



South African
NATIONAL PARKS



South African National Parks

Annual Report

2021/22





Annual Report

2021/22



The healing power of parks



This annual report contains the achievements, performance information, outlook, financial position and human resources information of South African National Parks (SANParks) for the 1 April 2021 – 31 March 2022 reporting period, as per National Treasury guidelines for schedule 3A and 3C public entities.

Theme: the healing power of parks

During 2021/22, SANParks contributed to healing the nation and its people, as well as healing itself (people, infrastructure and finances that were affected by the COVID-19 pandemic and other adverse factors). No effort was spared to bring about recovery and inspire hope for a healthier and wealthier future.

“

Nature is the purest pathway to inner peace, and it recharges one's energy and renovates the personality. A study showed that when participants were exposed to nature scenes, their brain parts linked with empathy and love, lit up. Researchers suggest that a nature view helps patients tolerate pain, overcome adverse effects, and have less stay at hospital.

- *The Healing Power of Nature*|Psychology Today
<https://www.psychologytoday.com/> November 4, 2021

”



The healing power of parks emerged as the obvious theme for this report and it encompasses:



Healing through
conservation



Healing through
being in nature



Healing through economic &
training opportunities and access



Healing through connecting with
traditional & cultural practices

ABOUT SANPARKS

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

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

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

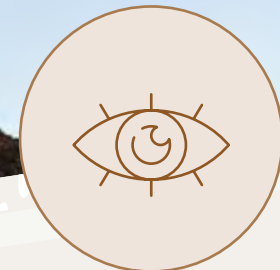
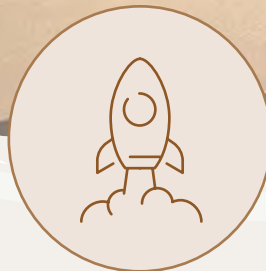
SANParks falls under the jurisdiction of the Department of Forestry, Fisheries and the Environment (DFFE).

Mission

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

Vision

A world class system of sustainable national parks reconnecting and inspiring society.



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	SOUTH AFRICAN NATIONAL PARKS
REGISTRATION NUMBER (if applicable):	Not applicable
PHYSICAL ADDRESS:	643 Leyds Street Muckleneuk Pretoria South Africa 0002
POSTAL ADDRESS:	PO Box 787 Pretoria 0001
TELEPHONE NUMBER/S:	+27 (0)12 426 5000
FAX NUMBER:	+27 (0)12 343 0905
EMAIL ADDRESS:	reservations@sanparks.org
WEBSITE ADDRESS:	www.sanparks.org
EXTERNAL AUDITORS:	Auditor-General of South Africa (AGSA) 300 Middel Street New Muckleneuk Pretoria 0002
BANKERS:	First National Bank 1 First Place 7th Floor Bank City Johannesburg 2000
COMPANY/ BOARD SECRETARY	Ms Maximilian Mathabathe



Wilfred Oraai, Knysna - (Photo credit: Alistair Daynes)



2. LIST OF ABBREVIATIONS/ACRONYMS

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

2. LIST OF ABBREVIATIONS/ ACRONYMS

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





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PART A:
General
INFORMATION



1. FOREWORD BY THE Minister

The SANParks annual report for the 2021/22 financial year is being published at a time when our commitment to restoration is being put to the test.

The reflection on the year under review should be seen through a lens of hope and determination. Although the COVID-19 pandemic had a particularly devastating impact on SANParks and its interests by severely restricting the flow of tourism – the lifeblood of the entity – the damage should certainly not be considered a fait accompli.

The signs of both recovery and the laying of foundations that will take us to new and exciting frontiers are on the horizon. This is quite rightly underscored by the interest shown at the SANParks Tourism Investment Summit in March 2022. Looking to a future of greater investment in tourism and conservation within the country's national parks is an indication that the sector so hard hit by the COVID-19 pandemic will recover and surpass all previous thresholds.

As South Africa's Economic Reconstruction and Recovery Plan shows, tourism – of which ecotourism constitutes a significant portion – is considered a key growth focal point due to the number of jobs it creates both directly and indirectly while acting as a powerful economic multiplier in other sectors.

It is notable that once the tight travel restrictions imposed during the initial stages of the COVID-19 pandemic were lifted, visitor numbers to national parks increased. The year under review saw 3 482 514 visitors to national parks, most of whom visited the Kruger National Park (1 322 817) and Table Mountain National Park (1 136 352). Indications are that the number of local and international visitors will continue to increase in the coming year, with tourism set to once again become SANParks' greatest income earner.

In the post-COVID-19 recovery period, the centrality of the tourism sector in catalysing job creation has become more prominent. Investment in tourism will therefore receive continuous and substantial support from the government.



In terms of employment impact, SANParks directly employs over 4 000 people while its concessionaires provide a further 2 100 jobs, of which 80% of employees come from the communities living adjacent to the country's national parks. In rural areas where the majority of the country's national parks are found, this can sometimes be the sole source of meaningful economic activity for a family and the community.

As South Africa works to reduce the 34.5% unemployment rate as at the end of March 2022, it is heartening to know that the biodiversity economy is expected to generate a further 110 000 jobs by 2030 while contributing an additional R47 billion in GDP. At present there are more than 418 000 people working in fields directly related to biodiversity and conservation.

As work continues to uplift communities through inclusion in the biodiversity value chain, I have noted that the SANParks Public-Private Partnership Programme is still yielding rewards, thanks to the participating partners and concessionaires who are spending around R75 million yearly on small, medium, and micro enterprises in local communities.

Considering that the very existence of our national parks is due to previous land dispossession, it is prudent to be sensitive to the resultant complexities and strive towards inclusive healing in all our commercial and conservation endeavours. Practical steps currently being taken in this spirit include tourism products that have been developed for use specifically by land claimants, along with a number of other benefits. These include a minimum of 10% share equity, preferential procurement of products for our national parks, the provision of jobs and sector-specific training.

We must also remember that the economic upliftment generated by the restoration of the tourism sector is inexorably linked to the success of SANParks' central mission: the conservation and protection of biodiversity and cultural heritage.

Examples of small wins on the conservation front can be found throughout the country in the period under review.

The Ingula Nature Reserve in the east of the country, and the Berg Estuary in the south were declared South Africa's 27th and 28th Ramsar Sites. The status of wetland of international importance goes a long way towards protecting the super ecosystems that such wetlands create.

Within the SADC region, collaborative conservation between Mozambique and South Africa pulled off even more wildlife translocations from Kruger National Park to Zinave National Park. This time 27 zebra and 62 blue wildebeest were translocated over a distance of 1 250 km bringing the total number of reintroduced animals to the Mozambican park to over 2 300.

Wildlife crime remains one of our country's most serious challenges. Although rhino poaching continues to decline in our national parks, law enforcement activities have persisted. In this time, SANParks also ensured tough action was taken against its own officials alleged to be involved in poaching.

Probably the greatest conservation highlight of the 2021/22 financial year came in the form of the International Bank for Reconstruction and Development (IBRD) pricing of the Wildlife

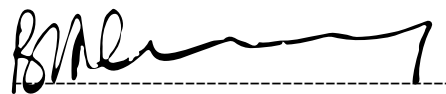
Conservation Bond (WCB). Also known as the 'rhino bond', the bond will support South Africa's efforts to conserve endangered species. This five-year sustainable development bond, valued at R150 million, also includes a potential performance payment from the Global Environment Facility (GEF), and will be used towards protecting and increasing the black rhino populations in the Addo Elephant National Park (managed by SANParks) and the Great Fish River Nature Reserve (managed by the Eastern Cape Parks and Tourism Agency).

But, none of what we hope to achieve can succeed if the impacts of climate change are not addressed in a manner that eradicates poverty and grows the country's economy without destroying the environment. SANParks can play an important role in limiting the risk of biodiversity loss from climate change through attracting continued investment in tourism and conservation. This includes continued work with government to expand the country's conservation estate.

