



WHITE RHINO



WATERBERG CYCAD



AFRICAN ELEPHANTS

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
2.8 % Implementation of Wildlife Utilisation Strategy	SANParks Wildlife Utilization Strategy completed	The Wildlife Strategy has been finalised
PERFORMANCE ANALYSIS	Most of the research in SANParks are conducted by outside scientists and academics. SANParks do not have full control over the number of research applications received per annum.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implementation of the Wildlife Utilization Strategy	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
2.9 % Implementation of SANParks Cultural Heritage Management Plan	Cultural Heritage Management Plan finalised	The Cultural Heritage Management Strategy has been finalised
PERFORMANCE ANALYSIS	The Wildlife Utilisation Strategy has been thoroughly workshopped with all affected stakeholders. All relevant comments and inputs have been re-worked into the strategy.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implementation of the Cultural Heritage Management Plan	



MAPUNGBWE GUIDED HERITAGE WALK

STRATEGIC OBJECTIVE 3: ENHANCED KNOWLEDGE FOR DECISION MAKING

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
3.1 % of research projects relevant to SANParks key issues	75%	80% of current projects are rated Essential and Important
PERFORMANCE ANALYSIS	<p>Reasons for variance</p> <p>The scientific publication target is based on one publication by the senior scientists per year which is the accepted norm for scientists. However, the outputs per year are variable, and this is even less predictable quarterly. There are a number of lags in the system of peer-reviewed publication, including</p> <ul style="list-style-type: none"> • Time from research conceptualisation to field work / data collection, analysis, write-up and submission is highly variable, depending on the nature of the research • The scientific peer review process can take very long, with multiple rejections and resubmissions, or simply corrections and/or review rebuttals required <p>Scientists works on more than one publication simultaneously which caused a number of publications to come out simultaneously. Scientists also work with non-SANParks scientists as co-authors.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Ensuring that all research is based on the strategic direction SANParks is taking to enable SANParks to make well-informed decisions.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
3.2 Total Number of Peer Reviewed SANPARKS Research Publications	20	A total number of 41 publications were published for the year.
PERFORMANCE ANALYSIS	<p>Reasons for deviation:</p> <p>The total number of publication has exceeded the target.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	None	

SCIENTIST EVALUATING THE EFFECT OF FIRE IN SOETKRAAL



STRATEGIC OBJECTIVE 4: ENHANCED TOURISM RETURNS

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
4.1 % growth in Gross Operating Tourism Revenue (YoY)	11.0% (YoY)	14.5% 3,5 % over annual target
PERFORMANCE ANALYSIS	Reasons for variance The Western Cape parks namely Table Mountain National Park and West Coast National Park experienced a surge in visitor numbers with both recording a 23% increase. Attributable largely to a growth in foreign visitors, there has also been a steady growth in the number of black visitors	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued product development and excellent service	

LUXURY LODGE IN KRUGER NATIONAL PAK



PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
4.2 Total Number of Visitors to National Parks	6 034 000 *** Target updated from 5 600 000 following mid-term review	6 750 083 14.1% growth Year on Year and 19.3% above annual target
PERFORMANCE ANALYSIS	<p>Reasons for variance</p> <p>5 parks contributed the highest growth in visitor numbers, surpassing a percentage YoY that they have achieved in the last decade. It should be noted that all of these parks are in the Cape region which is a major foreign tourist destination. There has also been a steady growth in the number of black visitors</p> <ul style="list-style-type: none"> • West Coast: 23.2% • Table Mountain: 22.9% • Addo: 14.7% • Bontebok: 12% • Garden Route: 11.7% 	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued Product Development, Camping Diversification and Sales & Marketing initiatives	





PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
4.3 % Growth in Total Number of local Black Visitors	2% (YoY)	9.9 % (7.7 % above target)
PERFORMANCE ANALYSIS	Reasons for variance The growth is attributable to a focused marketing strategy that seeks to attract emerging markets for SANParks. Various initiatives have been embarked on in this regard, focusing primarily on the platforms of mass print media and social media.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Guest transformation plan as part of the Integrated Transformation Strategy planned to be developed in 2017-18	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
4.4 % Growth in Over Night local Black Visitors	4% (YoY)	16.7 % (12.7 % above target)
PERFORMANCE ANALYSIS	Reasons for variance The growth is attributable to a focused marketing strategy that seeks to attract emerging markets for SANParks. Various initiatives have been embarked on in this regard, focusing primarily on the platforms of mass print media and social media.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Guest transformation plan as part of the Integrated Transformation Strategy planned to be developed in 2017-18	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
4.5 % Accommodation Occupancy	72.5%	74 % (1.5 % above target)
PERFORMANCE ANALYSIS	Reasons for variance The implementation of Product Development, Camping Diversification and Sales & Marketing Initiatives resulted in a 74% occupancy	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued sales and marketing initiatives	



PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
4.6 Total Number of Accommodation Unit Nights Sold	565 600	576 289 (0.9% above previous year 1.9% above quarterly target)
PERFORMANCE ANALYSIS	Reasons for variance The implementation of Product Development, Camping Diversification and Sales & Marketing Initiatives resulted in the increased number.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued product development and Sales and Marketing initiatives	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
4.6 Customer Satisfaction Index	78%	81.90%
PERFORMANCE ANALYSIS	Reasons for variance The drop in customer satisfaction ratings is largely due to low service standards at three franchised facilities in the Kruger National Park where there's a legal dispute with the operator. Secondly, the Tsitsikamma restaurant and retail complex in December 2016 leading to restaurant services being delivered from a temporary tented structure	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implementing excellent customer service	



STRATEGIC OBJECTIVE 5: DIVERSIFIED AND ENHANCED TOURISM OPPORTUNITIES AND EXPERIENCES

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
5.1 Total Number of Revenue Generating Products Implemented	13 accumulatively	11 products developed <ul style="list-style-type: none"> • Skukuza Spa • Weekend Spiritual Event -Event Golden Gate • Wild Woman 4X4 Mafunyane Event • Wild Corridor MTB Tour (Addo to Garden Route) • Addo Nguni 12 units • Kgalagadi Nossob luxury campsites and ablutions • Ratelrivier Tender ** • Rietfontein Rest Camp** • Langebaan Houseboats** • Tsitsikamma Zipline PPP Tender** • Crocodile Bridge Bush Braai **
PERFORMANCE ANALYSIS	Reasons for variance <p>The delivery of new products is dependent on private sector interest and infrastructural budget prioritisation.</p> <p>**Co-signing of all the PPP Agreement pending review of the PPP Agreement by the legal department.</p> <ul style="list-style-type: none"> • Selati Train Product • Knysna Gorge Zipline • Wilderness Segways <p>PPP's submitted to April EXCO for approval</p> <ul style="list-style-type: none"> • Phalaborwa Bush Braai moved to May 2017 for new conference investors • Nkuhlu moved to May 2017 for new conference investors • Wild Mapungubwe Cultural & Heritage event postponed to September i.e. Heritage month • KNP MTB Tour delayed • Mountain Zebra chalets to be completed in April 2017 • Nossob Chalets to be completed in May 2017 	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implementation of the Product Development Plan	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
5.2 Total Number of Park Visitor Management and Interpretation Plans Implemented	6 (3 Parks – Visitor Plans and 3 Interpretation Plans)	8 Interpretation and Visitor Management Plans: Karoo National Park Kgalagadi Transfrontier Park Mountain Zebra National Park Kruger National Park
PERFORMANCE ANALYSIS	Reasons for variance The Visitor and interpretation plans target has been overachieved due to the momentum created following research on best practice and commitment from the parks.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued development of the interpretation and visitor management plans	

PRESS



This year's Mapungubwe Transfrontier Wildrun, held in May, took runners across savanna in Botswana's Tuli Block, over the confluence of the Shashe and Limpopo River, into rural villages in Maramani, Zimbabwe, and through Mapungubwe Transfrontier Park and World Heritage Site.

Day one's 30km included a route into Sentinel Ranch in Zimbabwe. On day two, runners covered 34km while traversing the confluence into the Northern Tuli Game Reserve in Botswana. On the third and final day, runners crossed back into South Africa for a run through the national park. Another treat is that runners were taken on a tour of historical Mapungubwe Hill.

"There's a rich heritage," says Middleton. "Mapungubwe is one of the oldest known civilisations in the southern hemisphere. That creates a very powerful picture. It's electrifying. It brings out all your senses."

Runners were accompanied by rangers and guides through the bush and the necessary measures were taken to keep them safe throughout the journey.

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

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
6.1 Total Number of Full-time Equivalent Jobs Created	EPWP = 6 469	EPWP = 6 013 (93%)
PERFORMANCE ANALYSIS	<p>Reasons for variance</p> <p>The number of FTE's achieved is 93% of the full year target or 456 FTE's (7%) less than the target of 6,469. The reasons for this performance are:</p> <ul style="list-style-type: none"> • The three planned People & Parks projects did not start as planned in 2016/17 • Concluding agreements with Provincial Departments and Conservation Agencies to appoint Environmental Monitors (EM's) took longer than planned and less person days were worked on the Environmental Monitor Programme. All outstanding agreements were concluded and additional EM's will be appointed to achieve planned person days and FTE's for the programme. • Changes in the budgets resulted impacted on the number of person days that could be worked in the Eco-Furniture Programme and Working for the Coast. 	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	No corrective measures required	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
6.2 Total Number of Full-time Equivalent Jobs Created	Socio- Economic Development Strategy developed.	The Socio-Economic Development Strategy has been developed and approved.
PERFORMANCE ANALYSIS	The Socio- Economic Development Strategy strategy has been developed as planned	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	The implementation of the Socio- Economic Development Strategy as per plan.	



PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
6.3 Total Number of SMMEs / Enterprises Supported	EPWP = 540	EPWP = 856 SMME's (159%)
PERFORMANCE ANALYSIS	<p>Reasons for variation</p> <p>The 856 SMME's employed in the EPWP programme is 159% more of the planned quarterly target of 540. An amount of R 213 million was paid to the SMME's working in the SANParks EPWP programme. The reasons for exceeding the full year targets are:</p> <ul style="list-style-type: none"> • More SMME's were appointed as part of catch-up plans due to the late start of projects in the DEA NRMP programme. Delays were caused by recruitment and registration on Central Supplier Database required. • The Working for Wetlands programme only started in August 2016 and more SMME's were employed to complete planned work in a 6 (six) month period. <p>The Working for the Coast teams were accommodated in other EPWP programmes for the period June to September when this programme was not active to ensure continued employment of EPWP participants.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	No corrective measures needed.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
6.4 Total Number of Green & Blue Economy Project Implemented	Green = 2 (Nkambeni; Bevhula –Gidjani; Khomani San; Awelani; Mdluli; Enon Bersheba and Mashisimale) Blue = 1 (Tsitsikamma)	2 Green projects have been implemented, namely Mashisimale and Khomani San Blue : Access to fishing at Tsitsikamma National park was implemented as of 24th December 2016.
PERFORMANCE ANALYSIS	<p>Reasons for variation</p> <p>Prolonged consultations processes with communities causes the team to shift focus to those who are ready for implementation.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implementation of the projects as per plan. Improved consultative processes with communities.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
6.5 Number of social legacy projects implemented	5 4 Science Labs and 1 e-learning support system	5 projects implemented The construction of four science labs and 1 E-learning Were completed, bringing to five the total number of social legacy projects implemented.
PERFORMANCE ANALYSIS	The projects are implemented as per plan, but delays experienced due to prolonged consultation processes with the beneficiaries.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Improved consultation processes with beneficiaries.	

STRATEGIC OBJECTIVE 7: ENHANCED AWARENESS AND SKILLS

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
7.1 Total Number of Participants in Environmental Education Programme	218 000 (cumulative)	The total number of participants were 205 815 (cumulative). 94 % of the target achieved.
PERFORMANCE ANALYSIS	Reasons for variation The drop in the number of learners participating in EE programmes is due to a Department of Education decision to disallow learners to leave the school premises for activities	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Have more outreach programmes at schools and youth groups, rather than concentrating on just getting learners into the parks.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
7.2 Total Number of Free Access Entrants during SANParks week and other planned events	Parks week : 54 000 Established and compile register of Planned Events to be included in Free Access Entrants	Parks week: 62 312 Register compiled for all free entrance events
PERFORMANCE ANALYSIS	Reasons for deviation: Parks week: 62 312 the increased number of visitors during parks week is due to focused marketing and partnerships with other entities. Register compiled, which includes: <ul style="list-style-type: none"> • The launch of the Meerkat Surveillance System, Mafunyanne Women Trail; • Launch of the Forum for People Living with Disability in KNP; • Media Tour to Bird Island in celebration of the African Penguin Awareness & National Marine • Week in the Frontier Cluster. • Kalahari/Augrabies Extreme Marathon; • Anti-Rhino Poaching Equipment Handover and Freelance Travel Writers in the Arid Cluster. 	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Ensure sound marketing and communications campaigns to reach the intended audience. Dedicated programmes to attract free visitors.	



EXCURSION IN KNYSNA



ARBOR WEEK IN MARAKELE NATIONAL PARK



ARBOR WEEK IN MARAKELE NATIONAL PARK

STRATEGIC OBJECTIVE 8: ENHANCED STAKEHOLDER ENGAGEMENT

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
8.1 Total Number of Proactive Media Engagements	Media Releases = 125	239
	Media Events = 10	126
PERFORMANCE ANALYSIS	Reasons for variance 239 media releases were generated during this financial year against a target of 125 as results of planned and unplanned occurrences, the same goes for Media Events.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	No corrective actions needed	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
8.2 Media Reputation rating	Positive/ Neutral > 95%	Positive/ Neutral > 99%
PERFORMANCE ANALYSIS	Reasons for variance The cumulative Advertising Value Equivalent (AVE) currently stands at R 975 280 131.00 as at the end of the financial. The breakdown of the AVEs are as follows: Print media = R430 466 215.00 Broadcast = R221 594 359.00 Online = R323 219 557.00	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	No corrective actions needed	



PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
8.3 % of PAIA Requests Responded to within time frames	100%	100%
PERFORMANCE ANALYSIS	Six (6) PAIA Requests received during the financial year under review. Period extended in respect of three requests – one due to volume of the information requested and the last two required concurrence of third parties to the agreement. Access was granted in respect of one request and the last one will be granted in accordance with the extended period. One request was transferred to the relevant provincial nature conservation authorities. One request – records not in SANParks' possession and the requester was informed accordingly. The last request was received on 31 March 2017 and will be attended to accordingly.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	No corrective actions needed	

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

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
9.1 % of Employees from Designated EE Groups Black as % of Management Women as % of Management People with Disabilities Total Male: Female Ratio	Black = 60%	56.7%
	Women = 50%	37,2 %
	PwD = 2%	2.1%
	M:F:1:0.8	1:0.6
PERFORMANCE ANALYSIS	Reasons for variance The challenge lies with the % of women as a part of management. With the sound retention measures in place, the number of vacancies is low. Even if all current vacancies are filled with women, it will not bring the percentage to 50%. "A people with disability forum" has been established and there was an increased drive for declaration.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Implementation of EE plan and recruitment strategy	



WELLNESS EVENTS FOR STAFF



PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
9.2 % of Employees Meeting Minimum Educational Requirements (C and Upper)	76%	74%
PERFORMANCE ANALYSIS	Reasons for variance Studies take an average of 3 years to obtain the relevant qualification.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued drive for employees to strive for minimum requirements.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
9.3 % of payroll spent on the Skills Development Programme	3%	0,29%
PERFORMANCE ANALYSIS	Reasons for variance The budget received for training is less than 1% and the skills development program was delayed. Spent 41.9% (Actual R1, 790,610.40 against a skills development budget of R4, 270 000.00. The total expenditure thus far for Learning & Development is R5 133 261.88 which is 63% spent against a budget of R8 180 000. Despite the implementation of skills programmes, the target will not be met as the budget received is less than 1%.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Skills development drive via IDPs and aligning the skills development plan with the needs.	

STRATEGIC OBJECTIVE 10: CONDUCTIVE WORKING ENVIRONMENT

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
10.1 % Staff Turnover	≤ 5%	4.2 %
PERFORMANCE ANALYSIS	Reasons for variance Performance in this regard is attributed to sound retention measures, confirming that SANParks is an Employer of Choice	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	No correctives actions needed	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
10.2 % Staff Vacancy Rate	≤ 5%	4,4 %
PERFORMANCE ANALYSIS	Reasons for variance Performance in this regard is attributed to sound retention measures, confirming that SANParks is an Employer of Choice	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	No correctives actions needed	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
10.3 % Success Rate at CCMA	85 %	100 %
PERFORMANCE ANALYSIS	Reasons for variance Two (2) cases ruled in favour of SANParks, one (1) settled, two (2) closed and one (1) withdrawn. Effectively & efficiently managed labour litigation. The internal disciplinary cases are handled both substantively and procedurally fair.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued vigilance in the implementation of the HCM strategy	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
10.4 % reduction in average number of sick leave days taken annually per capita	2% reduction	1.57 average days
PERFORMANCE ANALYSIS	Reasons for variance Roll out of wellness plans and healthy work environment	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued roll out of a sound wellness plan	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
10.5 Disabling Injury Frequency Rate (DIFR)	< 0.78	0.71
PERFORMANCE ANALYSIS	Reasons for variance Adequate Human and Financial Resources; Compliance with OHS Policy and Management	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Sound Occupational Health and Safety plans rolled out in all divisions and parks.	



STRATEGIC OBJECTIVE 11: OPTIMISED BUSINESS PROCESSES AND KNOWLEDGE MANAGEMENT SYSTEMS

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
Total number of business processes reviewed	Mapped = 5 Automated = 5	Mapped: 5 (cumulative); Automated: 5 (cumulative) The Annual Performance Process Individual Performance Process Facilities Vehicles Request Contracts Management Individual Performance Reviews
PERFORMANCE ANALYSIS	Reasons for variance All processes mapped, reviewed and automated as per plan	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued review of business processes	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
Number of ICT Strategy projects implemented	4	100% of target achieved.
PERFORMANCE ANALYSIS	<p>The following had been achieved:</p> <ul style="list-style-type: none"> • The IT Security Policy was approved by the Board; • Review of the IT Strategy. Report was presented at the Exco and Audit and Risk Committee; • A draft IT Acceptable Usage Policy compiled; • A draft IT Network Security Management Standard Operating Procedure compiled; • A draft IT User Account Management Standard Operating Procedure compiled; Enterprise Content Management Proposal was present to the IT Portfolio and IT Steercom ; • IT Portfolio Management Framework Compiled and presented to the IT Portfolio and IT Steercom; Change Management standard operating procedure compiled and presented at IT Portfolio and IT Steercom; • IT Management Framework compiled and presented at IT Portfolio and IT Steercom; Incident Response standard operating procedure compiled and presented at IT Portfolio and IT Steercom; 	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued implementation of the ITC strategy	

STRATEGIC OBJECTIVE 12: ACCOUNTABLE CORPORATE GOVERNANCE

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
12. 1 Auditor General Audit Report	Unqualified with no other matters	Unqualified with other matters
PERFORMANCE ANALYSIS	Not as yet finalized	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued adherence to the PFMA	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
12.2 % Compliance with Governance Requirements	100%	100%
PERFORMANCE ANALYSIS	As per PFMA regulations	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	None	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
12.3 % of Legal Opinions on SANParks business needs generated as per requests (provided no more than 80 requests received per annum)	100%	100%
PERFORMANCE ANALYSIS	<ul style="list-style-type: none"> Twenty six (26) legal opinions were requested from the Legal Services Department and provided within the financial year under review. Staff shortages contributed to delayed delivery of legal opinions during the course of the financial year. 	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Responding to all legal enquiries and/ or issues within the required period	

STRATEGIC OBJECTIVE 13: FINANCIAL SUSTAINABILITY

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
13.1 Income-to-Cost Ratio	1:1	1.11: 1
PERFORMANCE ANALYSIS	<p>Reasons for variance</p> <p>The income to cost ratio is better than expected due to more revenue generated from conservation and concession fees than anticipated. This is evidenced by the 14.1% increase in the number of total Guests to Parks, when compared to the previous year. The number increased from 5 917 741 to 6 750 083 persons through SANParks gates. For Kruger the number is up 2.9% from 1 767 218 to 1 817 724 and for Parks increased by 18.8% from 4 150 523 to 4 932 359 persons.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	In addition to continuous budget variance monitoring, regular financial forecast will be undertaken to mitigate any possible financial risks the organisation might have been exposed to due to the current slow economic recovery. Furthermore, a special focus will be given to improve financial controls and management of assets	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
13.2 % Expenditure Budget Variance	≤ 0%	3%
PERFORMANCE ANALYSIS	<p>Reasons for variance</p> <p>Over-expenditure in Human resources in overtime and the Overtime is overspent by R15,8m, and Medical Aid Prefunding is over the budget by R23m.</p> <p>Other direct salaries related costs resulting from the OD 1 salary adjustments for +/-R14, 8m.</p> <p>Maintenance costs to date are R28, 7m above budget.</p>	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Vigilant financial management in all divisions.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
13.3 Direct HR cost as % of Total Expenditure	≤56%	52%
PERFORMANCE ANALYSIS	Reasons for variance Human resource costs are under the quarterly target of 56% of total expenditure. The reason for this is due to the medical aid prefunding provision which is adjusted based on actuarial reports at year end, and overspending on overtime.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Vigilant management of the overtime budget.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
13.4 Own revenue generated as % of Total Revenue	70%	82%
PERFORMANCE ANALYSIS	Reasons for variance SANParks own revenue generated is sitting at 82% compared to the quarterly target of 70%. This is well above the quarterly target.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Continued stringent financial management	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
13.5 Average number of days: Debtor collection	≤30	25 days
PERFORMANCE ANALYSIS	The average number of days for debtor collection is better than the quarterly target due to continuous communication with debtors pertaining to outstanding debt. The bulk of the debt relates to concessionaires and they have contractual payment terms.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	The situation regarding debtors is constantly being monitored and corrective action, even legal action is taken when necessary.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
13.6 Average number of days: Creditor payment	≤30	29 days
PERFORMANCE ANALYSIS	The average number of days for creditor is within the quarterly target of 30 days, as set out in the PFMA.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	SANParks will continue to adhere to the requirements as set out in the strategic objective which is in line with the PFMA.	

PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
13.7 Total Revenue generated from Fundraising per annum	R 50 million	R 17, 122,662
PERFORMANCE ANALYSIS	Reasons for variation The total amount generated is under the target of R 50 million, due to less funders coming on board. The delivery of new products is dependant on private sector interest and the infrastructural budget prioritisation. Improved alignment between the tourism development plan and infrastructure development plan.	
PLANNED IMPROVEMENTS/ CORRECTIVE ACTIONS	Partnerships with PPF and the Honorary Rangers.	



3 873 ha within the Succulent Karoo biome, was acquired for inclusion into the national parks system.

The Mountain Zebra Camdeboo Protected Environment (MZCPE) was officially declared by the Minister of Environmental Affairs, involving 66 landowners and spanning an area of 286 343 ha.

The publication of the Tsitsikamma MPA Regulations gave rise to the rezoning and restoration of access to 20% of the Tsitsikamma MPA coastline for recreational bait collection and fishing by the local community in the immediate region.

OPERATIONS REPORT

TAKEN IN WEST COAST NATIONAL PARK

OPERATIONS REPORT

The operational component of SANParks is delivered through the current nineteen (19) functional national parks – these being organised under two divisions namely, Kruger National Park and the Parks Division. The Parks Division is divided further into four regions, namely Arid-, Cape-, Frontier- and Northern Regions.

1. PARK AND REGIONS



2. PARKS

Region		Name	Proclamation	Size (ha.)
	1	Kruger National Park	1926	1 962 362
Arid	2	Augrabies Falls National Park	1966	52 905
	3	Kalahari Gemsbok National Park	1931	956 665
	4	Mokala National Park	2007	32 335
	5	Namaqua National Park	2002	138 552
	6	Richtersveld National Park	1991	179 792
	Cape	7	Agulhas National Park	1999
8		Bontebok National Park	1931	3 479
9		Table Mountain National Park	1998	25 000
10		Tankwa-Karoo National Park	1986	140 642
11		West Coast National Park	1985	46 817
Frontier	12	Addo Elephant National Park	1931	178 117
	13	Camdeboo National Park	2005	19 455
	14	Garden Route National Park : Knysna (1985); Tsitsikamma (1964); Wilderness (1983)	2009	141 712
	15	Karoo National Park	1979	88 325
	16	Mountain Zebra National Park	1937	26 997
Northern	17	Golden Gate Highlands National Park	1963	32 700
	18	Mapungubwe National Park	1998	20 182
	19	Marakele National Park	1994	64 677
Other *	a	Groenkloof National Park	1968	7
	b	Graspan/Vaalbos National Park	1986	4 575

*(NOTE: GROENKLOOF AND GRASPAN/VAALBOS ARE DECLARED NATIONAL PARKS IN LEGISLATION BUT ARE NOT OPERATIONALLY FUNCTIONAL NATIONAL PARKS).

The Kruger National Park (KNP) covers a large and varied area, and lies embedded in an even more varied regional setting. It covers almost two million hectares or 20 000 km² of South Africa's lowveld, bordering Mozambique in the east and Zimbabwe in the north. KNP's elongated shape is approximately 350 km from north to south and on average 60 km wide, with rivers providing natural boundaries in the south and north and the Lebombo hills providing a natural boundary to the east. To the west, the park is predominantly bordered by private and provincial nature reserves and many high-density communal areas.

KNP was formally declared a national park on 10 December 1926, although portions had already enjoyed conservation status for considerably longer. It was however preceded by hunter-gatherer communities of the Stone Age, including the San who left a rich heritage of rock paintings and other artefacts. The iron-age farmers, metalworkers and traders who followed were probably formidable hunters, also utilising fire. The era from the 12th century until around 1650 was characterized by active trade, first from Mapungubwe, along the Limpopo River to Mozambique and later from Thulamela.

KNP lies in the low-lying savannas of north-eastern South Africa, with elevations from about 250 m to a small section over 800 m. KNP's climate is tropical to subtropical with high mean summer temperatures and mild, generally frost-free winters. Rainfall, delivered mostly through convective thunderstorms, is concentrated between October and April. A rainfall gradient stretches from an annual mean of about 750 mm in the south-west, to 350 mm in the north, although strong inter-annual and roughly decadal cyclic variations exist, with drought considered endemic.

The basic geological template comprises a western granitic half, characterised by distinctive catenas, and an eastern clayey basaltic and rhyolitic half, with some important smaller intrusive, sedimentary or recent sandy zones. The extreme north of KNP is unique due to its diverse assemblage of rock formations. Seven major perennial or seasonal rivers cross the park, and especially the western half of the park's terrestrial landscape is heavily dissected by drainage channels on undulating land. KNP's patterns of geology, soil, fire and rainfall, are local factors which are vital attributes which make the park unique.

The Arid management region is made up of 5 different parks. The largest of these parks, i.e. Kalahari Gemsbok NP lies in the large sand-filled basin in the west of the southern African subcontinent, known as the Kalahari. It covers almost one third of the area and forms what may be the largest sandveld area in the world. Together with the associated fauna and flora of the sandveld area, the park provides for an important cultural landscape of the Khomani San people. Three other parks, Richtersveld, Augrabies Falls and Namaqua,

are within the Succulent Karoo Biome as well as areas of significant geological interest. In addition, Mokala NP represents unique habitat with diverse ecosystem processes within a transition zone between the Karoo biomes and arid savanna bushveld. Two of the parks, namely Kalahari- and Richtersveld are Transfrontier Conservation Areas.

The Cape management region is made up of 5 parks, three of which are situated along the South African coastline and includes two marine Protected Areas. Langebaan estuary in West Coast NP is registered as an important non-breeding site for hundreds of thousands of palaeartic migrant waders during the austral summer. It is also registered as a wetland of international importance (RAMSAR) with about 32% of South Africa's saltmarshes. The Western Cape Province is characterised by ecological processes which are considered of outstanding universal value for representing on-going ecological and biological processes associated with the evolution of the Cape floristic Region. Table Mountain, Agulhas and Bontebok NP's fall within the Cape Floral Region Protected Areas World Heritage Site. The Tankwa Karoo National Park falls within the International Biodiversity Hotspot of the Succulent Karoo as recognised by Conservation International.

The Frontier management region consists of 5 parks situated in both the Western and Eastern Cape Provinces which represents a variety of diverse biomes. The Garden Route National Park can be described as a complex of protected areas managed as a single entity. The park includes the previously proclaimed Tsitsikamma and Wilderness NPs, state forests and mountain catchment areas, as well as the Knysna National Lake Area. Addo Elephant NP conserves a representative sample of the Eastern Cape's unique mix of biodiversity ranging from the marine areas and representatives of five terrestrial biomes (Thicket, Forests, Fynbos, Nama-Karoo, and Grassland) and the azonal wetlands in a landscape diverse environment with offshore islands, coastal plains, dune fields, mountains and arid plains. Camdeboo and Karoo NP's include steep topographical gradients which produces a structurally complex environment that provides many niches for animal and plant species. Vegetation types are closely linked to soil type, soil depth, rockiness, slope and aspect. Camdeboo represents the Karoo biome which is recognised as a world conservation priority. Karoo NP is situated in the semi-arid Nama-Karoo and falls within two biomes namely Nama-Karoo and Grassland. Mountain Zebra NP is located in a transitional area between four biomes: Grassland, Nama Karoo, Thicket and Savanna. All of the major vegetation types are currently very poorly conserved elsewhere in South Africa. Being a transition area between biomes allows for an interesting mix of flora and fauna, as well as important ecological and landscape processes.

The Northern management region consists of 3 parks. Golden Gate Highland NP was proclaimed for its water production capacity, noteworthy geological significance and aesthetic beauty. The park affords protection to the threatened grassland biome. Even though the Mapungubwe National Park serves to protect the important biodiversity components of the semi-arid landscape; its uniqueness lies in the significant cultural landscape of the area. Mapungubwe National Park and World Heritage Site provides for the understanding of the important interconnections between people, their heritage and biodiversity in the landscape. The outstanding universal value that led to its inscription as a cultural landscape lies in the evidence of more than 400 archaeological sites and dynamic interaction between people, natural resources and the landscape. Mapungubwe is also a Transfrontier conservation area. Marakele National Park is situated on the extreme south-western quadrant of the Waterberg massif and its adjoining lowlands to the west. Marakele hosts a wide spectrum of vegetation diversity comprising four major vegetation units, namely fine-leaved thornveld, broad-leaved woodland, forest and grassland. Floristically Marakele is exceptionally rich, with representatives typical of fynbos and forest systems. Because the Waterberg represents an important transitional zone in the distribution of mammals, it is capable of maintaining a high diversity of species.



IMPROVED REPRESENTATIVE CONSERVATION ESTATE

NATIONAL PARK EXPANSION

With regard to national park expansion, 3 873 ha was acquired for inclusion into the national parks system within the Succulent Karoo biome. The inclusion of the under-represented vegetation types associated with these biomes continues to increase the ecological viability of the Namaqua and Addo Elephant national parks.

Momentously, on the 1 April 2016, the Mountain Zebra Camdeboo Protected Environment (MZCPE) was officially declared by the Minister of Environmental Affairs, involving 66 landowners and spanning an area of 286 343 ha. The protected environment is situated between Graaff-Reinet, Nieu-Bethesda, Cradock and Pearston. Its purpose is to maintain the landscape in terms of its scenic, biodiversity and landscape value, through collective action by private landowners and to protect the area from incompatible developments. The protected environment aims to secure the decidedly valuable high altitudinal grasslands that are found between the two parks and promote the functioning of the associated ecosystems and the species therein. The Sneeuberg Centre of Endemism is in this area. The first draft management plan was submitted to the Minister by the MZCPE Landowner's Association at the end of March this year. It is aimed at guiding the future management of the protected environment for ten years, until 2027, through its vision: "Conservation through Collaboration".

MARINE PROTECTED AREAS (MPAS)

Upon the gazetting of 22 new MPAs for declaration under the Phakisa initiative, SANParks completed draft implementation plans for the Addo Elephant and Namaqua national parks and Robben Island MPAs. The publication of the Tsitsikamma MPA Regulations gave rise to the rezoning and restoration of access to 20% of the Tsitsikamma MPA coastline for recreational bait collection and fishing by the local community in the immediate region. The regulations governing fishing and bait collecting in the Tsitsikamma MPA places stringent restrictions on anglers, and monitoring to address both the ecological impacts and the social benefits arising from the rezoning is conducted.



CLIVE ELMO - A MEMBER OF THE TSITSIKAMMA ANGLING ASSOCIATION POINTS OUT THE NEWLY OPENED FISHING AREA



ECOLOGICAL MONITORING OF THE RE-ZONED TSITSIKAMMA MPA INCLUDES SHORELINE INTERTIDAL SURVEYS AND THE USE OF STEREO BAITED REMOTE UNDERWATER VIDEO TO DETERMINE IMPACTS IN OFF TAKE ZONES.

PARK MANAGEMENT PLANS

Management plans for the Karoo and Mokala national parks were completed and submitted to the DEA for technical review. The process involved 16 stakeholder workshops (internal and external), held throughout the year, to co-develop with SANParks' constituency the desired state for these parks, set meaningful objectives and decide on management actions to achieve them. The engagement around park management plan revisions has become an important platform for sharing information and building conservation constituency around the parks. In 2016, the Management Plan Goal Audit for Kruger NP was undertaken, which will go on to inform the revision of the park management plan. Seventeen public stakeholder meetings and focus group meetings were planned to engage on the "desired state" inputs for the Kruger NP, which will inform the high-level objectives, strategic and operational direction for the Kruger NP for the next 10 years. Substantial emphasis will be on regional planning and integrated land use approach to be incorporated in the Kruger NP Management Plan.



COMMUNICATION CONSULTATION IN THE REVISION OF THE KRUGER NP MANAGEMENT PLAN

THE GLOBAL ENVIRONMENTAL FACILITY PROTECTED AREA PROGRAMME

The Kruger National Park has been a major participant in the Global Environmental Facility Protected Area Programme, which is implemented by SANParks at national level, and by the Kruger 2 Canyon (K2C) Lowveld Protected Area Group in partnership with the Kruger NP, Mpumalanga Tourism and Parks Agency (MTPA), Limpopo Department of Economic Development, Environment and Tourism (LEDET) and private reserves. Buffer zone guidelines are in development, whilst a stock-taking process and risk assessment has been concluded for all neighbouring areas open to the Kruger NP. A major part of this process is the regularisation of areas open to the Kruger NP. This will further assist to inform the Greater Kruger NP Cooperative and Contractual Agreements and relevant cooperative protocols and ensure further engagement on processes, such as hunting within the open system. "Best practice guidelines" such as responsible tourism, land use guidelines, buffer mechanism guidelines and delineation in the municipal planning processes are underway. These processes will all feed into the Kruger NP Management Plan review process, and assist with the development of certain sections such as the integrated land use section.

The Integrated KNP Land Use and Cooperative/Contractual Agreement Protocol has been approved by the SANParks Board. This process forms part of the KNP Management Plan review process.

The rehabilitation programme has met all the planned targets for the reporting period which comprises of 22 342 initial ha and 113 983 follow-up ha respectively.

TOOLS FOR PARK SYSTEM INTEGRITY

MANAGEMENT EFFECTIVENESS TRACKING TOOL (METT)

Management Effectiveness Tracking Tool (METT) assessments were conducted in all parks and an average score of 71% was achieved. All identified shortcomings during the assessment process were subjected to a corrective action plan until the next audit. The score of 72.3 % progress was achieved on the current reporting period.

STATE OF BIODIVERSITY (SoB)

During 2016/17 a baseline score was determined for the State of Biodiversity Assessments across SANParks. The baseline took the average of three previous assessments which came to 53%. This baseline will be used to determine management interventions to improve biodiversity in our national parks.

STATE OF AREA INTEGRITY ASSESSMENTS (SoAIM)

A total of 43 State of Area Integrity assessments (SOAIM) were conducted in all 19 parks during June - August 2016. The scores achieved are indicative of the current status of Area Integrity and also where interventions are required. The score of 69 % progress was achieved at the end of the fourth quarter of 2016-2017

EL NINO IMPACTS

DROUGHT:

The past year has seen one of the driest years in the country and most parks were affected with the Kruger National Park being the most severely impacted; it experienced the worst drought season in recorded history. The resilience of the ecosystem however, allowed for quick recovery and adaptation following the 2016/17 rainy season.

Death rates amongst large mammals such as hippo and buffalo were the most significant, though other species were also impacted they displayed better adaptation to the situation. Census figures for 2017 will give more accurate mortality figures.

Mortalities are inevitable and should be seen as a part of managing and the functioning of large systems.

As part of adaptive management, the organisation intervened by removing through culling 72 hippos and 105 buffalo from some areas of KNP as part of the drought response strategy.

In other parks drought interventions included culling of certain abundant species and feeding of rare and endangered species.

In other parks drought interventions included culling of certain abundant species and feeding of rare and endangered species.

DISEASE SPILL-OVER:

The impact of disease spilling in from neighbouring areas was felt when a pack of African wild dogs in the Kruger NP died from canine distemper. This is a viral disease that commonly affects domestic dogs, with potential spill over to wildlife, affecting carnivores like African wild dogs, lions, hyenas and jackals. The source of the virus that affected this pack, could have been due to contact with what was thought to have been a feral dog or one of the other wildlife species infected by the disease. Fortunately, African wild dog packs do not often come into contact with each other, so the likelihood that other packs of wild dogs in southern Kruger will be infected is very small. SANParks is monitoring all other packs in the area and vaccination of adult wild dogs will be done if required.



DAMS THAT DRIED UP SUCH AS KUMANA CAUSED AFFECTED ANIMALS TO MOVE AWAY AND PUT MORE PRESSURE ON OTHER AREAS





RIVERS:

Rivers were much better off during this drought than during the previous serious drought when several perennial rivers dried up completely. This may be due to the large dams constructed in the upper catchment as an outflow from the KNP Rivers Research Programme during the 1990s, as well as improved management of the Environmental Reserve. Although water quantity improved, water quality in rivers has deteriorated as a result of increased mining and sewerage waste management in the catchments of the rivers.

FIRE:

A wildfire that started on private property on August spread through the Wilderness Section of the Garden Route National Park. Phragmites that growths on the banks of the lakes as well as a gale force wind resulted in the rapid spread of the fire into a residential suburb next to the park. Four houses were destroyed in the fire. A wildfire burned for 16 days during December in the Tsitsikamma section of the GRNP. No damaged caused to any property and 4 700 ha of senescent fynbos was burnt.

In Table Mountain National Park, the number of fire incidents for this past year was 74 fires compared to last year at the end of March of 79 fires. Although there was a slight decrease in numbers, extreme weather conditions and higher temperatures caused fires to spread much quicker and burned with much higher intensity and severity.

During December the new tree top cottage in Mokala was completely destroyed by a fire. The cause is unknown, however investigations remain ongoing. Approval has been obtained from the insurance to rebuild the Tree Top Cottage and an additional cottage, which will be funded by Department Economic Development and Tourism (DEDAT).