Without the dedication of SANParks officials, including rangers who work under trying conditions, scientists, the Honorary Rangers and the entity's stakeholders, SANParks would not have come out ahead of the challenges posed by the COVID-19 pandemic. An important stakeholder and contributor to that success has been ordinary South Africans who formed part of the all-important domestic tourism market as they headed to national parks at the first opportunity in the past year. This underlines the notion that it is because of our people's collective love of the natural world that South Africa is ranked amongst one of the most biodiverse in the world.

But, the wins of the 2021/22 financial year are also proof of SANParks's ability to respond to any challenges that impact the lives and livelihoods of communities on its borders, its wider stakeholders and its own survival.

I am of the view that the SANParks 2021/22 Annual Report fairly reflects the amended annual performance plan and the financial affairs of the public entity.



Ms. Barbara Creecy

Minister of the Department of Forestry, Fisheries and the Environment

31 August 2022

“

The signs of both recovery and the laying of foundations that will take us beyond recovery, to new and exciting frontiers, are on the horizon.

”



2. FOREWORD BY THE *Chairperson*

Introduction

In this annual report, which reviews the activities of SANParks for the period 1 April 2021 to 31 March 2022, the reader will encounter the term “recovery” quite often. And it is true: the year under review has been energising, busy and productive, even as COVID-19 induced constraints and effects linger.

More broadly, the term “recovering” seems to pop up rather regularly as the human species tries to come to terms with devastating effects of the COVID-19 outbreak.

Reflecting on this notion of recovery using my business mind, I can certainly agree that the empirical evidence does indeed suggest that things are recovering. As a passionate nature lover, however, my heart tells me that we are in need of healing - and of regeneration. And that implies more than just recovery alone.

“

One of the highlights of the year under review, is that rhino and elephant poaching reduced drastically year-on-year.

”



Over and above recovery, every one of us is called to regenerate the natural world of which we are the custodians. To put it plainly: it is time to heal our relationship with nature. And to let the power of nature help us to heal.

High level overview of the public entity’s strategy and the performance

I am encouraged by the innovative approaches and tenacity of the human spirit that I have witnessed during the past few years. These have enabled the myriad connections between people and nature to flourish, so that nature conservation is the legitimate outcome of an ongoing societal conversation.

Through diverse projects, readjusted strategic programmes and rejuvenated attitudes, our national parks not only remain beacons of national pride, but have become catalysts for healing the relationships between people across cultures, as well as our relationship to nature itself.

One of the highlights of the year under review is that rhino and elephant poaching reduced drastically year-on-year. In fact, with a revised rhino strategy in place, the rhino population has slowly started to grow. Another highlight is that all land rehabilitation targets were exceeded in spite of initial funding challenges.

The number of visitors to national parks has also started to recover from the record low of 1 996 667 in 2020/21 to 3 482 514 in this financial year. Accommodation unit occupancy rates are stabilising after slumping to 29.4% in 2020/21 (from 69.4% in 2019/20), reaching 57.6%. And training targets (accredited and non-accredited) were exceeded by 47%.

I am happy to report that SANParks has again achieved a unqualified audit indicating that measures implemented to control irregular expenditure flagged by the Auditor General in 2020/21 have yielded results. This reaffirms the Board's commitment to the highest levels of ethics and good corporate governance.

In terms of performance, SANParks achieved 87% overall in the 2021/22 financial year, 3% of targets were partially achieved, while 10% of targets were not achieved.

Strategic relationships

Maintaining good strategic relationships plays a pivotal role in enabling SANParks to deliver on its mandate.

Our efforts to transform the historically exclusive approach to conservation are paying off. The establishment of a new grassland national park in the Eastern Cape is a case in point (although it is far from the only example - see part B of this report).

SANParks is collaborating closely with DFFE, the EC Department of Economic Development and Environmental Affairs, the EC Parks and Tourism Agency, WWF-SA and other NGOs to create an ecologically, economically and socially sustainable protected area which involves innovative landscape management, finance and protected area mechanisms and development options.

The park will be located in a working agricultural landscape and will enable residents to continue benefitting economically from the land. This inclusive approach can be seen in other work streams such as stewardship partnerships with landowners and communities to support the continued management and protection of natural assets. Landowners retain ownership while SANParks and partners work with them to protect biodiversity through the declaration of private and communal land as part of the national park.

Work on transfrontier conservation agreements with neighbouring countries, new tourism offerings and increasing tourism revenue (as part of the National Recovery Plan for tourism) have been underpinned by robust and extensive stakeholder engagement. Focus remained on the domestic market, given that the international tourism market has been slow to recover from the (in some cases, unfairly) imposed travel restrictions.



Wilderness SAT Paragliding - (Photo credit: Rudolph de Girardier)



Challenges faced by the Board

Capacity and financial constraints related to the pandemic were actively addressed by the SANParks Board throughout the year.

The Board is also working closely with the senior management team to enforce proper accountability coupled with consequence management for inadequate planning that results in irregular expenditure, a persistent problem that has now been reined in.

Maintaining ageing infrastructure, finding ways of working with the private sector (to ensure business continuity, aligning the value chain, investment facilitation and market access) and developing ICT systems to enhance operational efficiencies, were priorities in the past financial year and remain so.

Strategic focus over the medium to long term

SANParks' five-year strategic plan (2021-2026) and three-year annual performance plans (2021-2024) were tabled and approved during the final stages of the year under review in order to better align to the objectives of the adjusted Medium-Term Strategic Framework and the National Development Plan's Vision 2030.

The strategic focus over the medium to long term is on increasing eco-tourism as an important source of income, alongside astute wildlife and conservation management practices such as contributing to the growth of the wildlife economy to benefit tourists and communities alike. Extra effort was put into ensuring that communities directly affected by park operations, especially communities living adjacent to national parks, are positively impacted.

Prioritising women, youth and people with disabilities

SANParks has continued to prioritise women, youth and people with disabilities in its procurement, recruitment, and education efforts. In the Expanded Public Works Programme, for instance, SANParks created employment opportunities for 8 614 young people, 6 877 women, and 207 people with disabilities during 2021/22.

Acknowledgements/appreciation

The year under review was an eventful year in which my fellow Board members presided over a unique organisation in the process of massive recovery and transformation.

Their unwavering commitment to delivering on the organisational mandate has translated into commendable leadership that provided the foundation for the inspiring work I've been privileged to witness at every level.

SANParks' renewed focus and organisational effectiveness would have been impossible without the unrelenting persistence and the passion for the rich natural heritage demonstrated by our dedicated members of staff. Please accept my sincerest thanks for your amazing work.

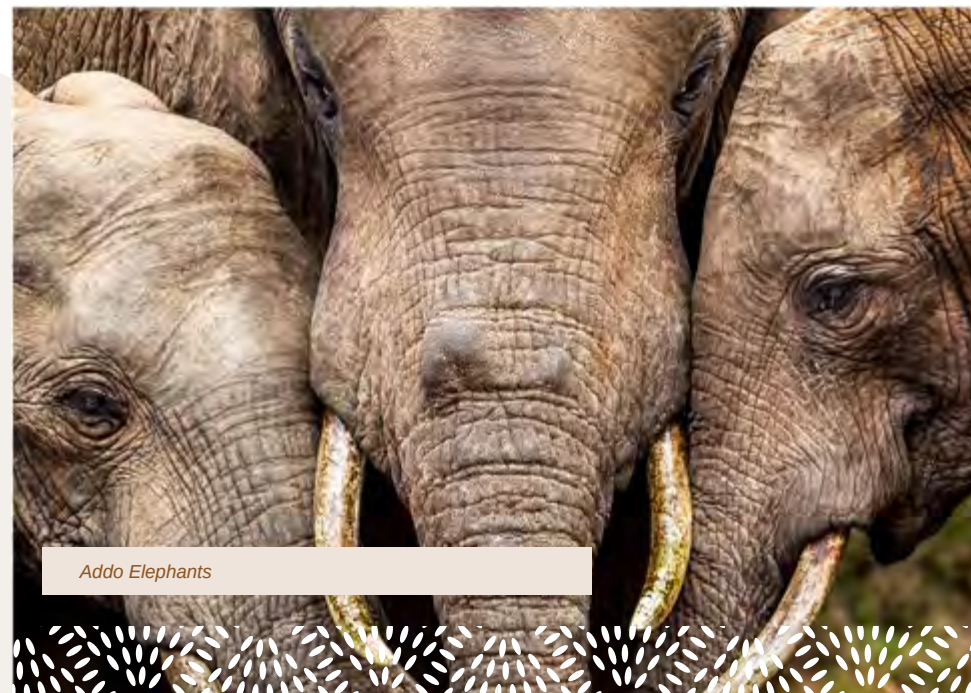
Finally, I would like to express my heartfelt gratitude for the continued support and strong leadership provided by Minister Creecy and her team at the Department of Forestry, Fisheries and the Environment.

On behalf of every person, plant and animal within the ambit of SANParks, I thank you for walking this tough road to recovery with us. The healing process has undoubtedly begun.

Ms Pam Yako

Chairperson of the Board

31 August 2022



Addo Elephants

3. Chief Executive Officer's OVERVIEW

I am pleased to present the South African National Parks Annual Report for the 2021/22 financial year.

The 2021/22 financial year has been challenging for the organisation due to the slow recovery of the tourism industry. Notwithstanding the rather bleak outlook we had adopted for the year under review, there were several unanticipated factors that arose impacting on the rebound of our tourism revenues. Domestically, slower economic growth accompanied by inflation, and increasing cost of living has had an adverse impact on discretionary expenditure, while the recovery of international tourism has been impinged by constant travel bans.

There are, however, some green shoots of recovery beginning to emerge largely driven by domestic tourism allowing us to show a slight improvement in our revenues compared to the 2020/21 financial year even though the numbers are still far below those experienced during pre-COVID times. We began the year with a forecast of a significant budget deficit (R488 million) but due to legislative provisions which restrict Schedule 3A entities from budgeting for a deficit, a break-even budget was tabled to the Minister for approval. Our audited financial results indicate a deficit of R233 million which is better than what we anticipated at the beginning of the financial year.

The overview that follows focuses predominantly on the financial aspects of SANParks performance, in adherence to the National Treasury guidelines.

General financial review

For the 2021/22 financial year, SANParks realised total revenue of R2.6 billion (2020/21 :R2.5 billion). SANParks received R664 million from the Department of Forestry, Fisheries and the Environment (DFFE), R363 million allocated to operations and R309 million allocated to Expanded Public Works Programmes (EPWP). This constituted 25% of SANParks' funding. The balance of SANParks budget came from revenue raised through tourism and resource mobilisation activities.



Spending trends

SANParks utilised its budget as outlined in the table below.

Item	2021/22 R'000	2020/21 R'000
Programme expenditure (EPWP)	R263 429	R38 937
Personnel expenditure	R1384,456	R1 323 909
Administrative and other expenditure	R1 496 281	R1 234 675
Capital expenditure	R168 247	R141 064

Capacity constraints and challenges

The operations and funding of SANParks continued to be affected throughout the year by the reverberations of the COVID-19 pandemic on travel patterns.

The decline in revenues and ageing infrastructure are two major challenges faced by the organisation, with the latter being a perpetual problem that the organisation has wrestled for the last few years. The adverse impacts on the budget was partially offset by



Presidential Employment Stimulus funds and infrastructure maintenance funding received during 2021/22. These contributed significantly to tourism infrastructure maintenance and renovation work in the parks.

Given the financial constraints faced, it was not possible to fill all key vacancies during the year under review and the organisation was forced to fill vacancies on the basis of criticality and priority. This has placed severe strain on the capacity to fulfil obligations in most operational areas; it is hoped that the year ahead will provide sufficient financial reprieve to allow us to recruit some of the other needed skills in the year ahead.

Discontinued key activities / activities to be discontinued

No activities were discontinued during the year under review.

New key activities

No new activities were introduced during the year under review.

Requests for roll over of funds

Section 53 of the PFMA states that a public entity may not budget for a deficit and accumulate surpluses unless prior written approval from the National Treasury has been obtained. For the financial year 2020/21, SANParks received approval to retain and roll over R893 million to the 2021/22 financial year. In terms of the audited annual financial statements of 2021/22 financial year, SANParks will request approval to retain a surplus of R564 million for funding operational and capital commitments.

Supply chain management

SANParks supply chain management (SCM) processes and systems comply with the SCM Regulations and Practices in the Public Finance Management Act (PFMA) and Treasury Regulations. These policies and procedures ensure that SANParks procures goods and services in a fair, competitive, transparent and equitable manner. Regrettably, during the year under review we identified pockets of non-compliance with applicable SCM prescripts resulting in irregular expenditure of approximately R36.8 million.

Fruitless and wasteful expenditure

During the year under review, SANParks incurred fruitless and wasteful expenditure of approximately R10 000 (in 2020/21 it was R191 000).

All concluded unsolicited bid proposals for 2021/22

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

Plans for the future to address financial sustainability

All due planning processes were followed and there is an annual performance plan and a five-year strategic plan in place to guide SANParks into the new reporting period.

SANParks aims to continue to substantially enhance its internal skills basis; modernise and improve business processes; invest resources in improving the state of infrastructure; increase own revenue; and mobilise external financial resources towards greater financial sustainability. The Board working closely with management is in the process of developing a vision 2040 that is anticipated to change the strategic direction of SANParks and ensure long-term financial sustainability for the organisation.

Events after the reporting date

SANParks is not aware of any events after the reporting date of 31 March 2022, which are likely to have a material impact on SANParks financial results or operations.

However, it is not possible to fully predict the impact of the pandemic and of the war in Ukraine on tourism and subsequently on the operations of SANParks in the next few months.

Economic viability

SANParks derives its income largely from tourism activities. Other resource mobilisation initiatives are employed to augment the income from tourism activities. These sources of income ensure the entity's financial viability.

Acknowledgement

On behalf of SANParks, I thank the Minister of Forestry, Fisheries and the Environment and the Board of SANParks for providing guidance and strategic direction throughout the year under review.

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

My sincere condolences go to those who lost loved ones to COVID-19 and related complications.

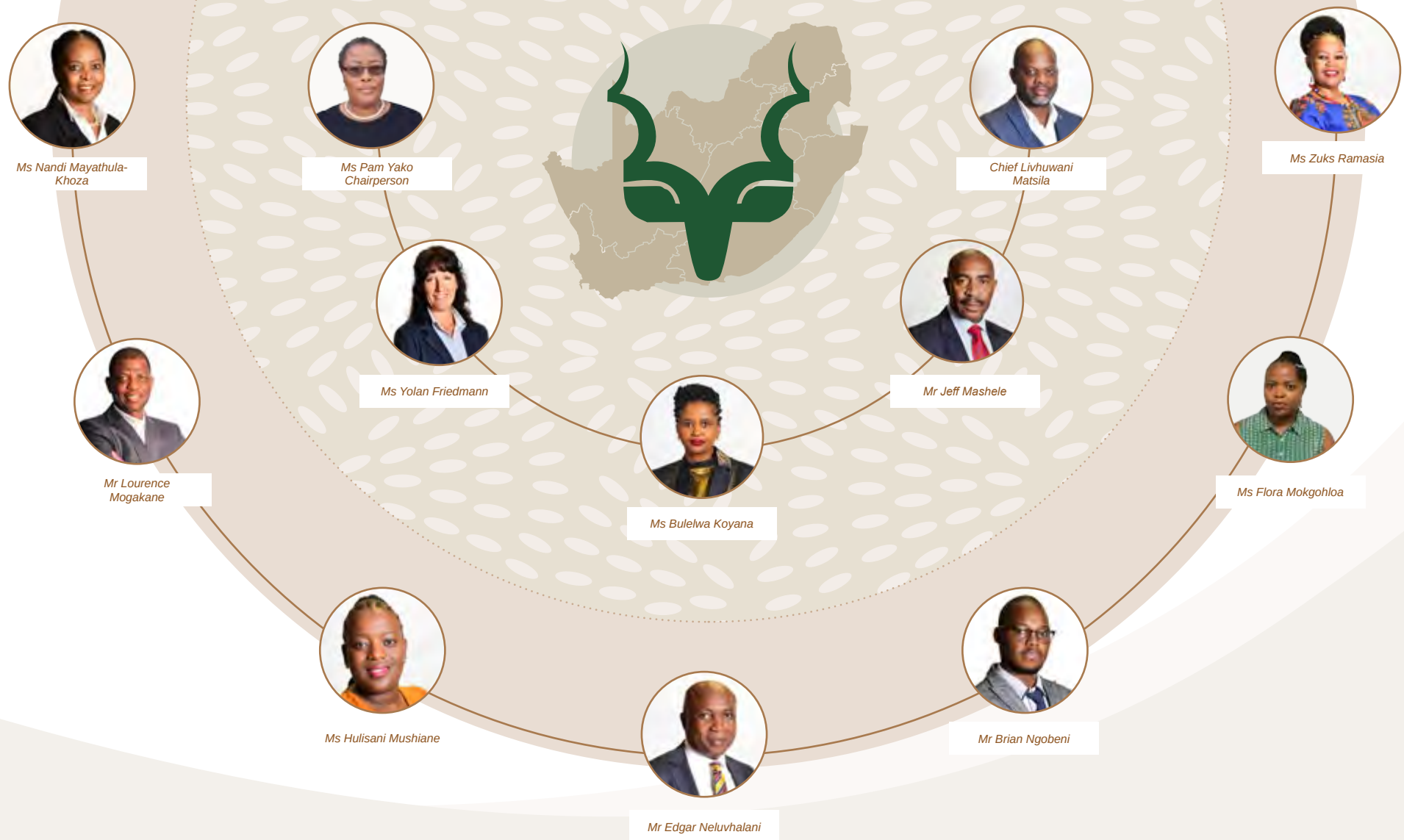
We remain committed to do our best to contribute to the developmental priorities of our country through the conservation of our natural heritage, responsible tourism and socio-economic transformation.