El Nino and the associated drought effects affected fire variability across the country. In the Kruger NP there were very few fires due to the drought conditions and lack of grass. In the Cape thought the dry conditions caused fires in the Table Mountain and Garden Route National Parks, which destroyed some infrastructure.



“Mosu Lodge in Mokala was crowned the Big Tusker in the Safari Index Tusker Ultimate Safari Experience Awards 2016. The lodge has officially been voted as the Ultimate National Park Camp in South Africa.

RANGERS AT OUR SERVICE

Ranger’s duties vary widely across national parks but have in common area integrity patrols, monitoring and observing the park, its fauna and flora. Duties are performed in the land- and sea-scape of our protected areas with diverse functions across these areas.

In Parks with the big five component, the majority of the ranger force is engaged in counter-poaching activities due to the rhino poaching crisis which has erupted over the last few years. Rangers are predominantly focused on area integrity tasks to secure the Park’s biodiversity assets.

Outside of these parks, rangers are required to attend to many other tasks aside from area integrity. Law Enforcement and compliance work remains one of the large focus areas. The nature and extent of this varies according to the rural, peri-urban or urban context of the park. Other functions include fence monitoring and maintenance, water supply monitoring and maintenance, road maintenance, management of alien invasive animals and plants, game capture, fire-fighting, and gate security form part of the ranger’s daily tasks and emergency functions.

Within the rangers corps, highly specialized staff have been trained to undertake very specific tasks, for example dog handlers, specialist trackers and pilots. Dog handler rangers take on the special task of boosting security with their canine counterparts.

Years of dedication to the cause and passion for the environment make rangers the last line of defence on the ground at the coalface of conservation. Our rangers are an asset to conservation and long-term protection of our heritage.

WORLD RANGER DAY 2016

In recognition of the work of rangers as the key protectors of parks and conservation areas around the globe, World Ranger Day was celebrated across all South African National Parks. World Ranger Day was also a day to remember the many rangers injured or killed in the line of duty while protecting the world and South Africa’s conservation estate.



ALBERT MACHABA (REGIONAL RANGER: NXANATSENI NORTH) RETIRES AFTER 19 YEARS OF SERVICE IN CONSERVATION.

Kruger's first black regional ranger retires

Following 19 years of service as a Regional Ranger, Albert Machaba will retire at the end of December 2016. Machaba joined Kruger National Park (KNP) in 1997 as a Regional Ranger, the position he occupied throughout his stay.

Machaba grew up on a farm called Palmitfontein near Louis Trichardt in the 1960s. He started school at the age of 11, as it was difficult back then for him to be accepted at farm schools. Despite all the challenges, he persevered to get education. His passion for nature, kept him going. "I completed my National Diploma in 1975 and started working the very same year. I was one of the first black people to be allowed to take up conservation as a profession," he said.

His career in conservation started in 1975 when he joined the former Venda government as a nature conservator and went on to occupy the position of principal nature conservator. After serving 22 years, Machaba joined KNP in 1997 as a Regional Ranger. Since then he has served in different regions within the park. "I became the first black regional ranger in the KNP and that came at a price. The treatment from the then management was not good but I kept on holding to my core function. I prayed a lot with my late wife, Norah who was so courageous. When I had a problem she would make sure that she was there for me," explained Machaba.

In the years that he spent in the park, he has had a number of encounters with animals in the bush. One such encounter that he cannot get out of his head is when he witnessed a lion killing a human being. "One morning I was called by field rangers who told me of a lion that has killed an illegal immigrant from Mozambique. I arrived at the scene to find a big male lion feeding on a human being. We had to put them down to save the remaining human parts," he recalls.

His highlight is working with different colleagues from different departments whom he regards as friends rather than colleagues. Teaching fellow employees on the protection and management of wildlife were his priority. "As a departing note, I would like to encourage my fellow employees to work hard and trust each other," he said.

Machaba plans to spend his retirement age contributing to conservation. "Conservation is my priority and I will possibly look for any venture advancing conservation ethics during my retirement. Once a conservationist always a conservationist," he concluded.

In solidarity with rangers throughout the World, this day was celebrated in July by SANParks rangers.

Various celebrations were held across parks, this was done in collaboration with the SANParks Honorary Rangers and well as other stakeholders.

The day afforded the rangers and opportunity to demonstrate their skills, both on land and on water. Skills associated with their daily duties, including squad drilling, firearm competency, dog handling, patrolling, boat handling, contact and arrest simulation, first aid, and many others, was on display.

The celebrations gave recognition to the outstanding contributions made by Rangers towards the conservation of protected areas; it honoured their efforts,

their passion, dedication and commitment to protect the world's natural and cultural treasures.

The celebrations were concluded with various forms of cooking, in most cases a spit-braai or other.

KNP celebrated the World Ranger Day with a wreath laying ceremony at the Ranger Memorial and a Rangers Sports day at Letaba Soccer field. The ceremony was characterised by the laying of wreaths by KNP, SANDF, SAPS and the Honorary Rangers and SANParks rangers are at the forefront of protecting our natural heritage and cultural assets for the benefit and enjoyment of all people.



HONORARY RANGERS

SANParks Honorary Rangers (SHR) is the official SANParks volunteer organisation, mandated in a memorandum of understanding (MOU) between SANParks and SHR. The SHR is a registered public benefit and non-profit organisation. It is one of South Africa's leading conservation non-governmental organisations (NGOs). Amongst the non-governmental South African initiatives, they provide the lion's share of support for anti-poaching activities. They are involved at various levels, including assisting at entry gates, raising funds for anti-poaching and other SANParks activities, assisting with visitor management, running youth activities and specialist advice on infrastructure and scientific projects.

The SHR manages five national projects which includes:

- Birding
- Bush camps
- Conservation services
- Interpretation
- Junior Honorary Rangers
- A sixth national project, which will focus on community-related activities, was approved and will be constituted at the 2017 AGM.

Each of the 31 regions engages in local projects and initiatives, including raising funds (through golf days and other activities), maintaining hiking routes, running birding weekends and renovating historical areas. They are also involved in several other projects hosted by SHR, such as the popular bush camps, sporting events and music concerts.



"It is indeed an absolute privilege to be associated with the South African National Parks as an Honorary Ranger. The organisation which heads the National Parks is not only an icon of the African continent but showcases the diverse natural heritage that this beautiful country has to offer. A truly rewarding aspect of being an Honorary Ranger is that we get to share our passion for the natural environment with family and friends as well as the public within our local communities through educational programmes that they would not have been exposed to otherwise. By means of the Juniors programme there is already a noticeable difference in the interest in nature related activities and conservation awareness among participants, teachers and parents alike. It is therefore felt that through this we could be assured of a future society of conservation activists." – Farouk Hassen and the members of the Johannesburg South Region

SHR CONTRIBUTIONS DURING THE REPORTING PERIOD:

Hours spent up **17%** to 260 000

Kilometres travelled up **18%** to 2.8 million

Total contribution to SANParks up **19%** to R57.2 million



DONATIONS OF ANTI-POACHING EQUIPMENT IN THE KRUGER NP

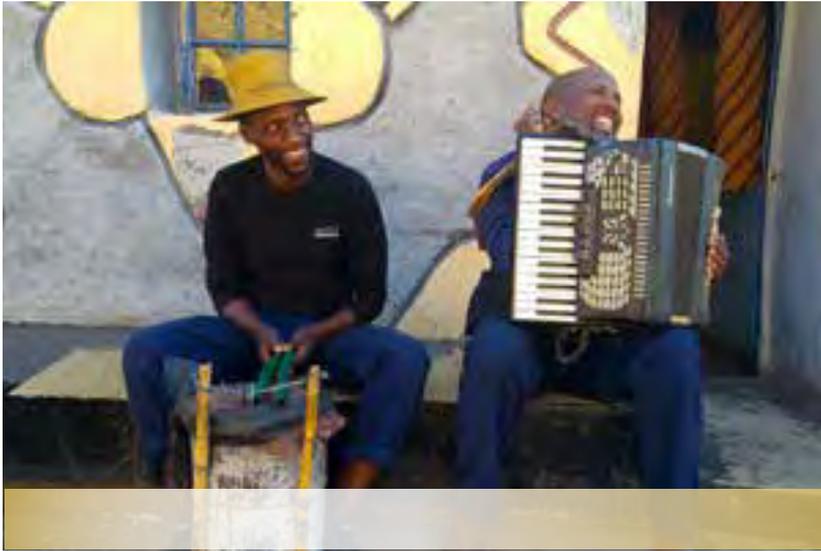


HORSE PILOT PROJECT FOR ANTI-POACHING AND BOUNDARY PATROLS IN KRUGER NP

CULTURAL HERITAGE

SANParks' approach to cultural heritage management recognises that it must be managed in a fashion that encompasses all the possible ways people interact with their landscape and culture (i.e. the intrinsic link between cultural heritage and the natural environment).

It is not only about preserving individual sites, but must also look at the essential features of culture itself. For this reason, SANParks completed a draft Cultural Heritage Management Plan. The parameters that informed SANParks Cultural Heritage Management Plan are research, public participation, human capital management, interpretation, access, conservation and maintenance.



An UNESCO team that consisted of the International Council on Monuments and Sites (ICOMOS) and the International Union for Conservation of Nature (IUCN) visited Kgalagadi to verify the information provided in the Khomani San nomination dossier for a Cultural Landscape. The information was proposed and submitted by the San community themselves.

REDUCED FOSSIL AND WATER CONSUMPTION

The Kruger NP has been measuring the consumption of fossil fuel and water since 2010. And during this past year a reduction of 7% was recorded. Readiness Audits were undertaken in all other parks to determine the effective roll-out of both the reduction of fossil fuel and water consumption. Due to a lack of measuring apparatus and systems, this initiative will be phased in over a few years in the other parks. The Golden Gate Highlands -; Mokala- and Mountain Zebra National Parks will commence with a baseline determination for fossil fuel consumption during the 2017-18 financial year. Baseline for water

consumption will commence in the Agulhas-, Bontebok National Park and Wilderness Section of Garden Route National Park.

A successful project implemented in the Tankwa Karoo National Parks sets the trend for other parks.

Ten new 2 bedroom houses were built in the Waaikop Staff Village and are supplied with Solar Electricity. 126 Solar Panels (**photovoltaic system**) are utilized to harvest energy from the sun.

The system is designed to operate to the following requirements;

- Normal household equipment (energy saver/LED lighting, kettle, washing machine, microwave, television, fridge/freezer).
- An Extreme solar geyser (solar/electrical)
- Gas is utilized for the stove/oven.

5 new additional 1&2 Bedroom Cottages was built at Elandsberg and each unit is individually supplied with Solar Electricity.

4 Solar Panels (**photovoltaic system**) per cottage are utilized to harvest energy from the sun. This energy runs through a Charge Controller/Regulator from where it charges a battery pack. **The system is designed to operate to the following requirements;**

- Limited household equipment (energy saver/LED lighting, microwave, television, fridge/freezer and pool pump).
- Gas is utilized for the stove as well as for hot water supply.

PRESS



FRANS VAN ROOYEN, STEVEN SMITH, PIET BRONKHORST AND LUCIUS MOOLMAN CELEBRATING 50 YEARS OF AUGRABIES FALLS NP

Augrabies celebrates 50 years of conservation

BY: NADIA LEMMETUIS

Augrabies Falls National Park celebrated its 50th year under SANParks' management on 5 August 2016. The region celebrated the occasion with a gala dinner and honoured employees with awards for outstanding service.

The park was officially proclaimed on 5 August 1966 based on the following objectives:

- To conserve and restore the biotic diversity of the Orange River Broken Veld with its associated flora and fauna.
- To maintain the Augrabies Waterfall and its surroundings in an unspoilt state.
- To provide opportunities for environmental education and tourism.
- To provide opportunities for research of the fascinating flora and fauna.
- Since its proclamation in 1966, the park has gone through the hands of 10 very capable and passionate park managers of which three attended the ceremony.

SPECIAL PROJECTS PROGRAMMES

EXPANDED PUBLIC WORKS PROGRAMME

INTRODUCTION

SANParks continued implementation of various sub-programmes of the Expanded Public Works Programme (EPWP) as part the Department of Environmental Affairs Environmental Programmes (DEA). During the past year, 6 013 Full Time Equivalent jobs were created by the various and diverse range of projects in national parks, provincial nature reserves, other protected areas and some urban areas. SANParks is currently the implementing agent for National Programmes such as the Environmental Monitor Programme and the Eco-Furniture Programme which are implemented in areas outside national parks.

Projects implemented formed part of the DEA's two main programmes, i.e.:

- Natural Resource Management Programme
- Environmental Protection and Infrastructure Programme

Not all the projects planned for 2016/17 started, and this was mainly due to budget constraints in the Department. All programmes performed according to the planned outputs with 1,4 million person days worked and recorded. A new programme, i.e. Wildlife Economy was added to the list of programmes.

Table 1: Overview of EPWP Programmes implemented in 2016/17

EPWP Programme	Description	Implementation status
Working for the Coast	Cleaning of beaches, rehabilitation of coastal systems and maintenance of tourism infrastructure, including Blue Flag beaches.	Implementation started on the 2016/18 cycle. Participants worked 3 days a week from July to October.
Environmental Monitors	Support to conservation functions in parks, buffer zones, provincial nature reserves and private nature reserves.	The second cycle of implementation started during 2016/17 1,446 of the 1,500 planned Environmental Monitors were appointed.
People & Parks	Infrastructure development and improving integrity of protected areas	Implementation continued in Bushbuckridge Nature Reserve, Mpumalanga Tourism and Parks Agency. The staff accommodation and bulk services were completed and approval was obtained from all stakeholders to erect the perimeter fence. The planning for the three approved projects in Mokala, Ais! Ais! Richtersveld and GRNP-Tsitsikamma National Parks were updated, but approval not finalised.
Wildlife Economy	Involving communities in wildlife economy through game farming, breeding, eco-tourism	DEA approved funding for two projects next to the Kruger National Park boundary on this programme. Planning started and the Peace Parks Foundation did Feasibility Studies for both projects.
Working for Water	Clearing of invasive alien vegetation	Alien vegetation clearing projects were implemented in all national parks. Projects exceeded initial and follow-up rehabilitation targets
Working for Ecosystems: Rehabilitation and Bush Clearing	Soil erosion projects, bush encroachment control and Addo Spekboom project for carbon sequestration.	This programme was implemented in most national parks, nature reserves of the Mpumalanga Tourism and Parks Agency (MTPA) and the Kruger to Canyons Biosphere Bush clearing continued in Marakele- and Kruger National Parks
Working for Wetlands	Rehabilitation of wetland systems.	Project implementation started in August 2016 only and the completion date was extended to April 2017. Heavy rains in Kruger-, Mapungubwe- and Golden Gate Highlands National Parks further impacted on implementation and teams could not get in-field.
Eco Furniture Programme	Manufacturing of school desks and furniture from alien vegetation	Five factories were operational, with management of Ficksburg mill transferred to SANParks. 95, 810 school desks were delivered and assembled. Budget constraints seriously impacted on implementation.
Working on Fire and High Altitude Teams	Fire prevention & control in national parks, and removal of alien vegetation from inaccessible mountainous areas & cliffs.	Eight firefighting bases are established in national parks, and the high altitude teams mainly worked in Table Mountain- and Garden Route National Parks
National Department of Tourism Social Responsibility Programme	Development of tourism infrastructure	The Agulhas Southernmost Tip project was approved, and implementation started with the appointment of two contractors for the roads and iconic structure projects.

Highlights of the EPWP programme included the following:

- The EPWP projects in SANParks were subject to various audits with no findings.
- Funding was approved for two Wildlife Economy projects, enabling SANParks to involve neighbouring communities in this field.
- Implementation of a new three year cycle started for the Working for the Coast and Environmental Monitor Programmes.

SOCIAL DELIVERABLES

Participants were recruited from 360 communities or villages adjacent to national parks, creating over temporary employment opportunities for 11,879 people. Over the past year, 856 SMME's were supported by the programme and R 193 million paid to these small contractors. Youth made up 70%, women 55% and people with disabilities 2% of all jobs created.

Table 2: Social Deliverables of EPWP Programmes for 2016/17

Programme	No of People	Person days	FTE's	Training	SMME's	Amount paid to SMME's ('000)	Exp Actual ('000)
Planned 2016/17	7,610	1,429,464	6,215	77,332	440	R 166.549	R 512.563
DEA Environmental Protection and Infrastructure Programme							
Working for the Coast	913	73,988	322	4,816	51	R 12.960	R 17.29
Environmental Monitors	1,446	283,317	1,232	-	-	-	R 56.14
People & Parks	150	36,472	159	2,681	15	R 5.602	R 9.48
Sub-Total: DEA EPIP	2,509	393,777	1,712	7,497	66	R 18.562	R 82.90
DEA Natural Resource Management Programme							
Working for Water	7,425	330,777	1,438	31,310	350	R 62.410	R 97.76
Working for Ecosystems: Rehabilitation & Bush Clearing	3,893	237,419	1,032	19,380	205	R 45.190	R 70.94
NRMP Field Guards	289	31,064	135	-	-	R 0.000	R 50.93
Working for Ecosystems: Mpumalanga Tourism and Parks Agency	295	29,773	129	1,380	23	R 5.670	R 7.38
Kruger to Canyons Land Incentive	336	40,346	175	2,013	16	R 6.610	R 8.78
Bio-control & Alien fish	322	13,811	60	863	12	R 2.680	R 3.65
Eco Furniture Programme	3,445	208,549	907	23,958	146	R 43.620	R 169.54
Umoyou	167	5,870	26	582	5	R 1.233	R 1.82
Working for Wetlands	561	32,053	139	5,269	33	R 6.990	R 11.18
Sub-Total: DEA NRMP	16,733	929,662	4,042	84,755	790	R 174.40	R 421.99
Working on Fire							
Working on Fire	254	40,540	176	3,366	-	0.00	-
High Altitude Teams	137	18,990	83	-	-	0.00	-
Sub-Total	391	59,530	259	3,366	-	-	-
TOTAL	19,633	1,382,969	6,013	95,618	856	R 192.96	R 504.89
Percentage	257.99%	96.75%	96.75%	123.65%	194.55%	115.86%	98.50%

BIODIVERSITY DELIVERABLES

The main activities of the EPWP projects are biodiversity management focusing on the following:

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

The performance against the planned targets for the main biodiversity deliverables for are summarised in the table below. Planned deliverables were achieved and exceeded for most activities, except for wetlands rehabilitation due to the late start, and the Eco-Furniture Programme which faced various challenges in terms of budgets and availability of dry timber.

Table 3: Biodiversity deliverables of the EPWP Programmes

Deliverables	Planned	Actual	%
Beach Clean up			
WftC Beach clean-up (km)	17,856	15,741	88%
Wetlands Rehabilitation			
Cubic meters	7,339	6,188	84%
Environmental Monitors			
EMs appointed	1,500	1,446	96%
Co-operation Agreements renew	20	20	100%
Alien vegetation clearing			
Initial hectares	27,277	37,630	138%
Follow up hectares	223,078	199,731	90%
Working for Ecosystems			
Initial rehabilitation (ha)	6,406	7,803	122%
Follow up rehabilitation (ha)	19,348	23,384	121%
Rehabilitation (Alien vegetation, erosion & bush clearing)			
Initial rehabilitation (ha)	43,697	45,433	104%
Follow up rehabilitation (ha)	196,341	223,115	114%
Eco Furniture Programme			
School desks Equivalentents (SDEs)	96,000	60,710	63%
School desks delivered	102,701	95,810	93%



INFRASTRUCTURE DEVELOPMENT PROGRAMME

The annual Infrastructure Investment allocation for 2016/17 was R 358.785 million and expenditure of R 214.505 million was achieved. The award of the tenders for the construction Skukuza Safari Lodge to the value of R 250 million (bulk services infrastructure and buildings) in Kruger National Park was an achievement, as this is the first large project in SANParks, since the 1970's. The biggest challenge

Implementation of projects to address the main sub-programmes of the Infrastructure Development Programme continued, i.e.:

- Upgrade and construction of tourism accommodation and facilities
- Upgrade and construction on staff accommodation
- Upgrade of roads

- Upgrade and replacement of bulk services infrastructure

Within the Parks Division, the construction of new staff accommodation units in Tankwa Karoo National Park will be completed early in the next year. Roads in Marakele National Park were upgraded and resurfaced, and including paving of the entrance gate area to improve the sense of arrival and make provision for the changes to the gate infrastructure and functioning. The eleven tourism units at Nyati Rest Camp, Addo Elephant National Parks were completed and launched by the Minister of Environmental Affairs in September 2016. Work on the re-design of Nossob Rest Camp in Kgalagadi, additional five chalets in Tankwa Karoo, eight new chalets in Mountain Zebra National Park and re-construction of Ratelriver Homestead & Buildings is far advanced with completion of all products scheduled for completion by June 2017. The performance of contractors in the programme became a real challenge during the past year, and processes were started to terminate two contracts. Various

tenders were issued with the new Phase 4 funding received, and include the upgrade and construction of staff accommodation in Mapungubwe, Mountain Zebra, Garden Route and Addo Elephant National Parks. The upgrade of thatch roofs of tourism units in Karoo National Park and Twee Rivieren Rest Camp, Kgalagadi is also underway.

In Kruger National Park the upgrade of roads, i.e. scheduled reseal and resurfacing of roads formed a main part of finalising Phase 3 of the programme. Upgrade and extension of staff accommodation of ranger stations in both the Marula and Nxanatseni were completed. The installation of hybrid power supply at Nwanetsi Ranger Post, Boulders, Shimuweni, Sirheni and Pafuri Border Camp was completed, and the replacement of equipment in the energy efficiency programme continued. Bulk services infrastructure was upgraded in Letaba – and Crocodile Bridge Rest Camps. The renovation of tourism units continued, with the main project the replacement and construction of new of tented units in Lower Sabie – this could not be finalised due to poor performance by the contractor. The site handover for the Skukuza Safari Lodge & bulk services in February 2017 and estimated completion date is November 2018 – this was additional 128 rooms to the Skukuza Rest Camp.

The cooperation between SANParks and the National Department of Tourism (NDT) was strengthened during the year and two further projects to the value of R 79 million was approved, i.e. Construction of Agulhas Lighthouse Precinct, Agulhas National Park and Construction of an Environmental Education Facility for Mapungubwe National Park. Implementation of the three approved projects in the Tourism Destination programme continued

with the Environmental Impact Assessments underway for the Phalaborwa Wild Activity Hub and new Shangoni Gate infrastructure. Construction started on the Tsitsikamma Big Tree development and the bulk services part almost completed. Unfortunately, the buildings contractor is not performing to bring the works to completion. Construction started on Social Responsibility Project at the Southern Tip Icon, Agulhas National Park with the appointment of contractors to upgrade the road and to construct the iconic structure at the southernmost point of Africa. The tender for the construction of the Dinosaur Interpretive Center & associated infrastructure was issued, but the process not concluded.

EPWP PROGRAMME

Working for Wetlands – building gabions

Working for Water – clearing alien invasive vegetation

High Altitude Invasive Alien Vegetation Clearing

Working for Ecosystems – Land Rehabilitation

INFRASTRUCTURE DEVELOPMENT PROGRAMME

AGULHAS RATELRIVER HOMESTEAD

Restoration of Agulhas Ratelriver Homestead was completed with excellent results. The project was managed by world renowned Gabriël Fagan Architects, specialising in heritage buildings..



AGULHAS RATELRIVIER HOMESTEAD

Park Management plans for the Mokala and Karoo National Parks revised and submitted

310 active research projects across parks.

7.2% reduction (YoY) in the number of rhinos poached, despite an increase in poaching-related activities.

CONSERVATION SERVICES REPORT

TAKEN IN KRUGER NATIONAL PARK

CONSERVATION SERVICES REPORT

The 19 national parks spread over the length and breadth of South Africa, covering an area of over four million hectares and representing the major biomes, remain a foundation for conservation and a refuge for endangered species. They also provide ecosystem services, places of scenic beauty and a tranquil haven for visitors to escape from the hustle and bustle of everyday life. Increasingly however, national parks are catalysts of economic development for the poor rural areas that surround them and managers and scientists are faced with having to make decisions in an ever-changing socio-political and environmental milieu.

Conservation challenges are increasingly complex with unclear cause and effect relationships and unpredictable outcomes. This requires new and innovative thinking, ideas and experimentation to “learn while we do”. SANParks relies on its scientific, technical and policy support function at Conservation Services to ensure that national parks adapt to new challenges, while still staying true to its sustainable conservation mandate, and remaining socially relevant. In the 2016/17 financial year, SANParks grew its conservation estate, while working with external partners and institutions to ensure the good governance of terrestrial ecosystems, inland waters and marine environments, the biggest threats to protected areas are either external or operate at a larger temporal and spatial scale, requiring strategic and coordinated efforts across all sectors of society. Amidst drought, economic difficulties and increasing demands being placed on South Africa’s protected areas, SANParks continues to innovate, act and learn from what it does, ensuring it remains a world leader in protected area management.

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

Research projects

SANParks continued to contribute significantly towards capacity development within the country, whilst attracting interest from international research institutions.

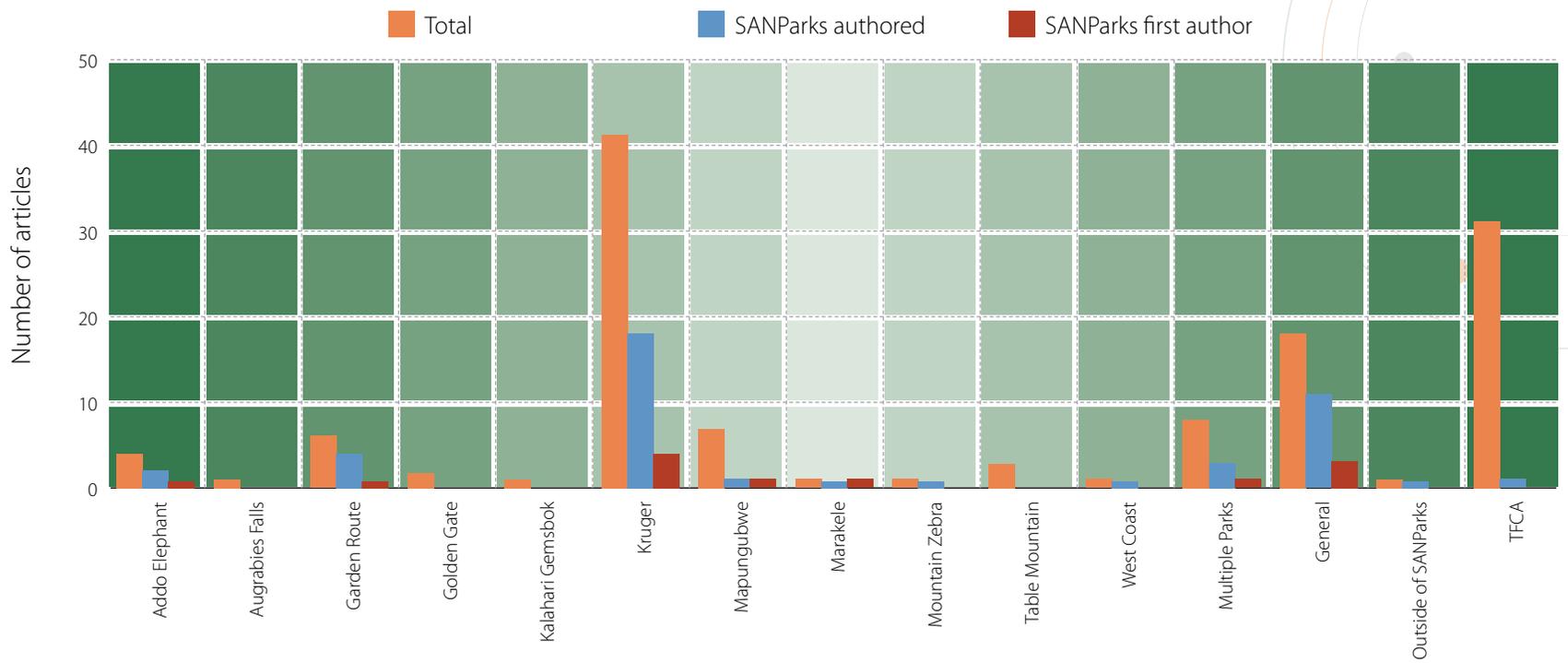
As a result, 310 registered research projects were active across SANParks’ three research nodes in 2016. Of these registered research projects, 110 are essential and 138 important, amounting to 80% of research projects addressing key SANParks’ knowledge needs.

SANParks continued to assist researchers, providing intellectual input, research coordination, access to parks, long-term datasets, field experiments and logistical support. Notably, the Annual Savanna Science Networking meeting held in Kruger National Park hosted 200 delegates, representing 79 scientific and conservation organisations, from 14 countries. The programme included 110 platform presentations and 28 poster presentations.

Peer-reviewed research publications

Peer-reviewed publications in 2016 continued to play a crucial role in providing scientific evidence and facilitating critical thinking with rigorous learning in support of increasingly difficult management and policy challenges. SANParks’ scientists contributed to 41 research publications in peer-reviewed journals. These publications reflect empirical research, based on fieldwork and the collection of primary data in the fields of freshwater and marine conservation, disease dynamics, climate change and socio-ecological dynamics.





National park or other category



The figures depict SANParks' authored papers per park, and the collaborative nature of the papers published in SANParks, with 90% being multi-authored, 70% being multi-institutional and 45% being multi-national.

Effective species and ecosystem conservation

South Africa as a signatory to the Convention on Biological Diversity is committed to the implementation of a national strategy to conserve plants that align with the Global Strategy for Plant Conservation.

The activities aligned with the 16 outcome-oriented targets of the National Plant Conservation Strategy and involved increased protection of the species in the wild, education and awareness of the threatened status of the plant, ex-situ propagation of seedlings, change to sustainable utilisation of plant parts that are renewable - from bark to leaves, distribution of 1000 saplings to traditional healers in 2016, capacity development in supporting two local plant nurseries in plant propagation techniques and building strong networks and partnerships with traditional healers, SANBI and the Agricultural Research Council, to name a few, and surrounding communities.

The Warburgia conservation efforts have not only resulted in better in situ conservation of the plant itself, but have provided an opportunity for engagement with traditional healers around sustainable resource use and increased awareness of the need to conserve medicinal plants.

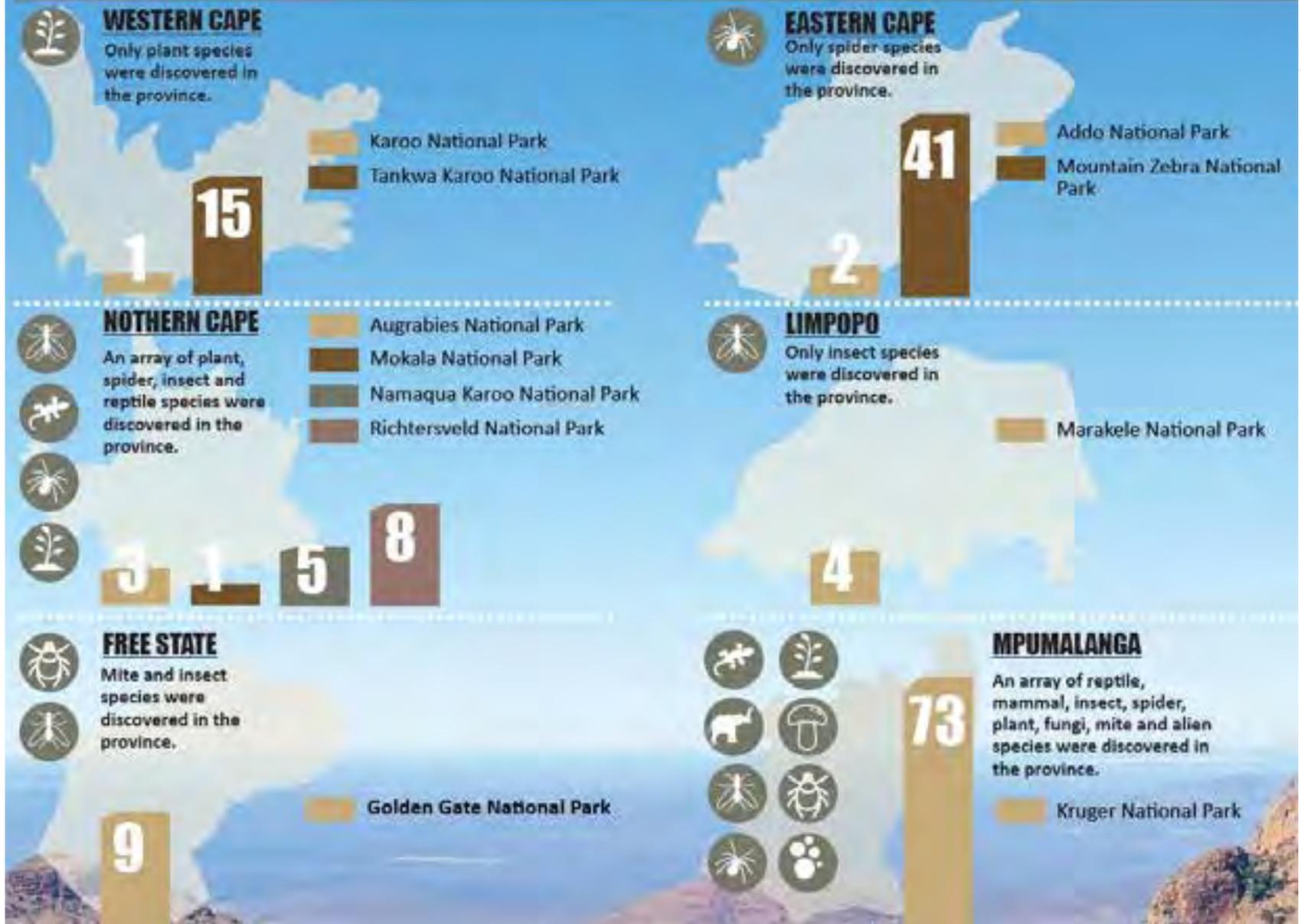


A participant from the 2012 traditional healer workshops shown receiving her sapling in 2012 (left), then next to the growing sapling after two years (middle) and three years later (right).

New species also continue to be discovered in the parks, lending evidence to the theory that adopting an ecosystem conservation approach inadvertently also offers individual species protection. The parks remain vibrant and rich with new species being discovered and new locality records being added each year. The infographic below highlights some of these discoveries in the arid and savanna parks in the past 10 years.

FIGURE 19: Arid and Savanna NPs where new species have been discovered in recent times.
For a full table of species, see supplementary information (Appendix E).

Source: SANParks.

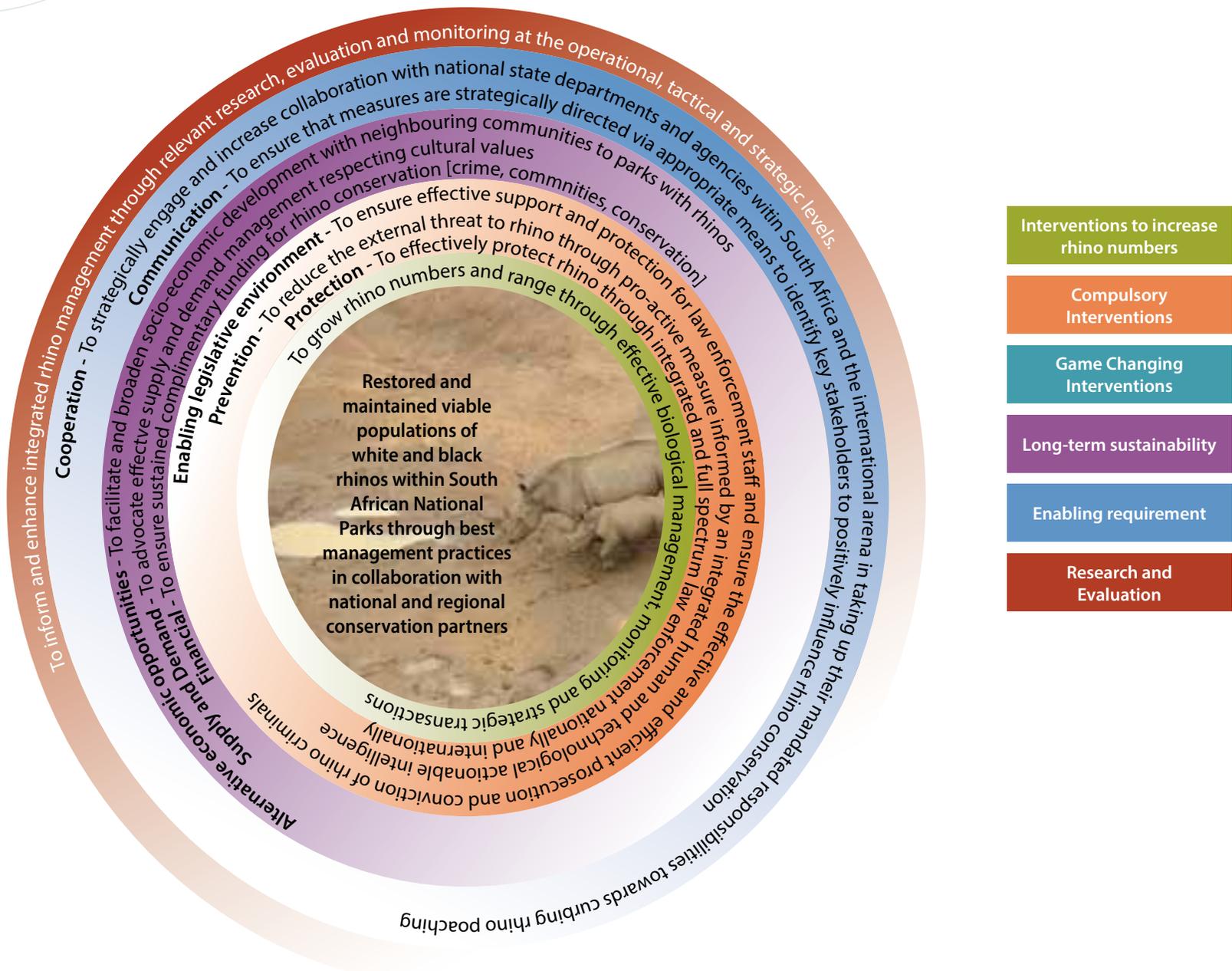


RHINO CONSERVATION

During the past year the number of rhino poached in the Kruger NP reduced from 814 in 2015/16 to 661 for 2016/17. This reduction of 153 poached rhino was in spite of poaching activities increasing from 2,577 in 2015/16 to 2,697 in 2016/17.

SANParks' other rhino parks did not lose any animals to poaching in 2016. With regard to the implementation of SANParks' Rhino Management Strategy, the organisation implemented all of the activities prioritised for 2016, as reflected by a four-pillared integrated approach to curb rhino poaching.

Figure 1. Strategic actions defined for SANParks' Rhino Implementation Plan 2016-2020



KRUGER BENEFITS REPORT

The Kruger Benefits Report was completed at the end of 2015, for the first time providing an inventory of the multitude of benefits that accrue from the National Park, to various stakeholders. The report provides a narrative on the rationale for benefit sharing, outlines the important context for effective benefit sharing in and around Kruger, and provides a quantitative snapshot of the scale and scope of the various types of benefit distribution and accrual.