Ms Hapiloe Sello

Acting Chief Executive Officer South African National Parks

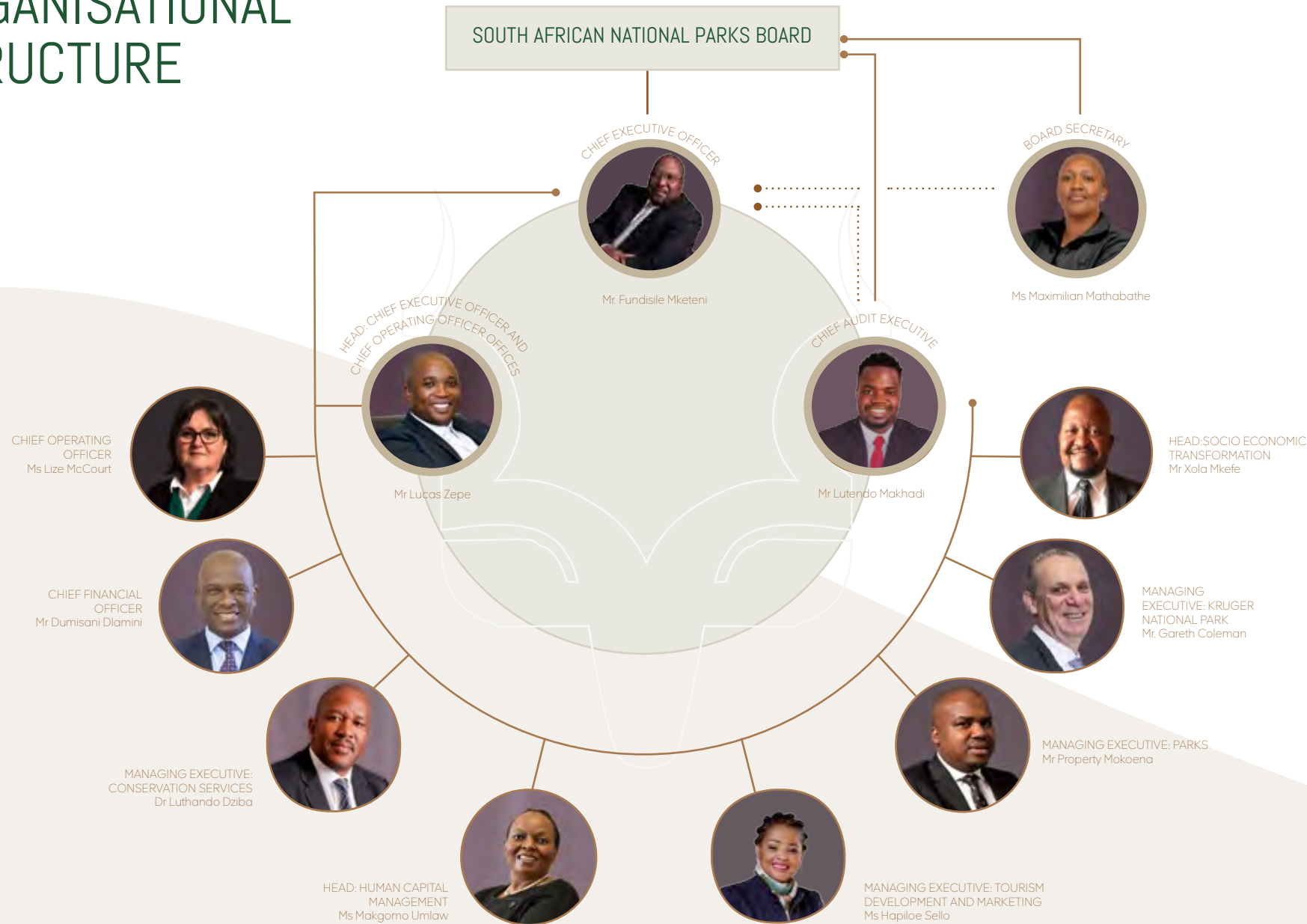
31 August 2022

4. BOARD OF SOUTH AFRICAN NATIONAL PARKS





5. ORGANISATIONAL STRUCTURE



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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2022.



**Acting Chief Executive Officer
SANParks**

Ms Hapiloe Sello
31 August 2022



Chairperson of the Board

Ms Pam Yako
31 August 2022





Photo credit: Rudolph de Girardier

7. STRATEGIC OVERVIEW



8. LEGISLATIVE AND OTHER MANDATES

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

The SANParks of today is recognised as a world leader in conservation and protected area management. In the last two decades, seven new national parks have been established, totalling over 700 000ha, with much of this being in the under-conserved biomes such as the Succulent Karoo and Fynbos.

The National Environmental Management Protected Areas Act mandates SANParks to create destinations for nature-based tourism in a manner that is not harmful to the environment. SANParks generates 80% of its operating budget from its ecotourism business, therefore fulfilment of its conservations mandate is heavily reliant on thriving and sustainable tourism operations.



Constitutional mandate

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

Everyone has the right –

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



Legislative and policy mandates

SANParks was initially established in terms of the now repealed National Parks Act, 1976 (Act 57 of 1976) and continues to exist in terms of the National Environmental Management: Protected Areas Act, 2003 (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, 1999 (Act 1 of 1999 as amended by Act 29 of 1999, PFMA), and it is listed as a Schedule 3 Part A: 25 public entity. In accordance with revised Treasury Regulations Section 5 and 30, issued in terms of the PFMA, to provide the necessary legal basis for implementation of the Framework for Managing Programme Performance Information, SANParks is expected to submit a five-year strategic plan, ideally subsequent to every national election cycle, linked to the identified outcomes of the Presidency, for approval by the Ministry of the Department of Environment Forestry and Fisheries as an executive authority.



Relevant court rulings

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



Lighthouse precinct - Agulhas National Park

PART B:
Performance
INFORMATION





1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

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 outcome goal presented in the public entity's annual performance report for the year ended 31 March 2022:

Outcome goal	Pages in the annual performance report
Outcome goal 1 – Sustainable biodiversity and cultural heritage across land and sea delivers benefits for the people of SA and the world, now and in the future	33 to 74

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.

The material findings on the usefulness and reliability of the performance information of the selected outcome goal are as follows:

Percentage of METT corrective actions implemented

1. The method of calculation for measuring the planned indicator was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievement of 73.3% progress against identified METT corrective action against target reported against target ≥ 70 per cent progress against identified METT in the annual performance report.