Louise Swemmer



FIGURE 11: A schematic representation of the suite of benefits from the Kruger National Park, that accrue to multiple stakeholders.

Source: SANParks.

INFRASTRUCTURE SUPPORT				EMPLOYMENT & BUSINESS				DIRECT ECOSYSTEM SERVICES			
EDUCATION INFRASTRUCTURE				BEE				PROVISIONING			
32 Computers High School	R2 million High School Admin Block	R97 000 Grade R play Equipment		90% Of annual spend to BEE companies				34% Of harvester hh income during harvest months is from thatch harvesting			
MANAGING RELATIONSHIPS & RESTORING RIGHTS				EMPLOYMENT				SUPPORTING & REGULATING			
ACCESS	COMMUNITY RESERVES	AMELIORATION OF NEGATIVE IMPACTS	LAND CLAIMS & CONTRACTUAL PARKS	12 475 People work in Kruger & neighbouring conservation areas	90% Kruger staff from areas adjacent to the park			200 pp 47% Hh income Mopane worm harvesting Pepper bark distribution 160 THP's, 25 villages, 1000 trees			
108 196 pp Entered Kruger for free in 2014	246 pp Staff	R1 452 258 paid To claimants for livestock loss due to predators	175 pp Work in Makuleke and Nkambeni Contractual Parks			R14 million Spend SMMEs 2011 – 2015	41 Student chefs trained	R6000 pm Local bakery	1000 Soaps p/m local soap supplier	R48 225 Plants donated from Skukuza nursery	
181 Half price permits issued annually to local communities	Preferred procurement SMME's	10% turnover Fee paid to Makuleke from concessions	R47 300 Nkambeni contribution - community projects pm	CONCESSION SMME'S				CULTURAL			
CAPACITY BUILDING				KRUGER SMME'S				81			
AWARENESS	ENVIRONMENTAL EDUCATION	RESEARCH & SCIENCE		R300 000 pa income Locally owned safari company				61% Of Kruger perimeter is conserved land			
3700 Participants in issue based campaigns pa	89 267 pp pa Short day programmes	600 peer-reviewed papers in 12 yrs		R140 000 pa Income Community owned car washes				50% Fewer alien plants present inside versus outside KNP			
32 "Kruger to Kassie" roadshows pa	400 learners pa long day programme "Kids in Kruger"	100 projects registered annually		400 Local crafters benefit from Arts and crafts outlets; R2.7 million pa collective turn over R95 849 community kiosk turn over in 2.5 yrs				1.6 million Visitors per year			
18	500 learners pa overnight "Kids in Parks"			1500 SMME's supported by BSP in 13 years				165 801 pp Engaged in park based activities in 2014			
				R628.29 million Spent on infrastructure SMME's since 2006				52% Visitors from 2 local provinces			
								R71 000 Donated to Traditional Councils over 2 years			

Towards the end of 2016 SANParks translocated 106 white rhinos from high-risk poaching areas to private strongholds, and 10 internally within the Kruger NP to ensure their safety.

SANParks rescued 21 rhino orphans in 2016, 19 of which are still alive and being cared for in specialised facilities. SANParks continued to collaborate with regional and international enforcement networks, such as the World Customs Organisation, the CITES Secretariat, World Bank, United Nations Office on Drugs and Crime and Interpol (making up the International Consortium on Combating Wildlife Crime).

Biodiversity Monitoring

In 2016, 183 of 191 monitoring and evaluation programmes were conducted. Some key highlights of biodiversity monitoring include game counts through aerial censuses for several parks; species of special concern (including black rhino using non-invasive, genetic techniques); post-fire vegetation recovery; long-term intertidal bait monitoring programme using Inshore Baited Remote Underwater Video Surveys to assess catch/effort of subsistence anglers in Tsitsikamma MPA; biannual water-bird surveys specifically in the Swartvlei and Wilderness Lake system of Garden Route National Park; and river monitoring in the five perennial rivers in the Kruger NP. These monitoring datasets are key towards understanding ecosystem response to management actions, and to informing future management decisions.

ACCESS AND BENEFIT SHARING

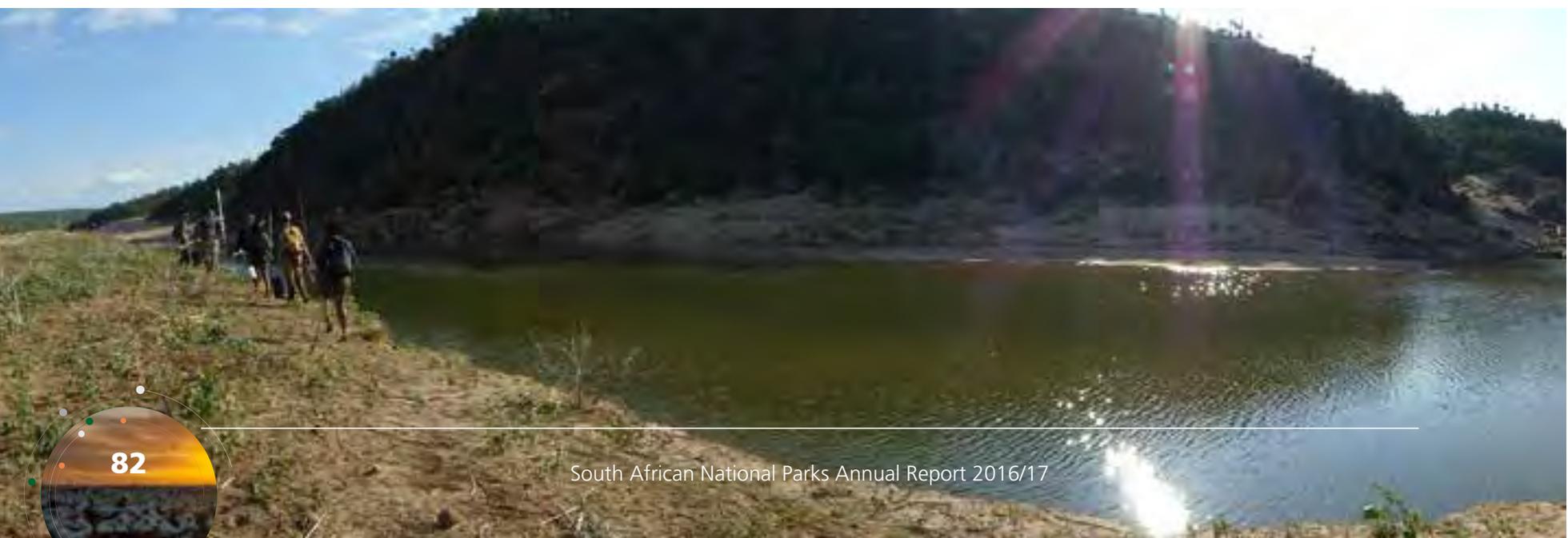
For over two decades there has been a growing awareness of social and ecological complexity in and around parks. To accommodate this uncertainty, SANParks has been experimenting with applying a strategic adaptive approach to management at various scales.

The social-ecological systems in and around the Kruger NP are suited to this

approach, because being complex they are never understood completely; have emerging, self-organising and non-linear properties and are constantly changing with multiple stakeholders characterised by different values and expectations of biodiversity and the benefits that flow from it. SANParks has captured some of these benefits in The Kruger Benefits Report, a schematic summary of which is provided below.

SANParks also continued to support wildlife economy initiatives, donating six hippos to the Mashishimale community close to Phalaborwa; 23 zebras to Khomani San in the Northern Cape and 24 red hartebeest and 33 zebras to Richtersveld Contractual National Park in 2016.

Looking back on the achievements in 2016, identifying gaps and shortcomings, SANParks will continue to work hard in the coming financial year to remain a vibrant, dynamic and innovative hub of conservation capacity within SANParks and South Africa, ensuring species protection while conserving the diverse systems and environments in which they occur.



1. RHINO MANAGEMENT

South Africa is home to 88.2% of the world's white rhino (sub-species southern white rhinoceroses: *Ceratotherium simum simum*) and 36.8% of the world's black rhino, comprising three sub-species (south-western black rhinoceroses *Diceros bicornis bicornis*, south-central black rhinoceroses *D. b. minor* and the extra-limital eastern black rhinoceroses *D. b. michaeli*).



SANParks is a key role-player in rhino conservation in South Africa as ...% of are in National Parks. SANParks is home to southern white rhinos in four national parks, south-western black rhinos in five protected areas and south-central black rhinos in two national parks.

SANParks' Rhino Management Strategy dovetails to support South Africa's four-pillared approach to the persistence of black and white rhino populations. Compulsory interventions aim to protect rhinos using zonal approaches with technology-lead, intelligence-based and rhino guardian-type options supported by strong legal systems and penalties. Biological management interventions seek to use strategic removals and the creation of rhino strongholds. Long-term sustainability interventions carry three elements that focus on sustainability options for people, creating sustainable demand and considering horn trade options when governance conditions are appropriate, following the Ministerial Committee of Inquiry assessment process and resulting decision-making tree. Game changing interventions seek to disrupt syndicates and create more equitable opportunities for sharing ecosystem services with local stakeholders and neighbours. International and national cooperation underpins all four pillars.

1.1 RHINO IMPLEMENTATION PLAN 2016

The Rhino Implementation Plan 2016 directs SANParks' Rhino management for five years, from 2016 to 2020 (Fig. 1). Strategic actions identify cross-links and integration. SANParks defined actions as part of the implementation plan and the completion of most actions by the end of 2016 suggests that implementation is on track. The plan includes:

- Compulsory Interventions
- Biological Interventions
- Long-Term Sustainability Interventions
- Game Changing Interventions

2. COMPULSORY INTERVENTIONS

Rhino protection remains a key element. In compliance with the national strategy, SANParks is pursuing the active combatting of poaching through law enforcement interventions in and around the KNP and other parks in line with the DEA/SANParks mandate to “protect” as stipulated in the National Environmental Management Act.

SANParks protects rhinos inside parks with other law enforcement agencies. In the KNP, operational management from a Mission Area Joint Operation Centre ensures an integrated approach. Furthermore, an inter-agency approach seeks to ensure cooperation with other state departments on national and provincial levels and with private organisations, such as game reserves. The multi-national nature of the threat necessitates close cooperation with neighbouring countries, especially Mozambique.

Close alliances formed with external and internal parties enables coverage of the vast territorial area of the KNP, resulting in a “greater KNP” with significant successes in the rhino campaign. SANParks pursues joint cross-border operations in Mozambique with the Limpopo National Park, as mandated by the bilateral agreement between Mozambique and South Africa. Good informal communication ensures close cooperation with the concessions in the Greater Lebombo Concession area. Cooperation will be formalised once the area is proclaimed, as part of the Trans Frontier Conservation Area expected in early 2017. In South Africa formalised, tailored agreements and standard operating procedures facilitate cooperation with all adjacent parks to guide combined operations.

A weak point is alliance and cooperation with neighbouring communities. The law enforcement grouping acknowledges this as the one strategic issue that is vital for ultimate victory and participates in all initiatives beyond enforcement, so that current successes can manifest in victory.

The above alliances align with the KNP’s motto “To clear the park from the outside”.

2.1 KRUGER NATIONAL PARK

To challenge of poaching inside the KNP necessitated the establishment of anti-poaching units along paramilitary approaches. This expensive, yet vital, venture constitutes the proverbial “green line” of rangers who must protect environmental assets, specifically rhino, for as long as it takes to successfully implement the rest of the strategy that will lead to community ownership and sustainable demand.

The KNP’s anti-poaching unit was developed into a trend-setting establishment

of highly-motivated, adequately-trained and well-equipped rangers organised according to park zones, including the Air Wing, with a night capability; a canine unit; protection services; special rangers and an Environmental Crime Investigation Unit which focuses inside and outside of the park, enabling proactive responses to ensure maximum arrests before crime takes place. The overall organisation is well supported by the expanded capability of force multipliers.

2.1.1 RHINO PROTECTION ACTIVITIES

New technologies: The intensity of the poaching onslaught led to the exploration of technologies to primarily enhance situational awareness and proactive operations. The focus is on surveillance, early warning, detection and tracking. Apart from some personal equipment, like night vision goggles, seismic and magnetic detection systems provide an early warning of incursions on some sectors of the perimeter. Inside the park, commissioned standalone sensors and a Wide Area Surveillance System based on radar, provide detection capabilities. Much of the effort focuses on being more assertive at night.

SANParks recognises the importance of Ranger wellness and have therefore implemented well-being initiatives. Two psychologists, one for the south and one for the north are available to field rangers and their families. **K9 deployment** is advanced and is a game-changer.

Access control progresses, with K9 units deployed at most of the gates. **Integrity testing** has been increased following the arrest of the regional ranger and top management in the KNP was tested. Consultations are underway to test all employees. The policy is in the final stage of approval.

Black Rhino Guardian Zone (BRGZ) implementation commenced following indications from surveys that south-central black rhinos are most likely declining. SANParks implements a three-pronged response, with prioritised security and biological management supported by dedicated science to provide predictive analyses. Funding was secured from the Park Development Fund to establish dedicated black rhino rangers. Training and operationalisation of these rangers are of highest priority. In addition, secured Peace Parks Foundation funding will enable the secondment of an experienced field person as a black rhino monitoring and field coordinator for a three-year period.

2.1.2 CONSEQUENCES

Arrests through the initiatives of SANParks, at all levels, increased by 39% from 2015 (202) to 2016 (281). Poacher activities predicted approximately 8 650 people entering the park to poach (note that the same person may have entered more than once and we assumed an activity reflects a poaching group of three people). In 2016, a person entering the park had a 3.2% chance of being arrested, compared to between 2.5% and 2.8% from 2012 to 2015 each year (see Figure 1 for actual arrests). Rangers achieved admirable success, given the continued onslaught and had the best arrest rate in the past five years in 2016. Of concern is that poacher activities in 2015 predicted that 7 400 people entered the park (17% lower than 2016), suggesting that the number of poachers still willing to enter the KNP increased, which is consistent with the trends over the past five years (Figure 2), despite the expanded anti-poaching initiatives. This highlights the requirements to clean the park from the outside and reduce the number of people willing to enter the park to poach.

Figure 1. Arrests during the past five years (2012 to 2016).

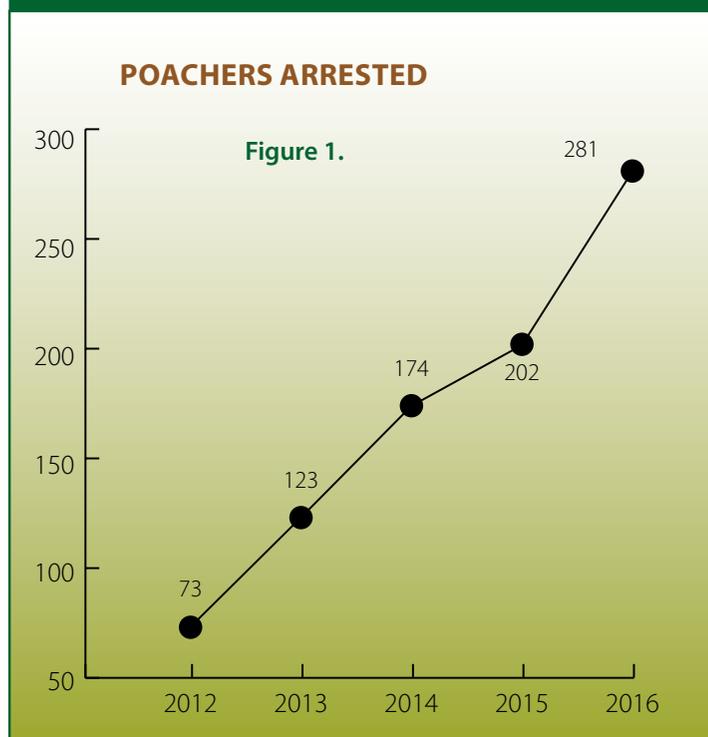
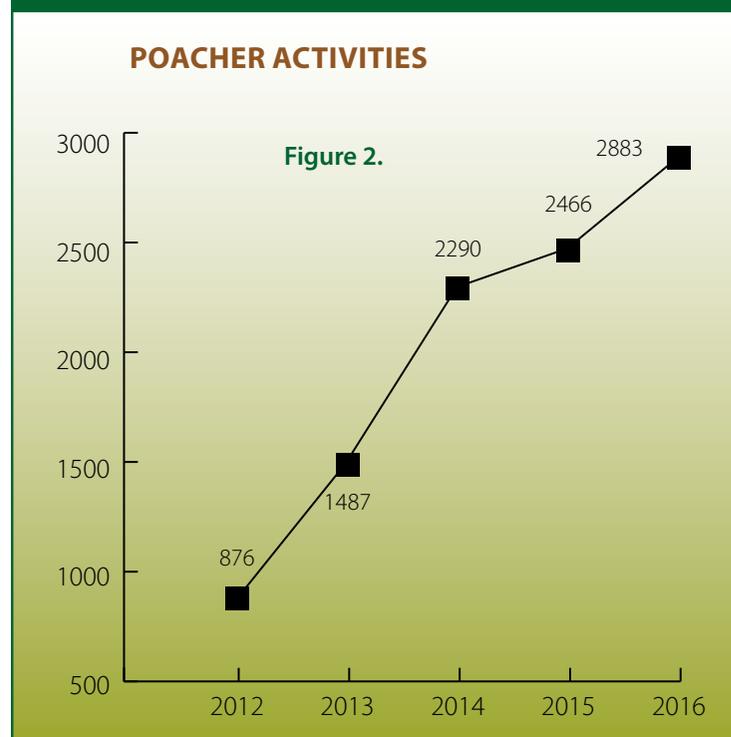
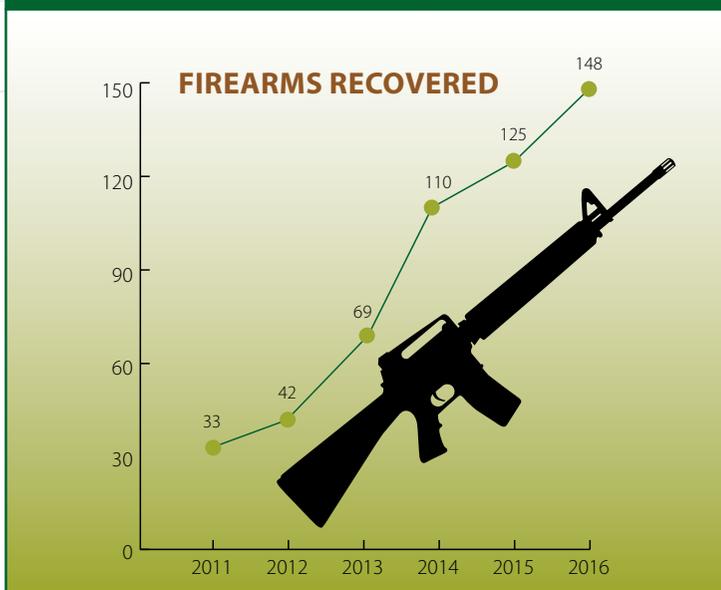


Figure 2. Poacher activities recorded during the past five years (2012 to 2016).



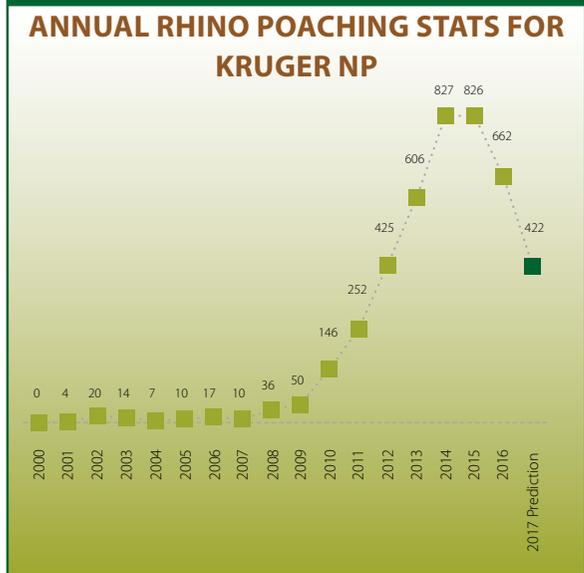
Firearms confiscated in 2016 increased by 18.4% (148), compared to 2015 (125). The increase in firearms recovered in 2016, compared to 2015, is a continuance of the trend since 2011 (Figure 3). This is of concern and suggests that the availability of firearms is not a constraint for poachers wishing to enter the KNP. It again reflects on the need to facilitate cleaning the park from the outside.

Figure 3. Fire arms recovered each year from 2011 to 2016.



Poaching statistics: There was a substantial 19.8% decline in detected rhino carcasses during 2016 (661), compared to 2015 (814). The long-term trends in rhinos poached (Fig. 4) follows the predictions that SANParks made in 2012, given the increase in the anti-poaching effort and efficiency as well as people's willingness to poach.

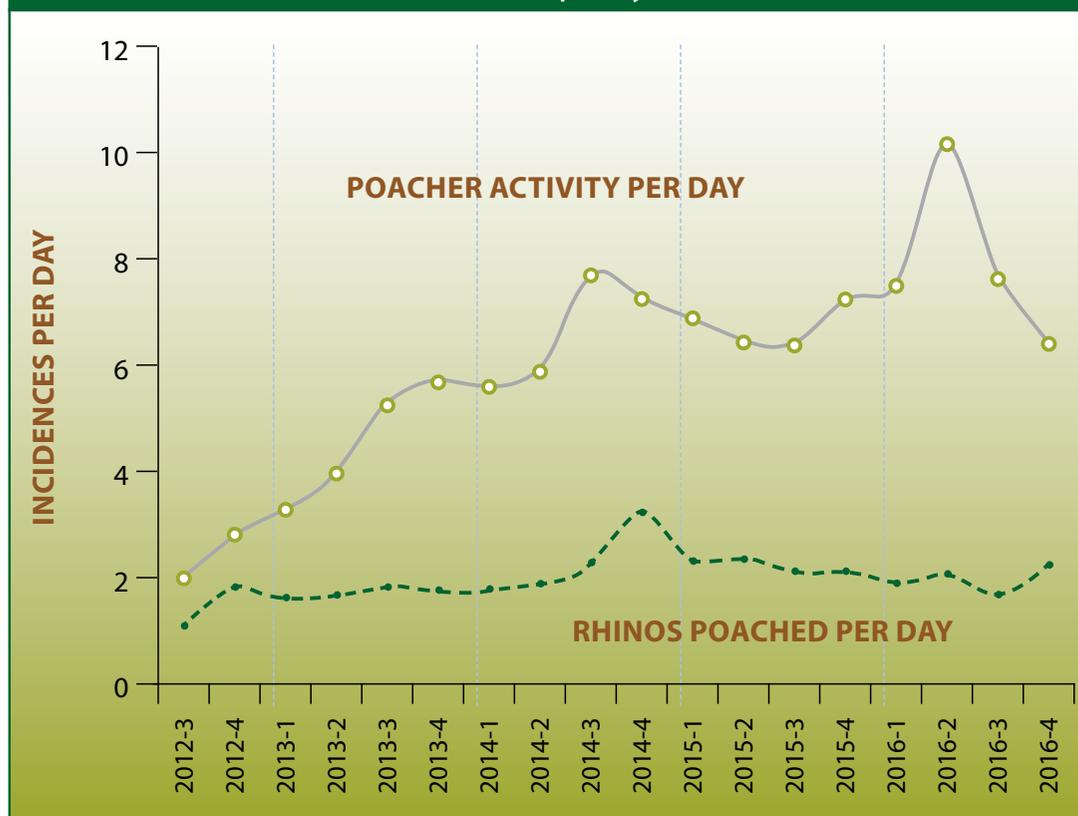
Figure 4. Trends in rhino carcasses detected annually from 2000 to 2016. We provide a prediction for 2017.



The long-term trends in detected rhino carcasses can result from decreased success in detecting rhino carcasses, a decrease in live rhino available to be poached and increased anti-poaching effectiveness. SANParks aims to detect >75% of rhino carcasses within three days of a poaching event. In 2016, field rangers detected 52% of the carcasses within three days, lower than the 55% to 71% per year from 2010 to 2015. Even so, more than 88% of carcasses were detected within two weeks in 2016.

Poacher activities versus carcasses detected - summaries ranger efficiency (Fig. 5). Effectively rangers maintained the park on the inside, while willingness to poach increased. Of concern is that protection initiatives on the inside of the park may reach capability limits. This suggests that cleaning the park from the outside could reduce the number of poaching activities recorded, and thus the indications of people willing to poach.

Figure 5. Quarterly trends since 2012 of poacher activities as well as rhino carcasses detected per day.



POACHING ACTIVITIES = INCURSIONS, TRACKS, SUSPECTED POACHER SIGHTINGS AND GUN SHOTS

Major risks in the anti-poaching environment are the probability of a ranger fatality; exposure of rangers to a poacher fatality; ranger's discredited in their communities and tourist safety. In addition to these risks, the cost of the campaign poses a real challenge. The monetary cost lies in the operational budget of KNP's Ranger Services of R200 million per annum. The technologies and the maintenance thereof runs into tens of millions. To this end, fund raising projects are continuously managed and R30 million was raised over the past year.

RANGER WELL-BEING

Other than the standard SANParks Human Resources wellness programmes, the ranger wellbeing programme has not been rolled out to the parks division.

3. BIOLOGICAL MANAGEMENT INTERVENTIONS

Biological management interventions, the cornerstone of successful rhino recovery, continue to form a key component of SANParks' response. In the

short- to medium-term strategic removals from areas of high poaching risk in the KNP and high-density, but low poaching allows offsets through reducing poaching risks and stimulating increased birth rates.

3.1 KRUGER NATIONAL PARK

3.1.1 INTERNAL TRANSLOCATIONS

In October and November 2014 SANParks moved 29 rhinos from the Joint Protection Zone (JPZ) to the Intensive Protection Zone (IPZ). Three other rhinos were moved from the periphery of the IPZ to its centre. Seventeen rhinos had radio collars fitted at the time. Towards the end of 2015, SANParks replaced the radio collars with satellite collars. Tracking the fate of these internally translocated rhinos continued in 2016 and the project will reach completion at the end of the 2016/17 financial year.

During 2016, SANParks translocated 10 white rhinos opportunistically away from boundaries for security reasons. The effectiveness of these specific

translocations is not known, particularly given drought conditions and how white rhinos with satellite transmitters responded to droughts by moving a large distance, often closer to boundaries where grazing was available.

3.1.2 TRANSLOCATIONS TO STRONGHOLDS

SANParks translocated 106 white rhinos as part of completing the rhino sales to private owners on properties that act as private strongholds. This initiative started in 2015. Evaluation of the complete history of translocations since 1990 highlights what future offsets for poaching can be generated. Population modelling estimates that the white rhino translocations from 1990 to 2016 resulted in 25% more rhinos in various strongholds, compared to what it would have been had they stayed in the Kruger NP and experienced the onslaught of poaching since 2008. This approach is thus an important investment as a buffer to surges in poaching that could not have been predicted in 1990.

A key challenge arose towards the end of 2016 when veterinarians diagnosed bovine tuberculosis in four white rhinos and one black rhino. The DEA placed a quarantine order on the Kruger NP. This had a significant impact on the continuation of the rhino stronghold biological management initiatives. Rhino movements may still be allowed with a management plan in place to reduce risk significantly. This plan is in development and still has to be approved by the DEA.

SANParks is exploring new habitats to establish new populations around the country. Some of the negotiations are with local royal houses or chiefs and private sector, including NGOs.

3.1.3 RHINO ORPHANAGES

SANParks rescued 21 white rhino orphans. Of these, 19 are still alive. To facilitate the rehabilitation process, SANParks moved six older rhino orphans and two surrogate mothers from the Skukuza Bomas to Care for Wild in December. They are in quarantine and will be retested at the end of February, after which they may be released to join the older rhino calves already released into a 400 ha rhino stronghold, adjacent to the rehabilitation area.

3.1.4 TREATMENT OF INJURED RHINOS

SANParks responded to 18 injured rhinos, 13 of which had to be euthanised. The number of wounded rhinos treated was less than previous years.

3.1.5 NATURAL MORTALITIES AND THE INFLUENCE OF DROUGHTS

The drought is of concern and SANParks anticipated an increase in white rhino mortalities in 2016, but not for black rhinos. Grazers are more susceptible to

drought conditions. From 2013 to 2015 natural mortalities of white rhinos were ~1% per annum, based on rhino carcasses detected and cause of death assigned. This doubled to ~2% in 2016. For black rhinos, the estimates of natural death rates ranged from 1% to 3% from 2013 to 2015. SANParks recorded 2.7% in 2016. SANParks anticipates that the drought will have a lag effect, as rhino cows have a gestation of ~16 months. Expected lower conception rates due to the drought in 2016 should result in lower birth rates towards the end of 2017.

3.1.6 BLACK RHINO GUARDIAN ZONE INITIATIVE

Biological management is a key priority of the BRGZI. By the end of 2016, SANParks had fitted 19 adult black rhino cows with satellite transmitters. This allows regular assessment of body conditions, while the collars provide spatial data for use in the predictive modelling of black rhino activity within the BRGZs.

3.2 OTHER RHINO PARKS

SANParks notched 14 animals during 2016 (Addo (nine), Marakele (four) and Mountain Zebra (one)) as part of facilitating monitoring performances of black rhinos. There was no translocation of rhinos in 2016.

Rhinos were regularly monitored and recorded during ad hoc and planned rhino-focussed patrols and monitoring inventions. Parks with smaller populations were suitable for rhino guardianship-type monitoring.

3.3 PARTICIPATION IN RHINO CONSERVATION OUTSIDE SOUTH AFRICA

Rhino support was given to the Zambia North Luangwa Rhino Project. Rhino were immobilised and health checks conducted. The black rhinos introduced there came from various parks in South Africa, the majority from SANParks. The population is doing well and growing and no poaching has taken place.

4. LONG-TERM SUSTAINABILITY INTERVENTIONS

SANParks recognises several initiatives associated with sustainability, from various rhino values, including creating sustainable demand for commodities such as rhino horn. SANParks, however, has no active intervention associated with demand management of rhino horn. In addition, creating prospects for people to participate in rhino conservation and economic opportunities associated with rhinos is a key element of sustainability which SANParks identified as a game-changing intervention.

4.1 TRADING RHINO VALUES

4.1.1 COMMITTEE OF INQUIRY

The Committee of Inquiry on international rhino horn trade focused on evaluating opportunities that could support rhino conservation and people associated with protected areas where rhinos live. SANParks formed part of the committee established by the Minister of Environmental Affairs, Dr Edna Molewa. Generating income from rhino horn is an opportunity if governance conditions are conducive to trade rather than a solution to poaching. This key finding enabled the committee to identify several governance requirements associated with the security and social development clusters in South Africa's government departments.

4.1.2 CITES

CITES CoP17, hosted by South Africa, featured two side events within which SANParks participated. SANParks provided the introductory presentation for the side event that reported on the finding of the Rhino Committee of Inquiry. SANParks, in association with the CSIR, hosted and facilitated a second side event that focused on the use of technology in protecting rhinos.

4.2 SUSTAINABILITY OF SUPPORTING RHINO INTERVENTIONS

4.2.1 RAISING FUNDS

The rhino response of SANParks has benefitted from substantial donor funding. SANParks, however, requires continued donor-based support for the immediate future. A total of R30 million was raised in 2016.

4.3 POLICY

4.3.1 RHINO BIODIVERSITY LAB

SANParks participated in the DEA's Rhino Lab, aimed at providing plans to implement recommendations originating from the Committee of Inquiry.

5. GAME-CHANGING INTERVENTIONS

Cleaning the parks from the outside is the key focus of game-changing interventions for SANParks. This focused on two aspects that SANParks influences, but is not primarily responsible for, namely disrupting organised crime while economically empowering people.

6. COMMUNICATION

SANParks' draft communication strategy identified key stakeholders that

have a high-impact on SANParks' ability to achieve its rhino management objectives. Communication, however, is largely at the raising awareness level, with numerous rhino-related school events, media tours and conferences. Nine rhino-related media excursions took place, with 15 media providers attending. A wide variety of articles appeared in various media. In general, media coverage was largely in support of SANParks' integrated approach.

7. FINANCIAL SUSTAINABILITY

The costs of implementing the suite of interventions SANParks identified were largely funded through a combination of SANParks' baseline funding and donors for interventions associated with the Kruger NP. The other rhino parks are funded by SANParks and interventions are linked to the divisional RPP.

8. INTERNATIONAL ENGAGEMENTS

International engagements are largely through the participation of Dr Mike Knight as chair of the African Rhino Specialist Group in global rhino initiatives. Several SANParks personnel are members of the group and participated in ad hoc discussions.

9. CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

SANParks implemented most of the activities as per the Rhino Management Implementation Plan, but had variable success. The rangers in the Kruger NP reduced carcasses in the face of a continued increasing onslaught. The reduction, however, did not manage to reduce poaching to less than births. Together with drought conditions, white rhinos most likely declined, while black rhinos are still a small population vulnerable to stochastic effects.

Implementation of the game changing interventions remains challenging largely because SANParks is not the key roleplayer for many of those. Biological management faces implementation challenges following a quarantine order on the KNP. But even so, the requirements on SANParks to contribute to targets of National Biodiversity Management Plans for rhinos impose on how SANParks can effectively implement biological management.

Continued fundraising to sustain the rhino initiatives will be a key challenge and SANParks may need to make significant priority decisions in future.

These above challenges, however, highlight that SANParks requires specific interventions to be successful in the KNP. Achieving the outcomes of SANParks' rhino conservation and related objectives is highly dependent on what SANParks achieves in the KNP and its surrounding areas.



6 752 383 visitors to National Parks (a 14,1% growth YoY)

The total revenue amounts to R 1.417 billion (15% increase YoY)

Unit Occupancy 74% (0,6% increase YOY)

Concession Fees amounts to R 76.275 billion (15,15 % increase YoY)

TOURISM DEVELOPMENT AND MARKETING REPORT

TAKEN IN NAMAQUA LAND NATIONAL PARK

TOURISM DEVELOPMENT AND MARKETING REPORT

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

Key to the sustainability of the ecotourism business of SANParks is a marketing strategy that attracts growth markets; a product development strategy congruent with the needs and preferences of all markets and the pursuance of mutually beneficial Public Private Partnerships (PPP's) that leverage private capital and expertise in diversifying facilities.

2016/17 brought a record breaking 14% growth in tourist numbers - the largest year-on-year growth in the number of guests to our parks in 4 years, with a total of 6.7 million guests visiting SANParks destinations and a concomitant increase in tourism revenues by 15%.

Both grant funding and PPP's have contributed to the growth of an exciting product portfolio that saw the opening of new accommodation and camping sites at Addo, Kgalagadi, West Coast and Algalhus National Parks. PPP projects awarded in this year include a range of activities such as Ziplining and Segway Tours in the Garden Route National Park; a new Spa in Skukuza and the conversion of two picnic sites in the Kruger to PPP's. The largest accommodation construction project that SANParks has embarked on in recent years was a key highlight of the year when the site of the 250 bed Skukuza Safari Lodge was officially handed over to the principle building contractor in February 2017 by Honourable Minister Molewa. The lodge, scheduled for completion in mid-2018, is anticipated to attract new markets to the popular Skukuza camp and enhance the viability of the Nombholo Mdluli Conference Centre.

The future of tourism in SANParks remains positive with an anticipated growth of visitor numbers by 60% in the next decade; the challenge going

into the future is diffusing the visitor numbers across a wider number of parks to minimise the saturation of the more popular parks in the stable, namely Kruger, Table Mountain, Addo and Kgalagadi National Parks. The elevation of the profile of the less prominent parks to investors, the travel trade as well as domestic and international tourists is therefore a key driver to SANParks' marketing and product development strategy.



The Cape of Good Hope (Cape Point) welcomed their 1 millionth visitor of the year on 7 December, surpassing all previous record numbers of visitors to the iconic attraction in a single year. The Flying Dutchman Funicular – which also celebrates its 20th birthday has already seen a record year, with numbers soaring past the 400 000 mark.

WCNP had an exceptional Flower Season this year, this was due to good rains and favorable weather conditions during August. The number of visitors have exceeded expectations and final figures show an exceptional increase of 38% when compared to the same period last year. This equates to 29 216 more than in 2016.

The Boulders Penguin Festival took place on 8 October with record numbers of 30 000 people attending the event. This year's event took place with the Penguin Release on Seaforth Beach followed by the festival on the SA Navy Sports Field.

NUMBER OF GUESTS TO PARKS

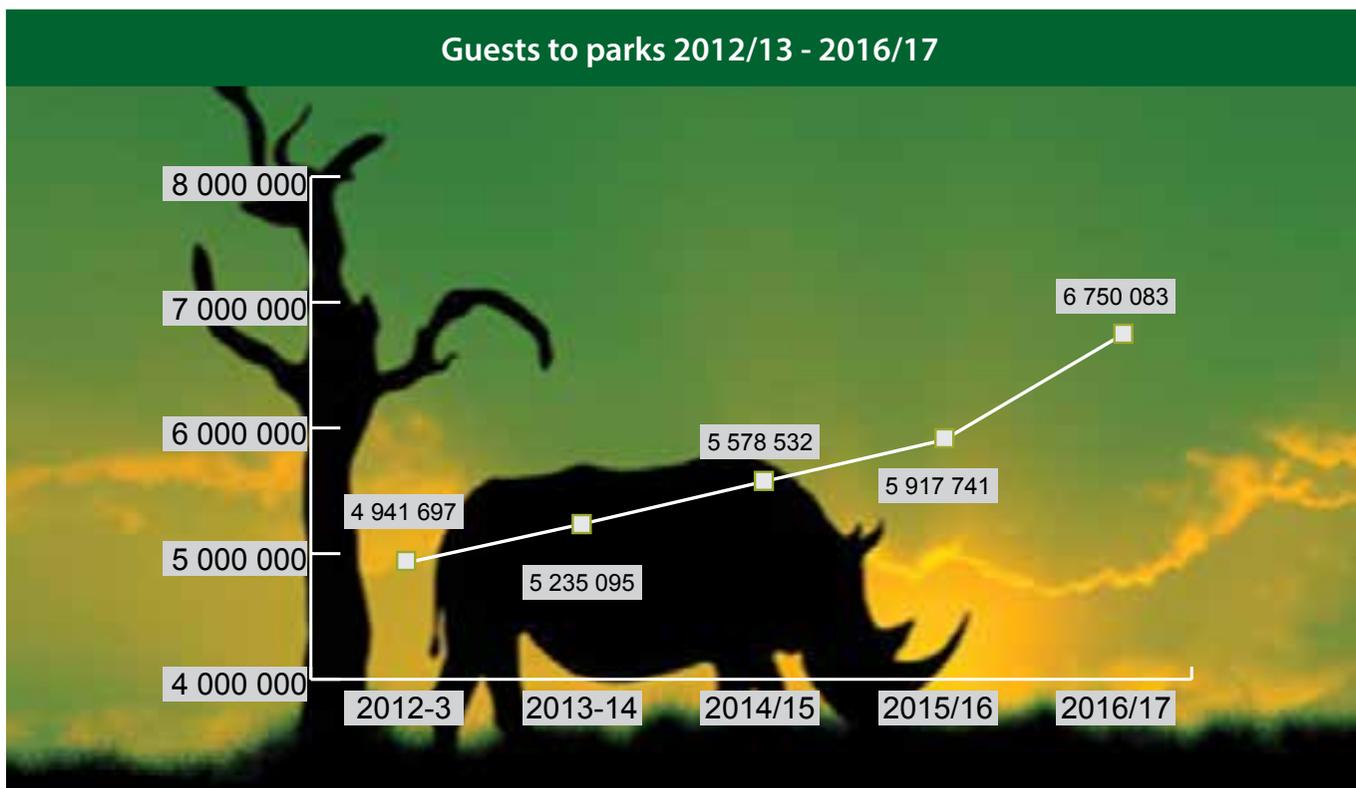
For the period under review, the number of guests visiting our parks increased by 14.1% from 5,917,741 to 6,752,383; this is the largest growth in the number of guests to our parks in 4 years. Growth at Kruger during this period was at 2.9% from 1 767,218 to 1,817,724 and for Parks increased by 18.9% from 4,150,523 to 4,934,659 visitors.

Table Mountain National Park (3,379,801 visitors) and Kruger National Park (1,817,724) continue to be the bastions in the SANParks stable contributing between them 76% of visitors to our parks. Having said that several other parks are demonstrating a steady growth trajectory notably West Coast National Park which saw an increase of 23.2% in guests, Addo 14.7%, Garden Route 11.7% and Bontebok at 12%. This bodes well for the appeal of these parks to investors as several of them have tourism product development opportunities that have

been identified as ideal for Public Private Partnerships.

The performance of the following in terms of number of guests to parks is under observation to determine likely causes for the downward slide:

- Namaqua: -12.7%
- Marakele: -5.4%
- Richtersveld: -5.1%
- Mapungubwe: -3.3%
- Camdeboo: -2.8%



TOURISM STATISTICS

SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2017 FOR THE SOUTH AFRICAN NATIONAL PARKS

PARK	ACCOMMODATION (EXCL CAMPING)				CAMPING			GUESTS TO PARK	TOTAL ACTIVITIES
	UNIT NIGHTS SOLD	UNIT OCCUPANCY	BED NIGHTS SOLD	BED OCCUPANCY	SITE NIGHTS SOLD	CAMP SITE OCC	PERSON NIGHTS SOLD		
ADDO	28,761	89.6%	64,234	71.6%	10,346	85.9%	26,486	265,585	36,368
AGULHAS	3,479	39.5%	9,131	33.5%	Not Applicable			35,407	Not Applicable
AUGRABIES	8,953	41.4%	18,710	37.6%	4,814	26.4%	12,914	68,131	1,294
BONTEBOK	2,521	49.3%	6,232	37.1%	2,418	22.1%	6,536	21,901	Not Applicable
CAMDEBOO	1,014	69.5%	1,934	66.3%	2,355	43.0%	5,379	41,432	Not Applicable
GOLDEN GATE	22,328	41.4%	48,025	30.9%	4,688	28.5%	12,548	58,795	884
GARDEN ROUTE	31,420	60.7%	73,093	49.3%	23,453	19.7%	67,995	494,632	14,525
KAROO	10,289	76.7%	25,240	51.9%	6,717	61.4%	16,106	39,678	1,347
KGALAGADI	31,251	89.8%	71,417	69.6%	23,174	78.4%	64,864	48,221	4,973
KRUGER	401,978	81.4%	946,638	62.5%	155,149	66.5%	410,061	1,817,724	198,110
MARAKELE	4,578	60.0%	10,536	43.9%	5,304	40.4%	13,828	23,165	2,017
MAPUNGBWE	5,621	48.7%	12,510	45.6%	2,097	57.5%	5,379	37,956	20,632
MOKALA	6,917	63.5%	14,828	48.0%	1,900	47.3%	4,725	17,691	952
MOUNT ZEBRA	7,136	85.0%	18,884	48.9%	4,910	53.8%	11,601	27,965	2,113
NAMAQUA	911	51.4%	2,034	31.7%	3,078	18.5%	9,197	18,542	Not applicable
RICHTERSVELD	2,032	31.2%	4,394	27.6%	4,024	19.7%	12,224	6,635	67
TABLE MOUNTAIN	3,973	40.8%	11,737	33.5%	Not applicable			3,382,101	1,528
TANKWA KAROO	2,555	60.7%	6,978	32.6%	1,320	26.2%	3,304	5,904	Not applicable
WEST COAST	572	80.3%	2,205	44.4%	Not applicable			340,918	1,246
TOTAL 2016/17	576,289	74.0%	1,348,760	57.1%	255,747	48.5%	683,147	6,752,383	286,056

COMPOSITION OF GUESTS

There has been an increase in international arrivals and a decrease in domestic visitors; both are consequences of the economic performance of the country. On the one hand the depreciation of the rand ushers in demand from international markets and slow economic growth tightens local disposable income. These changing trends most importantly it should be noted, have not had an adverse effect on tourism income.

Category		Q4 2016/17 Year	Q4 2015/16 Year	% change
SA Residents	Number	2 053 142	2 128 077	-3.5%
	% of total	67.8%	73.6%	-5.8
SADC Nationals	Number	51 032	53 404	-4.4%
	% of total	1.7%	1.8%	-0.2
Other Countries	Number	925 193	709 638	+30.4%
	% of total	30.5%	24.5%	+6.0

For the domestic market, Gauteng, Mpumalanga and Western Cape continue to be the lead source markets. While internationally Germany, UK, France and the United States continue to lead as key markets.

BLACK SOUTH AFRICAN GUESTS

With over 70% of our guests being South African, domestic tourism is undeniably SANParks' bedrock, as such the growth of this market and inclusivity of all demographic groups within it, constitutes a major driver of the marketing strategy. By all accounts, the parks are gradually becoming attractive destinations for black South African guests; trends indicate positive growth of black people as both day and overnight guests to the parks.

We welcomed 6, 752, 383 South Africans into our parks during the period under review with 29.6% (608,537) of them black South Africans, an increase by 3.5% from 26.1% in the previous year.

Top Five Parks – Highest % total SA Black Guests of total SA Guests

- Mapungubwe 73.30%
- Kruger 35.30%
- Golden Gate 31.50%
- Augrabies 26.50%



ACCOMMODATION OCCUPANCY

Overall SANParks continues to be ahead of South African hospitality occupancy rates of 45% to 55%; with our average “accommodation unit occupancy” holding steady at 74% (last year 73.4%) with the Kruger, Kgalagadi and Addo continuing to lead the pack.

Park	Occupancy (12 months) Previous year & change in brackets
Kgalagadi	89.8% (89.5%) +0.3
Addo	89.6% (88.1%) +1.4
Mountain Zebra	85.0% (81.7%) +3.4
Kruger	81.4% (80.5%) +0.8

HIGHEST UNIT OCCUPANCY (%) FOR 12 MONTH TERM

A 0.4% decrease (to 1,348,760) in “bed nights sold” was however registered connoting that there were marginally less ‘bums in beds’ compared to the previous year. The seemingly anomalous decline (albeit marginal) in bed usage and increase in room (or unit) usage relates primarily to the fact that 2015/16 had two Easter weekend and more school holiday days while 2016/17 had no Easter weekend and less school holiday days. Outside such peak periods there is less family travel, resulting in lower bed utilization

CAMPING

Camping Site Nights Sold for the organisation as a whole declined by 3.0% to 255,747 while Camping Person Nights Sold is down by 6.8% to 683,147 person nights recorded in the 2016-2017 financial year.

Camp Site Occupancy (sites occupied as a margin of sites available) for the period under review decreased by -1.5 percentage points from 50.0% to 48.5%. In the case of Parks Division, Camp Site Occupancy decreased by -1.1 percentage points from 35.2% to 34.1%, while Kruger Division decreased by -2.0 percentage points from 68.5% to 66.5%.

ACTIVITIES

Revenue from Activities increased by 15.6% from R78.638-million to R90.926-million. The average rate increase was 6.0% until end of October, and 5.7% from November onwards, and Activities sold increased by 10.2%. The budgeted amount for Activities (R80.015-million) was exceeded by 13.6%.

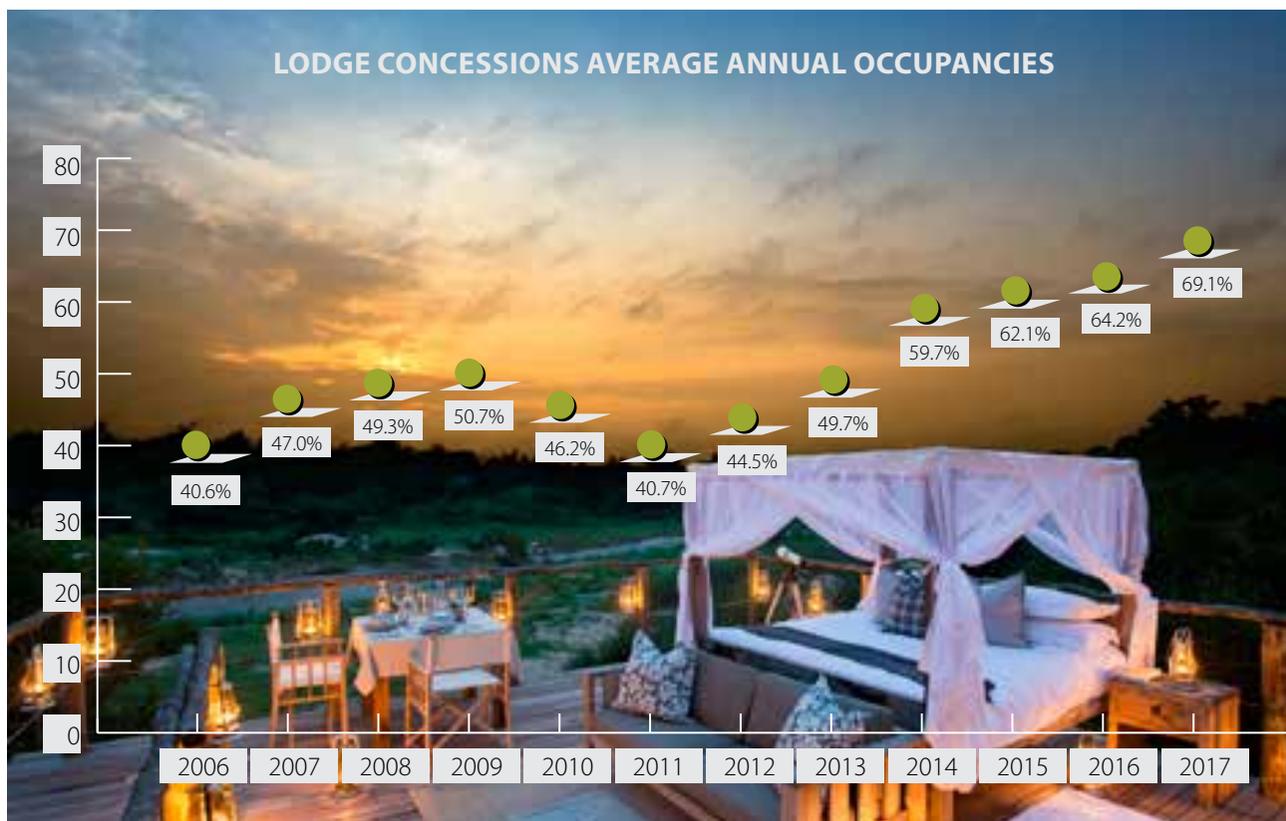


CONCESSION LODGE OCCUPANCIES:

The concession lodges are largely more luxurious and calling therefore, for a higher rack rate; on this basis they tend to attract a larger portion of international guests. As with occupancies of SANParks owned accommodation facilities, the average annual lodge concession occupancies are significantly higher than the average national occupancy levels. In this reporting period occupancies increased by 7.6 % to 69.1%; an indication that despite a slowdown in the

domestic economy, the country has become comparatively a high quality and value for money travel destination for international tourists due to the attractive exchange rate.

The highest average occupancy achieved by an operator was 82.7% in 2017 as opposed to 77% in 2016. The average annual occupancies from 2005 to 2017 for all the Lodge Concessions are depicted in the graph 'Lodge Concessions Average Annual Occupancies':



TOURISM REVENUE

For the period under review, total revenue from Tourism increased by **15.0%** to **R1.417-billion**, from R1.233-billion achieved in the previous year. This is 11.5% above budgeted total of **R1.271-billion**, this is largely a reflection of the 14% growth in tourist numbers year on year.

ACCOMMODATION

Revenue from Accommodation (including camping) increased by 8.1% from R593.623-million to R641.856-million. The average rate increase was 8.5% until end of October, and 7.7% from November onwards, and Unit Nights Sold increased by 0.7% while Camp Site Nights Sold decreased by -3.0%. The

budgeted amount for Accommodation (R639.128-million) was exceeded by 0.4%.

CONSERVATION FEES

Revenue from Conservation Fees (including Wild Card) increased by 27.5%, from R385.560-million to R491.648-million. The average rate increase was 8.4%, and Guests to Parks increased by 14.1%. The budgeted amount for Conservation Fees (R377.515-million) was exceeded by 30.2%.

ACTIVITIES

Revenue from Activities increased by 15.6% from R78.638-million to R90.926-

million. The average rate increase was 6.0% until end of October, and 5.7% from November onwards, and Activities sold increased by 10.2%. The budgeted amount for Activities (R80.015-million) was exceeded by 13.6%.

RETAIL GROSS PROFIT

Revenue from Retail activities decreased by -1.5% from R41.296-million to R40.681-million. The budgeted amount for Retail Gross Profit (R47.678-million) was underachieved by -14.7%.

CONCESSION FEES

Revenue from the concession operators increased by 5.7% from R66.016-million to R69.795-million. The budgeted amount for Concession Fees (R55.318-million) was exceeded by 26.2%.

FACILITIES RENTAL

Revenue from the retail and food & beverage operators increased by 8.9% from R37.232-million to R38.190-million. The budgeted amount for Facilities Rental (R34.997-million) was exceeded by 6.2%.

OTHER TOURISM INCOME

Revenue from the sundry sources and cancellation fees increased by 17.8% from R30.645-million to R36.112-million. The budgeted amount for Other Tourism Income (R33.353-million) was exceeded by 8.3%.

E-COMMERCE REVENUE

Trends indicate that there's increased preference for on-line (E-Commerce) bookings as such reciprocally the online booking system is continuously enhanced and refined to streamline E-Commerce operations and user-friendliness. Resultantly, in the period under review, revenues from on-line Reservations has seen an 18% growth.

The most significant project for the past year was the website redesign which was launched on 19 October 2016. This offers a more user-friendly experience in exploring our parks and helping clients decide where to stay and what to do. All features are integrated with the main social media platforms, and this upgrade also aligns the site to the latest technologies on the web and is fully responsive, i.e. renders on the various mobile devices out there.

Earlier in the year there was also tightening security on E-Commerce in line with recommendations from industry experts, which is a huge step forward in protecting the site and consumer data. The following table reflects the E-Commerce revenues for 2016/17:

Month	Online Bookings	Wild Card	Online Fundraising	Grand Total	YoY increase
Apr-16	R 26,049,865.79	R 2,035,550.00	R 4,850.28	R 28,090,266.07	20%
May-16	R 27,414,040.41	R 2,073,360.00	R 4,857.25	R 29,492,257.66	25%
Jun-16	R 25,483,636.47	R 2,638,910.00	R 794.75	R 28,123,341.22	15%
Jul-16	R 24,245,397.99	R 2,274,575.00	R 3,864.00	R 26,523,836.99	2%
Aug-16	R 29,268,246.93	R 3,161,690.00	R 4,828.22	R 32,434,765.15	18%
Sep-16	R 28,250,706.30	R 2,600,370.00	R 1,109.75	R 30,852,186.05	23%
Oct-16	R 27,158,740.02	R 2,567,240.00	R 1,980.75	R 29,727,960.77	15%
Nov-16	R 26,154,949.80	R 1,827,765.00	R 8,773.25	R 27,991,488.05	21%
Dec-16	R 24,635,950.44	R 2,372,095.00	R 26,345.00	R 27,034,390.44	26%
Jan-17	R 39,910,542.13	R 3,121,510.00	R 59,180.02	R 43,091,232.15	20%
Feb-17	R 31,910,113.40	R 2,276,400.00	R 49,821.49	R 34,236,334.89	19%
Mar-17	R 32,392,038.28	R 2,465,110.00	R 43,253.00	R 34,900,401.28	18%
Total	R 342,874,227.96	R 29,414,575.00	R 209,657.76	R 372,498,460.72	18%

WILD CARD PROGRAMME

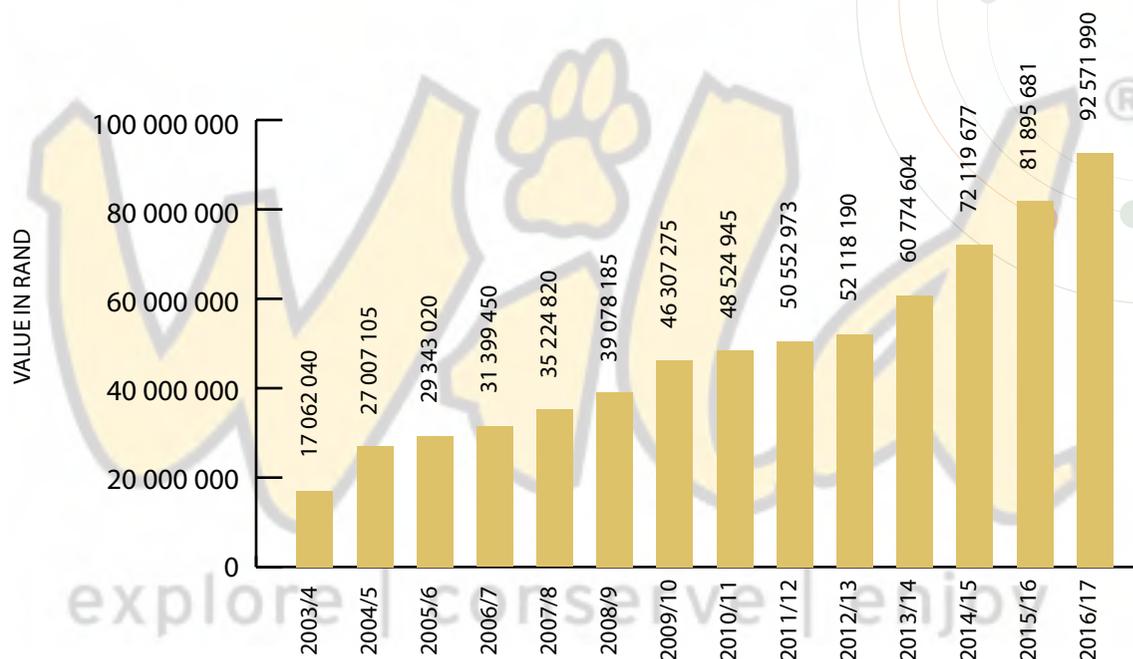
The Wild Card Programme revenue increased sales by 13.0% with an annual turnover of R92,571,990 for the financial year, the first time that turnover has exceeded R90 million.

Active membership increased by 248 from 85,912 memberships to 86,160.

The Wild Card Membership categories for the year were 17.02% Individual membership, 59.53% Couple membership and 23.45% Family membership. The All Parks and SANParks Clusters remained the most popular at 69.11% and 17.35% respectively.

The Main Membership ages were as follows: 18 to 24 years: 3.60%; 25 to 34 years: 10.09%; 35 to 50 years: 27.90%; 51 to 59 years: 19.87% and 37.94% above 60 years of age

TOTALS WILD CARD SALES RAND VALUE



WILD CARD PROGRAMME HIGHLIGHTS

A highlight for the 2016/2017 financial year was when the Wild magazine, the official publication of SANParks' Wild Card Programme, again excelled at the 2016 SA Publication Forum Awards, being crowned the Best External Magazine (Category A for large circulation) for the fourth year in a row. The magazine was also the runner-up for Best Corporate Publication overall.



CUSTOMER CENTRICITY

The overall Customer Satisfaction Index (CSI) score for the period under review has declined by 0.5 percentage points from 82.1% to 81.6% when compared to the same period in the previous financial year.

This is based on 44 569 Guest Feedback survey returns of 164 063 invites sent to overnight guest, which is a response rate of 27.2% (down 1.5 percentage points from 28,7% previous year)

For the period under review, Arid Region has shown a marginal decline in the overall performance of -0.4%, while the Northern Region showed an improvement of +0.7% points from 77.5% to 78.2%. On the other hand, Parks Division and Kruger National Park Division have also shown a decline of -0.6% and -0.4% points respectively, with Garden Route showing the highest decline of -1.6% points from 83.2% to 81.6%.

GUEST COMMENTS ANALYSIS

Accommodation achieved the highest in negative comments at 26.1%, followed by Management at 14%, Law Enforcement at 10.2% and Restaurant at 10.1%. This needs serious management intervention in order to improve on service delivery mandate. Accommodation has shown highest overall positive comments 19.1%, Reception 18.5%, and Management 14.7%.

The majority of accommodation complaints are as follows:

- Poorly Maintained Accommodation
- Condition Inventory & supplies
- Service

The highest positive comments on was on Value for Money which relates to the overall acceptable quality of accommodation and service rendered 44.2%; Service at 22.7% and Cleanliness of unit at 12.7%.

In terms of Law Enforcement the following are the main complaints: guest noncompliance, the lack of visibility of Law Enforcement Officers, speeding and littering.

Management issues range from adequacy of information given to general service (lack of response and delay in reactivity of Managers) and management of problem animals.

The Ambiance of the National parks marks the highest positive comment at 63.8%. It is evident that the main attraction is the natural environment other than the product offering.

CUSTOMER SATISFACTION - RESTAURANTS

Whilst the outsourced restaurant continue to rank high in customer satisfaction, there has been however a decrease of 2.06% (down to 77.14% from 79.19% in the previous year); this is however, still well above the required minimum score of 70%. The slide in customer satisfaction ratings is largely due to a drop in service standards at three franchised facilities in the Kruger National Park; a legal dispute with the operator has subsequently ensued. In addition, a fire razed the Tsitsikamma restaurant and retail complex in December 2016 leading to restaurant services being delivered from a temporary tented structure, resulting in a minimal drop in customer satisfaction.

CUSTOMER SATISFACTION - RETAIL

The outsourced retail operations continue to perform well. Variation management is focused on fresh produce and pricing (basket sample) to ensure value for money to SANParks customers. Customer satisfaction

decreased slightly from 2015/2016 with an average of 0.76%.

As with the retail operations, the customer satisfaction for the restaurant & retail operations under management agreement, experienced on average a decrease of 0.96% (down from 78.09% to 77.13% in the previous year).

CUSTOMER SATISFACTION - UNIVERSAL ACCESSIBLE TOURISM (UAT)

Augrabies Falls, Karoo, Kruger and Garden Route received some robust criticism from private individuals and from some disability organisations about the provision of certain supposedly universally accessible facilities in these parks. SANParks has been able to use the issues raised to improve their accessibility provision and become more compliant with the required industry standards.

UNIVERSALLY ACCESSIBLE TOURISM (UAT)

Not many new facilities were added to SANParks portfolio during 2016-17, and consequently few new UA features were added. A new family cottage at Mountain Zebra were however added and park management made efforts to ensure universal accessibility.

Disability Tourism Initiatives: SANParks in conjunction with the SANParks Honorary Rangers continued to host school groups for learners with disabilities, with the 2016 focus once more on deaf school children. Several challenges from a hospitality perspective in communication were highlighted by these encounters.

Universal Access Training and Technology: SANParks Tourism and Communications staff attended a training workshop in Digital Access to Information Systems (DAISY) with the aim of learning how to present a website that can be navigated by visually impaired readers. A project plan has been developed that will see the necessary changes to wording, coding and placement on the SANParks' website, so that a gradual transition to having a fully accessible website will be achieved without affecting the success and appeal of the current layout.

UNIVERSAL ACCESS AUDITS

Audits were conducted in Garden Route, Karoo, Mokala and Kruger National Parks as part of the responsible tourism planning process. Most of these revealed a mixed level of compliance with the required tourism standards, but as the correct equipment is usually in place and just the alignment and layout are wrong, it should not take too much intervention by the affected parks to meet the required standards.

PRODUCT DEVELOPMENT AND PUBLIC PRIVATE PARTNERSHIPS (PPP'S)

In September 1998, the Department of Environmental Affairs and Tourism articulated the need for SANParks to prepare for a lesser dependence on state funding, this formed the basis of the Commercialisation Strategy adopted by SANParks in 2000.

The Commercialisation Strategy executed by the Business Development Unit is a significant element of SANParks' Nature based Responsible tourism pillar and has as its objective through the implementation of Public Private Partnerships:

- Job creation and poverty alleviation: implementation of the commercialisation strategy has resulted in the creation of 1946 permanent jobs and local SMME spend of R57 million per annum.
- Revenue generation: the generation of additional revenue for the funding of conservation and constituency building.
- Industry transformation - each SANParks PPP project, is based on a BBBEE Scorecard with targets set for the private party to promote subcontracting and procurement as well as direct ownership of substantial interests by black people, black women and black enterprises.
- Optimal use of under-performing assets: previously SANParks managed facilities have over years resulted in heightened customer

service and satisfaction, often moving from loss making status to profit making. Evidence of this trend is most prominent in the restaurant and retail facilities under PPP management.

- Reducing the cost of delivery,
- Improving service levels by focusing on core business
- Leveraging private capital and expertise in the expansion of tourism products

The execution of Public Private Partnerships (PPPs) is regulated by the Public Finance Management Act (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.

Following the implementation of the SANParks Commercialisation Strategy in 2000, 11 lodge concession sites were awarded to private operators as well as the outsourcing of 21 shops and 17 restaurants to private operators was concluded. Over the past 16 years, SANParks have progressively increased the number of PPP transactions, covering a wide range of projects, including accommodation, restaurants, retail, activities, an airport and the Table Mountain Aerial Cableway. PPPs in SANParks have proved to be an important service delivery mechanism, by March 2017, there were 46 active PPP projects in the national parks.

South African NATIONAL PARKS

EXPLORE THE LEGENDS OF AFRICA AND ANCESTRAL WISDOM

AFRICAN SPIRITUALITY WEEKEND

GOLDEN GATE HIGHLANDS NATIONAL PARK

JOIN US 16-18 SEPT 2016

FROM R2 200 PP SHARING

Wild
Sesiyakhula Njalo

The growing number of PPP projects attests to the growing body of experience related to PPPs, both within SANParks and across the private sector.

Intrinsic to the Commercialisation Strategy is an alignment to the SANParks Responsible Tourism Strategy 2022 and its attendant protocols, policies and frameworks. This ensures that all identified projects are guided by the ethos espoused by responsible and sustainable tourism as contained in the National Minimum Standards for Responsible Tourism (SANS1162). Within a larger context, the strategy is aligned to the National Development Plan (NDP) as well as the National Tourism Sector Strategy and their respective objectives.

In addition to PPP's, grant funded Tourism Product Development plays a crucial role in increased revenue generation. Starting during the period under review the grant funded projects are managed through the Business Development unit and similarly to PPP's, are subjected to stringent feasibility and prioritisation processes. In the coming years, the capacity for non-PPP Tourism Product Development will be increased.

ACHIEVEMENTS 2016/17

In the period under review, BDU has scored the following highlights:

- The completion of the planning and procurement process for Skukuza Safari Lodge with site handover to the principle building contractor in February 2017; (pic of Minister at sod-turning event)
- Detailed site plans and financial feasibility done for the Dinosaur Centre at Golden Gate;
- The completion of detailed planning and cost analysis for the Phalaborwa Activity Hub and Shangani Gate Projects and the

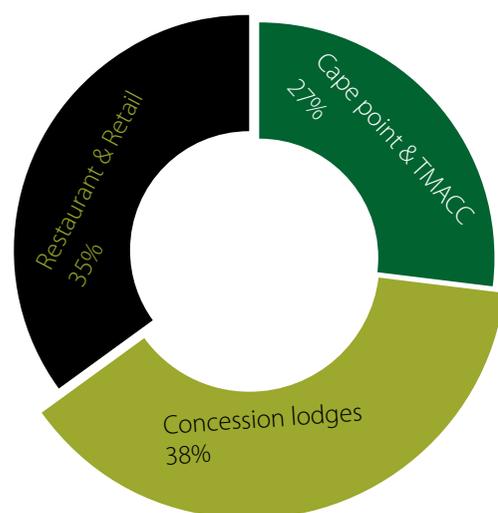
commencement of the Environmental Impact Assessment;

- The completion of 12 new units Nyathi in the Addo Elephant National Park; and
- The Nossob luxury camp sites and ablutions in the Kgalagadi Transfrontier Park.

In addition the following PPP projects were awarded to private operators:

- The conversion of the Tshokwane and Afsaal picnic sites to PPP's resulting in an immediate improved service delivery and shift from loss-making to profitable
- The successful award of the Skukuza Spa product scheduled to commence operations in the 2017/2018 financial year;
- The Selati bridge and restaurant at the Selati station in the Kruger National Park;
- The Crocodile Bridge Bush Braai product in the Kruger National Park;
- The Ratelrivier camp in the Agulhas National Park;
- The Rietfontein camp in Agulhas National Park;
- The Kraalbaai Luxury Houseboats in the West Coast National Park;
- The Tsitsikamma Zipline in the Tsitsikamma Section of the Garden Route National Park;
- Kranshoek Gorge Zipline in the Knysna Section of the Garden Route National Park; and
- The Wilderness Segway Tours in the Wilderness Section of the Garden Route National Park.

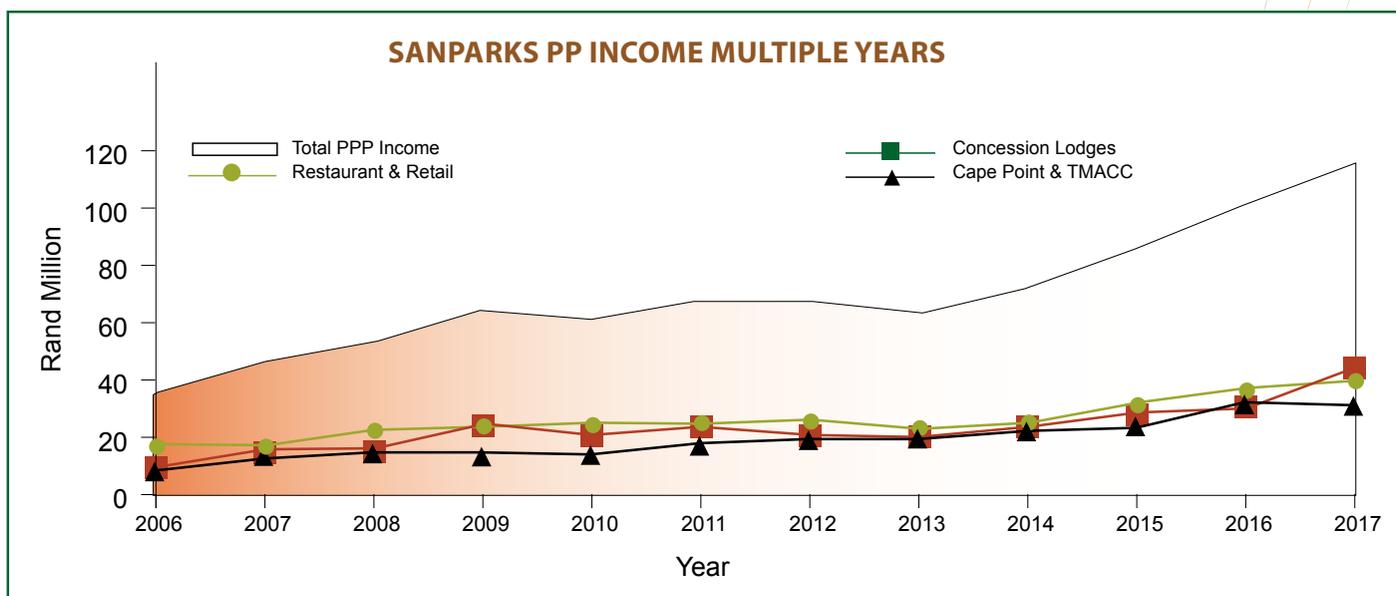
% OF TOTAL PPP INCOME 2016/17



SUMMARY NET PPP INCOME:

Since inception up to 31st March 2016, in addition to infrastructural developments worth over R755 million with the assets reverting to SANParks, Commercialisation has resulted in a total PPP Income of R 934 million to SANParks as follows: -





CORPORATE COMMUNICATIONS

MEDIA RELATIONS AND REPUTATIONAL MANAGEMENT

In the period under review SANParks media reputation rating (positive / neutral) stood at 99% - 4% over the target set for the year. This impressive performance due to pro-activeness in dealing with issues that have a potential of influencing the standing of the organisation in the media and public.

The organisation was faced with a number of major issues to manage in the past year including the drought mitigation strategy which necessitated the harvesting of animals in the Kruger National Park and the consequent distribution of the meat as part of SANParks' community beneficiation programme – resulting significant public outcry. Further issues that received negative views from the public include fire management at Table Mountain National Park and the approval of the fishing zones within the Garden Route – all were successfully managed with minimal reputational damage.

For the year under review, the key issues managed were:

- Kruger National Park land claimant financial compensation (event officiated by the President of South Africa and the Ministers of Environmental Affairs & Rural Development & Land Restitution.)
- Relocation of the escaped Karoo Lion to Addo Elephant National Park
- Table Mountain National Park fire
- Fishing in the Tsitsikamma Marine Protected Area
- Elephant and Rhino poaching

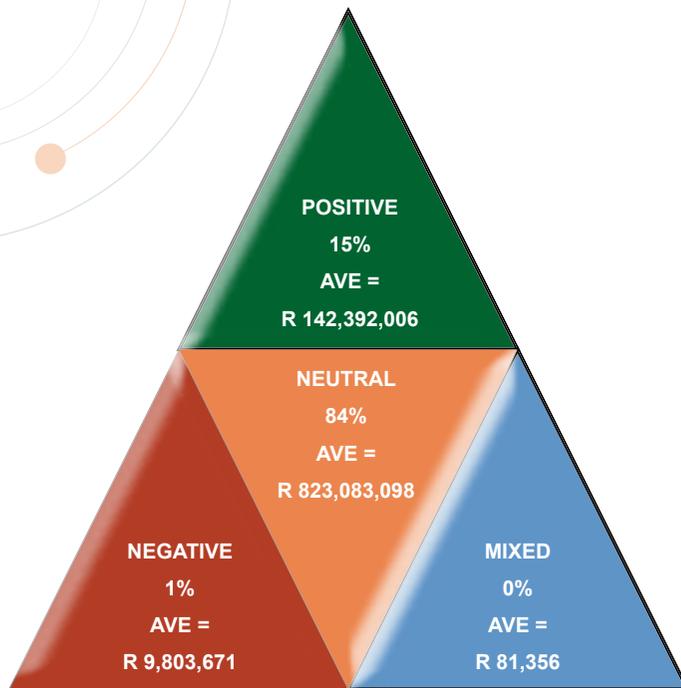
- Wildlife Poisoning in Kruger National Park
- Arresting of SANParks staff for poaching
- Drought and floods in Kruger National Park
- SA National Parks Week
- Success story on the Mountain Zebra species leading to a CITES decision to take the species off the red data list
- Muggings at Table Mountain National Park
- Canine Distemper in Kruger National Park wild dog population

It is imperative to note that SANParks reputation is under continuous scrutiny due to the regular national and international media coverage on rhino poaching incidents in the Kruger National Park; this has however not adversely affected the organisation's media reputation. SANParks therefore continues to be considered a credible source particularly on information pertaining to conservation and tourism.

SANParks utilises the services of a credible external media analysis company for purposes of media monitoring and reporting on its eminence and rating in the public space.

For the period under review, SANParks has had 25 798 media clips as compared to 6914 in the 2015 / 2016 financial year. In the previous financial year, SANParks received an AVE of R213, 387,568 compared to an AVE of R 975,280,131 recorded in the period under review.

THE GRAPHIC BELOW ILLUSTRATES SANPARKS GRADE IN THE MEDIA REPUTATION AND ADVERTISING VALUE EQUIVALENCE



The organisation's reputation has substantially improved in the period under review, attributable largely to an increase in pro-active media engagements particularly as regards the apprehension of rhino poaching suspects in the Kruger National Park as well as communication on various scientific mitigation and success embarked upon by SANParks scientific / conservation services personnel. In this financial year, SANParks through all its regional and corporate communications offices issued 366 press releases and engaged in an assortment of pro-active media events ranging from media tours, briefings and interviews on an array of key issues - Independent Newspapers and Media 24 in particular were critical media partners in the SANParks week in September. The SA National Parks Week recording an AVE of R13,4million compared to R12,3million in the previous year through media coverage.

The introduction of several innovative marketing and tourism development interventions including the widely covered Skukuza Safari Lodge sod-turning event and the run-up to the Tourism Investment Summit (held in April 2017) served to provide a significant boost to this impressive media reputation.

A five year contract with CAXTON Media Group for the production of a quarterly newspaper, SANParks Times is now its five and final year. The publication has grown extensively having started with a circulation of 90 000 now stands at 160 000 copies. This relationship with CAXTON has also seen SANParks enjoying additional coverage in a host of magazine titles owned by CAXTON resulting in publicity amounting to R 10, 766, 500.00 in this reporting period.

The website overhaul which attracted over 7million visitors sessions during the year, 46million page views, and 2.5million unique to the site. The usage of social media platforms have been revolutionised extensively and now features as a driver of a new digital sales strategy that has in the period under review, reaped an additional R2,9 million in reservations income.

GOVERNMENT RELATIONS AND STAKEHOLDER ENGAGEMENTS

South African National Parks continues to play a central role in key provincial and national government initiatives or events through the Working Group 12 reporting to the Environmental Affairs MINMEC & MIPTECH as well the Tourism MINMEC & MIPTECH committees led by the National Department of Tourism.

Strategic interactions with Department of Environmental Affairs, the National Department of Tourism and SA Tourism have as well, risen in frequency. In the past year these interactions resulted in strategic partnerships as pertains to:

- CITES – COP 17 held in Johannesburg
- World Rhino Day
- International Rangers Day
- World Environment Day
- World Tourism Day
- Tourism INDABA
- International Biodiversity Day

Skukuza safari lodge gets the green light

BY: LINDIWE MBOWANE

It was not business as usual in Skukuza on 17 February 2017, but a day full of excitement for Kruger National Park employees and neighbouring communities when the Minister of Environmental Affairs, Dr Edna Molewa did the sod turning of the R269,5 million Skukuza Safari Lodge project. This new conference safari lodge will bring an additional 128 rooms, which can accommodate about 250 tourists. It will be built adjacent to the Nombolo Mdluli Conference Centre in Skukuza Rest Camp to cater for conference delegates. This project will create an estimated 300 job opportunities during construction and 250 jobs when the lodge is operational.