National parks and Marine Protected Areas (MPA) assessed

2. I was unable to obtain sufficient appropriate audit evidence for the achievement of 20 national parks assessed (85% of parks with a score of $\geq 67\%$ threshold score) and 6 MPAs assessed (33% of MPA with a score of $\geq 67\%$ threshold score) reported against target 20 national parks (80% of National parks with a score of $\geq 67\%$ threshold score) and 6 MPAs assessed (33% of MPA with a score of $\geq 67\%$ threshold score) in the annual performance report, due to the lack of accurate and complete records. 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



2. OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

2.1 Service delivery environment

In the year under review, SANParks continued to operate under a constrained operational environment mainly affected by external factors which were outside the control of the organisation. Despite these challenging conditions, the organisation achieved 87% of its targets, 3% is partially achieved and 10 % of the targets have not been achieved.

Tourism performance shows green shoots of recovery although volumes are still 50% below 2019 levels. The Tourism Research unit which has been closely monitoring the factors affecting international and domestic tourism recovery since the start of the COVID-19 pandemic attributes the recovery to a domestic market with a renewed interest in nature-based tourism and personal wellness. International data shows that in general, travellers are spending more on trips than before the pandemic due to a considerable amount of pent-up savings; prolonged durations of stay; and increased spend on transport and accommodation costs.

The recovery of the international tourism market has been slower than anticipated due to travel restrictions imposed by major source markets for South Africa in the latter part of 2021 interrupting the flow of a tentative recovery. Although international airlines have been slow to increase seat capacity, the latest booking data suggest demand is picking up. According to a recent survey among the UNWTO expert panel, most experts (64%) now expect international arrivals to return to 2019 levels only in 2024 or later.

SANParks continued to implement its COVID-19 protocols and procedures, with operations remaining on high alert level, even throughout the easing of national alert levels. SANParks remains committed to ensure the safety of both their guests and personnel.

The number of visitors to national parks increased by 74.4% from 1 996 667 to 3 482 514 cumulatively for 2021/22 which is 6.9% above the target of 3 258 590. Average accommodation occupancy was 57.6% calculated as 453 138 unit nights occupied from a total of 786 606 available. Revenue of R1.206 billion was realised through Tourism performance for 2021/22; this is 14.2% above the target of R1.056 billion and 90% better than previous year's actual of R634 million.

Annually the organisation aims to expand the conservation estate through inclusion of underrepresented biomes into the conservation land. During the mid-term review process,

the target for the number of hectares added to national parks was increased from 4 000ha to 9 500ha. The target was increased following successful conclusion of long-standing negotiations with land owners. The land inclusion process is often unpredictable and influenced by several circumstances beyond SANParks' control; as such it is not possible to accurately predict exactly when agreements between SANParks and landowners will be concluded. The sale agreement for the Slagboom (Whittle) property to be added to Addo Elephant National Park was concluded towards the end of the financial year, bringing the cumulative total number of hectares achieved for 2021/22 to 9 524ha.

Following the 2019 METT assessment, all parks identified a minimum of five corrective actions per park. These identified corrective actions or improvement measures are all linked to the measures which were evaluated during the recent METT assessments. For the first quarter of 2021/22, all parks re-assessed the corrective actions and in some cases where corrective actions were fully accomplished, they were replaced with new corrective measures. For the period under review, 73.3% progress against identified METT corrective actions were implemented. The manually adjusted scores indicate that 85% of parks, and 33% of the MPAs scored above the $\geq 67\%$ threshold score.





Climate change mitigation continued to be of perennial focus; several site visits and in-person and online meetings were held to discuss climate change vulnerabilities in Tankwa Karoo and Golden Gate Highlands National Parks. Climate change vulnerability assessments were completed for these two parks based on the visits and assessments. Key vulnerabilities in Golden Gate relate to the nature of rainfall in the area, as well as socio-economic vulnerabilities of communities living in the areas around the park. Concerns are that lower snowfall and heavier rain events mean that water moves through the landscape too quickly, not replenishing groundwater and leading to erosion. While this is a key water source area, many surrounding communities do not have access to water because of lack of infrastructure. Bush encroachment is also a problem. In Tankwa Karoo, drought, wind and high temperatures can interact to hamper rehabilitation efforts and also pose a threat to already scarce ground and surface water. Another key concern is flash flooding, which although a natural phenomenon, is predicted to increase under climate change and hamper efforts to maintain roads.



Revenue for the 2021/22 financial year expectations

Target
R1.056 billion

>

Realised
R1.206 billion

Following SANParks-wide discussions on rhino challenges, a Rhino Strategy was developed and approved by EXCO; it is currently awaiting Board ratification. The strategy focuses on achieving thriving, growing rhino populations of a minimum size; and resilient communities across all stakeholders owning, valuing and benefitting from rhinos in a safe environment. The key driver of success will be initiatives complementing existing anti-poaching activities such as strategic dehorning across parks, as well as creating new areas and populations as part of range expansion and the establishment of insurance populations.

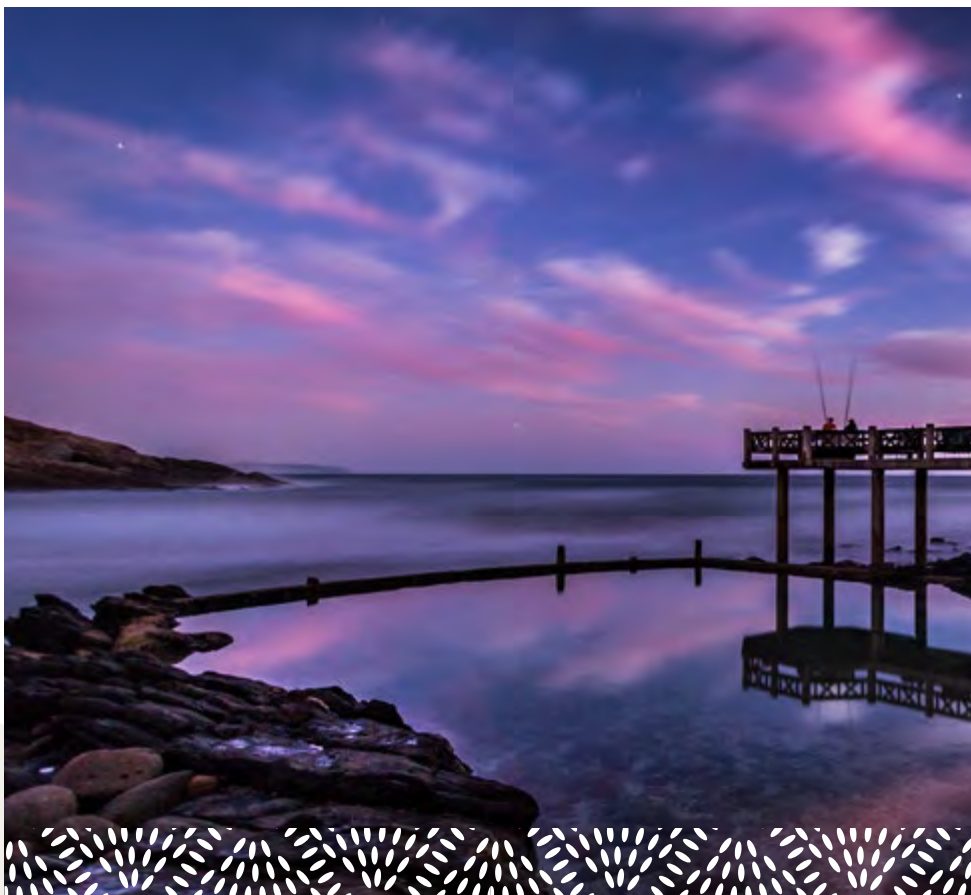
Several national parks act as key strongholds for rhinos while the number of rhinos in Kruger National Park continue to decline under ongoing poaching pressure. Lessons learnt from initiatives in small parks and Kruger highlight that operational efficiency hinges on situational awareness, robust access control and detailed monitoring of rhinos by dedicated and proud staff with high integrity. It has also become evident that smaller operational areas provide a more enabling environment for the achievement of these efficiencies. These insights provided the basis for establishing an operational target for rhinos by 2030. For white rhinos in Kruger, achieving half of the minimum required to transition into explosive exponential growth should be the focus, while strategic relocations should aim to establish the other half elsewhere as Kruger insurance populations. For black rhino, having as many as possible in Kruger is a key requirement as limited options for black rhinos elsewhere restrict extensive black rhino insurance populations for Kruger. A third decadal target is to retain 5% growth and management efficiency in the other parks.