“We have come a long way, and navigated well through the sustainability challenges that we had. We have been saying and still say so today that our national parks are not only about the conservation of plants and animals, these national parks are important catalysts for economic development and about growing the rural economy. We will continue to responsibly develop new products for sustainable development and tourism growth and at the same time, more importantly conserve our fauna and flora in this iconic park,” said Minister Molewa.

Conference organisers with a preference for venues away from the hustle and bustle of the cities look for locations with less distraction. In this regard, venues like Nombolo Mdluli Conference Centre are attractive options.

The sod turning coincided with the launch of the Tourism Summit Investments for SA National Parks, which will be held

at the Maslow Hotel in Sandton, Johannesburg on 27 March 2017. This summit is aimed to attract key decision-makers in tourism investments, which includes financiers, lenders, developers, tourism retail and services operators, bankers, investment advisors, real estate, property consultants, financial intermediaries, government tourism officials and media.

“We are quite excited about this initiative because it is going to open doors that were closed for a long time. We encourage businesses, especially black business, to take advantage of this seminar where they can learn more about opportunities for themselves in this growing sector that is so vital to our country’s economy. This is one of the many interventions that are aimed at transforming our Tourism Industry and all information in this regard is available on the SANParks website,” concluded Dr Molewa.



DR BEE MOLEWA, MINISTER OF ENVIRONMENTAL AFFAIRS TURNING THE SOD

Launch of the Postcode Meerkat Surveillance System – 6 to 8 December 2016 (original article)

Kruger National Park launched the wide area surveillance system known as the Postcode Meerkat in partnership with Peace Parks Foundation and the South African Council for Scientific & Industrial Research. The three organisations partnered to research, develop and manufacture this system to detect, monitor and track humans moving in the park over a wide area. The system is also mobile so that it can be rapidly deployed to prevent poaching in crisis zones. The project was funded by the Peoples Postcode Lottery of the United Kingdom.

- The launch of the Postcode Meerkat Surveillance System took place over three days of which the first day was characterized by presentations in the late afternoon held at a breakaway room at Nombolo Mdhluli Conference Centre. The second day in the evening, was the launch of the radar system at Mathekenyane. The third day was the opening of the Operation Network Centre for the Postcode Meerkat system at MAJOC.



MARKETING

An overarching marketing and tourism growth strategy was crafted in the period under review; the strategy has at its core:

- development, attraction and retention of new and emerging markets for SANParks
- awareness raising of the products, services and allure of the parks
- increase of occupancies and visitor numbers in low-occupancy parks identified as holding the most commercial viability ('target parks').

Various initiatives have been embarked on in this regard, focusing primarily on the platforms of mass print media and social media and the introduction of niche events such as a Weekend of African Spirituality in Golden Gate Highlands National Park and the Wild Women 4x4 Mafunyane Eco-Trail event in the Kruger National Park. The contribution of the marketing function

is regarded as instrumental to the overall increase of guests to parks by a remarkable 14% year on year and a 9% growth in the number of black visitors to parks.

PRINT MEDIA

Independent Newspapers as the biggest conglomerate of newspapers in the country was identified and engaged to run a tourism editorial campaign wherein the travel writer, travel blogger and photographer travel to 'target parks' and write stories that focus on, experiences and activities in the respective parks. The articles are carried in the weekend edition travel section of the various Independent Newspapers titles.

ADVERTISING

A radio media plan was initiated to drive awareness of the SANParks inaugural Tourism Investment Summit; this served to not only invite delegates to

the conference but played a major role in positioning the SANParks brand amongst the business audiences of the respective radio stations Power FM, Kaya FM, 702 and Cape Talk. Adverts ran from the 20th of March until the 3rd of April including additional online advertising on the various station online platforms. The AVE from the coverage received as a result of this advertising and attendant interview opportunities stands at R2.3 million.

Online platforms that we engaged to publicise the Summit are:

- Moneyweb
- Business Day & Financial Mail
- eTNW
- Kaya FM
- Power FM

SOCIAL MEDIA

The digital marketing unit has embarked on intensive social media campaigns to drive sales of what is termed 'distressed inventory' meaning beds/units that are unlikely to sell at full price so have to be discounted. These campaigns have yielded tangible and measurable results; approximately R2.9 million additional reservations revenue was recorded as a direct outcome.

INFLUENCER PROGRAMME

To gain a new market we need to find new ways to engage, this has been the view the marketing team has taken on to this end a number of 'Influencers' and 'Travel Partners' have been engaged to attract new and emerging markets. The primary focus of the campaign is 'target parks' i.e. the parks that show promise of turnaround in terms of occupancies as a result of intensive marketing.

The Influencer programme is run largely through social media and sees the 'influencer' experiencing selected parks and sharing the all-expenses paid experience with their extensive social media network (the influencers are not remunerated by SANParks).

Travel partners on the other hand are 'influencers' who organize mainly youth group travel experiences and advertise mainly through social media. To these partners, discounts are offered for group travel for them to advertise through various platforms.

CONTENT MANAGEMENT:

New Visitor Information guides and maps for parks have been revamped and refreshed for ease of reference and general usability.



South African NATIONAL PARKS

A Guide to Bontebok National Park



Die Stroom

Unwind on the banks of the Breede River. Picnic sites with ablution and braai facilities are available along the Breede River and may be used by day visitors. **Visitors will need to provide their own grills and firewood.**

Function and Braai Facility

Ideal for team get-togethers, birthdays and special events. Die Stroom is equipped to cater for 50 people, with a spacious, covered wooden deck overlooking the river, built-in braai area, kitchen and ablutions.

River Activities

Angling Subject to the possession of an angling licence, available at Reception.

Canoeing/Kayaking Bring your own equipment.

Swimming Overnight visitors can enjoy this activity from the rest camp while day visitors can access the River from Die Stroom. Guests swim at own risk.

Accommodation

Lang Elsie's Kraal Rest Camp

• 10 Fully equipped self-catering chalets, each sleeping 2 – 4 people (2 adults and 2 children).

• 4 Fully equipped self-catering chalets, each sleeping 4 people.

Camp Hours:
Nov – Apr: 07:00 till 19:00
May – Oct: 07:00 till 18:00

Camping/Caravan

The rest camp also has caravan and campsites with or without power, all of which have communal ablution facilities. A maximum of six persons are permitted per site.

Accommodation

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• 4 Fully equipped self-catering chalets, each sleeping 4 people.

Camp Hours:
Nov – Apr: 07:00 till 19:00
May – Oct: 07:00 till 18:00

Did you know? Swellendam is the third oldest town in South Africa.

Did you know? The rest camp is named after a female Khoi Chief who lived in the area between 1734 and 1800.

FREE ENTRY for a year for Wild Card members

0861 GO WILD (46 9453)
www.sanparks.org

Information

- Viewpoint
- Braai Facilities
- Picnic Site
- Hiking
- Mountain Biking
- Toilets
- Angling
- Kayaking
- Swimming
- Speed Limit
- Tarred Roads
- Dirt Roads
- Hiking Trails
- Mountain Bike Trails

Hiking Trails and Cycling/MTB Routes

- The Acacia Trail – 1.6km**
Heads inland and offers a great opportunity for bird sightings.
- The Blue Crane Trail – 3.2km**
Passes Skilpad Dam, a perennial waterhole, where bontebok, red hartebeest and other animals are regularly seen.
- The Aloe Hill Trail – 3.3km**
Passes a viewpoint overlooking the stunning scenery of the Breede
- The Bushbuck Trail – 5.4km**
Follows the river upstream, passing a viewing deck and ending at Die Stroom, a popular swimming and picnic spot.
- The Cobra Mountain Bike Trail – 9.2km**
Circular route around Mooi Dam in the east of the park, and the longest trail.

Fauna and Flora to look out for in the Park

Tick off the ones you have spotted

<input type="checkbox"/> Black-shouldered kite	<input type="checkbox"/> Aloe vera	<input type="checkbox"/> Amaryllis	<input type="checkbox"/> Erica filamentosa
<input type="checkbox"/> Blue crane	<input type="checkbox"/> Wild dagga	<input type="checkbox"/> Three-striped field mouse	<input type="checkbox"/> Angulate tortoise
<input type="checkbox"/> Cape francolin	<input type="checkbox"/> Bontebok	<input type="checkbox"/> Cape mountain zebra	<input type="checkbox"/> Cape grysbok
<input type="checkbox"/> Cape sugarbird	<input type="checkbox"/> Caracal	<input type="checkbox"/> Grey rheebuck	<input type="checkbox"/> Honey badger
<input type="checkbox"/> Secretarybird	<input type="checkbox"/> Red hartebeest	<input type="checkbox"/> Southern rock agama	<input type="checkbox"/> Toktokke

AN EXAMPLE OF ONE OF THE TEN PARK VISITOR GUIDES PRODUCED.

VISITOR MANAGEMENT

PARK VISITOR MANAGEMENT PLANS

A Visitor Management Framework for all national parks was researched and written; the objectives of the framework is to assist park and tourism management staff with the implementation, monitoring and evaluation of visitor management park plans.

Visitor Management plans were researched, work-shopped, audited and written for Karoo, Marakele, Mountain Zebra, Tankwa Karoo and Kruger National Parks and Kgalagadi Transfrontier Park.

A Visitor Management and Interpretation plan of action for high seasons was work-shopped and written with the SANParks Honorary Rangers operating in Kruger National Park.

VISITOR INTERPRETATION

The overhaul of the Letaba Elephant Museum was completed and launched during March 2017 in Kruger, after a December 2016 opening in Australia. This project was an exciting collaboration between SANParks, the Honorary Rangers and the University of Sunshine Coast in Australia which funded the project and introduced many new interpretation approaches to the displays. SANParks is thus the beneficiary of international research and funding.



VICE CHANCELLOR OF THE UNIVERSITY OF SUNSHINE COAST GREG HALL AND CEO FUNDISILE MKETENI SIGNING THE MEMORANDUM OF UNDERSTANDING FOR FURTHER COLLABORATION BETWEEN THE UNIVERSITY AND SANPARKS ON TOURISM RESEARCH AND INTERPRETATION SITE DEVELOPMENT.

The storyline for the Phabeni Interpretation Site (Kruger) which was researched and developed over several years with input from park based interpretation and cultural heritage specialists, external archaeologists and SANParks Honorary Rangers, culminated in new interpretation panels being printed and erected on site prior to the December festive season.

West Coast's Oral History programme saw an electronic brochure developed for the Park and available on the internet with thirteen themes covering the history of the park and environs. This will ultimately also be available in hard copy.

A storyline to showcase significant successes in community conservation initiatives in and around South African Protected Areas was work-shopped together with the Department of Environmental Affairs. This television and film project was released to coincide with the CITES COP 2016 conference.

During 2016-17 Visitor Interpretation Plans were researched, work shopped and written for Karoo, Kruger, Kgalagadi, Mountain Zebra, Marakele and Tankwa Karoo National Parks. Interpretation at Mokala was reviewed by students from the University of North West with a number of proposals provided to enhance

TOURISM RESEARCH

In 2015, the Visitor Management and Interpretation unit led a consultative process which resulted in the construction of the first Tourism Research Agenda to cover the three year period 2015 – 2018. In the two years since its formation, the Agenda has acted as a point of reference underscoring the key intelligence needs required by the organisation for evidence based decision making in tourism management, aligned to the Responsible Tourism Strategy 2022.

During the past year, the following themes listed in the Agenda attracted interest from various local and international academic institutions, private research houses as well as internal researchers:

Overarching Theme	# of projects registered 2016/17
Responsible Tourism	1
Market Development and Sales, Marketing & Branding	7
Visitor Management & Visitor Interpretation	4
Biodiversity Conservation	3
Sustainable Practices	2
Operations	1

To execute the Agenda, SANParks to a great degree relies on strong relationships with thought leaders and innovative minds in various fields of study. Workshops and meetings were held throughout the year to identify and scope projects together with senior researchers from fields of study that include Tourism Management, Business and Economics, Conservation and Environmental Management and Environmental and Geographical Sciences. The Visitor Management and Interpretation unit has also expanded and strengthened research agreements in the form of MoU's with four additional tertiary institutions.

The projects implemented during 2016 – 2017 provided guidance towards future tourism developments, identified opportunities for improvements in accommodation and interpretive services and provided insights into attracting new markets to Parks. Research conducted by MarkData and Consumer Conversations created an awareness of the perceptions and leisure needs of non-traditional tourists not yet visiting parks. The University of Pretoria, in collaboration with the North West University and Murdoch University in Australia, initiated a project which is expected to appraise the outcomes from Kruger National Park's sustainability assessments against visitors' perceptions. Internal research by the VM & I unit covered management aspects such as visitor preferences with regards to guided game drive experiences in national parks, the diversification of camping accommodation products and tourists' preferences with regards to the Lower Sabie safari tented accommodation.





SOCIO-ECONOMIC DEVELOPMENT REPORT

President Zuma hands over compensation to land claimants in Kruger

E-Learning facilities to 6 schools and 4 science labs to schools adjacent to KNP and Mapungubwe

Wildlife donation to Khomani San and Mashishimale communities

TAKEN IN ADDO ELEPHANT NATIONAL PARK

SOCIO- ECONOMIC DEVELOPMENT REPORT

Socio-economic development is one of the three core pillars of the organisation, along with conservation and tourism. Its primary objective is to contribute to the development of communities adjacent to national parks through the implementation of social and economic development programmes.

National parks are strategically located and can thus play a critical role as catalysts and drivers of local economic development, particularly in the rural areas of South Africa where the majority of the national parks are located.

The Socio- Economic development programmes include; Social Legacy Programme; Green and Blue Economy; SMME development, Environmental Education and Awareness and the Land claim programme.

In the year under review, the following were achieved;

1. GREEN ECONOMY PROGRAMME

The Green Economy Programme is a government transformation programme which seeks to ensure the ownership of game by communities and emerging game farmers by offering opportunities to local communities and individual game farmers to participate in the wildlife industry value chain, centred on game and wildlife farming activities, relating to the stocking, breeding, trading and related eco-tourism activities.

Through this programme SANParks seeks to donate or loan wildlife to communities and emerging game farmers, and provide technical expertise and support to ensure the success and sustainability of the programme.

1.1 DONATION OF 22 ZEBRAS TO KHOMANI SAN ERIN FARM (ARID REGION)

Two batches of zebras (22 in total) were donated to Khomani San CPA , in line with the Green Economy objective of ensuring the transfer and management of wildlife by communities and emerging game farmers.

The Khomani San received six farms as part of the settlement of their land claim in and around the Kgalagadi National Park. Erin Farm was one of the six. The community wanted to develop this farm as a model and “prestigious” game ranch, to stock and maintain it with viable populations of species historically occurring in the Kgalagadi, have special value to the San culture, and use the game ranch to generate income opportunities for the San community from hunting and eco-tourism. As part of the settlement agreement, SANParks provided gemsbok, hartebeest, wildebeest and springbok to the farm. The zebras increased the number of game species on the farm.



1.2 DONATION OF SIX HIPPOS TO THE MASHISHIMALE CPA (KRUGER NATIONAL PARK)

The Ba-Phalaborwa Ba Ga-Mashishimale community successfully claimed the land adjacent to the KNP (Marakapula Game Reserve) which is now used for game farming, eco-tourism and citrus farming. In 2012, SANParks donated zebras and elephants to the reserve. In 2015, the Mashishimale CPA requested a donation of hippos and six were delivered in September 2016.



1.3 FEASIBILITY STUDY AT ENON-BERSHABA FOR IMPLEMENTATION OF THE WILDLIFE ECONOMY INITIATIVE (FRONTIER REGION)

Enon and Bershaba are two adjacent communities outside the Addo Elephant National Park that jointly have pristine land which can be incorporated into the park on a contractual agreement, should they so agree.

The land is ideal for the introduction of game and associated eco-tourism opportunities. Its use for conservation would therefore be beneficial to SANParks and the community, as it will advance the park's conservation objectives and provide SED benefits to communities.

As part of the Spatial Development Framework of the local municipality, the Enon and Bersheba property was identified as a key component in the development of a tourism corridor. A feasibility study was conducted on the property in 2016/17, which recommended the following development proposals: The introduction of game and high-value species take-off combined with guided game drives; and the development of a 12-unit self-catering lodge. Consultation has commenced with the community for the implementation of the initiative.

As part of the Spatial Development Framework of the local municipality, the Enon and Bersheba property was identified as a key component in the development of a tourism corridor. A feasibility study was conducted on the property in 2016/17, which recommended the following development proposals: The introduction of game and high-value species take-off combined with guided game drives; and the development of a 12-unit self-catering lodge. Consultation has commenced with the community for the implementation of the initiative.

1.4 NKAMBENI WILDLIFE ECONOMY INITIATIVE (KRUGER NATIONAL PARK)

The farms Vaalribok, Rooiduiker and Ingrid that border the KNP are state-owned properties and declared as part of the park.

These properties were not fenced in to KNP, due to the railway line, and are used for grazing, farming, wood collection and in some instances as a settlement by the Nkambeni community. The community would like to use a portion of the properties for the development of the wildlife economy project and the DEA has approved R10 million towards the implementation of the project. A feasibility study has been conducted to assess and viability of the initiative and various options have been recommended. These will be further explored with the community.

1.5 BEVHULA- GIDJANA WILDLIFE ECONOMY INITIATIVE (KRUGER NATIONAL PARK)

The Bevhula and Gidjana communities jointly own land of about 1 800 ha adjacent to the KNP which they want to incorporate into the park for the establishment of the wildlife economy project. Community resolutions and formal request letters were submitted to SANParks.

The land already has six dilapidated tented accommodations and a lapa which need renovation and there is a rivulet that needs to be rehabilitated, to provide a scenic view in front of the accommodation and the lapa. The project is situated within the proposed Shangoni Gate development in the KNP. The DEA has committed to allocate R10 million towards the implementation of this project.

A feasibility study was conducted in the 2016/17 financial year to assess the viability of the initiative. Communities will be further consulted to explore possibilities highlighted by the study.

- The feasibility studies for both Nkambeni and Gijana/Bevhula were completed by end of March 2017.
- KNP donated six Hippos to Mashishimale Community Trust in the third quarter. The in-fight between the previous community representative and the newly established trust delayed the signing of the community resolution.
- Three (3) social legacy projects under Corporate Social Investment have been completed, these are:
 - Mahlale High School – (Welverdiend) science lab is completed.
 - Lepato - Ga-Makushane Science has been completed.

Makuya Secondary School – Ga Makuya Science Lab has been completed.

2. BLUE ECONOMY PROGRAMME (FRONTIER REGION)

The Blue Economy Programme aims to promote access and the use of marine resources through the provision of resource use zones in Marine Protected Areas (MPAs).

Communities living adjacent to the Tsitiskamma MPA requested access to fishing in the national park. The request was escalated to the Minister and the proclamation for the re-zoning of the Tsitsikamma MPA was gazetted on 19 December 2016. The park was opened for controlled fishing, in demarcated

areas, on 24 December 2016. Rights to fish in three allocated zones within the Tsitsikamma MPA have been restored.

In the Tsitsikamma section, representatives of various state departments met with the Covie Community Property Association to provide an update on the transfer of the allotments and the release of the commonage.

The rezoning of the Tsitsikamma Marine Protected Area was gazetted during December 2016. This led to the restoration of access to the shoreline for fishing in certain areas. The park opened for registration of local fishermen on the 24 December 2016. To date 273 locals have registered with the park. Various meetings related to the rezoning of the MPA were held with both internal and external stakeholders. The stakeholders involved included representatives from DEA, the Koukamma Municipality, the Tsitsikamma Angling forum, SANParks Scientific Services.

Park Management and the Garden Route Scientific Service met to discuss the challenges of implementation of the rezoned MPA.

3. SOCIAL LEGACY PROGRAMME

The legacy programme aims to support and contribute to the achievement of government's mandate towards social development. SANParks invests resources for the provision of much-needed facilities in communities living adjacent to national parks. A 1% tourism income is set aside for this purpose. The social legacy fund is primarily used to provide facilities that support education .

A number of Social Legacy Projects were provided in the 2016/17 financial year, namely:

3.1 E-LEARNING FACILITIES (ARID REGION)

E-learning facilities were provided to six primary schools, which are feeder schools to the Rietfontein Combined School, adjacent to the Kgalagadi National Park. The aim was to streamline e-learning capacity and capability between the schools and Rietfontein Combined School, to prepare learners for further education and computer technology skills, knowledge and attitude improvement.

The project was informed by the outcomes of the evaluation performed on the Computer Lab that was provided to Rietfontein Combined School. A need and opportunity to enhance the ultimate impact of the lab to extend IT in education and learning was identified through the training of educators from the schools. E-Beam sets, used for interactive board, were secured and installed at the schools and the teachers were trained on e-learning by the Via Afrika Digital Education Academy.

The 36-hour training was endorsed by the South African Council of Educators and the teachers were allocated 35 professional development points for the successful completion of the course. The Change Leadership for ICT Integration Course was also conducted for all principals from Z.F. Mgcawu District Education.



3.2 SCIENCE LABORATORIES

Four science laboratories were provided to schools adjacent to the KNP and Mapungubwe National Park (northern region) . The aim of the project is to provide hands-on science experiment teaching to contribute to improved results in science as a subject in Matric. Science laboratories were provided to Mahlale Secondary School in Limpopo near Orpen gate, KNP; Lepato High School, near Phalaborwa gate, KNP; Mabotha High School, in Limpopo, near Mapungubwe National Park, and Makuya High School, near Pafuri gate, KNP.



SCIENCE LAB AT LEPATO HIGH SCHOOL NEAR KRUGER NP

4. SMME DEVELOPMENT PROGRAMME

The programme contributes to the development of local enterprises through provision of relevant skills training, coaching, mentorship and support which will enable them to develop into viable enterprises.

4.1 ADDO ELEPHANT LAUNDRY SERVICE (FRONTIER REGION)

An amount of R1 million was used to convert the office facility at the Addo Elephant National Park for use as a laundry. Five workers from the local community were employed on a pilot basis to work at the facility. The ultimate objective is to outsource the operation to a community-based enterprise.

The laundry's performance and needs are being monitored for improvement and efficiency before the operation can be outsourced. The data will be used to inform service level agreements and possible shortfalls, which may need further support and attention.



LAUNDRY SERVICES AT ADDO ELEPHANT NP

4.2 PHUTHADITJHABA VEGETABLE PRODUCTION (NORTHERN REGION)

Phuthaditjhaba Vegetable Production is a small business initiative funded through a partnership arrangement with Total SA. The business grows vegetables on 5.6 ha of land, near the Golden Gate Highlands National Park. The total investment in this business amounts to R950 000.

The investment in the 2016/17 financial year included funding for fencing, construction of a storage facility and an office. The business sells vegetables to local markets, including Spar and Boxer, and to local vendors and the Golden Gate Highlands National Park. Business management training on vegetable production, irrigation, cultivar recommendations, soil and water analysis and seedling nursery layout design will be offered in the new year.

5. ENVIRONMENTAL EDUCATION PROGRAMME

Environmental Education is *critical for sustainable development and increasing the capacity for people to address environment and development issues for sustainable living*. It aims at promoting a conservation ethic by developing knowledge, skills and attitudes necessary to understand and appreciate the

system of national parks that represents both the natural and cultural heritage assets

The approach to Environmental Education for SANParks take the form of organized interactive activities which include Formal (curriculum –based initiatives) and Non-Formal (Community -oriented initiatives)

- The total number of learners participating in the KNP Environmental Education Programmes were 84 288 against a target of 65 000. The total number of learners participating in the KNP Environmental Education Programme improved by 29.7% (19288) when compared to the planned target. This improvement can be attributed to the following list of initiatives that contributing to the KNP Environmental Education Programmes:
 - Kruger to Kasie Programme
 - WALOW Programme
 - Kids in Kruger Programme
 - Kids in Parks Programme
 - Community Programme
 - Educators and Learners Programme



Total number of people exposed to environmental education and interpretation programme for 2016/17 were as follows;

Park	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Grand Total
Addo	1865	6470	1973	3115	13423
Agulhas	501	3823	1267	609	6200
Augrabies Falls	1316	1897	504	3919	7636
Bontebok	2661	1612	0	0	4273
Camdeboo	1578	1093	928	626	4225
Golden Gate	8647	5228	6171	2938	22984
Groenkloof	787	0		0	787
Karoo	911	2019	293	583	3806
Kgalagadi	443	553	692	514	2202
Knysna	479	1393	234	578	2684
Kruger					0
• Skukuza	4756	6704	2772	576	14808
• Satara	3327	6518	2242	2215	14302
• Berg en Dal	2719	3868	1412	783	8782
• Punda Maria	4219	12162	3491	871	20743
• Letaba	4101	8470	1361	1120	15052
Marakele	1107	1372	463	362	3304
Mapungubwe	3783	9547	1088	3136	17554
Mokala	56	46	0	147	249
Mountain Zebra	2541	1107	614	910	5172
Namaqua	709	1049	538	532	2828
Richtersveld	120	503	261	371	1255
Tsitsikama	362	179	0	307	848
Wilderness	415	446	623	119	1603
Table Mountain	7022	6104	8128	6087	27341
West Coast	1918	1253	583	0	3754
TOTAL	56343	83416	35638	30418	205815

KIDS IN PARKS PROGRAMME (FRONTIER REGION)

“Kids in Parks” is a partnership programme between SANParks, the Department of Environmental Affairs (DEA), Department of Basic Education and Pick n Pay. The programme provides access for learners from communities close to national parks, with an opportunity to visit their nearest park for a three-day experiential learning experience.

The Kids in Parks Programme ushered a total of 493 learners and 30 educators from schools around Knysna to the Garden Gate National Park from 1 February to 8 March 2017. Over the year, 4 918 learners and 215 educators participated in the programme.

5.1 KUDU GREEN SCHOOL INITIATIVE (KGSi)

The KGSi is a SANParks Environmental Education programme designed for Gauteng Schools. It promotes clean, healthy environments and fights climate change by adopting sustainable ways of living. Partners include Rand Water, the Gauteng Department of Agriculture and Rural Development (GDARD) and the South African National Biodiversity Institute (SANBI).

Ten schools from different districts in Gauteng were part of the fight against climate change workshop in the Marakele National Park (NORTHERN REGION) in the June school holidays. The participating learners were in grades 5, 6 and 7 for primary schools and grade 8 and 9 for secondary schools - 108 learners and 16 educators were part of the initiative. The schools are selected in black-dominated, previously disadvantaged communities and showed great interest in climate change. For most of these learners it was a first time that they visited a national park or even went on a trip.

Table 3: List of schools and no of learners who participated in the KGSi Camps, 2016

Date of Participation	Name of School	No of learners	No of educators
27 June – 30 June 2016	Monde Primary School	12	2
27 June – 30 June 2016	Reahile Primary School	13	1
27 June – 30 June 2016	Dawnpark Primary School	11	2
04 July – 07 July 2016	Sapebuso Primary School	10	2
04 July – 07 July 2016	Greenspark Primary School	11	1
04 July – 07 July 2016	Sihluziwe Primary School	13	2
11 July – 14 July 2016	Rantailane Secondary School	11	2
11 July – 14 July 2016	Modiri Secondary School	8	1
11 July – 14 July 2016	Mlokotwa Dube Primary School	13	1
11 July – 14 July 2016	Garankuwa Environmental Club	6	2
Total		108	16

5.2 JUNIOR RANGERS

The Junior Ranger Programme operates in Agulhas, Karoo and the Table Mountain national parks. It is a youth-development programme, for individuals with an interest in conservation. A number of projects were implemented by the junior rangers, including the celebration of World Wetlands Day and an environmental education programme at De Heide Primary School for Grade 4 learners, focusing on understanding SANParks' mandate, biodiversity, pollution, habitat, reptiles, fire and fynbos.



5.3 ENVIRONMENTAL CALENDAR DAY CELEBRATIONS

Many environmental calendar days were celebrated in national parks to raise awareness of certain environmental challenges that face the country, and to help create ways of managing or ensuring sustainable resource use. The following are highlights some of the calendar days celebrated:

- Earth Day at Kgalagadi Transfrontier Park, at Gekombineerde School



TMNP OFFICIAL DEMONSTRATING HOW WETLANDS PURIFY WATER



MARAKELE STAFF TOGETHER WITH BSP TEAM AND SCIENTIFIC SERVICES ON THEIR WAY TO MATLABAS WETLAND

- World Ranger Day is celebrated to commemorate rangers who have been injured or killed in the line of duty and to celebrate the hard work they do in protecting our natural resources, including plants and animals. Celebrations at SANParks include parades by rangers, sharing of experiences and encouraging talks. This day was celebrated at the Kgalagadi, Namaqua, Augrabies, KNP and Groenkloof national parks.
- International Coastal Clean Up: The Knysna Section of the Garden Route National Park had a coastal clean-up on the 25 August 2016. Two rivers - Khayaletu and Bongani - drain their water into the estuary which is managed by the park. These rivers are polluted. In collaboration, the Knysna Municipality, the Brede-Gouritz Catchment

Rietfontein, where learners were taught about the environment and climate.

- International Museum Day, celebrated by the Mapungubwe and Kgalagadi national parks.
- Biodiversity Day, International Firefighters Day, and World Environment Day, celebrated at the Golden Gate, Marakele, Kgalagadi, Mapungubwe and Namaqua national parks.

Management Agency, EPWP and SANParks cleaned up along the rivers' banks.

- Arbor Day//Month serves to promote awareness of the need to plant and maintain indigenous trees throughout South Africa. September is Arbor Month, so activities were undertaken throughout the month. It is through these activities that SANPark aims to make communities aware of the roles of trees in our ecosystem and differentiate between indigenous and alien species. Arbor Day was celebrated at the Marakele, Addo, Agulhas, Kgalagadi Transfrontier and Augrabies Falls national parks, with nearby schools and communities.



KGALAGADI TRANSFRONTIER PARK ARBOR DAY



TREE PLANTING AT AV BUKANI P SCHOOL, ADDO ELEPHANT N.PARK

- Marine Day/Week raises awareness of marine life and encourages clean river systems. Knysna hosted schools from Hornlee and Concordia from 4 to 6 October, for the Marine Week holiday programme, to educate them about the importance of the lagoon and marine life in general. They had an opportunity to learn about the sustainable use of resources (harvesting – rules and regulations) while exploring the tourism industry in the area (canoeing and a boat cruise). Namaqua celebrated Marine Day 12 October at Klipfontein, and Richtersveld celebrated on the 29 October 2016.
- World Birding Day: Golden Gate Highlands National Park celebrated World Birding Day on 2 December 2016. The main objectives were to teach children about the important roles that birds play in our lives and on the environment, and the significance of protecting vulnerable bird species.
- World Wetlands Day raises awareness about the values of wetlands to society. The Table Mountain, Marakele, Camdeboo, Kgalagadi and Agulhas national parks celebrated World Wetlands Day, with activities ranging from teaching people the importance of wetlands to sharing information pamphlets and/or flyers, wetland purification demonstrations and cleaning up wetlands.
- National Water Week emphasises the value of water and the need for the sustainable management of this scarce resource. Augrabies Falls National Park conducted a National Water Week programme at six schools, in partnership with the Department of Environment and Nature Conservation in the Northern Cape and the Department of Water Affairs and Sanitation.

6. LAND CLAIMS PROGRAMME

Numerous communities have lodged claims against parcels of land within national parks. In some instances, the claims are still being verified while in others, the process has been completed and settlements effected.

As part of the settlement agreements, SANParks has committed to develop and implement a beneficiation programme which will enable claimant communities to receive specified benefits.

6.1 KRUGER NATIONAL PARK LAND CLAIMS (KNP)

Six communities signed settlement agreements with DEA, DRDLR and the Commission on Restitution of Land Rights for the full and final settlement of their land claim inside the KNP. Each originally dispossessed individual will receive an estimated amount of R110 000 as the value of their loss of land use, and an additional amount for the land value. The land value of the six communities will be used for developments for the benefit of the claimant communities. Second paragraph, last line, change sentence to: The six claimant communities from both the Limpopo and Mpumalanga provinces attended the ceremony.

On 21 May 2016 President Jacob Zuma handed over symbolic cheques totalling R84 million to six communities which claimed land inside the KNP. The event was held in Skukuza, graced by the Ministers of Environmental Affairs and Rural Development and Land Reform. The six claimant communities from both the Limpopo and Mpumalanga Provinces attended the ceremony, as this was part of their restitution settlement.

The implementation of the first phase of the settlement process is in progress. The financial compensation (loss of use) is in the process of being paid by the commission, with 98% of the claimants being paid in the Limpopo province. There is one community in Mpumalanga that has not been paid due to fraud within the verification process. The equitable redress amount, which is the land value of the claim, has been paid into six accounts that form a holding account until the claimants have formed a legal entity and a fund manager is appointed.

The KNP land claimants' beneficiation scheme has been approved in principle by the SANParks' Board and will be presented and negotiated with the claimants.

**P r e s i d e n t
Zuma hands over
compensation to land
claimants**

*BY: DEPARTMENT OF RURAL
DEVELOPMENT AND LAND REFORM*

President Jacob Zuma handed over R84 million in financial compensation to six communities of Limpopo and Mpumalanga who claimed land in the Kruger National Park (KNP). The communities had lodged their claims during the first re-opening of the Land Claims process which ended in 1998.

More than five thousand community members including the beneficiaries attended the celebrations at the KNP on 21 May 2016 where President Jacob Zuma presided over the ceremony.

Addressing the gathering the President described the agreements reached as historic because they will indeed benefit the claimants in the long term.

“We are truly pleased to join you for this important event in the transformation program. We have come together about land, to restore the rights of our people who were disposed. Land has been a fundamental issue in the struggle for liberation, today we are contributing the reversing the legacy of apartheid,” the President added.

He described the event as a very important occasion in the journey to address the land question. President Zuma said government was satisfied that all matters of beneficiation have been taken into account in this settlement.

Minister of Rural Development and Land Reform Gugile Nkwinti thanked the traditional leaders for looking after the land on behalf of their communities. The minister assured communities whose claims have yet to be settled that the Department will work day and night to ensure that the processes are concluded and the challenges they face are resolved.

Speaking on behalf of the Mpumalanga group of beneficiaries, Pery Sambo said, the communities are blessed to be celebrating this occasion, adding that they look forward to the beneficiation projects that are to follow.

Limpopo claimant representative Chief William Chauke also thanked the government for the work done to settle the claims and that even though it has taken 18 years for the settlement process to be completed they are elated.

The Department of Rural Development and Land Reform through the Commission on Restitution of Land Rights settled the claims in terms of the Restitution Act.

Due to the status of the KNP been a flagship of South African National Parks, cabinet took a decision in 2008 not to restore any of the land within the park to claimants.

The claim is settled in two phases with phase one being the financial compensation and phase two in the form of projects aimed at ensuring the communities continue to benefit in the longer term from business opportunities within the Park.

The beneficiation scheme is done in partnership between the Department of Rural Development and Land Reform, the Department of Environmental Affairs and SANParks as the management authority for national parks. A total of 813 claimant households will benefit from this settlement.



6.2 GOLDEN GATE HIGHLANDS NATIONAL PARK (NORTHERN REGION)

The SANParks Board approved the settlement model, which included the de-proclamation of 1800 ha of the park to give to the claimants as part of the settlement of their land claim. In exchange, the DRDLR will transfer two properties to National Department of Public Works for use by SANParks.

The agricultural assessment of the land to be de-proclaimed is being conducted through the DEA as the claimants prefer to use this land for livestock grazing. Thereafter SANParks will initiate the de-proclamation process by making a submission to the Minister of Environmental Affairs.

6.3 NAMAQUA NATIONAL PARK (ARID REGION)

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

The claim was accepted as a valid by the Regional Land Claims Commission: Northern Cape and 54 households were verified as having lost rights on the land. SANParks' Board has approved that a portion of the farm Graskom be donated to the claimants and the financial payments as well as the registration of a legal entity are being finalised before a draft deed of donation can be presented to the claimants.

CONSTITUENCY BUILDING

Mosu Lodge in Mokala was crowned the Big Tusker in the Safari Index Tusker Ultimate Safari Experience Awards 2016. The lodge has officially been voted as the Ultimate National Park Camp in South Africa.

As part of Kgalagadi's support to the SAN community, 4 members of the community and their farm managers were awarded an opportunity to take part in firearm competency training in the park. The SAN community joined the staff in their refresher training and initial training. Two of the community members successfully completed their refresher training.

In Mapungubwe National Park, World Habitat Day was celebrated in November 2016 at Vhembe District. This was a provincial event run by LEDET. The theme of the day was to conserve species, protect habitats, and to save the environment. SANParks together with LEDET focussed on raising awareness of two endemic, endangered and ingenuous plants, i.e. the Modjadji cycad and the Yellow Peeling plane (Mutavhatsindi). The event attracted 242 participants from the region.



In Mapungubwe National Park, information encouraging young learners to be future conservation leaders in the form of young environmental inspectors was distributed to schools. This project proposal focuses on future leaders and creating future ambassadors for national parks. A Socio Economic Development training workshop was held in Pretoria on 1-2 November 2016. The purpose of the workshop was not only to introduce the newly revamped SED strategy and to discuss new project matter. In support of one of the local schools (Kranenburg primary school), representatives from the parks People & Conservation section invested time and effort by building them an open wall shelf for placing learners books. This came as a request from the school.

- A Kids in Parks teacher's workshop was held at Golden Gate on 14 October with stakeholders from the Free State Department of Education and Unisa. The purpose of the workshop was to reflect on the overall implementation of the Kids in Parks program for 2016, as well as to give certificates to schools that participated in the program.
- The annual SANParks Kudu award event was attended at Gallagher Estate in Midrand on the 18th November, and the Golden Gate delegation was accompanied by stakeholders including the Royal Queen of the Bakoena based in QwaQwa and the office of the Executive Mayor of Dihlabeng Local Municipality. A media briefing that was arranged by the Executive Mayor of Dihlabeng Local Municipality in recognition of Golden Gate performance in the annual SANParks Kudu Awards. The media briefing took place at Bethlehem Town Hall on the 21st November, stakeholders in attendance were Dihlabeng Local Municipality and different media houses.

PART C: CORPORATE GOVERNANCE

3. PART C : CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

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

BOARD OF SOUTH AFRICAN NATIONAL PARKS

Governance principles and the main duties of the Chairperson, committees and Chief Executive Officer are clearly documented. The Board adopted a Board charter as well charters for its committees.

A governance framework is in place to ensure compliance with principles of good governance.

The Board provides leadership and strategic oversight, and oversees the internal control environment. It has delegated certain responsibilities to appropriate Board committees to support it in its oversight responsibility.

The Board subscribes to the principle of effective management of conflicts of interest and that fundamental conflicts should be avoided. At each Board and committee meeting, Board members declare their interests regarding any agenda item to prevent personal interests of a member taking precedence over those of SANParks. In addition, members fill out a declaration of interest form. Board members who have personal interests in a matter under discussion disclose their interests and recuse themselves from the meeting. For the period under assessment Board members declared that they had no interests regarding any of the agenda items tabled at either the Board or committee meetings.