Rhino and elephant poaching reduced drastically year on year, with 195 rhinos poached in KNP (compared to 247 in the previous year) and none in other rhino parks. Nine (9) elephants were poached in KNP and none in the other parks, compared to the 15 poached the previous year.

South-western black rhino in small parks (outside KNP) have exceeded growth performance targets. A key challenge is that social and density-dependent mechanisms are starting to play out and will influence population growth going forward. The Desert Rhino Action Group (DRAG) was established to assist and integrate the management of black rhino within a meta-population framework across different management models and land uses. SANParks are an active participant in this initiative. As part of considering responses to continued threats to rhino population in Kruger, SANParks engaged with Wilderness Foundation Africa. A second meeting on 21 January 2022 highlighted key requirements to identify potential localities. Results of our population estimates indicate a 14.7% decline

for white rhinos, but a 2.9% apparent increase for black rhinos in the Kruger National Park. Although black rhino growth exceeds 0.5% increase, the population is at best similar to the years before. SANParks did not achieve the white rhino target. An increase of 6.2% was recorded in parks other than KNP.

The majority of our national parks are located in rural and remote areas far from the major economic centres. Poverty, inequality and unemployment are rife in these areas, and our national parks become a beacon of hope to communities. In recognition of these triple challenges, SANParks implements a number of programmes to contribute to socio-economic development in these areas. As part of the SANParks Socio-Economic Transformation (SET) Goal, a total of 742 animals were delivered to communities and emerging game farmers during the period under review. A total of 6 065 full time equivalent (FTEs) jobs were created through the EPWP programmes. Approximately, 835 SMMEs were contracted through the EPWP programme.



2.2 Organisational environment

Seen against the broader external environment, internal developments at SANParks during 2021/22 did not, by themselves, have significant impact on the organisation's ability to deliver on its strategic plan and annual performance plan.

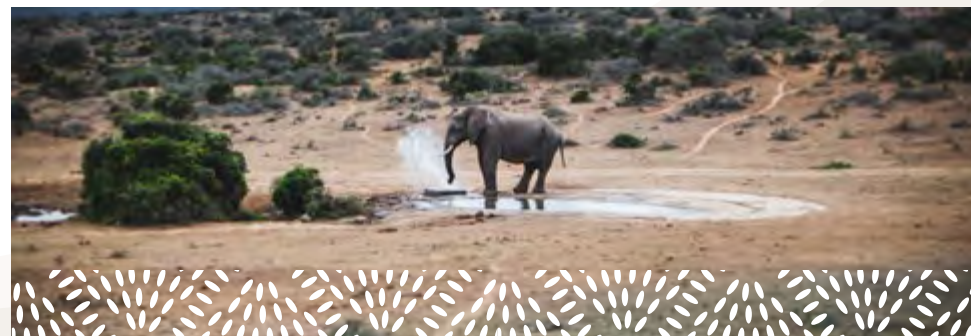
As mentioned above, SANParks achieved 87% of its targets and succeeded in various areas of performance as highlighted in the forewords by the minister, the board chairperson and the chief executive officer.

There were no internal strikes, no significant system failures or cases of fraud and corruption. There were, however, capacity constraints caused by various internal factors such as inability to fill critical posts and poor maintenance of infrastructure both of which are directly linked to inadequate funding. The executive team is now complete with the appointment of the head of human capital management in 2 November 2020. The plan is to recruit some of the other needed skills, especially in hospitality, in the year ahead.

Customer-centricity emerged as an area that needs strengthening to ensure that tourists return repeatedly – especially on the premise that spending time in nature on a regular basis is essential for healing and continued wellbeing.

Like many other organisations, SANParks had to learn (and put systems in place) to fully exploit available digital tools to continue conducting meetings, webinars, training and marketing. Initially, park management plans could not be revised on time due to COVID-19 impacts on stakeholder engagement processes. But the review process kicked off eventually and good progress has been made in this regard.

Going forward, SANParks' main organisational challenges continue to be funding, attraction and retention of critical skills, and modernisation/updating of infrastructure (Tourism infrastructure, IT and energy efficient solutions) as well as processes and procedures. In the 2022/23 financial year, SANParks will implement an organisational re-engineering exercise geared towards redesign of internal processes and systems to improve operational efficiencies.





2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

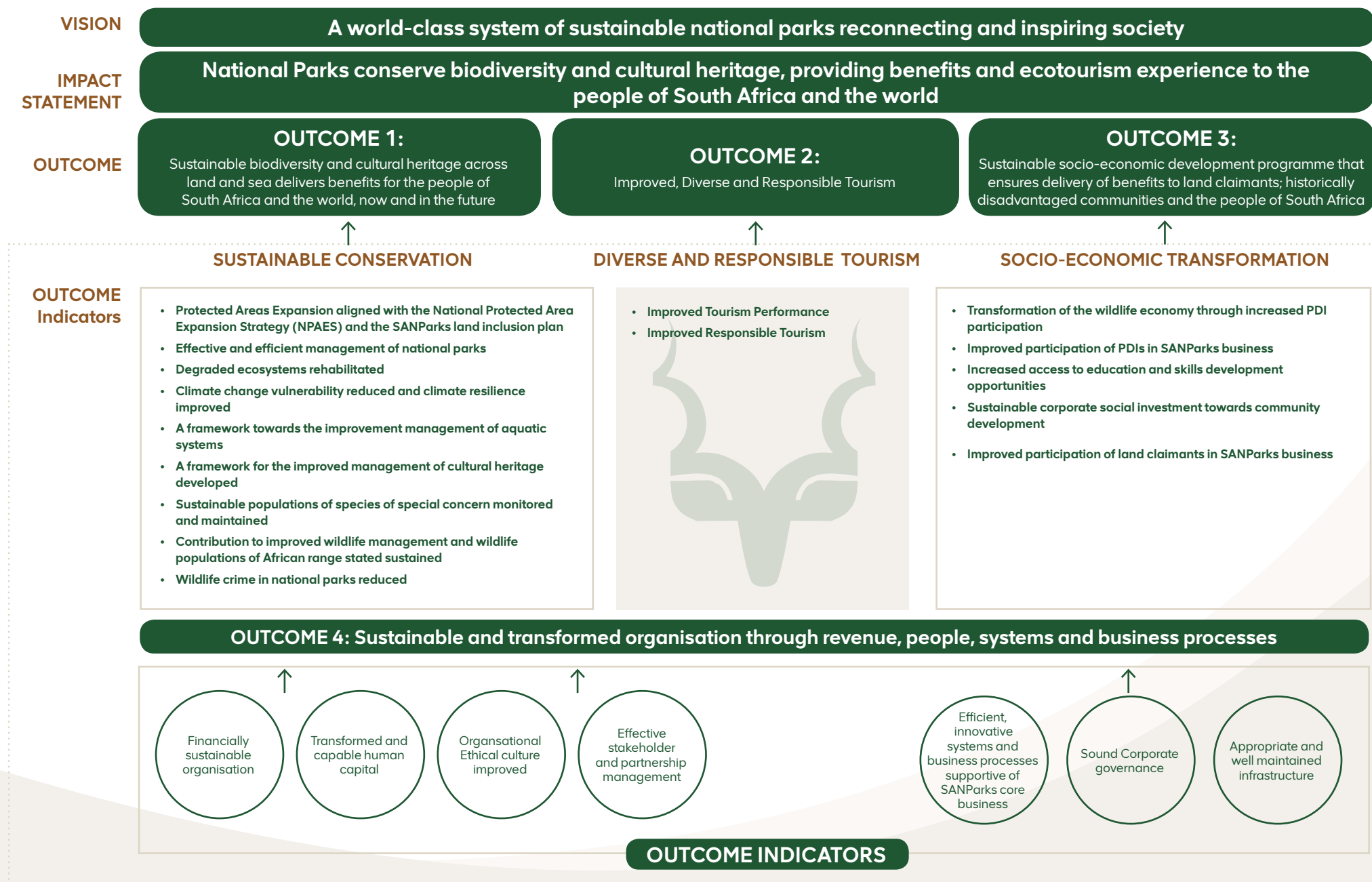
The National Policy Development Framework of December 2020 guides SANParks and other public entities in drafting their respective public policies. The framework seeks to standardise the policy formulation processes across all spheres of government in South Africa, including policy coordination and policy-making cycle. SANParks is implementing this framework through the development of an annual Policy Review Schedule coordinated by a dedicated Policy Compliance Unit. In summary, from a policy coordination and compliance point of view, the following policies and procedures were reviewed/developed and approved per division during 2021/22:

Division	Approved Policies and Procedures 01 April 2021 – 31 March 2022	Division	Approved Policies and Procedures 01 April 2021 – 31 March 2022
CEO	- Grievance SOP - Conditions of Service - Performance Management Policy - Leave Policy - Housing Policy - Acting Policy - Recruitment and Selection Policy - Employee Transport Policy - Staff Holiday Fringe Benefit SOP - Bereavement Policy	CFO	- Finance Policy - Donations & Sponsorship Policy - Resource Mobilisation Strategy - Resource Mobilisation Policy - Resource Mobilisation SOP - Combined Assurance framework
COO	- Ethics Management & Governance Strategy - Transformation Charter and Integrated Strategy - Ethics Management & Governance Policy - Ex-Gratia Policy - ICT Security Policy - Internal Audit Methodology (SOP) - Internal Audit SOP - ICT Steering Committee SOP - POPI Act Data Breaching SOP - POPI Act Clean Desk Top SOP	COO	- SANParks Africa Strategy - Management and Conservation of Cultural Heritage Policy - SOP for Conducting Aerial Surveys in SANParks - Capture and Manipulation of Fish - Lethal Management of Wildlife SOP - Assessment for Implementation of Park Management Plans SOP - Donations and Sponsorship SOP - Research Project registration - Guidelines for Burials, Scattering of Cremated Ashes, Erecting of Memorials, Placing of Plaques and Access to Gravesites in National Parks

Division	Approved Policies and Procedures 01 April 2021 – 31 March 2022	Division	Approved Policies and Procedures 01 April 2021 – 31 March 2022
KNP and Parks	SANParks Green Energy Strategy	Tourism	- Customer Care SOP - Media Relations SOP - Tourism Statistics SOP - Visitor Management SOP - Visitor Interpretation SOP - Pricing and yielding SOP - Universal Access SOP - Tourism Standards SOP - Tourism Research SOP

COVID-19 (and associated Alert Level Regulations) brought about key policy focus issues within SANParks including defeating the COVID-19 pandemic, economic (revenue) recovery, implementing economic reforms through the organisation's transformation strategy to create sustainable jobs and drive inclusive growth and continuing to fight corruption and criminal activities. The different alert level-related COVID-19 Disaster Management Regulations and Directives from the Minister of Employment and Labour had a definite impact on the operations of SANParks. Relevant protocols were developed and implemented to ensure full compliance with the legislative changes and directives. Movement restrictions; restrictions on occupation levels (both at places of work and tourism infrastructure) restrictions and temporary suspension of some economic activities had and continue to have an impact on SANParks operations and especially its ability to generate revenue. While not regulated by the Public Administration Management Act or Regulations specific to the Public Service, SANParks fully aligned its workplace practices during the Pandemic with guidance and guidelines published by the Department of Public Service and Administration.

STRATEGIC MAP





3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

Outcome Goal 3 focuses the work of SANParks in ensuring that the sustainable use principle implemented through both Outcome Goal 1 and Outcome Goal 2, not only derives benefits for communities, but also actively contributes to socio-economic transformation.

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



3.1 SUSTAINABLE CONSERVATION

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

PURPOSE:

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

SUB-OUTCOMES:

- Protected areas expansion aligned with NNPAES and SANParks land inclusion plan
- Effective and efficient management of national parks
- Degraded ecosystems rehabilitated
- Climate change vulnerability reduced and climate resilience improved
- A framework towards improved management of cultural heritage developed
- Sustainable populations of species of special concern monitored and maintained
- Contribution to improved wildlife populations of African range states sustained
- Wildlife crime in national parks reduced

Outcome Goal 1 is implemented through the Operations in Parks and Kruger NP; the Special Projects and Infrastructure Programmes and Conservation Services.





INTRODUCTION

Conservation is a complex public-good mandate with diverse outcomes. SANParks effectively enables and delivers on this holistic mandate through a system of 20 national parks, including three world heritage sites and ten marine protected areas (in terms of the National Environmental Management: Protected Areas Act No. 57 of 2003). This represents approximately 70% of state-owned terrestrial protected areas and 22% of state-managed marine protected areas, comprising over four million hectares (ha) on land and almost 370 000 ha at sea. In addition, five parks are integral components of transfrontier conservation areas with Namibia, Botswana, Zimbabwe, Mozambique and Lesotho. A key intrinsic value consideration for national parks and marine protected areas as public-good is their promotion of shared natural and cultural heritages as well as their contribution to building national solidarity and pride.

South Africa's national parks conserve the country's rich diversity of flora, fauna, ecosystem processes and cultural heritage. Located largely in rural areas, they are catalysts for economic growth, which can create employment and transformation. They also contribute significantly to the preservation of water resources, protect the archaeological and historical record, and safeguard endangered ways of life. Further, Marine Protected Areas (MPAs) play an important role in protecting South Africa's marine ecosystems. Management of national parks is organised through two divisions, namely Kruger National Park and Parks Division. The latter is arranged into Arid, Cape, Frontier, Garden Route and Northern Regions.

The Arid Region's six parks: Kalahari Gemsbok National Park and UNESCO Cultural Heritage landscape covers almost one-third of a sand-filled southern African basin of importance to the Khomani San. /Ai/Ais Richtersveld, Augrabies Falls and Namaqua National Parks, within the succulent karoo biome, are also areas of significant geological interest while Namaqua MPA provides an important marine-terrestrial linkage. Kalahari Gemsbok and /Ai/Ais Richtersveld National Parks are part of Transfrontier Conservation Areas straddling South Africa, Botswana and Namibia. Land claim settlements processes resulted in contractual agreements with local communities, namely with Khomani San and Mier communities in Kalahari Gemsbok, Riemvasmaak community in Augrabies Falls, and Richtersveld community in /Ai/Ais Richtersveld National Parks. Joint management boards enable engagement on matters of mutual interest including social and economic development projects. Mokala National Park supports diverse ecosystems in the transition between karoo and arid savanna bushveld biomes while recent declaration of Meerkat National Park around the Square Kilometer Array in the Northern Cape expands the conservation asset base to include an international science hub.

Five parks of the Cape Region: Table Mountain National Park includes Robben Island and adjacent Table Mountain MPAs while parts of West Coast National Park and MPA are important non-breeding sites for hundreds of thousands of Palaearctic migrant waders during the austral summer and, containing about 32% of South Africa's saltmarshes, is recognised by the Ramsar Convention as a wetland of international importance. Table Mountain, Agulhas and Bontebok National Parks are within the Cape Floral Region Protected Areas World Heritage Site while Tankwa Karoo National Park falls within the International Biodiversity Hotspot of the succulent karoo.

The Frontier Region's four parks: These represent different biomes in the Western and Eastern Cape Provinces. Addo Elephant National Park protects examples of the Eastern Cape's unique biodiversity, including marine areas (including previously known Bird Island MPA), offshore islands, coastal plains, five terrestrial biomes (thicket, forest, fynbos, nama-karoo and grassland) and azonal wetlands. Camdeboo and Karoo National Parks' steep topographical gradients produce structurally complex environments in the karoo and nama karoo biomes respectively. Mountain Zebra National Park's transitional area between grassland, nama-karoo, thicket and savanna biomes enables diverse ecological and landscape processes.