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

Member	Executive/ Non-Executive	Appointment Date	Termination Date
Ms J Yawitch (Chairperson)	Non-Executive	01 April 2015	N/A
Ms K Njobe	Non-Executive	01 April 2015	N/A
Mr ET Khumalo	Non-Executive	01 April 2015	09 November 2015
Dr CG Olver	Non-Executive	01 April 2015	N/A
Ms F Futwa	Non-Executive	01 April 2015	N/A
Ms BD Ferguson	Non-Executive	01 April 2015	N/A
Mr M India	Non-Executive	01 April 2015	N/A
Mr L Zita	Non-Executive	01 April 2015	N/A
Dr M Matlou	Non-Executive	01 April 2015	N/A
Mr MT Mokono	Non-Executive	01 April 2015	23 March 2016
Dr N Mzilikazi	Non-Executive	01 April 2015	N/A
Ms T Semane	Non-Executive	01 April 2015	N/A
Ms H Schoeman	Non-Executive	01 April 2015	20 July 2016
Mr S Munzhedzi	Non-Executive	18 November 2016	N/A
Mr F Mketeni (CEO)	Executive	01 April 2015	N/A

AUDIT AND RISK COMMITTEE

The Committee has complied with its responsibilities arising from Treasury Regulations and the PFMA. The Committee further adopted a formal charter and discharged its responsibilities in accordance with the charter.

INTERNAL AUDIT AND THE EFFECTIVENESS OF INTERNAL CONTROLS

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

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

SANParks outsourced internal audit services to Grant Thornton, however a Chief Audit Executive was appointed in March 2016 to oversee the outsourced internal audit services, as per the provisions of National Treasury Regulations. The review conducted by Grant Thornton found that internal controls within the organisation were mostly adequate and effective save for a few cases at park level, and management is implementing corrective measures in these cases.

GOVERNANCE OF RISK

The Committee is responsible for the oversight of the risk management process. The Committee considered the risk register every quarter during the financial year. The control environment in risk management was inadequate mainly due to the vacancy of the GM: Risk Management position as well as insufficient capacity to monitor risk management activities. Management undertook to urgently fill the vacant positions to ensure improvement in this area.

QUALITY OF MANAGEMENT AND QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA

The Committee is satisfied with the content and quality of management and quarterly reports prepared and issued by SANParks during the year under review.

QUALITY OF BUDGETS SUBMITTED IN TERMS OF THE PFMA

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

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

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

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

AUDITOR GENERAL'S REPORT

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

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

Member	Executive or Non-Executive Member	Appointment Date	Termination Date
Dr CG Olver (Chairperson)	Non-Executive	01 April 2015	N/A
Ms F Futwa	Non-Executive	01 April 2015	N/A
Mr L Zita	Non-Executive	01 April 2015	N/A
Ms T Semane	Non-Executive	01 April 2015	N/A
Ms H Schoeman	Non-Executive	01 April 2015	20 July 2016
Mr F Mketeni (CEO)	Executive	01 April 2015	N/A

CONSERVATION, TOURISM AND SOCIO-ECONOMIC DEVELOPMENT COMMITTEE

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

Members	Executive or Non-Executive members	Appointment Date	Termination Date
Ms K Njobe (Chairperson)	Non-Executive	01 April 2015	N/A
Mr M India	Non-Executive	01 April 2015	N/A
Mr L Zita	Non-Executive	01 April 2012	N/A
Dr M Matlou	Non-Executive	01 April 2015	N/A
Dr N Mzilikazi	Non-Executive	01 April 2015	N/A
Mr F Mketeni (CEO)	Executive	01 April 2015	N/A

HUMAN CAPITAL MANAGEMENT COMMITTEE

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

Executive or Non-Executive Member	Appointment Date	Termination Date
Ms B Ferguson (Chairperson)	01 April 2015	N/A
Ms K Njobe	01 April 2015	N/A
Dr M Matlou	01 April 2015	N/A
Ms T Semane	01 April 2015	N/A
Ms H Schoeman	01 April 2015	20 July 2016
Mr F Mketeni (CEO)	01 April 2015	N/A

Board and board sub-committee meetings held, and attendance by members are as follows:

	Board	Conservation, tourism and socio-economic development committee	Audit and risk committee	Human capital and management committee
Total no. of meetings	5	5	6	5
Ms J Yawitch	5	-	-	-
Ms K Njobe	5	5	-	5
Dr CG Olver	5	-	6	-
Ms F Futwa	4	-	6	-
Ms B Ferguson	5	-	-	5
Mr M India	5	5	-	-
Mr L Zita	5	5	5	-
Dr M Matlou	5	4	-	3
Ms T Semane	3	-	5	4
Dr N Mzilikazi	3	2	-	-
Ms H Schoeman	1	-	1	1
Mr S Munzhedzi	2	-	-	-
Mr F Mketeni (CEO)	4	5	5	5

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

The Board is responsible and accountable for the integrity of the Financial Statements of the organisation and the objectivity of other information presented in the Annual Report.

To the best of the Boards' knowledge and belief, we confirm the following:

- All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements audited by the AGSA. The report is complete, accurate and free of omissions in all material aspects.
- The Annual Report has been prepared in accordance with the guidelines as issued by National Treasury and the Annual Financial Statements were prepared in accordance with the PFMA, and Generally Recognised Accounting Practice (GRAP).
- The going concern basis has been adopted in preparing the Financial Statements. The Board, after having reviewed management's assessment of SANParks ability to operate as a going concern, has a reasonable expectation that the organisation will have adequate resources to continue its operations as a going concern for the foreseeable future.
- Management and employees operated within a framework requiring compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business, except where indicated otherwise in the Annual Report.

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

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

- establishing and maintaining an effective, efficient and transparent systems of financial, risk management and internal controls;
- managing, including the safe-guarding of assets and for the management of the revenue, expenditure and liabilities of SANParks;
- taking effective and appropriate steps to prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of SANParks;
- taking effective and appropriate disciplinary steps against any employee(s) of SANParks who contravenes or fails to comply with a provision of the PFMA; or commits an act which undermines the financial management and internal control system of SANParks; or

makes or permits an irregular expenditure or a fruitless and wasteful expenditure to be incurred;

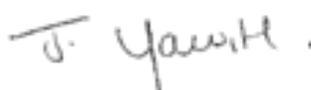
- keeping full and proper records of the financial affairs of SANParks; and
- preparation of financial statements for each financial year, in accordance with GRAP.

In the Board's opinion, the Annual Report and Financial Statements fairly presents in all material respects, the state of affairs of SANParks, its business, its financial results, its performance against predetermined objectives for the year ended 31 March 2017 and its financial position as at 31 March 2017.



MR F MKETENI

Chief Executive Officer



MS J YAWITCH

Chairperson

PRETORIA

31 MAY 2017

AUDIT AND RISK COMMITTEE REPORT

INTRODUCTION

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

COMPOSITION

The Audit and Risk Committee comprised of 4 non-executive board members (2 resigned during 2016 ie. 1 executive board member and 1 DEA representative).

FREQUENCY AND ATTENDANCE OF MEETINGS

In addition to the committee members, the Head of Risk Management, Internal Auditors and the AGSA attend all committee meetings by invitation. During the year under review, the committee met 6 times. Attendance of meetings held during the year under review is presented on the corporate governance report.

OVERVIEW

In adherence to the terms of the PFMA and the King III Code of Governance Principles, the Board (as the Accounting Authority) has established an Audit and Risk Committee and defined its composition, purpose and duties in the Audit and Risk Committee Charter. The Audit and Risk Committee complies with all legal and regulatory requirements as necessary under South African legislation and has elected to apply the corporate governance principles for audit committees as required by King III. The Board has approved the terms of reference for the Audit and Risk Committee and all responsibilities are set out in detail therein.

In fulfilling its duties, the Audit and Risk Committee has:

- approved the internal audit plan;
- received and considered reports from internal auditors;
- reviewed and discussed the audited Annual Financial Statements with the AGSA, the CEO and the CFO;
- reviewed the adjustments resulting from external audit queries and accepted the unadjusted audit differences as they were not material; and
- reviewed the quality of the financial reporting and disclosures.

The Audit and Risk Committee recommended the adoption of the Annual

Report to the Board. In this regard the committee:

- considered all facts and risks that may impact on the integrity of the Annual Report; and
- reviewed and commented on the Annual Financial Statements included in the Annual Report.

The Board subsequently approved the Annual Report, including the Annual Financial Statements.

Following a review conducted during the year, and meeting the requirements of the terms of reference, the committee is satisfied that:

- SANParks internal financial controls are effective and no material weaknesses in financial control have been identified;
- the outsourced internal audit function performed their duties as per the terms of reference tabled in the Internal Audit Charter and addressed all components of the Internal Audit Plan;
- the external auditors of SANParks are independent;
- the finance function of SANParks is adequately skilled, resourced and experienced; and
- the CFO, Mr R Mahabeer, has the appropriate expertise and experience to meet the responsibilities of the position.

INTERNAL AUDIT

SANParks has an outsourced Internal Audit function, being provided by the firm Grant Thornton. The Internal Audit function provides the Board with assurance on the key areas of SANParks systems of internal control and risk management. The Internal Audit Plan and the Internal Audit Charter was reviewed and approved by the committee. Internal Audit provides assurance that SANParks operates in a responsibly governed manner by performing the following functions:

- objectively assuring effectiveness of risk management and the internal control framework;
- analysing and assessing business processes and associated controls; and
- reporting audit findings and recommendations to management and the Audit and Risk Committee.

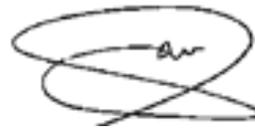
The committee is of the opinion that SANParks system of internal financial controls is effective and provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements.

ANNUAL FINANCIAL STATEMENTS

The Audit and Risk Committee has reviewed the Annual Financial Statements for the year ended 31 March 2017 and concluded that it complies, in all material respects, with the requirements of GRAP. The committee has reviewed the AGSA's Management Letter and management's response thereto as well as adjustments resulting from the audit and recommended the approval of the Annual Financial Statements to the Board.

CONCLUSION

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



DR CG OLVER

Chairperson

Pretoria

31 May 2017





PART D: HUMAN
CAPITAL
MANAGEMENT

TAKEN IN RICHTERSVELD NATIONAL PARK



4. PART D: HUMAN CAPITAL MANAGEMENT

INTRODUCTION

Human Capital Management support is aligned to the SANParks Strategic Plan, by responding to Strategic Objective Nine: Adequately skilled, transformed and diverse human capital and strategic objective 10: Conducive working environment.

Human Capital Management provides support through the following programmes:

- Recruitment and selection
- Employee benefits
- Learning, development and performance management
- Organisational development and design
- Labour relations and transformation
- Employee wellness and occupational health and safety

The employee benefits offered by SANParks serve to attract and retain talent in the organisation. Some of these benefits, as of the previous financial year, have extended to fixed-term contract employees. These include the following:

- Post- retirement medical aid benefit.
- Study bursary scheme (for employees and their children).
- Hostel fee subsidy for employees' children.
- Pension and provident funds membership.
- Funeral schemes.
- Free holiday accommodation in national parks for employees.

ORGANISATIONAL DESIGN REVIEW

The Structural Adjustment Programme, which forms part of the Organisational Design Phase 1, was started last year and finalised in Q3 of this reporting period.

The Structural Adjustment Programme endeavours to achieve the following objectives:

- Ensure compliance with the new Labour Relations and Employment Equity Acts amendments.
- Ensure the filling of vacancies.
- Standardise the job titles.

- Correct the job grades.
- Identify the factors that give rise to salary disparities and promote remuneration equity in the workplace.
- Formalise the establishment tables and organograms.
- Identify fixed-term contract positions that need to be converted into permanent positions.

The OD Phase 1 was also to ensure that the provisions of the Employment Equity Act, Labour Relations Act and the Basic Conditions of Employment Act are adhered to, that relate to equal pay for jobs of equal value. The organisation also had to ensure that this was observed for all employees that were earning below the threshold of R 205 433.30.

To ensure salary parity (i.e. equal pay for jobs of equal value and recognition of years of service), the following factors were considered:

- Job category, basic salary (A-B5) / Cost-to-employer remuneration (C band), and years of service.
- Paterson grade, basic salary (A – B5) / Cost- to-employer remuneration (C band) and years of service.
- Adjustment of salaries by 0.25%, to ensure that the years of service are recognised.

The outcome of this process was that 3 405 employees were affected and 2 299 employees benefited through the adjustment of their remuneration.

SALARIES AND CONDITION OF SERVICE NEGOTIATIONS

The 2016/17 Joint Salaries and Conditions of Employment negotiations with the Health and Other Service Personnel Trade Union of South Africa National Education, Health and Allied Workers Union and South African Commercial, Catering and Allied Workers' Union yielded positive results after four meetings and unions declaring a dispute. The deadlock was resolved under the auspices of the Commission for Conciliation, Mediation and Arbitration on 25 July 2016, as such a strike action was averted.

The agreement, amongst others; entailed the following:-

- Seven percent increase across the board for all employees that were in service prior 1 April 2016.
- The minimum salaries of field rangers, corporals and lance corporals were adjusted to 30% of the SANParks' salary scales or 7%, whichever is the greatest.
- 15.7% adjustment over a period of three years, (2016/18) on housing allowance for employees on the A Paterson Band.

- Adjustment of long service awards allowance for employees finishing 10, 20, 30 and 40 years' service.
- Adjustment of camping allowance to R135.00 per night.
- Adjustment by 7% of the dog special danger allowance to qualifying employees in the relevant national parks (Kruger, Mokala, Marakele, Mapungubwe, Karoo, Mountain Zebra and Addo National Parks).
- Adjustment by 7% of the dog handler allowance for qualifying employees in the relevant national parks (Kruger, Mokala, Marakele, Mapungubwe, Karoo, Mountain Zebra and Addo).

UNION ACTIVITIES

Trade union membership in SANParks

A SANParks' achievement is the healthy relationship between management and recognised unions in the organisation.

This is evident in the shop stewards and management that are encouraged to take place to create a platform for management to engage with workers through their representatives. In the 75 constituencies in the various parks, there are 52 constituencies that are active and meetings take place. The labour relations office developed and distributed an annual schedule of shop stewards and management meetings, which is intended to ensure compliance to the Organisational Rights Agreements and encourage dialogue, democratize the workplace and reduce grievances by proactively attending to employee concerns. Union officials and labour relations managers attend some of the meetings to proactively guide.

There are three recognised unions in SANParks. The table below indicates the recognised unions and their memberships:

Trade Union	Total membership	% of the total staff complement
Health and Other Personnel Trade Union of South Africa	2109	52%
National Education, Health and Allied Workers Union	787	19%
South African Commercial, Catering and Allied Workers Union	627	15%

DISCIPLINARY ACTIONS

The table below depicts comparisons of disciplinary actions in previous years. The numbers, as indicated below, drastically reduced in the period under review. This is attributed to the various capacity building programmes that

were undertaken in partnership with CCMA to ensure that managers and employees are trained on labour relations matters and issues of progressive discipline.

Sanctions	2014/15	2015/16	2016/17
Warnings	297	345	119
Dismissals	39	37	25
Total	336	382	144

POLICY DEVELOPMENT

The DEA, of which SANParks is a stakeholder, developed an HR Policy Framework to establish consistency with all entities that report to the DEA. It was approved by the Minister in December 2016 and has five standard areas, with the policies of each indicated below:

- Remuneration and Employee Administration; Remuneration Strategy, Job Evaluation, Remuneration, Performance Management, Training and Development, Skills Retention, Reward and Recognition.
- Benefits: Housing, Pension/Provident Fund, Medical Aid allowances.
- Conditions of Services: Recruitment, Selection and Appointment, Induction, probation, Hours of work, Overtime and Leave.
- Disciplinary and Standards of Conduct: Code of Conduct. Grievances. Disciplinary, Confidentiality, Sexual Harassment and Gifts, Commission money and Rewards.

Employment Equity: Equal pay, Provisions on Employment Equity (EE Plans, Analysis, Employment Equity Committee).

Due to the approved HR Policy Framework, 24 policies must be reviewed and/or developed and aligned to it. A three-year plan has been submitted to the Minister. In the year under review, the following policies have been developed, gone through all consultation process within the organisation and submitted to the Minister.

- Leave policy
- Safety, Health, Environment and Quality Management Framework
- Vehicle Scheme policy
- Employment Equity Policy
- Integrated Employee Wellness
- Employee Attraction and Retention Policy
- Grievance Policy and Procedure

- Performance Management Policy
- Integrity Testing policy
- Acting Policy
- Retrenchment and Redundancy Policy
- Conditions of Service
- Disciplinary policy and Procedure
- Remuneration Policy
- Sexual Harassment policy.

EMPLOYEE WELLNESS PROGRAM

SANParks' Employee Health and Wellness Programme responds to SO 10: Conducive Work Environment. SANParks actively supports a healthy work/life balance, and is committed to the ongoing promotion of the good health and wellbeing. However, the survival, growth and success of SANParks depends not only on employees' utilisation, but also on management support.

Wellness is an extremely powerful element that can play a significant role in employee engagement, organisational productivity, talent retention, creativity and innovation. Organisations can improve their effectiveness significantly by addressing the wellness shortfall within a strategic whole-system approach.

1. BENEFITS OF EMPLOYEE HEALTH AND WELLNESS PROGRAMS

Employee health and wellness programmes have shown to have the following benefits:

- Performance-related benefits.
- Health-related benefits.
- Sickness and health benefits - healthier employees are absent less.
- Employer-related benefits- a positive work environment reduces employee turnover and recruitment costs.
- Benefit to line management in terms of increased productivity.
- Positive impact on organisations.

PRESS

**SANParks
launches
forum aimed
at
inclusive
workforce**

BY: LESLEY NYAWO

South African National Parks (SANParks) Head of Human Capital, Philiswa Mahlangu officially launched the SANParks Forum for People with Disabilities on behalf of management. The launch took place at Skukuza, Kruger National Park on 3 December 2016. This forum was launched in line with the International Day for People with Disabilities celebrations.

The forum is aimed at supporting both employees and tourists living with disabilities, strives to promote the rights of persons with disabilities in employment, identifying and managing barriers to equal access to opportunities, career advancement and retention, and ultimately creating a non-discriminatory and inclusive

workplace culture.

"It is a reality that people living with disabilities are still being discriminated against in some areas of our society, including in the workplace. Some people are born with a disability; some get sick or have an accident that results in a disability while some develop disabilities as they age or at some point in their lives. SANParks strives to play a part in breaking down these barriers and ensure that the stigma or perception attached to disabilities diminishes. We therefore hope that this launch will increase awareness, understanding and improve attitudes towards the inclusion and participation of people with disabilities", said Mahlangu.

Currently plans are underway to ensure that Groenkloof National Park's offices are accessible to employees and visitors with disabilities. The objective is to increase the representation of people living with disabilities on the workforce from the current 1,7% to 2% by the end of the 2016/2017 financial year.

It is sensible for SANParks to consider

the merits of accelerating measures to address the needs of this important sector. Improvement in accessibility will not only result in economic benefit in the tourism plan but will also assist in the overall social integration and promote the much needed transformation and equity in the field.

The launch ended over lunch that enabled employees and stakeholders to celebrate and discuss future plans to ensure that the forum extends to greater lengths and ensure full compliance for persons with disabilities within SANParks.



2. CURRENT MODEL

The Wellness Programme within SANParks is a multi-dimensional concept and covers an individual's social, emotional, occupational, physical, spiritual and intellectual domains. SANParks uses an integrated model, which comprises of various stakeholders besides the onsite services that are provided by internal SANParks staff.

The external stakeholders consist of the following, which will be discussed in the various wellness pillars that we have. The stakeholders are the following:

2.1 METROPOLITAN HEALTH RISK:

This is an external service provider that is contracted to SANParks. The services are provided through the call centre and the contracted affiliates. The current contract that SANParks has with Metropolitan Health Risk is for a period of five years since 2014.

2.2 MEDICAL AID BROKERS

SANParks medical aid administrator assist with organising different Medical Aids to sponsor comprehensive Health Risk Assessments (HRA/ Wellness days) services, including voluntary counselling and testing, monitoring, as well as ensure disease management.

PRESS

**National
Parks**

**commemorate
World AIDS Day**

World AIDS Day is commemorated annually on 1 December. This day presents an opportunity for every community and organisation to unite in the fight against HIV, show support for people living with HIV and remember those who have died. The aim of this campaign is to ensure that the rights of people living with HIV and AIDS are not violated, and that discrimination on the basis of HIV and AIDS is eliminated.

Arid Region

Employees in the Arid Region did their part by remembering those who are infected or affected by HIV/AIDS. Medical staff from clinics in adjacent communities were invited to educate SANParks employees about safe sex and preventing the spread

of HIV. Employees were taught about how to take care of an injured person without risk of being exposed to the disease. They were also encouraged to avoid sharing needles.

By means of dialogues, they encouraged each other to fight the stigma around this disease and to make an effort to know their status. Addressing stigma and discrimination is important in mitigating the impact of HIV.

Frontier Region

SANParks and BSP employees at Mountain Zebra National Park tested for HIV and TB in commemoration of World AIDS Day. Speakers from the local Department of Health highlighted the importance of living healthy with HIV/AIDS and beating the odds. They told employees who had gathered about the strides the country has made in its efforts to curb HIV and TB. There are 3,5 million people on antiretroviral treatment nationwide and the rate of new TB infections is declining. They also pointed out that the South African government

distributes 800 million free male condoms and 27 million female condoms annually, and that about 35 million HIV tests were done over a five-year period.

Northern Region

Representatives from Dikhalabeng Development Initiative visited Golden Gate Highlands National Park as part of World AIDS Day commemoration. The visit started with an information sharing session on issues concerning HIV/AIDS and other chronic diseases. Employees were encouraged to make use of their medical aid schemes to ensure that they live a healthy life. At the end of the session, voluntary tests for HIV, TB, high blood and diabetes were conducted.

Northern 1: Employees at Golden Gate Highlands National Park conducts voluntary tests for HIV, TB, high blood and diabetes, during the World AIDS Day event.

Northern 2: A moment of silent and candle light to remember those who died of HIV/AIDS.



2.3 GAME RANGER ASSOCIATION OF AFRICA (GRAA)

This is a sponsored programme in partnership between the Game Rangers Association of Africa, Stoprhinopoaching.com, CSIR and SANParks. The main aim is to support the rangers in terms of dealing with Post Traumatic Stress

Disorder and acute stress disorder that are associated with the effects of the scourge of rhino poaching.

The Game Rangers Association of South Africa then partnered with experts in the fields of emotional and psychological wellbeing to put preventative

measures in place to support the rangers. For now, the support is mainly in the KNP because the epidemic of rhino and elephant poaching is very prevalent in the KNP, more so than in the other parks.

As most employees reside inside the parks with their families the nature of wellness activities is always recreational, through sporting activities, which differ from park to park.

HUMAN RESOURCES OVERSIGHT STATISTICS

Personnel Cost by programme/activity/objective Programme/activity/objective	Total Expenditure for the entity	Personnel Expenditure	No. of employees	Average personnel cost per employee
	R909,440,408.01	100.00%	4275	R212,734.60

PERSONNEL COST BY SALARY BAND

NB: The figures in the table below consists of all of the amounts processed through the Sage VIP system. This includes S&T claims and KM claims.

The difference between 2015/16 and 2016/17 is R83 478 112.98. The 2015/16 amount was R825 962 295.03.

The reasons for variance are:

1. Annual salary increment (7% increase for employees on bargaining unit and 6 % for employees on cost to company)
2. OD Phase 01 exercise.
3. The ration allowance and dry ration that was adjusted to R 710.00 per month and incorporated into the salaries of qualifying employees.
4. Camping allowance that was implemented last year.
5. The increment of housing for A band employees (From R1 340.00 to R1 550.64)

PERSONNEL COST BY SALARY BAND TABLE

Level	Personnel Expenditure	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee
Top Management	R 13,080,809.82	1.44%	8	R 1,635,101.23
Senior Management	R 57,064,370.88	6.27%	54	R 1,056,747.61
Professionally qualified	R 193,587,974.58	21.29%	324	R 597,493.75
Skilled	R 159,892,427.48	17.58%	595	R 268,726.77
Semi- Skilled	R 299,655,050.71	32.95%	1879	R 159,475.81
Unskilled	R 186,159,774.54	20.47%	1415	R 131,561.68
Total	R 909,440,408.01	100.00%	4275	R 212,734.60

PERFORMANCE REWARDS:

Programme//activity/objective	Performance rewards	Personnel Expenditure	% of performance rewards to total personnel cost
Top Management	R 497,892.35	R 13,080,809.82	3.81%
Senior Management	R 1,336,263.72	R 57,064,370.88	2.34%
Professional qualified	R 5,082,306.07	R 193,587,974.58	2.63%
Skilled	R 3,494,869.72	R 159,892,427.48	2.19%
Professional qualified			
Skilled			
Semi-skilled	N/A*	R 299,655,050.71	
Unskilled	N/A*	R 186,159,774.54	
TOTAL		R 909,440,408.01	1.1%

TRAINING COSTS

Programme/activity/objective	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg. training cost per employee
Percentage of payroll spent on Skills Development	R 977 444 000	R 6,633,312.63	0.7%	1108	R 5986.70

EMPLOYMENT AND VACANCIES

Programme/activity/objective	2016/2017 No. of Employees (Warm Bodies)	2016/2017 Approved Posts	2016/2017 No. of Employees (Filled posts)	2016/2017 Vacancies	% of vacancies
Top Management	6	7	6	1	14.29%
Senior Management	50	53	50	3	5.66%
Professional qualified	304	344	304	40	11.63%
Skilled	549	594	549	45	7.58%
Semi-skilled	1793	1846	1793	53	2.87%
Unskilled	1365	1403	1365	38	2.71%
TOTAL	4067	4247	4067	180	4.24%

EMPLOYMENT CHANGES

Salary Band	Employment at beginning of period (31 March 2016)	Appointments	Terminations	Employment at end of the period (31 March 2017)
Top Management - F	6	1	2	6
Senior Management - E	52	4	3	50
Professional qualified - D	291	17	16	304
Skilled - C	515	30	30	549
Semi-skilled - B	1707	117	66	1793
Unskilled - A	1456	52	39	1365
Total	4027	221	156	4067

REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	20	13%
Resignation	71	46%
Dismissal	28	18%
Retirement	32	21%
Ill health	4	3%
Expiry of contract	1	1%
Other	0	0%
Total	156	100%

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	83
Final Written warning	35
Dismissal	25
TOTAL	144

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	1	0	0	1	1	1	2
Senior Management	13	16	5	6	1	1	18	16
Professional qualified	71	86	25	22	5	7	81	80
Skilled	197	202	59	53	1	4	37	40
Semi-skilled	1033	959	271	292	1	1	18	22
Unskilled	666	740	51	54	0	0	1	1
TOTAL	1982	2004	411	427	9	14	156	161

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	1	0	0	1	1
Senior Management	8	10	1	2	0	0	4	4
Professional qualified	49	56	18	19	4	8	48	47
Skilled	173	163	37	45	1	8	43	53
Semi-skilled	326	306	118	128	3	9	22	29
Unskilled	563	573	83	108	0	4	1	2
TOTAL	1120	1110	257	303	8	29	119	136

Levels	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	4	4	2	4
Senior Management	37	39	13	16
Professional qualified	185	198	119	130
Skilled	294	299	255	270
Semi-skilled	1323	1274	470	473
Unskilled	718	795	647	687
TOTAL	2561	2609	1506	1580

Occupational Level	Male	Female
Top Management	Target met	Not met due to non-retention of senior management
Senior Management	Target achievable	Not met due to non-retention of senior management
Professionally Qualified	Retention of black staff - focussed recruitment to achieve targets	Retention of black female staff – focussed recruitment to achieve targets
Skilled	Retention of black staff - focussed recruitment to achieve targets	Retention of black female staff – focussed recruitment to achieve targets
Semi - Skilled	Exceeded	Not met
Unskilled	Not met	Not met

PRESS



Succulent Wild Women Celebrated

BY ONKGOPOTSE MADITSE

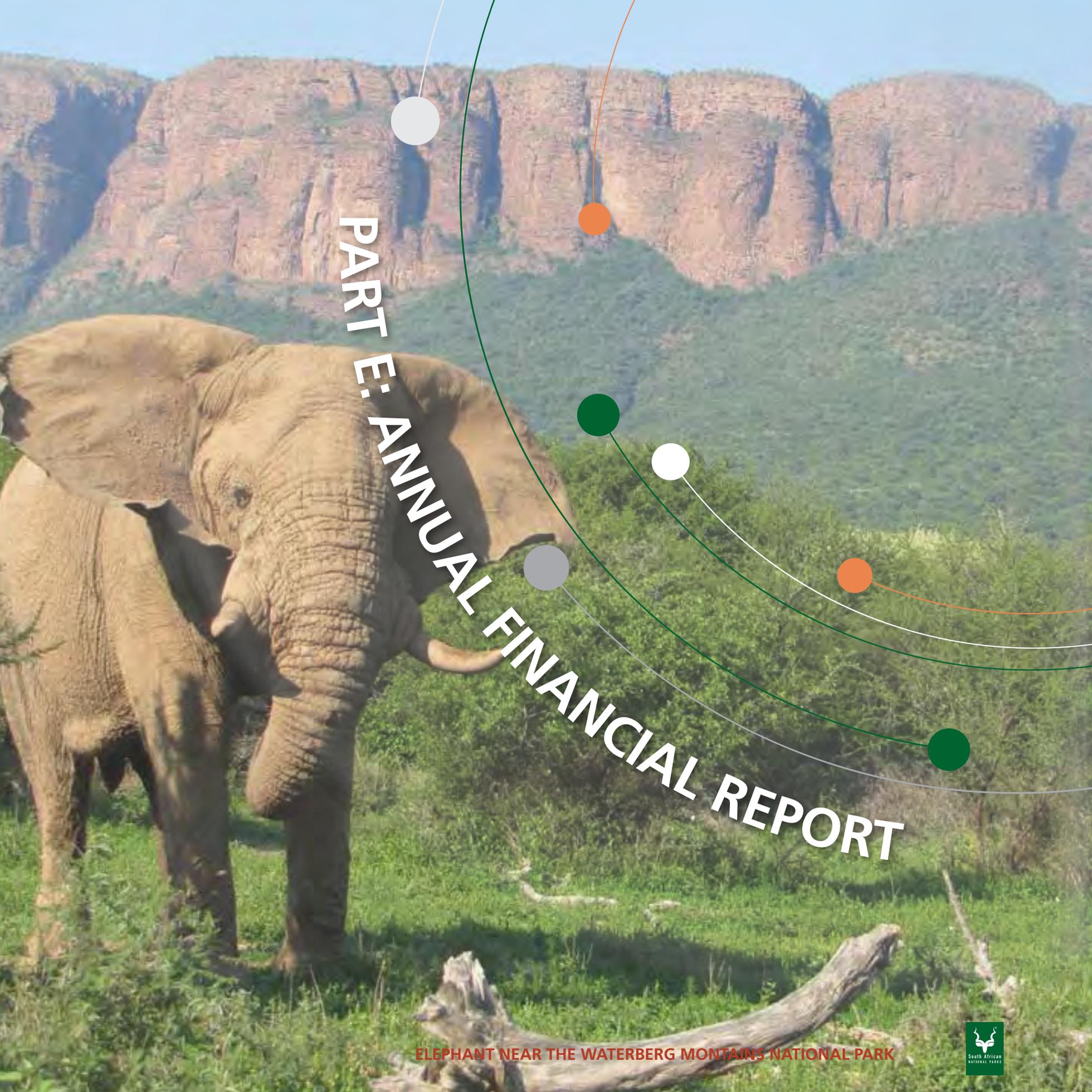
9 August marks the anniversary of the great women's march of 1956, where around 20 000 women marched to the Union Buildings to protest against the carrying of passbooks, a legislation aimed at tightening the apartheid government's control over the movement of black women in urban areas.

In celebrating the women's of yesteryear and celebrating the women of today, Groenkloof National Park hosted its women's day event on 19 August 2016. Who am I? That is the question put to women at the Groenkloof Women's Day celebration. Am I joyful or jealous, am I mentor or a mentee, what contribution have I made to the lives of others? The theme for the day was "I am a Wild Succulent Woman (dancing to my own beat)". This theme was a means to encourage women to be proud and celebrate their uniqueness in a world full of stereotypes and double standards.

Women were also asked to wear a doek, which has symbolic significance in African culture. It is

a sign of respect and to others a doek gives an African woman a layer of confidence and strength, and is also associated with being an important expression of the heritage.

The day was about encouraging women to support each other, to celebrate each other's achievements, to do away with the 'pull her down' syndrome amongst women. Women were given tags describing 'succulence' and were then grouped according to their tags. In these groups, the women had to share what the tag means to them, its relevance to their own lives and so on. Entertainment was authentically delivered by Drum Café, who provided women with drums, which were to be used to address issues that they faced both at work and in their personal lives.



PART E: ANNUAL FINANCIAL REPORT

ELEPHANT NEAR THE WATERBERG MOUNTAINS NATIONAL PARK



South African National Parks
Statement of Financial Position
Annual Financial Statement for the year ended 31 March 2017

	Note(s)	2017 R'000	2016 R'000
Assets			
Current Assets			
Inventories	2	28,067	30,755
Receivables from exchange transactions	3	36,472	36,681
Receivables from non-exchange transactions	4	90,141	19,562
Cash and cash equivalents	5	1,376,597	981,552
		1,531,277	1,068,550
Non-Current Assets			
Property, plant and equipment	6	1,734,660	1,608,858
Intangible assets	7	44,785	36,156
Heritage assets	8	540,721	535,202
Receivables from exchange transactions	3&13	210,114	163,644
		2,530,280	2,343,860
Total Assets		4,061,557	3,412,410
Liabilities			
Current Liabilities			
Other financial liabilities	9	6,451	1,712
Finance lease obligation	10	2,065	4,123
Trade and other payables from exchange transactions	11	200,077	245,895
Unspent conditional grants and receipts	12	721,140	405,725
Provisions	13	64,224	53,608
Reservation deposits	14	324,079	276,656
		1,318,036	987,719
Non-Current Liabilities			
Other financial liabilities	9	5,541	-
Finance lease obligation	10	1,006	3,071
Employee benefit obligation	15	496,532	486,196
Provisions	3&13	210,114	163,644
		713,193	652,911
Total Liabilities		2,031,229	1,640,630
Net Assets		2,030,328	1,771,780
Accumulated surplus		2,030,328	1,771,780

South African National Parks
Statement of Financial Position
Annual Financial Statement for the year ended 31 March 2017

Revenue

Revenue from exchange transactions

Tourism, Retail, Concession and Other

Sales - fauna and flora

Other operating income

Interest and royalties received

Total revenue from exchange transactions

Revenue from non-exchange transactions

Transfer revenue

Government grants and other funding

Donations

Total revenue from non-exchange transactions

Total revenue

Expenditure

Employee related costs

Depreciation and amortisation

Finance costs

Operating lease payments

Repairs and maintenance

Operating expenses

Total expenditure

Operating surplus

Loss on disposal of assets

Surplus for the year

Note(s)	2017 R'000	2016 R'000
16	1,695,744	1,497,892
17	42,127	48,791
18	36,269	37,134
19	47,230	37,189
	1,821,370	1,621,006
20	600,669	568,819
21	9,602	16,936
	610,271	585,755
	2,431,641	2,206,761
22	(1,005,305)	(907,600)
23	(110,376)	(82,601)
24	(582)	(1,191)
28	(130,528)	(115,142)
25	(124,769)	(80,618)
26	(797,757)	(737,407)
	(2,169,317)	(1,924,559)
	262,324	282,202
29	(3,776)	(3,204)
	258,548	278,998

South African National Parks
Statement of Changes in Net Assets
Annual Financial Statement for the year ended 31 March 2017

Balance at 01 April 2015

Changes in net assets
Surplus for the year

Balance at 01 April 2016

Changes in net assets
Surplus for the year

Balance at 31 March 2017

Accumulated
surplus
R'000

1,492,782

278,998

1,771,780

258,548

2,030,328



South African National Parks

Cash Flow Statement

Annual Financial Statement for the year ended 31 March 2017

Cash flows from operating activities

Receipts

Cash receipts from exchange transactions
Cash receipts from non-exchange transactions
Interest income

Payments

Employee costs
Suppliers
Finance costs
Finance costs on current borrowings

Net cash flows from operating activities

Cash flows from investing activities

Purchase of property, plant and equipment
Proceeds from sale of property, plant and equipment
Purchase of other intangible assets
Expenditure from conditional grants
Cash received from conditional grants
Purchases of heritage assets

Net cash flows from investing activities

Cash flows from financing activities

Repayment of other financial liabilities
Finance lease payments

Net cash flows from financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Note(s)	2017 R '000	2016 R '000
	1,774,346	1,586,541
	855,109	496,888
	47,230	37,189
	2,676,685	2,120,618
	(994,969)	(878,051)
	(991,092)	(856,296)
	(582)	(363)
	-	(828)
	(1,986,643)	(1,735,538)
32	690,042	385,080
	(233,344)	(242,117)
6	728	1,072
7	(15,967)	(3,394)
	(427,873)	(284,535)
	381,285	285,684
8	(5,519)	(35,131)
	(300,690)	(278,421)
	10,280	(3,504)
	(4,587)	(4,420)
	5,693	(7,924)
	395,045	98,735
	981,552	882,817
5	1,376,597	981,552

South African National Parks

Statement of Comparison of Budget and Actual Amounts

Annual Financial Statement for the year ended 31 March 2017

Budget on Accrual Basis					
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	R '000	R '000	R '000	R '000	R '000
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Tourism, Retail, Concession and Other	1,559,888	-	1,559,888	1,695,744	135,856
Sales - fauna and flora	16,000	-	16,000	42,127	26,127
Other operating income	22,983	-	22,983	36,269	13,286
Interest and royalties received	22,875	-	22,875	47,230	24,355
Total revenue from exchange transactions	1,621,746	-	1,621,746	1,821,370	199,624
Revenue from non-exchange transactions					
Transfer revenue					
Government grants and other funding	558,529	-	558,529	600,669	42,140
Donations	62,257	-	62,257	9,602	(52,655)
Total revenue from non-exchange transactions	620,786	-	620,786	610,271	(10,515)
Total revenue	2,242,532	-	2,242,532	2,431,641	189,109
Expenditure					
Employee related costs	(977,444)	-	(977,444)	(1,005,305)	(27,861)
Depreciation and amortisation	(67,480)	-	(67,480)	(110,376)	(42,896)
Finance costs	(1,226)	-	(1,226)	(582)	644
Operating lease payments	(123,399)	-	(123,399)	(130,528)	(7,129)
Repairs and maintenance	(90,576)	-	(90,576)	(124,769)	(34,193)
Operating expenses	(645,709)	-	(645,709)	(797,757)	(152,048)
Total expenditure	(1,905,834)	-	(1,905,834)	(2,169,317)	(263,483)
Operating surplus	336,698	-	336,698	262,324	(74,374)
Loss on disposal of assets	(5)	-	(5)	(3,776)	(3,771)
Surplus for the year before extraordinary items	336,693	-	336,693	258,548	(78,145)
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	336,693	-	336,693	258,548	(78,145)

South African National Parks

Statement of Comparison of Budget and Actual Amounts

Annual Financial Statement for the year ended 31 March 2017

Reconciliation between actual and budget statement of financial performance Variances on budget

	R'000
Surplus as per the statement of financial performance	258,548
Revenue from exchange transactions is more than budget due to tourism tariff hikes as opposed to an increase in unit occupancy numbers. It seems as if tourism revenue is not picking up. Should the inflation rate increase any further, this might negatively affect SANParks operating revenue.	(199,624)
Revenue from non-exchange transactions variance is due to the following:	10,515
<ul style="list-style-type: none"> Infrastructure grant income is below budget as a result of less income realised than anticipated. Infrastructure grant income is realised in accordance with GRAP 23, which makes it challenging to accurately budget for the grant income that will qualify as revenue during the financial year. 	159,011
<ul style="list-style-type: none"> Special projects income is included in revenue from non-exchange transactions, but is not budgeted for as it falls outside SANParks normal operations. 	(201,151)
<ul style="list-style-type: none"> Donations received are below the budget, as they are influenced by individual donors. 	52,655
Total expenditure variance results from the following:	263,483
<ul style="list-style-type: none"> The main contributor to this negative variance is the special projects and infrastructure operational expenditure, which has been accounted for, but not budgeted for. The reason for this is because these operating expenses fall outside of SANParks normal operating activities. 	162,017
<ul style="list-style-type: none"> Overspending on the normal operating expenses. <p>The contributing factors are human resource costs, maintenance costs and depreciation of assets. Overtime expenditure is an issue, and also the infrastructure assets which result in a much higher depreciation than anticipated.</p>	101,466
Loss on disposal of assets not budgeted for	3,771
Net surplus/(deficit) per approved budget	336,693

South African National Parks

Accounting Policies

Annual Financial Statement for the year ended 31 March 2017

1. BASIS OF PREPARATION

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

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

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

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

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

1.1 UNDERLYING CONCEPTS AND COMPARATIVE FIGURES

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

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

1.2 INVENTORIES

SANParks inventories include consumables, retail goods and fuel.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost

where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to entity.

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

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

1.3 FINANCIAL INSTRUMENTS

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

A financial asset is:

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

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A financial liability is any liability that is a contractual obligation to:

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

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

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

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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

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

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

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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

South African National Parks

Accounting Policies

Annual Financial Statement for the year ended 31 March 2017

those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

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

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

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

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

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

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

Financial instruments at amortised cost are non-derivative financial assets or

non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

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

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

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

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

South African National Parks

Accounting Policies

Annual Financial Statement for the year ended 31 March 2017

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

Class	Category
Post retirement health benefit obligation	Financial liability measured at fair value
Long term borrowings	Financial liability measured at amortised cost
Long-term liabilities from non-exchange transactions	Financial liability measured at cost
Trade and other payables from exchange transactions	Financial liability measured at cost
Provisions	Financial liability measured at cost
Short term portion of long term liabilities	Financial liability measured at amortised cost
Reservation deposits held	Financial liability measured at cost
Liabilities from non-exchange transactions	Financial liability measured at cost

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

The fair value of a financial asset or a financial liability is the amount the asset could be exchanged and the liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial instruments at costs are financial assets and financial liabilities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

Initial recognition

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

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, SANParks establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, SANParks calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

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The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

SANParks does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where SANParks cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, SANParks reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

SANParks derecognises financial assets using trade date accounting.

SANParks derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- SANParks transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- SANParks, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the

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asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, SANParks :

- derecognise the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If SANParks transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the

sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because SANParks has retained substantially all the risks and rewards of ownership of the transferred asset, SANParks continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, SANParks recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

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Distributions to holders of residual interests are recognised by SANParks directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when SANParks currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, SANParks does not offset the transferred asset and the associated liability.

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible items that:

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

Recognition

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

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

Measurement at recognition

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

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

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are

carried at cost, less any recognised impairment loss. Cost includes professional fees, direct materials, labour and overhead expenses. Interest costs on borrowings to finance the construction of infrastructure are capitalised during the period of time that is required to complete and prepare the infrastructure for its intended use, and form part of the cost of the asset.

Elements of cost

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

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

Subsequent measurement

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

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

Depreciation amount and depreciation period

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

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

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

depreciation, useful lives and residual values are reviewed annually.

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

Item	Depreciation method	Average useful life
Buildings and infrastructure	Straight line	20 to 50 years
Vehicles, machinery and mechanical equipment	Straight line	5 to 25 years
Aircraft	Straight line	5 to 20 years as componentised
Furniture & office equipment	Straight line	3 to 25 years
Computer software	Straight line	3 to 10 years

Depreciation of these assets commences when the assets are ready for their intended use.

The depreciation method of each asset is reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. If there is no reasonable certainty that SANParks will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of its lease term or useful life.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Impairment of property, plant and equipment

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

SANParks assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. No such indication existed at the end of the current financial reporting period.

1.5 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

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

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

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Recognition

An intangible asset is recognised when:

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

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

Initial measurement

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

Subsequent measurement

An intangible asset is measured:

- After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses.
- Amortisation is calculated on a straight line basis, and the useful life varies between 3 and 10 years and is reviewed annually.

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

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

Impairment of Intangible Assets

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

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

1.6 HERITAGE ASSETS

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

Classes of Heritage Assets include conservation areas such as National Parks. This land is reflected as a heritage asset of SANParks.

Characteristics often displayed by heritage assets include the following:

- Their value in cultural, environmental, educational and historical terms is unlikely to be fully reflected in monetary terms.
- Ethical, legal and/or statutory obligations may impose prohibitions or severe stipulations on disposal by sale.
- They are often irreplaceable.
- Their value may increase over time even if their physical condition deteriorates.
- They have an indefinite life and their value appreciates over time due to their cultural, environmental, educational, natural scientific, technological, artistic or historical significance.
- They are protected, kept unencumbered, cared for and preserved.

Recognition

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

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

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SANParks holds heritage assets through conservation areas in National Parks that are regarded as heritage assets.

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

Initial measurement

A heritage asset that qualifies for recognition as an asset shall be measured at its cost, and where it is acquired through a non-exchange transaction, at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

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

Transfers

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

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

Derecognition

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

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

1.7 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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

The carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation and/or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Identification

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

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

Irrespective of whether there is any indication of impairment, SANParks also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment

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annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

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

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

Basis for estimates of future cash flows

In measuring value in use SANParks:

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

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

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

Reversal of impairment loss

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

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

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

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

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

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cash-generating unit.

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

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

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

Redesignation

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

1.8 IMPAIRMENT OF NON-CASH GENERATING ASSETS

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

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

The carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation and/or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

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

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

Identification

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

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

Value in use

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

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the SANParks would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides.

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Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

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

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease. When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, SANParks recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

Redesignation

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

1.9 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases as per the GRAP 13 refers to a contract that transfers the risks, rewards, rights and obligations incident to ownership and is recorded as a purchase of equipment by means of long-term borrowings. All other leases are classified as operating leases.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with the Standard of GRAP on Property, Plant and Equipment and on Intangible Assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Operating leases - lessee

Assets acquired under leases where all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term or another basis if more representative of the time pattern of the user's benefit. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

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

1.10 PROVISIONS AND CONTINGENCIES

A provision is a liability of uncertain timing or amount.

Provisions are recognised when:

- SANParks has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally

recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of SANParks

No obligation arises as a consequence of the sale or transfer of an operation until SANParks is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 36.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

SANParks recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest

rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by SANParks for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and SANParks considers that an outflow of economic resources is probable, SANParks recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.11 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by SANParks in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of SANParks, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to SANParks' own creditors (even in liquidation) and cannot be paid to SANParks, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to SANParks to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- SANParks decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the

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employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, an entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount

of the benefits, SANParks recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. SANParks measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when SANParks has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which SANParks provides post-employment benefits for one or more employees.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the SANParks pays fixed contributions into a separate SANParks (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the SANParks during a reporting period, the SANParks recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the SANParks recognise

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that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise of expense adjustments (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits , are not available to the reporting entity's own creditors (even in liquidation) and cannot be returned to the reporting entity, unless either:

- The remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity ; or
- The assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive(when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative(when existing benefits are changed

so that the present value of the defined benefit obligation decreases) . In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets , of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets , together with realised and unrealised gains and losses on the plan assets, less any costs of administering the plan(other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay the employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- The present value of the defined benefit obligation at the reporting date;
- Minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- Plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative(an asset) .The entity measures the resulting asset at lower of:

- The amount determined above : and
- The present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined

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using a discount rate which reflects the time value of money.

Adjustments arising from the limit above are recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset.

- Current service cost
- Interest cost
- The expected return on any reimbursement right:
- Actuarial gains and losses
- Past service cost
- The effect of any curtailments or settlements ; and
- The effect of applying the limit on a defined benefit asset(negative defined benefit liability)

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit /years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years , an entity shall attribute benefit on a straight line basis from:

- The date when service by the employee first leads to benefits under the plan(whether or not the benefits are conditional on further service) ; or until

- The date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment and settlement occurs. The gain or loss on curtailment or settlement comprises:

- Any resulting change in the present value of the defined benefit obligation; and
- Any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan asset, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will re-imburse some or all the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as planned assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net amount recognised for reimbursement.

The entity offsets an asset relating to one plan against the liability relating to another plan, when the entity has a legally enforceable right to use a surplus in one plan to settle the obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually

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occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability SANParks recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting SANParks) that are held by SANParks (a fund) that is legally separate from the reporting SANParks and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting SANParks own creditors (even in liquidation), and cannot be returned to the reporting SANParks, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or SANParks; or
- the assets are returned to SANParks to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other

revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from SANParks informal practices. Informal practices give rise to a constructive obligation where SANParks has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in SANParks informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). SANParks measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

SANParks determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

SANParks recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

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- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

SANParks uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, SANParks shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, SANParks shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

SANParks recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, SANParks re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is not presented as the net of the amount recognised for a reimbursement.

SANParks offsets an asset relating to one plan against a liability relating to another plan when SANParks has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;

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- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post retirement obligations

SANParks provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

SANParks shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement

right recognised as an asset;

- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

SANParks recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

SANParks is demonstrably committed to a termination when the SANParks has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.12 SERVICE CONCESSION ARRANGEMENTS

Service concession arrangements arise from the service concession agreements that SANParks has with different Public Private Partnerships (PPP). These arrangements give the operator the right to build and operate

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an infrastructure asset within the National Park. The operator also has to pay SANParks a concession fee as agreed upon in the specific PPP agreement. These transactions give rise to assets (infrastructure and other movable assets), liabilities and revenues that are accounted for in the manner outlined below:

Assets

Recognition

The grantor shall recognise an asset provided by the operator and an upgrade to an existing asset of the grantor as a service concession asset if:

- the grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them and at what price.
- the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the asset at the end of the term of the arrangement.

Initial Measurement

The grantor shall initially measure a new service concession asset that meets the concession asset recognition criteria, at its fair value.

Where an existing asset meets the conditions of a concession asset, the grantor shall reclassify the asset as a concession asset. The reclassified service concession asset shall be initially measured and accounted for, in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.

Subsequent measurement

After initial recognition or reclassification, service concession assets shall be initially measured and accounted for (in all respects), in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.

Liability

Recognition

Where the grantor recognises a service concession asset, the grantor shall

also recognise a liability. The grantor shall not recognise a liability where an existing asset of the grantor is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

Initial Measurement

Where the grantor has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the grantor shall account for the liability recognised as a financial liability.

The liability arising from concession asset recognition shall be initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration (eg. cash) from the grantor to the operator, or from the operator to the grantor.

Subsequent Measurement

The Financial Liability Model

Subsequent to initial measurement, the Standard of GRAP on Financial Instruments (GRAP 104) applies to the financial liability recognised above.

The grantor shall allocate the payments to the operator and account for them according to their substance as a reduction in the liability recognised, a finance charge, and charges for services provided by the operator.

The finance charges and charges for services provided by the operator in a service concession arrangement shall be accounted for as expenses.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the grantor to the operator shall be allocated by reference to the relative fair values of the service concession asset and the services. Where the asset and service components are not separately identifiable, the service component of payments from the grantor to the operator is determined using estimation techniques.

Grant of a Right to the Operator Model

Where the grantor does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator

the right to earn revenue from third-party users or another revenue-generating asset, the grantor shall account for the liability, as the unearned portion of the revenue arising from the exchange of assets between the grantor and the operator.

The grantor shall recognise revenue and reduce the liability recognised, according to the substance of the services concession arrangement.

Other Liabilities

The grantor shall account for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the Standard of GRAP on Provisions, Contingent Assets (GRAP 19) and Financial Instruments (GRAP 104).

Other Revenues

The grantor shall account for revenues from a service concession arrangement, other than those specified under Grant of a right to the operator model in accordance with the Standard of GRAP on Revenue from Exchange Transactions (GRAP 9).

Derecognition

Service concession arrangements are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of service concession arrangements is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for Service concession arrangements that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.13 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Applying the Probability Test on Initial Recognition of Revenue

This Interpretation of the Standards of GRAP provides guidance on how an entity applies the probability test on initial recognition of revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently.

This interpretation of Standards of GRAP is applicable to SANParks based on past experience where less than 100% of the revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction, is expected.

SANParks recognises the full amount of exchange and non-exchange revenue based on the terms of the arrangement with each debtor, notwithstanding its knowledge based on past experience.

Consideration is given to whether there is objective evidence that an impairment loss has been incurred when making the impairment assessment for subsequent measurement of the receivables at the reporting date.

SANParks derives revenue from exchange and non-exchange transactions. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Examples of exchange transactions include:

- The rendering of services - revenue from tourism, retail and concession fees
- The sale of goods and services - the sales of fauna and flora
- Interest - from investment income

Rendering of services

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;

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- it is probable that the economic benefits or service potential associated with the transaction will flow to SANParks;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

- Accommodation income is accrued on a daily basis.
- Conservation levies are recognised on a daily basis and other tourist related activities are recognised upon commencement of the activity.
- Wild Card sales are amortised over the validity period of the Wild Card.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- SANParks has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- SANParks retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to SANParks; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Interest and royalties received

Revenue arising from the use by others of SANParks assets yielding interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity and

- the amount of revenue can be measured reliably.

Interest is recognised using the effective interest rate method on a time proportion basis.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Measurement of revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

At the time of initial recognition it is inappropriate to assume that the collectability of amounts owing, to SANParks, by individual recipients of goods or services will not occur, because SANParks has an obligation to collect all revenue.

Exchange transactions

The following is included in revenue from exchange transactions:

Tourism, retail, concession and other.

Concession income

Income from concessions granted to operators to build, operate and transfer lodges and from rental of facilities to operators is recognised as it accrues over the period of the agreement.

Management fees

Management fees for managing special projects are recognised on a monthly basis, based on the services performed.

Rent received

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

1.14 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by SANParks, which represents an increase in net assets, other than increases relating to contributions from owners.

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Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when SANParks can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an SANParks either receives value from another SANParks without directly giving approximately equal value in exchange, or gives value to another SANParks without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting SANParks.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised

in respect of the same inflow.

As SANParks satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

The following are the major classes of revenue from non-exchange transactions, the basis on which the fair value of inflowing resources has been measured:

Operational grants received: Revenue from operational grants received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from DEA;

Land infrastructure grant: Revenue from Land Infrastructure Grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the DEA. If conditions are attached to the grant a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue;

Donations received: Revenue from donations received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the various donors; and

Special projects grant: Revenue from special projects grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the DEA and other funders. If conditions are attached to the grant a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue.

Special projects grant (agent and principal arrangements): Where SANParks is acting as the agent, the revenue, expenses and assets of the project are not recognised in the annual financial statements of SANParks as they are not for SANParks account. Rather SANParks recognises a liability based

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on the cash not spent on the projects, and the liability is recognised in the Statement of Financial Position. The project assets are not recognised, as they do not meet the definition and recognition criteria of assets of SANParks.

Assets arising from non-exchange transactions

Recognition

An inflow of resources arising from non-exchange transactions, other than services in kind, that meet the definition of an asset shall be recognised as an asset when and only when:

- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the fair value of the asset can be reliably measured. SANParks recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are

Initial Measurement

An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

Subsequent measurement

An asset acquired through a non-exchange transactions shall subsequently be measured in terms of the respective standard that the asset relates to.

Liabilities arising from non-exchange transactions

Recognition

A present obligation arising from a non-exchange transaction that meets the definition of a liability shall be recognised as a liability when, and only when:

- it is probable that an outflow of resources embodying future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation. Apart from Services in kind, which are not recognised, SANParks recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Initial Measurement

The amount recognised as a liability shall be the best estimate of the amount required to settle the present obligation at the reporting date.

Subsequent Measurement

The liabilities arising from a non-exchange transaction are subsequently measured in terms of the respective standard that the liability relates to.

Stipulations

Assets may be transferred with the expectation and/or understanding that they will be used in a particular way and, therefore, that the recipient entity will act or perform in a particular way. Where laws, regulations or binding arrangements with external parties impose terms on the use of transferred assets by the recipient, these terms are stipulations as defined in this Standard of GRAP. A key feature of stipulations, as defined in this Standard, is that an entity cannot impose a stipulation on itself, whether directly or through an entity that it controls.

1.15 REVENUE RECOGNITION

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Applying the Probability Test on Initial Recognition of Revenue

This Interpretation of the Standards of GRAP provides guidance on how an entity applies the probability test on initial recognition of revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently.

This interpretation of Standards of GRAP is applicable to SANParks based on past experience where less than 100% of the revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction, is expected.

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SANParks recognises the full amount of exchange and non-exchange revenue based on the terms of the arrangement with each debtor, notwithstanding its knowledge based on past experience.

Consideration is given to whether there is objective evidence that an impairment loss has been incurred when making the impairment assessment for subsequent measurement of the receivables at the reporting date.

1.16 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure

register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.17 FRUITLESS AND WASTEFUL EXPENDITURE

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the correction of error in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the correction of error.

1.18 COMMITMENTS

Commitments represent goods/services that have been ordered, but no delivery has taken place at the reporting date. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance as the annual financial statements are prepared on the accrual basis and prior delivery, no accrual can be recognised. These items are, however, disclosed as part of the disclosure notes.

The commitments disclosed in the disclosure note are the aggregate amount of capital and current expenditure approved and contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements.

Material contracts entered into after the reporting date but prior to the approval of the financial statements will be disclosed under subsequent events in the report of the Accounting Authority. Other commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note if both the following criteria are met:

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- non-cancellable contracts or only cancellable at significant cost contracts; and
- contracts that related to something other than the routine, steady, state business of the entity were taken into consideration.

In calculating commitments the following was taken into account pertaining to tenders awarded:

- the period of the tender awarded;
- amounts already paid pertaining to that tender/contract;
- amounts for which invoices have been received and which are therefore included in accruals should be deducted; commitments loaded on the procurement systems;
- commitments not loaded on the procurement system

A distinction was made between capital and current commitments as well as between approved and contracted commitments and approved but not yet contracted for commitments.

Approved and contracted commitments are where the expenditure has been approved and the contract has been awarded at the reporting date.

Approved but not yet contracted commitments are where the expenditure has been approved and the contract is awaiting finalisation at the reporting date.

1.19 TAXATION

Income Tax

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act No. 58 of 1962).

Value Added Tax (VAT)

SANParks accounts for VAT on the invoice basis as stipulated in Section 15 of the VAT Act regulating that every vendor shall account for VAT on the invoice basis unless differently approved by the SARS.

1.20 ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Change in accounting estimate

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of a period consumption of an asset, the results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Change in accounting estimate result from new information and new developments and are not correction of errors.

The effect of a change in accounting estimate shall be recognised prospectively by including it in surplus or deficit in:

- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or item of net assets in the period of the change.

Prior period errors

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use or misuse of, reliable information that:

- was available when financial statements for those period were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

When it is impracticable to determine the period-specific effects of the error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of the assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable (which may

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be the current period).

When it is impracticable to determine the cumulative effect, at the beginning of the current period, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

Change in Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

An entity shall change an accounting policy only if the change:

- is required by a standard of GRAP; or
- results in the financial statements providing reliable and more relevant information about the effects of the transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

A change in accounting policy shall be applied retrospectively, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information of one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of the assets and liabilities as at the beginning of the earliest period of which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of net assets for that period.

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.

1.21 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others), a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified above; and
 - a person identified as a related party has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

SANParks does not disclose the value of transactions with other public sector entities as the transactions were concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person.

1.22 SEGMENT REPORTING

Consolidated Financial Statements (segment consolidation) provide an overview of assets, liabilities, revenues and costs of an entity. Public entities control significant public resources and provide a wide variety of goods and services in different geographic areas, with different socio-economic conditions. Segment reporting was thus introduced to enable users to have information about the different segments that make up the composite financial statements. The objective of segment reporting is therefore, to provide information about the specific operational objectives and major activities of an entity, as well as the resources devoted to and costs of these objectives and activities in the different socio-economic or geographical areas that the entity operates in.

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

SANParks shall therefore report separately, information about each segment that has been identified. SANParks shall disclose the geographical areas in which it operates, that are relevant for decision making purposes, as segments.

Disclosure

An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates. To give effect to that principle, an entity shall disclose the following:

- general information;
- information about reported segment surplus or deficit, including specified revenues and expenses included in reported segment surplus or deficit, segment assets, segment liabilities and the basis of measurement; and
- reconciliations of the totals of segment revenues, reported segment surplus or deficit, segment assets, segment liabilities and other

material segment items to corresponding entity amounts.

General Information

An entity shall disclose the following general information:

- factors used to identify the entity's reportable segments, including the basis of organisation;
- whether segments have been aggregated and the basis of the aggregation; and
- types of goods and/or services delivered by each segment.
- Information about surplus or deficit, assets and liabilities.

Information about surplus or deficit, assets and liabilities

An entity shall report a measure of assets and liabilities for each reportable segment if such an amount is regularly provided to management. An entity shall also disclose the following about each reportable segment if the specified amounts are included in the measure of segment surplus or deficit reviewed by management, or are otherwise regularly provided to management, even if not included in that measure of segment surplus or deficit:

- external revenue from non-exchange transactions;
- external revenue from exchange transactions;
- interest revenue;
- interest expense;
- depreciation and amortisation;

Reconciliations

An entity shall provide reconciliations of all of the following:

- The total of the reportable segments' revenues to the entity's revenue.
- The total of the reportable segments' measures of surplus or deficit to the entity's surplus or deficit before discontinued operations.
- The total of the reportable segments' assets to the entity's assets.
- The total of the reportable segments' liabilities to the entity's liabilities.
- The total of the reportable segments' amounts for every other material item of information disclosed to the corresponding amount for the entity.

Where the totals of such revenues, expenditures, surplus or deficits, segment assets and segment liabilities reported on the segments can be referenced to the exact amounts in the annual financial statements, performance of the above reconciliation will not be necessary.

1.23 NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations effective and adopted in the current year

GRAP 20: Related party disclosures. This standard of GRAP is applicable to SANParks and has been accounted for in the preparation of the Annual Financial Statements.

The following standards of GRAP have been approved, but for which the Minister of Finance has not determined the effective date. SANParks has not applied any of these standards. The impact of these standards on SANParks when they do become effective are as follows:

GRAP 108: Statutory Receivables– Unlikely to have an impact on SANParks.

GRAP 109: Accounting by Principals and Agents. Likely to have an impact on SANParks in so far as SANParks acts as either a principal or agent, in principal-agent arrangements.

The following standards have been approved, but are not yet effective. These standards were used to formulate an accounting policy:

GRAP 32: Service Concession Arrangements: Grantor - The potential impact is that concession assets may be recognised by SANParks once the standard becomes effective.

IGRAP 17: Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset -The potential impact is that concession assets may be recognised by SANParks once the standard becomes effective.

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	2017 R '000	2016 R '000
2. INVENTORIES		
Raw materials, components	-	223
Consumable	12,109	16,979
Retail goods and fuel	15,958	13,553
	28,067	30,755
3. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Current assets		
Trade receivables	30,589	29,007
Prepayments	999	296
Debtors control - other	13,257	10,353
Provision for doubtful debts	(8,373)	(2,975)
	36,472	36,681
Trade debtors age analysis		
Current (0 - 30 days)	11,940	15,383
31 - 60 days	4,044	3,767
61 - 90 days	1,640	1,839
91 - 120 days	798	1,009
Over 120 days	12,167	7,009
	30,589	29,007
Reconciliation of provision for doubtful debts		
Opening balance	(2,975)	(1,874)
Amount provided	(5,398)	(1,101)
	(8,373)	(2,975)
Non-current assets - Receivables from exchange transactions		
Opening balance	163,644	160,369
Increase in provision	46,470	3,275
	210,114	163,644

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	2017 R '000	2016 R '000
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In reference to note 13, SANParks only controls the right to receive service concession assets at the end of each of the service concession arrangements, as per IGRAP 17. This right to receive assets is the residual interest (i.e. receivable) in the concessionaire assets which is a non-exchange transaction. The value of the non-exchange receivable is equal to the provision in note 13 which is the residual value of the asset at the date of transfer.

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Special Projects and Expanded Public Works Programme (EPWP) receivables

Expanded Public Works Programme (EPWP)	-	19,562
Special Projects	90,141	-
	90,141	19,562

Expanded Public Works Programme (EPWP)

Opening balance	19,562	(51,469)
Funds received	-	(616,921)
Interest received	-	(9,001)
Funds utilised	-	696,953
Opening balance transferred to note 12	(19,562)	-
	-	19,562

Special Projects

Opening balance	-	1,000
Opening balance transferred from note 12	(1,986)	-
Funds received	(2)	(1,000)
Funds utilised	92,129	-
	90,141	-

Special Projects are detailed below:

Nature Conservation Trust - HGBF

Opening balance	(1,986)	-
Funds received	(2)	-
Funds utilised	92,129	-
	90,141	-

Other

Opening balance	-	1,000
Funds received	-	(1,000)
	-	-

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	2017 R '000	2016 R '000
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SANParks receives conditional grants from different funders. Normally SANParks has an agreement with the funder over the budget of the special project for which the grant has been afforded. For projects whose lifespan exceeds one reporting period, SANParks will contract with the funder to receive the funds in stages. It so happens that sometimes SANParks will incur the expenditure for the projects, and receive the funds/cash at a later stage. The closing balance for this account therefore represents cash receivable from the special projects and EPWP, for expenses incurred to date, which are within the allocated funds of the projects.

5. CASH AND CASH EQUIVALENTS

Cash on hand	292	356
Bank balances	1,063,779	719,211
Short term investments	312,526	261,985
	1,376,597	981,552
Bank balances per institution		
First National Bank	1,063,770	719,199
Standard Bank	9	12
	1,063,779	719,211
Short term investments		
Notice Account: First National Bank	85,512	51,520
Notice Account: Investec Bank	114,282	106,390
Notice Account: ABSA Bank	99,699	91,854
Notice Account: Standard Bank	13,033	12,221
	312,526	261,985

First National Bank was appointed as corporate bankers for SANParks by tender process and is used for all SANParks activities.

Standard Bank was appointed in accordance with the conditions of the Howard G Buffet Foundation Grant.

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6. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Buildings and infrastructure	1,661,685	(336,519)	1,325,166	1,538,787	(300,732)	1,238,055
Vehicles and mechanical equipment	240,372	(136,095)	104,277	178,797	(112,605)	66,192
Furniture and office equipment	204,367	(137,379)	66,988	185,509	(113,531)	71,978
Aircraft	104,904	(38,754)	66,150	103,605	(29,371)	74,234
Assets under construction	172,079	-	172,079	158,399	-	158,399
Total	2,383,407	(648,747)	1,734,660	2,165,097	(556,239)	1,608,858

Reconciliation of property, plant and equipment - 2017

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Total R'000
Buildings and infrastructure	1,238,055	24,542	(3,346)	103,617	(37,701)	1,325,166
Vehicles and mechanical equipment	66,192	61,318	(293)	4,182	(27,122)	104,277
Furniture and office equipment	71,978	22,631	(864)	1,036	(27,793)	66,988
Aircraft	74,234	1,299	-	-	(9,383)	66,150
Assets under construction	158,399	123,554	-	(109,874)	-	172,079
	1,608,858	233,344	(4,503)	(1,039)	(101,999)	1,734,660

Reconciliation of property, plant and equipment - 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Total R'000
Buildings and infrastructure	1,061,288	34,688	(710)	176,227	(33,438)	1,238,055
Vehicles and mechanical equipment	56,728	20,492	(1,801)	5,560	(14,787)	66,192
Furniture and office equipment	61,026	32,500	(1,914)	2,414	(22,048)	71,978
Aircraft	79,453	-	-	416	(5,635)	74,234
Assets under construction	193,595	154,437	-	(189,633)	-	158,399
	1,452,090	242,117	(4,425)	(5,016)	(75,908)	1,608,858

Included in movable assets are assets that serve as security for long term borrowings, and assets that are held under finance leases.:

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	2017 R '000	2016 R '000
Assets as security for a notarial bond in favour of IDC as detailed in note 9		
Cost	179,848	178,935
Accumulated depreciation	(139,923)	(122,716)
	39,925	56,219
Assets that serve as security under finance leases as detailed in note 10.		
Cost	23,452	25,227
Accumulated depreciation	(21,061)	(20,535)
	2,391	4,692
Vehicles:		
Cost	4,235	4,353
Accumulated depreciation	(3,777)	(3,717)
	458	636
Furniture, Office equipment and Computer software:		
Cost	19,217	20,874
Accumulated depreciation	(17,284)	(16,818)
	1,933	4,056
Assets under construction		
The closing balance of assets under construction is made up of the following:		
- Conservation Land	974	974
- Buildings and infrastructure	154,510	142,140
- Vehicles and mechanical equipment	142	1,448
- Furniture and office equipment	2,448	2,439
- Intangibles	14,005	11,398
	172,079	158,399

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Assets under construction with delays are as follows:

Asset	Reason for delay	Amount R'000
Land conservation	The matter has been removed from the court process.	974
Intangibles	The project was initiated in 2014, however due to limited funding the project was suspended and awaiting further approval from EXCO.	2,886
Intangibles	The project was initiated in 2010. First stage of project completed, however the second stage was delayed due to the deliverables supplied not being in line with the agreement. Project expected to be completed on 31 March 2018.	4,041

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

SANParks assesses at each reporting date whether there is any indication that the property, plant and equipment may be impaired. No such indication existed at the end of the financial reporting period.

7. INTANGIBLE ASSETS

	2017			2016		
	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Rights	20,200	-	20,200	20,200	-	20,200
Computer software	52,309	(27,724)	24,585	45,438	(29,482)	15,956
Total	72,509	(27,724)	44,785	65,638	(29,482)	36,156

Reconciliation of intangible assets - 2017

	Opening balance R'000	Additions R'000	Transfers R'000	Amortisation R'000	Total R'000
Rights	20,200	-	-	-	20,200
Computer software	15,956	15,967	1,039	(8,377)	24,585
	36,156	15,967	1,039	(8,377)	44,785

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Reconciliation of intangible assets - 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Amortisation R'000	Total R'000
Rights	20,200	-	-	-	-	20,200
Computer software	14,391	3,393	(150)	5,016	(6,694)	15,956
	34,591	3,393	(150)	5,016	(6,694)	36,156

SANParks purchased rights over immovable property, to graze and stock water. SANParks have full access to the purchased rights from signature date to infinity, thus making the rights an intangible asset with an indefinite useful life. As the right has an indefinite useful life, it has not been amortised. The useful life of the right has been reviewed for the reporting period under review, to determine whether events and circumstances continue to support an indefinite useful life assessment for the rights. Furthermore, through an assessment conducted, it was noted that no conditions existed at year end that might be indicative that rights are impaired.

The computer software useful life used in the calculation of amortisation of Software is between 3 years and 10 years. SANParks assesses at each reporting date whether there is any indication that the computer software may be impaired, or that the useful life is still appropriate. No such indication existed at the end of the current financial reporting period.

8. HERITAGE ASSETS

Items that qualify as Heritage Assets for which SANParks can determine the historical costs associated with these items, SANParks performed an asset count and allocated costs for each such item and these have been recognised on the Annual Financial Statements. The following items were identified:

	2017			2016		
	Cost / Valuation R'000	Accumulated impairment losses R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated impairment losses R'000	Carrying value R'000
Statues	552	-	552	552	-	552
Conservation land	540,169	-	540,169	534,650	-	534,650
Total	540,721	-	540,721	535,202	-	535,202

Reconciliation of heritage assets 2017

	Opening balance R'000	Additions R'000	Total R'000
Statues	552	-	552
Conservation land	534,650	5,519	540,169
	535,202	5,519	540,721

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Reconciliation of heritage assets 2016

	Opening balance R'000	Additions R'000	Total R'000
Statues	552	-	552
Conservation land	499,519	35,131	534,650
	500,071	35,131	535,202

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

Heritage assets which fair values cannot be reliably measured

A significant value of SANParks Heritage assets were obtained through non exchange transactions from various state-owned organisations. For Heritage assets obtained from non exchange transactions, SANParks attempted to establish the value thereof using guidance from Directive 7 issued by the Accounting Standards Board. Due to the nature of SANParks activities, SANParks neither established a fair value /deemed cost nor a replacement cost for its Heritage assets acquired from non exchange transactions. For that reason SANParks Heritage assets acquired from non exchange transactions could not be recognised in the Annual Financial Statements. However, information pertaining to such assets has been disclosed below.

Name of National Parks	Size in Hectares
Kruger National Park	1 962 362
Kalahari Gemsbok National Park	960 029
Addo Elephant National Park	172 578
Mountain Zebra National Park	27 900
Bontebok National Park	2 432
Golden Gate Highlands National Park	34 062
Augrabies Falls National Park	58 699
Groenkloof National Park	7
Karoo National Park	84 082
West Coast National Park	47 026
Tankwa Karoo National Park	138 570
Richtersveld National Park	162 445
Marakele National Park	60 865
Mapungubwe National Park	15 311
Table Mountain National Park	33 010
Agulhas National Park	20 415
Namaqua National Park	130 641
Camdeboo National Park	18 946

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	2017 R '000	2016 R '000
Name of National Parks		Size in Hectares
Mokala National Park		29 414
Garden Route National Park		137 896
Vaalbos National Park		4 575

Other Heritage Assets	
Location	Description
Table Mountain National Park	Rhodes Memorial Monument
Table Mountain National Park	Cecil John Rhodes
Table Mountain National Park	Bronze Man on Horse
Table Mountain National Park	Bronze Cast Lions x8
Kruger National Park	Thulamela Dry Stone Walls
Kruger National Park	Skukuza Museum
Kruger National Park	Masorini Rock Art Sites
Kruger National Park	Kruger Statue
Kruger National Park	Kruger Rock Art
Kruger National Park	Nombolo Mdluli Statue
Mapungubwe National Park	Mapungubwe Collections
Groenkloof National Park	Kudu Sculptures x2

9. OTHER FINANCIAL LIABILITIES

Designated at fair value

IDC Loan

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 which commenced 1 October 2006 with a final instalment of R0,252 million on 1 August 2016. The loan bears interest at prime less 2.5%. On 1 August 2016, the loan was paid in full.

ICT Loan

SANParks entered into an agreement with ICT (a creditor), to purchase computer software on credit.

The loan is unsecured, and repayable in three equal annual instalments and has no interest charges.

Long term portion - non-current liability

Short term portion - current liabilities

-	1,712
11,993	-
11,993	1,712
5,541	-
6,451	1,712

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	2017 R '000	2016 R '000
10. FINANCE LEASE OBLIGATION		
Minimum lease payments due		
- within one year	2,247	4,587
- in second to fifth year inclusive	1,030	3,277
- later than five years	-	-
	3,277	7,864
less: future finance charges	(206)	(670)
Present value of minimum lease payments	3,071	7,194
Non-current liabilities	1,006	3,071
Current liabilities	2,065	4,123
	3,071	7,194

It is SANParks policy to lease IT equipment under finance leases.

The average lease term was 3-5 years and the average effective borrowing rate was 10% (2016: 8.5%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

SANParks's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 6.

11. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	103,163	135,426
Payments received in advanced	35,008	31,331
VAT payable	10,915	16,317
Accrued expenses	24,544	21,482
Deposits received	645	245
Other payables	25,802	41,094
	200,077	245,895

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	2017 R '000	2016 R '000
Trade Payables Age Analysis		
Current	89,625	119,466
31 - 60 days	(4)	108
61 - 90 days	382	(2,914)
91 - 120 days	(1,390)	5,503
120 days and over	14,550	13,263
	103,163	135,426

*Included in other payables is an amount of R10,512,305 (2016 - R30,674,521) received in advance from the insurance for claims made by SANParks to repair sites damaged by floods and fire. The money from the insurance will be used to cover all costs associated with the repairs.

12. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants comprises of:

Unspent conditional grants and receipts

Infrastructure grant	453,565	269,775
Special projects	173,005	130,930
Land grant	22,504	5,020
Expanded Public Works Programme (EPWP)	72,066	-
	721,140	405,725

Movement during the year

Infrastructure opening balance	269,775	200,499
Infrastructure grants received during the year	349,886	257,946
Grant amount utilised during the year	(179,574)	(199,244)
Interest received during the year	13,478	10,574
Infrastructure closing balance	453,565	269,775

Land grant opening balance	5,020	24,294
Land grant received during the year	16,696	15,856
Land grant amount utilised during the year	(434)	(35,130)
Interest received during the year	1,222	-
Land grant closing balance	22,504	5,020

Expanded Public Works Programme (EPWP) opening balance (from note 4)	(19,562)	-
Funds received during the year	577,507	-

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	2017 R '000	2016 R '000
Movement during the year		
Interest received	1,902	-
Funds utilised during the year	(487,781)	-
Expanded Public Works Programme (EPWP) closing balance	72,066	-
Special projects opening balance	130,930	251,237
Special projects opening balance transferred to note 4	(1,986)	(51,469)
Special projects funds received during the year	152,260	47,932
Interest received	822	119
Special projects funds utilised during the year	(109,021)	(116,889)
Special projects closing balance	173,005	130,930
Special projects are detailed below		
(i) Nature Conservation Trust - HGBF		
Opening balance	1,986	43,713
Funds received	-	3
Funds utilised	-	(41,730)
Opening balance transferred to note 4	(1,986)	-
	-	1,986
(ii) Limpopo Transfrontier Park		
Opening balance	526	897
Funds received	877	877
Funds utilised	(992)	(1,248)
	411	526
(iii) Mellon Foundation		
Opening balance	11,777	12,696
Funds received	10,410	700
Interest received	816	-
Funds utilised	(1,263)	(1,619)
	21,740	11,777
(iv) Theta		
Opening balance	13,390	14,345
Funds received	397	1,616
Funds utilised	800	(2,571)
	14,587	13,390
(v) Other		
Opening balance	103,251	128,117

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	2017 R '000	2016 R '000
Movement during the year		
Funds received	140,576	44,736
Interest received	6	119
Funds utilised	(107,566)	(69,721)
	<u>136,267</u>	<u>103,251</u>
	173,005	130,930

13. PROVISIONS

Reconciliation of provisions - 2017

	Opening Balance R'000	Incurred during the year R'000	Total
Concessionaires provision	163,644	46,470	210,114
Bonus provision	7,243	1,817	9,060
Leave liability	46,365	8,799	55,164
	<u>217,252</u>	<u>57,086</u>	<u>274,338</u>

Reconciliation of provisions - 2016

	Opening Balance	Incurred during the year	Total
Concessionaires provision	160,369	3,275	163,644
Bonus provision	5,420	1,823	7,243
Leave liability	37,968	8,397	46,365
	<u>203,757</u>	<u>13,495</u>	<u>217,252</u>

Non-current liabilities	210,114	163,644
Current liabilities	64,224	53,608
	<u>274,338</u>	<u>217,252</u>

The lodge concessions entail allowing private operators to build and operate tourism facilities within the National Parks, for contracted defined periods, usually over a 20 year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The contractual mechanism is a concession contract, which enables the private operator to use a defined area of land, plus any building that may already exist on that land, over a specific time period in return for payment of concession fees. Against these rights of occupation and commercial use of facilities, there is a set of obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, underpinned by performance bonds, and finally termination of the contract. The assets will revert to SANParks at a consideration equal to the residual value of the asset at the date of transfer. The provision arose as a result of the liability payable at the termination date of the concessionaire contract. Refer to note 3 for the concession asset.

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	2017 R '000	2016 R '000
14. RESERVATION DEPOSITS		
Opening balance	276,656	249,703
Current year deposits	902,351	797,091
Deposits utilised during the year	(854,928)	(770,138)
	324,079	276,656

15. EMPLOYEE BENEFIT OBLIGATION

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(486,196)	(456,647)
Interest cost	(48,507)	(39,763)
Current service cost	(8,285)	(8,129)
Actual employer benefit payments	20,145	17,712
Actuarial gains/(loss) recognised during the year	26,311	631
	(496,532)	(486,196)

Net expense recognised in the statement of financial performance

Current service cost	8,285	8,129
Interest cost	48,507	39,763
Actuarial (gains) losses	(26,311)	(631)
	30,481	47,261

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10.10%	10.10%
Medical cost trend rates	9.80%	7.90%
Net effect discount rate	0%	(0.45)%

Mortality pre-retirement

Male	SA 85-90 (light)
Female	SA 85-90 (light) down by three years

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	2017 R '000	2016 R '000
Mortality post retirement		
Male		PA90 male - rated down by one year
Female		PA90 female - rated down by one year

Sensitivity analysis

Effect of 1% increase and decrease in the health care cost inflation rate is as follows:

	Valuation basis R '000	1% increase R '000	1% decrease R '000
Employer's accrued liability	496,532	566,948	438,037
Actuarial (gain) / loss	(26,311)	44,105	(84,806)

16. TOURISM, RETAIL, CONCESSION AND OTHER

Retail activities

Shops and restaurant	55,580	60,578
Filling station sales	166,382	168,783
	221,962	229,361

Tourism

Accommodation	696,283	636,295
Drive fees	56,479	47,784
Trail fees	34,484	30,854
Other tourism related activities	35,851	25,880
	823,097	740,813

Concession fees

Facilities rental	40,575	37,232
Concession fees received	76,275	66,016
	116,850	103,248

Conservation fees

Wild card income	71,128	61,653
Conservation fees	431,527	334,104
Entrance fees	8,642	6,868
	511,297	402,625

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	2017 R '000	2016 R '000
Other		
Rent received	13,388	13,724
Services rendered	9,150	8,121
	22,538	21,845
	1,695,744	1,497,892

17. SALES - FAUNA AND FLORA

Sales - fauna and flora	42,127	48,791
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The sale of fauna and flora is used for bio-diversity and related expenses to expand the national park system.

18. OTHER OPERATING INCOME

Sales - non-retail	1,135	1,690
Fines	3,156	3,313
Course fees	1,719	1,261
Commission received	3,852	3,462
Water and electricity	8,895	8,405
Rebates received	541	-
Location fee for filming right	2,799	2,614
Other income	14,172	16,389
	36,269	37,134

19. INTEREST AND ROYALTIES RECEIVED

Interest revenue		
Interest and royalties received	47,230	37,189

20. GOVERNMENT GRANTS AND OTHER FUNDING

Roads	12,289	11,671
Conservation	386,792	405,129
Land acquisition	437	35,130
Special projects income	201,151	116,889
	600,669	568,819

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	2017 R '000	2016 R '000
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21. DONATIONS

Donations	9,602	16,936
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Non-specific donations form a minor part of the funding of conservation and people and conservation programs of SANParks. Due to the varying nature of such funding and the direct allocation thereof to identifiable projects, it is not deemed to be part of normal operations.

22. EMPLOYEE RELATED COSTS

Salaries and wages	773,777	692,025
Social contributions	108,727	92,476
Other salary related costs	92,320	75,428
Post-retirement benefits (note 15)	30,481	47,671
	1,005,305	907,600

Included in employee related costs are related parties transactions pertaining to key management personnel remuneration as detailed in note 35.

SANParks Pension Fund

Contributions by the employer and the employees are allocated to the SANParks Pension Fund. The fund is a defined contribution plan which is controlled by the Pension Funds Act, 1956 and administered by a financial institution. During the year SANParks contributed an amount of R40, 8 million for 2 299 employees (2016 - R35, 8 million for 2 096 employees), to the retirement fund.

SACCAWU National Provident Fund

The fund is a defined contribution plan, which is controlled by the Pension Funds Act, 1956, and administered by a financial institution. Retirement benefits are based on the accumulated credits as contributed by both employer and employee. During the year SANParks contributed an amount of R27,373 million for 2 164 employees (2016 - R20,6 million for 1 914 employees).

23. DEPRECIATION AND AMORTISATION

Buildings and infrastructure	37,701	33,437
Vehicle and mechanical equipment	27,122	14,789
Furniture and office equipment	27,793	22,046
Aircraft	9,383	5,635
Intangible assets - amortisation	8,377	6,694
	110,376	82,601

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	2017 R '000	2016 R '000
24. FINANCE COSTS		
Finance leases	464	828
Current borrowings	118	363
	582	1,191
25. REPAIRS AND MAINTENANCE		
Property and buildings	102,260	57,554
Machinery and equipment	6,552	6,342
Office and computer equipment	803	652
Consumables utilised in maintenance programs	15,154	16,070
	124,769	80,618
26. OPERATING EXPENSES		
Assessment rates and municipal charges	59,174	53,016
Auditors remuneration (Note 27)	9,125	6,719
Bank charges	23,370	21,293
Consulting and professional fees	24,534	17,486
Consumables	50,057	47,344
Insurance	61	8,301
Information and communication technology expenses	13,001	12,747
Motor vehicle expenses	18,333	20,525
Promotions	13,113	13,710
Software expenses	7,811	7,260
Subsistence allowance	49,550	48,469
Telephone and fax	25,952	22,938
Other operating expenses	159,836	179,844
Special projects expenses	162,017	89,690
Cost of retail operations	181,823	188,065
	797,757	737,407

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	2017 R '000	2016 R '000
27. AUDITORS' REMUNERATION		
Internal audit fees	3,074	1,282
External audit fees	6,051	5,437
	9,125	6,719
28. OPERATING LEASE PAYMENTS		
Rent paid vehicles	118,612	103,175
Rent paid other	11,916	11,967
	130,528	115,142
29. LOSS ON DISPOSAL OF ASSETS		
Loss on disposal of assets	3,776	3,204
30. IRREGULAR EXPENDITURE		
Opening balance	1,734	126
Condoned	(1,734)	(126)
Irregular expenditure incurred	955	1,734
Less: Amounts recoverable (condoned)	(934)	-
Balance carried forward not condoned	21	1,734

During the year under review, services were procured from suppliers after the original contracts had expired. The deviations were not approved in accordance with SANParks' Delegation Framework.

Upon discovery of these deviations, SANParks embarked on an internal investigation in order to ascertain the full nature of the irregular expenditure. The results of the investigations are as follows:

The irregular expenditure was not the result of fraudulent, corrupt and/or criminal activities.

Value for money was derived from the services rendered as the contracts relate to services that are essential for SANParks operations.

The transactions, conditions and events have not resulted in SANParks suffering a financial loss. Therefore the irregular expenditure is not recoverable from an employee.

Due to the fact that no employee is liable for this transaction, no receivables were raised to account for this transaction. The expenditure incurred was thus left in

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	2017 R '000	2016 R '000
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the expense account and is included as part of operational expenses in the Statement of Financial Performance.

Subsequently, a process was initiated to regularise the irregular expenditure through SANParks' SCM processes.

31. FRUITLESS AND WASTEFUL EXPENDITURE

Interest on overdue creditors	90	117
Cash losses in Tsitsikamma National Park	-	75
	90	192

Interest on overdue creditors relates to interest charged for late payments to suppliers. Subsequently management has reviewed internal controls around payment terms for creditors.

32. CASH GENERATED FROM OPERATIONS

Surplus	258,548	278,998
Adjustments for:		
Depreciation and amortisation	110,376	82,601
Loss on sale of assets	3,776	3,204
Finance costs	582	1,191
Movements in retirement benefit liabilities	10,336	29,549
Movements in provisions	57,086	13,495
Changes in working capital:		
Inventories	2,688	3,203
Receivables from exchange transactions	208	2,722
Receivables from non-exchange transactions	(70,579)	(18,562)
Trade and other payables from exchange transactions	(45,817)	32,030
Unspent conditional grants and receipts	315,415	(70,304)
Reservation deposits	47,423	26,953
	690,042	386,903

33. RISK MANAGEMENT

Financial risk management

SANParks activities exposes it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

SANParks overall risk management program focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on SANParks

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	2017 R '000	2016 R '000
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financial performance. Risk management is carried out under policies approved by the Accounting Authority. The Accounting Authority provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment.

Liquidity risk

SANParks is exposed to liquidity risk as a result of the funds available to cover future commitments. SANParks manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and borrowing facilities are monitored.

Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. SANParks only deposits cash with major banks with high quality credit standing.

Cash deposits and cash equivalents: SANParks minimizes its credit risk, which is the risk of loss due to the failure of the security issuer by using banks with an A1+ or A1 grading according to the Fitch IBCA and similar grading reports. These banks are registered in South Africa and approved by the National Treasury.

Trade debtors: Sales to retail customers are settled in cash or using major credit cards. No credit is allowed unless backed by tender or agreement whereby risk control assesses the credit worthiness of the customer, taking into account its financial position, past experience and other factors

The financial assets carried at cost exposes the entity to credit risk. The value of the maximum exposure to credit risk are as follows for each class of financial asset at cost.

Financial instrument	2017 R '000	2016 R '000
Cash and cash equivalents	1,376,597	981,552
Receivables from exchange transactions	36,472	36,682

Concentration of Credit Risk

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

SANParks limits its counter party exposure from its money market investment operations by only dealing with well-established financial institutions of high quality standing. The credit exposure to any one counter party is managed by setting transaction/exposure limits, which are reviewed annually.

Trade debtors comprise a large number of customers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Trade debtors are presented net of doubtful debts.

Concentration of credit risks	Exposure R'000	Percentage of total exposure
Cash and cash equivalents	1,064,071	77%
Short term investments	312,526	23%
	1,376,597	100%

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Capital Risk Management

SANParks objectives, when managing capital, are to safeguard their ability to continue as a going concern in order to provide benefits for stakeholders and to maintain an optimal capital structure.

The capital structure of SANParks consist of debt, which includes borrowings and cash and cash equivalents.

Interest rate risk

As SANParks has no significant interest-bearing assets, SANParks income and operating cash flows are substantially independent of changes in market interest rates.

SANParks interest rate risk arises from long-term borrowings. Borrowings issued at variable rates exposes SANParks to cash flow interest rate risk. Borrowings issued at fixed rates will expose the entity to fair value interest rate risk.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date together with the cash flow interest rate risk.

2017	Within one year R'000	Later than one year and not later than five years R'000	Current interest rate
Gross finance lease obligation	2,247	1,030	10%
Borrowings	6,451	5,541	-
Trade and other payables	221,910	-	
Reservation deposits	324,079	-	
Post retirement health benefit obligation	496,532	-	
Unspent conditional grants and receipts	721,140	-	

2016	Within one year R'000	Later than one year and not later than five years R'000	Current interest rate
Gross finance lease obligations	4,587	3,277	8.5%
Borrowings	1,712	-	Prime - 2.5%
Trade and other payables	245,896	-	
Reservation deposits	276,656	-	
Post retirement health benefit obligation	486,196	-	
Unspent conditional grants and receipts	405,725	-	

These amounts best represent maximum exposure to credit risk at the end of the reporting period without taking into account any credit enhancements.

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Interest Rate Risk sensitivity analysis

The susceptibility of South African National Park's financial performance to changes in interest rates can be illustrated as follows:

Effect of 1% change in the interest rate	Current interest rate	Value 31 March 2017 R'000	Discounted value at current rate R'000	Discounted value at Current rate (+1%) R'000	Discounted value at Current rate (-1%) R'000
Trade and other receivables from exchange transactions	13.25%	36,472	41,304	41,669	40,939
Trade and other payables from exchange transactions	10.5%	200,077	221,085	223,086	219,084
Cash in current banking institution	6.6%	1,063,779	1,133,988	1,144,626	1,123,350
Call investment deposits	7.8%	312,526	336,903	340,028	333,777

The sensitivity analysis was based on the assumption that a 1% increase or decrease in the interest rate could occur. The method used to prepare the sensitivity analysis was based on the discounted value of the respective cash flow for 1 year using the respective current interest rate in order to determine the effect of applicable market risk of a 1% increase or decrease in the interest rate.

Financial assets pledged as security

The following financial assets were pledged as security for liabilities

Description of financial asset	Line item financial asset is included in	Value of the balance pledged as security - R'000	Details of the liability that it was pledged as security for
Mechanical and office equipment	Property, plant and equipment	39,925	A notarial bond in favour of the IDC borrowing
Vehicles, furniture and office equipment and computer software	Property, plant and equipment and intangible assets	2,391	Serves as security under finance leases

34. RELATED PARTIES

Relationships

Controlling entity: DEA

SANParks does not have control or significant influence over any other entity. SANParks is a statutory organisation governed by the National Environmental Management Protected Areas Act, no. 57 of 2003, and a national public entity as listed under Schedule 3A of the PFMA No. 1 of 1999 as amended.

SANParks is not required to disclose the value of transactions with other public sector entities as the transactions were concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person.

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**Key management personnel remuneration
2017**

	Emoluments	Other benefits*	Bonuses and incentives	Total
	R'000	R'000	R'000	R'000
Mr F Mketeni - CEO	2,092	-	141	2,233
Mr R Mahabeer - CFO (Resigned 31 March 2017)	2,019	-	1,115	3,134
Mr G Phillips - ME KNP	1,864	-	117	1,981
Ms W Mkutshulwa - ME Corporate Services (Resigned 30 April 2016)	147	-	-	147
Ms L McCourt - COO	1,627	-	108	1,735
Mr L Mokoena - ME Parks (Appointed 01 April 2016)	1,612	-	39	1,651
Ms H Sello - ME Tourism	1,636	-	-	1,636
Ms JS Golding (Appointed 01 October 2016, and resigned on 02 November 2016)	139	2	-	141
	11,136	2	1,520	12,658

2016

	Emoluments	Other benefits*	Bonuses and incentives	Total
	R'000	R'000	R'000	R'000
Mr F Mketeni - CEO	2,004	1	-	2,005
Mr R Mahabeer - CFO	1,904	1	-	1,905
Mr G Phillips - ME KNP	1,744	1	276	2,021
Ms W Mkutshulwa - ME Corporate Services	1,695	1	71	1,767
Dr N Songelwa - ME Parks (Resigned 31 August 2015)	651	1	258	910
Ms L McCourt - COO (Appointed 01 June 2015)	1,370	2	-	1,372
Ms H Sello - ME Tourism (Appointed 01 December 2015)	514	2	-	516
	9,882	9	605	10,496

* Other benefits comprise uniform allowance.

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Board members and attendance at meetings, remuneration and associated costs

2017

	Board meetings and workshops	Conservation, tourism and socio-economic development committee meetings	Audit and risk committee meetings	Human capital management committee meetings	Remuneration	Subsistence and travel allowance
Ms J Yawitch	5	-	-	-	58,051	7,134
Ms K Njobe	5	5	-	5	77,682	-
Dr CG Olver	5	-	6	-	42,484	4,791
Ms F Futwa	4	-	6	-	45,102	5,205
Ms B Ferguson	5	-	-	5	64,482	3,060
Mr M India	5	5	-	-	60,930	5,333
Mr L Zita	5	5	5	-	62,578	55
Dr M Matlou	5	4	-	3	64,230	3,198
Ms T Semane	3	-	5	4	48,398	3,836
Dr N Mzilikazi	3	2	-	-	-	-
Ms H Schoeman (Resigned 20 July 2016)	1	-	1	1	-	-
Mr S Munzhedzi (Appointed 18 November 2016)	2	-	-	-	-	-
					523,937	32,612

2016

	Board meetings and workshops	Conservation, tourism and socio-economic development committee meetings	Audit and risk committee meetings	Human capital management committee meetings	Remuneration	Subsistence and travel allowance
Ms J Yawitch	6	-	-	-	46,268	3,537
Ms K Njobe	6	3	-	5	71,358	-
Mr ET Khumalo (Resigned 09 November 2015)	1	-	-	-	-	-
Dr CG Olver	5	-	6	-	39,276	5,805
Ms F Futwa	4	-	6	-	45,372	4,073
Ms B Ferguson	6	-	-	5	67,806	1,181

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2016

	Board meetings and workshops	Conservation, tourism and socio-economic development committee meetings	Audit and risk committee meetings	Human capital management committee meetings	Remuneration	Subsistence and travel allowance
Mr M India	5	4	-	-	31,356	1,417
Mr L Zita	6	4	6	-	67,380	646
Dr M Matlou	5	4	1	4	66,780	5,329
Mr M Mokono (Resigned 23 March 2016)	3	3	3	-	35,724	-
Dr N Mzilikazi	4	2	-	-	-	-
Ms T Semane	6	-	3	2	51,972	4,499
Ms H Schoeman	3	-	4	5	-	-
					523,292	26,487

Dr. N Mzilikazi and Ms. H Schoeman are government employees, they are therefore not eligible to receive remuneration payable to members for attending meetings.

Mr Shonisani Munzhedzi from DEA has been appointed as a Board Member to replace Ms Hanlie Schoeman. He is a delegate from DEA appointed by DG 18 November 2016.

35. COMMITMENTS

Authorised capital expenditure

Already contracted for but not provided for

- Property, plant and equipment

282,190	255,360
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Not yet contracted for and authorised by member

- Property, plant and equipment

705,741	1,645,525
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- Commitments represent goods/services that have been ordered, but no delivery has taken place at 31 March 2017. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are only disclosed in this note.

Majority of SANParks capital commitments are funded by grants from the DEA. Approved and contracted for capital commitments pertains to existing contracts with external parties for the construction of SANParks infrastructure. Approved but not yet contracted for capital commitments represents agreements for funding, of specific capital projects, between SANParks and the DEA. Other commitments are funded by SANParks operational grant and pertains to operational orders that were not delivered as at 31 March 2017.

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	2017 R '000	2016 R '000
Commitments in respect of operational leases		
Already contracted for but not provided for		
• Within one year	110,680	36,016
• Between two and five years	87,219	52,141
	197,899	88,157

This committed expenditure relates to vehicles, buildings and equipment and will be financed by funds internally generated.

36. CONTINGENCIES

Contingent liabilities

Land Claims

The Department of Rural Development and Land Reform did not award any land rights or land managed by SANParks to any claimant person or communities in the current financial year. SANParks is still supportive of the process of appropriate redress for persons or communities who unjustly lost rights or ownership of land as a result of it being declared a National Park. No significant financial obligations are placed on SANParks in consequence of this process, however the co-management framework with successful claimant communities and the attendant beneficent scheme will exert financial strain on SANParks once the land has been restored to the claimants.

Municipal Property Rates

National Parks constitute rateable property in terms of the Local Government: Municipal Property Rates Act, No. 6 of 2004 (the Rates Act) which came into effect on 2 July 2005. The Rates Act started applying to National Parks as from 2 July 2009.

SANParks made a submission to the Minister of Environmental Affairs in March 2011 whereby the Minister was requested to make a formal submission on behalf of SANParks to the Minister of Co-operative Governance and Traditional Affairs requesting:

- a total exemption of all National Parks from the application of the Property Rates Act.; or
- to consider prescribing a National Rates framework that can be applied to all National Parks to bring about consistence to the application of the Rates Act. by all municipalities to ensure that National Parks afford the prescribed rates; and
- in the interim all National Parks that are rateable, be exempted from payment of Property Rates until such time that the Minister of Co-operative Governance and Traditional Affairs has made a decision in respect of the paragraphs above.

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37. PUBLIC PRIVATE PARTNERSHIP PROGRAMME - PPP FEE INCOME

Lodge Concession PPP Fees

The lodge concessions entail allowing private operators to build and operate tourism facilities within the National Parks, on the basis of a defined period usually over a 20 year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The contractual mechanism is a concession contract, which enables the private operator to use a defined area of land, plus any building that may already exist on that land, over a specific time period in return for payment of concession fees. Against these rights of occupation and commercial use of facilities, there is a set of obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, underpinned by performance bonds, and finally termination of the contract, with the assets reverting to SANParks.

The annual concession fee payable by the concessionaire to SANParks for any given concession year shall be the higher of a minimum rental as determined by the agreement for the concession year or a calculated annual concession fee based on the bid percentage of gross revenue for the concession year.

At the end of the concession period the concessionaires shall hand over the concession area, the camp, all concession assets and its rights or interest in the developments to SANParks free of charges, liens, claims or encumbrances of any kind whatsoever and free of any liabilities in good condition, fair wear and tear excepted. The concessionaire shall not, other than as provided for in respect of the residual value, be entitled to payment of any compensation in connection therewith.

Performance bonds were provided to SANParks by the concessionaires that are operative from the effective dates. The concessionaires will maintain valid performance bonds from the effective dates until 90 business days after the expiry or earlier termination of the concession contracts. The amounts to be guaranteed by the performance bonds shall be equal to R250 000 at effective date and increased every 3 years by CPI per Concession Area.

The calculated annual concession fee is based on the bid percentage of actual gross revenue for that concession year. The specific obligations per concession are detailed in the schedule below:

National Park - Concession Area	Concession holder	Commissioning date	Termination date	Percentage of Gross Revenue
Addo - Gorah Elephant Camp	Hunter Hotels (Pty) Ltd	1 January 2001	31 December 2025	5% - 12.5%
Kruger - Mutlumuvi	Rhino Walking Safaris (Pty) Ltd	1 July 2002	30 June 2022	5% - 8%
Kruger Mpanamana	Shishangeni Lodge (Pty) Ltd	1 January 2002	31 December 2021	10% - 20%
Kruger - Jakkalsbessie	Jakkalsbessie Lodge (Pty) Ltd	1 January 2002	31 December 2021	10% - 15%
Kruger - Jock of the Bushveld	Mitomeni River Lodge (Pty) Ltd	1 July 2001	30 June 2021	11.5% - 22%
Kruger - Lwakahle	Lukimbi Safari Lodge (Pty) Ltd	1 November 2001	31 October 2021	5% - 25%
Kruger - Mluwati	Imbali Safari Lodge (Pty) Ltd	1 January 2002	31 December 2021	10% - 25%
Kruger - Nwanetsi	Singita Lebombo (Pty) Ltd	1 March 2002	31 December 2032	12.3%
Table Mountain - Roundhouse	Roundhouse (Pty) Ltd	1 August 2002	31 July 2027	4% - 5%

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National Park - Concession Area	Concession holder	Commissioning date	Termination date	Percentage of Gross Revenue
Table Mountain - Koeel Bay	Koeel Bay Hospitality (Pty) Ltd	1 January 2004	31 December 2023	3.5% - 10%
West Coast - Houseboats	Kraalbaai Houseboats (Pty) Ltd	1 December 2016	31 May 2017	14.5%

Public Private Partnership Programme: Retail and Restaurant Facility Rental Income

The concession contracts for retail and restaurant operations entail allowing private operators to operate SANParks' existing facilities on the basis of a medium-term operating agreement. Investors manage and upgrade existing retail and restaurant facilities (it should be noted that as part of the most recent tender process SANParks undertook refurbishments to some facilities which included upgrading to electricity, refrigeration, roofs, floors and tiling). The agreements enable the operators to use a defined area over a pre-determined term in return for payment of concession fees. Funding for the refurbishment of ageing infrastructure is for the Concessionaires account. Against the right of occupation and commercial use of facilities, there are set obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, including termination of the contract with the assets reverting to SANParks.

The monthly rental payable for the facilities by the private operator to SANParks for any given month shall be the higher of the fixed monthly rental as defined by the agreements, escalating on an annual basis; or the rental based on actual gross revenue realised, expressed as a percentage of gross revenue.

The private operators have provided SANParks with Performance Bonds equivalent to 3 months fixed rental in the form of Performance Guarantees that secure the operators performance under the Operating Agreement on the basis set out in the Facilities Rental Agreement.

The following schedule summarises the potential income receivable from the various operators for the various sites:

Retail and Restaurant	Commissioning date	Termination date	Annual Minimum rental (R)	Percentage of gross revenue
The Park Shop North (Tigers Eye KNP)	1 February 2013	31 January 2023	10 670 000	12%
The Park Shop South (Tigers Eye - Addo and Tsitsikamma)	1 February 2013	31 January 2023	1 402 000	12%
Jobojali cc t/a Salt and Pepper Restaurant (Karoo)	1 December 2013	30 November 2023	144 900	5%
Geelbek Restaurant	1 March 2013	28 February 2018	60 000	5%
Tindlovu JV cc	1 December 2012	30 November 2022	144 900	7.5%
Astrorail 145 cc (Augrabies - Shop and Restaurant)	15 November 2012	14 November 2022	249 200	7%
Goedeten (Pty) Ltd - (Mugg and Bean - Lower Sabie)	1 March 2014	28 February 2024	415 722	7%
Tourvest Holdings (Pty) Ltd Cattle Baron Restaurant Skukuza	1 October 2014	30 September 2024	426 815	5%-8%
Select Events and Venues cc	1 December 2013	30 November 2023	193 295	7%

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Retail and Restaurant	Commissioning date	Termination date	Annual Minimum rental (R)	Percentage of gross revenue
Ringgold 470 (Pty) Ltd (Mugg and Bean - Letaba)	14 April 2014	13 April 2024	236 459	7%
Quay 4 Knysna	28 March 2008	27 March 2023	609 472	6%-10%
Tourvest Holdings (Pty) Ltd - Cattle Baron Restaurant Tsitsikamma	01 August 2013	31 July 2024	342 555	8%
Tourvest Holdings (Pty) Ltd Cattle Baron Restaurant Addo	01 April 2014	31 March 2024	283 047	8%
Ringgold 474 (Pty) Ltd (Mugg and Bean - Olifants)	03 April 2014	02 April 2024	202 460	7%
Ringgold 477 (Pty) Ltd (Mugg and Bean - Satara)	11 March 2014	10 March 2024	363 635	7%
Eysbos (Pty) Ltd - (Mugg and Bean - Pretoriuskop)	25 March 2014	24 March 2024	175 858	7%
Tshokwane Picnic Site	1 October 2016	30 September 2031	98 400	4.5% - 5%
Afsaal Picnic Site	1 June 2016	31 May 2031	206 400	4.5% - 5%

Activities	Contracting Party	Commissioning Date	Termination Date	Percentage of gross revenue
Kruger National Park	Skukuza Airport Management Co	01 June 2014	31 May 2024	10%
Cape Point Lease and TMAAC	Cape Point - Concor	1 May 1995	30 June 2021	10%
	Table Mountain Aerial Company	26 November 2006	25 November 2025	12.5%
	Absailing	1 December 2015	31 May 2020	7%
	Rhodes Memorial	01 October 2010	30 September 2018	10%
Tsitsikamma Forest Income	Adventures Out There	24 October 2013	24 October 2018	8%
	Storms River Adventures Tree Top	01 April 2013	30 April 2016	R25pp
	Mild2Wild	01 December 2016	31 March 2018	R25pp
Tsitsikamma Rest Camp	Tours and Woodcutter Trail Cadeau Hiking Trail	01 December 2016	31 March 2022	8%
	Untouched Adventures	01 Jan 2015	31 December 2020	10%
Wilderness Segways	Segway Bike Tours	01 December 2013	30 November 2018	6%
	Segway Bike Tours	01 November 2015	31 March 2017	R42 000 p.a
Contractual Parks	Contracting Part	Commissioning Date	Termination Date	Percentage of gross revenue
Addo Nyati Section	Riverbend Country Lodge	01 June 2004	31 May 2054	3.5%-7.5%
Marakele	Marakele (Pty) Ltd	02 November 2000	01 December 2030	4%-8%
Addo	Kuzuko Lodge	99 year lease	99 year lease	4%

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				2017 R '000	2016 R '000
Activities	Contracting Party	Commissioning Date	Termination Date	Percentage of gross revenue	
West Coast National Park	Duinepos Chalets	01 March 2009	01 March 2019	5%	
Kgalagadi National Park	Ixhaus Lodge	01 May 2007	30 April 2027	5%-10%	
Tankwa Karoo National Park	Gannaga / Tankwa Lodge	01 April 2010	Revised every 3 years	6%	

38. PRIOR PERIOD ERRORS

Correction of revenue from non-exchange transactions and operating expenditure overstatement.

Nature: During the current year, it was established that revenue from non-exchange transactions and operating expenditures are overstated since the implementation of GRAP 23 in 2013. The overstatement is due to the recognition of revenue and expenses for Environmental Protection and Infrastructure Programmes where SANParks is acting as the agent. The error has been corrected and comparative amounts restated accordingly. The effect of the change in the prior years' AFS is as follows:

Statement of financial performance

Special projects revenue

Special projects operating expenses

Cash flow statement

Cash flow from operating activities

Cash Receipts from non-exchange transactions

Payments - Suppliers

	-	696,953
	-	<u>(696,953)</u>
	-	696,953
	-	<u>(696,953)</u>
	-	<u>-</u>

39. BIOLOGICAL ASSETS

Non - Financial information

SANParks main purpose is the conservation of a representative system of biodiversity, landscape, encompassing fauna, flora, geological structures and unique scenery within the National Park under its management authority. SANParks can intervene in ecosystems responsibly and sustainably, but it focuses management on complementing natural processes (e.g. floods, fires and disease outbreaks) under a minimum interference philosophy. SANParks does not manage for the reproduction of biodiversity, but for biodiversity representivity and complementarity that promote resilience and ensure ecosystem integrity. SANParks acquired the majority of biodiversity at no cost to SANParks.

SANParks major source of revenue comprise retail, tourism and concession with tourism (in the form of accommodation and conservation fees) being the most significant revenue source. SANParks management is involved in the biological transformation of fauna and flora primarily as a service to the public for the purpose of a recreational activity, rather than for sale.

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

SANParks does not measure the quantities of biological assets as they are not of a nature that can be easily counted and the Parks can't keep up with births and deaths and migrations of wild life, although the Parks undertake an annual game census. As the biological assets cannot be counted it is impossible to calculate gains and losses in biological assets during the year.

This is a significant judgement by management.

40. SEGMENT REPORTING

SANParks' activities are very broad, and are undertaken in a wide range of different geographical areas with different socio-economic characteristics. To enable efficient and effective delivery on the strategy, the Executive Management structure sub-divided SANParks into three categories namely; Kruger, Parks and Corporate. In establishing the segments to report on, management organised the financial information according to the three existing Executive Management existing structures.

Each of the three categories was identified to meet the definition of segments as it was noted that each;

- generates economic benefits or service potential;
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Management opted to combine Parks operations into a single segment as the Parks have similar economic characteristics and share a majority of the aggregation criteria stipulated below;

- the nature of the goods and/or services delivered is more or less similar;
- the type or class of customer or consumer to which goods and services are delivered are similar;
- the methods used to distribute the goods or provide the services is almost identical; or
- the nature of the regulatory environment that applies to the segment (NEMPAA).

The segments were structured such that the totals of revenues, reported segment surplus or deficit, segment assets, segment liabilities and other material segment items corresponds to figures recognised in the Annual Financial Statements. Therefore, a reconciliation of the segment figures to the Annual Financial Statements is not necessary.

South African National Parks
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	2017 R '000	2016 R '000
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Segment Reporting Statement of Financial Performance as at 31 March 2017

	Corporate R'00	Kruger R'000	Parks R'000	Total R'000
Revenue from Exchange Transactions	99,920	973,717	622,107	1,695,744
Tourism, retail, concession and other				
Sales - fauna and flora	42,127	-	-	42,127
Other operating income	15,770	16,426	4,073	36,269
Interest and royalties received	47,220	10	-	47,230
Total revenue from exchange transactions	205,037	990,153	626,180	1,821,370
Revenue from Non-Exchange Transactions				
Transfer revenue	606,242	2,210	1,819	610,271
Total Revenue	811,279	992,363	627,999	2,431,641

Expenditure

Employee related costs	244,159	446,639	314,507	1,005,305
Depreciation and amortisation	18,377	49,108	42,891	110,376
Finance costs	489	13	80	582
Operating lease	4,573	76,436	49,519	130,528
Repairs and maintenance	45,448	31,034	48,287	124,769
Operating expenses	332,391	303,932	161,434	797,757
Total expenditure	645,437	907,162	616,718	2,169,317
Operating Surplus	165,842	85,201	11,281	262,324
Loss on disposal of assets	(2,160)	(10)	(1,606)	(3,776)
Surplus/(Deficit) for the year	163,682	85,191	9,675	258,548

Segment Reporting Statement of Financial Position as at 31 March 2017

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Assets				
Current Assets				
Inventories	1,141	20,929	5,997	28,067
Receivables from exchange transactions	29,671	68	6,733	36,472
Receivables from non-exchange transactions	90,141	-	-	90,141

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	2017		2016	
	R '000		R '000	
Segment Reporting Statement of Financial Position as at 31 March 2017				
	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Cash and cash equivalents	971,435	22,735	382,427	1,376,597
Total Current Assets	1,092,388	43,732	395,157	1,531,277
Non-Current Assets				
Property, plant and equipment	220,532	682,793	831,335	1,734,660
Intangible assets	21,355	76	23,354	44,785
Heritage assets	7,126	552	533,043	540,721
Receivables from exchange transactions	210,114	-	-	210,114
Total Non-Current Assets	459,127	683,421	1,387,732	2,530,280
Total Assets	1,551,515	727,153	1,782,889	4,061,557
Current Liabilities				
Other financial liabilities	6,451	-	-	6,451
Finance lease obligation	2,065	-	-	2,065
Trade and other payables from exchange transactions	174,031	6,105	19,941	200,077
Liabilities from non-exchange transactions	1,196,666	(328,995)	(146,531)	721,140
Provisions	64,224	-	-	64,224
Reservation deposits	323,180	-	899	324,079
Total Current Liabilities	1,766,617	(322,890)	(125,691)	1,318,036
Non-Current Liabilities				
Other financial liabilities	5,541	-	-	5,541
Finance lease obligation	1,006	-	-	1,006
Employee benefit obligation	496,532	-	-	496,532
Provisions	210,114	-	-	210,114
	-	-	-	-
Total Non-Current Liabilities	713,193	-	-	713,193
Total Liabilities	2,479,810	(322,890)	(125,691)	2,031,229
Net Assets	(928,295)	1,050,043	1,908,580	2,030,328
Accumulated Surplus/(Deficit)	(928,295)	1,050,043	1,908,580	2,030,328

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Segment Reporting Statement of Financial Performance as at 31 March 2016

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Revenue from Exchange Transactions	78,227	879,469	540,196	1,497,892
Tourism, retail, concession and other				
Sales - fauna and flora	48,791	-	-	48,791
Other operating income	14,788	18,553	3,794	37,134
Interest and royalties received	37,073	22	93	37,189
Total revenue from exchange transactions	178,879	898,044	544,083	1,621,006
Revenue from Non-Exchange Transactions				
Transfer revenue	569,435	13,202	3,118	585,755
Total Revenue	748,314	911,246	547,201	2,206,761
Expenditure				
Employee related costs	(226,403)	(395,551)	(285,646)	(907,600)
Depreciation and amortisation	(13,630)	(28,485)	(40,486)	(82,601)
Finance costs	(920)	(109)	(162)	(1,191)
Operating lease	(2,926)	(66,497)	(45,719)	(115,142)
Repairs and maintenance	(1,205)	(33,279)	(46,134)	(80,618)
Operating expenses	(276,773)	(302,832)	(157,802)	(737,407)
Total Expenditure	(521,857)	(826,753)	(575,949)	(1,924,559)
Operating Surplus	226,458	84,493	(28,749)	282,202
Loss on disposal of assets	(363)	(1,543)	(1,298)	(3,204)
Surplus/(Deficit) for the year	226,095	82,950	(30,047)	278,998

Segment Reporting Statement of Financial Position as at 31 March 2016

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Assets				
Current Assets				
Inventories	2,399	23,308	5,048	30,755
Receivables from exchange transactions	30,950	371	5,361	36,682
Receivables from non-exchange transactions	19,562	-	-	19,562

South African National Parks
Notes to the Annual Financial Statements
Annual Financial Statements for the year ended 31 March 2017

Segment Reporting Statement of Financial Position as at 31 March 2016

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Cash and cash equivalents	677,417	20,445	283,690	981,552
Total Current Assets	730,328	44,124	294,099	1,068,551
Non-Current Assets				
Property, plant and equipment	179,392	612,020	817,446	1,608,858
Intangible assets	8,073	51	28,032	36,155
Heritage assets	2,039	552	532,611	535,202
Receivables from exchange transactions	163,644	-	-	163,644
Total Non-Current Assets	353,148	612,623	1,378,089	2,343,860
Total Assets	1,083,476	656,747	1,672,189	3,412,411
Current Liabilities				
Other financial liabilities	1,712	-	-	1,712
Finance lease obligation	4,123	-	-	4,123
Trade and other payables from exchange transactions	221,760	5,575	18,560	245,896
Liabilities from non-exchange transactions	3,435,350	(217,389)	(2,812,236)	405,725
Provisions	53,608	-	-	53,608
Reservation deposits	276,105	-	551	276,656
Total Current Liabilities	3,992,658	(211,814)	(2,793,125)	987,720
Non-Current Liabilities				
Finance lease obligation	3,071	-	-	3,071
Employee benefit obligation	486,196	-	-	486,196
Provisions	163,644	-	-	163,644
Total Non-Current Liabilities	652,911	-	-	652,911
Total Liabilities	4,645,570	(211,814)	(2,793,125)	1,640,631
Net Assets	(3,562,095)	868,561	4,465,314	1,771,780
Accumulated Surplus/(Deficit)	(3,562,095)	868,561	4,465,314	1,771,780







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