Garden Route Region: This complex of protected areas is managed as a single entity, including the previously proclaimed Tsitsikamma and Wilderness National Parks' forests and mountain catchment areas as well as Knysna National Lake Area. It also incorporates approximately 45 000ha of indigenous forest previously managed by the Department of Water Affairs and Forestry. This is a highly fragmented, largely unfenced open access park, with diverse natural habitats and socio-economic systems - mountains, forests, lakes, rivers, beaches and Africa's oldest Tsitsikamma MPA are interspersed with towns, farmlands, commercial timber plantations and various eco-tourism operations.

Northern Region's three parks: Golden Gate Highlands National Park in north-eastern Free State was proclaimed for its water production capacity, geological significance and aesthetic beauty. It protects threatened grasslands and the world's oldest dinosaur eggs with embryos, and represents rich cultural history spanning early Stone Age, San, Basotho and early European settler periods, with important rock-art paintings and Anglo-Boer war sites. Part of the important southern African Maloti Drakensberg catchment complex, the park contributes to a transfrontier conservation area with Lesotho. Mapungubwe National Park and World Heritage Site is important for its over 400 archaeological sites displaying dynamic interaction between people, natural resources and landscapes. This laid the

foundation for a new Iron Age social organisation in the region between AD 900 and 1300 by ancestors of the Venda, North Sotho and Shona cultures. The park is part of the Greater Mapungubwe Transfrontier Conservation Area straddling Zimbabwe, Botswana and South Africa. Marakele National Park, in the south-western quadrant of the Waterberg massif and adjoining lowlands, is an important transitional zone with diverse fine-leaved thornveld, broad-leaved woodland, forest, grassland and fynbos representatives. The park supports a large diversity of mammal species.

Kruger National Park: Proclaimed in 1926, this park in north-eastern South Africa borders Mozambique in the east and Zimbabwe in the north. At almost two million hectares, this extensive savannah park is a crucial regional economic driver through its diverse nature-based tourism operations and the diverse associated activities and industries. KNP is an integral part of the Greater Limpopo Transfrontier Conservation Area.



Camdeboo landscape viewpoint - (Photo credit: Rudolph de Girardier)

Improved contribution to representative conservation estate

National Park expansion and consolidation

South Africa aims to protect 13.2% of the country's land area and 5% of its ocean Exclusive Economic Zone by growing the national conservation estate representing biodiversity, landscapes, seascapes, cultural heritage assets and enhancing regional conservation linkages. SANParks contributes to the national and global conservation estate through land inclusion mechanisms and integrated strategies that promote ecological and climate change resilience in the face of ever-growing and competing demands. Land inclusion is guided by the 2016 National Protected Area Expansion Strategy (NPAES) and SANParks' Land Inclusion Plan that takes into account site-level biodiversity, cultural heritage, social and economic criteria.

During this financial year, 9 524ha were added to South Africa's protected area system through the expansion of Addo Elephant, Namaqua, Table Mountain and Agulhas National Parks. Conservation benefits include biodiversity protection, securing ecological infrastructure, operational benefits and cost-saving through rationalisation of boundary fences.

In Namaqua National Park, Wolvepoort (930ha) was donated to SANParks by Eskom via a biodiversity offset process, whilst Canariesfontein and Hunboom (2 349ha) were purchased by World Wildlife Fund-SA (WWF-SA) with funding from the Leslie Hill Succulent Karoo Trust. These contribute towards NPAES targets for protection of poorly protected vegetation types in the succulent karoo biome.

A purchase agreement was concluded by WWF-SA for Vissersdrift (1 786ha) for inclusion into Agulhas National Park to protect important sections of Soetendalsvlei. This will contribute to the NPAES through improving protection of Agulhas limestone fynbos and Agulhas sand fynbos (vulnerable), the Cape inland salt pans (vulnerable) and central Rûens shale renosterveld (critically endangered).

Department of Forestry, Fisheries and Environment's (DFFE) Land Acquisition Grant purchased Slagboom (845ha) and Hendersen (3 580ha) for inclusion into Addo Elephant National Park. The Hendersen property has high significance for threatened species conservation and strategic importance for operations and consolidation. Slagboom, part of a critical biodiversity area, secures protection of pristine thicket vegetation, part of the Witrivier catchment and significantly improves management effectiveness by securing operational access.

SANParks secured funding from National Parks Trust of SA (NPTSA) for a three-year project to enhance SANParks' capacity to expand existing National Parks through contractual inclusion of at least 6 000ha of private and communally owned land. Progress includes advanced negotiations with private landowners in the Garden Route threatened lowlands fynbos ecosystems, developing a toolkit and implementation guideline for contractual national parks and an information brochure for landowners.



A new national park in the grasslands of the northern Eastern Cape

South Africa's under-protected grasslands are important for biodiversity, climate change adaptation and mitigation, water security and agriculture. The grasslands of the Drakensberg Strategic Water Source Area are one of 22 national areas where 10% land surface area provides 50% of South Africa's freshwater. SANParks collaborates closely with DFFE, Eastern Cape Department of Economic Development and Environmental Affairs, Eastern Cape Parks and Tourism Agency, WWF-SA and other NGOs on establishment of a new grassland national park. This aims for an ecologically, economically and socially sustainable protected area through innovative combinations of landscape management, finance, and protected area mechanisms and development options.

The park will be located in a working agricultural landscape that allows residents to continue benefitting economically from the land. Stewardship partnerships with landowners will support continued management and protection of natural assets. This includes sustainable conservation-compatible rangeland management to address livestock impacts through rest, carrying capacities, stocking rates and appropriate use of fire. Landowners retain ownership while SANParks and partners work with them to protect biodiversity through the declaration of private and communal land as part of the national park.



GRASSLANDS BIOBLITZ

During February 2022, SANParks hosted the first Grasslands Bioblitz in partnership with South African National Biodiversity Institute (SANBI) and WWF-SA. Bioblitzes are organised events involving experts, landowners and the public in a survey of species in a short, concentrated period. The 51 participants from 20 organisations developed a detailed inventory of plants, birds, butterflies, reptiles, amphibians, mammals, fish, and wetlands. Several new species were discovered including three invertebrates and three potentially new plant species. Visiting scientists were excited about the undescribed and unique species found, and are eager to conduct follow-up studies as the park project progresses. Observations were uploaded onto iNaturalist, the citizen science app championed by SANBI.



This year focused on developing a comprehensive stakeholder engagement strategy, draft financial sustainability strategy, exploring innovative conservation finance options and initiation of detailed biological field surveys in partnership with SANBI (see Bioblitz box). A communication campaign resulted in positive media coverage which elicited further interest from new stakeholders and landowners. Engagement with stakeholders from six villages has resulted in establishment of the first Grazing Association in Luzi Village under leadership of Chief Lehana (Batlokoa Traditional Council). Subsequently, members signed a conservation agreement through Conservation South Africa as part of buffer zones rangeland management. Five landowners indicated willingness to participate in contractual national park agreements and three others have submitted participation application forms, committing approximately 5 500ha towards national park establishment. A comprehensive stakeholder engagement process will collectively develop a desired state and vision for the park. Funding from Hennes & Mauritz (H&M) Partnership Biodiversity Funds, through WWF-SA, will facilitate a regenerative wool production project by communal and commercial sheep farmers in the grasslands. It will focus on improving biodiversity and social development in support of H&M's net-positive biodiversity ambition.

Greater Kruger Strategic Development Programme

This landscape-based partnership model between government, communities, civil society and the private sector seeks to improve community well-being through inclusive conservation, compatible rural economic development and protection of natural capital. Approved by Mpumalanga Cabinet in 2021 and Limpopo Economic Cluster Committee in 2022, a cross-sectoral technical steering committee will oversee resource mobilisation and coordination of 28 anchor programmes. Notable highlights include the completion of the ecological infrastructure sustainable financing business case of the Western Soutpansberg protected area expansion corridor; development of a partnership web-based portal; mobilisation of funder programmes such as GIZ-E4D (Deutsche Gesellschaft für Zusammenarbeit' Employment and Skills for Development programme) enterprise development programme; and incorporation of the programme into local and regional planning processes.





Kruger National Park land inclusion programme and Greater Limpopo Transfrontier Conservation Area (GLTFCA) Cooperative Agreement

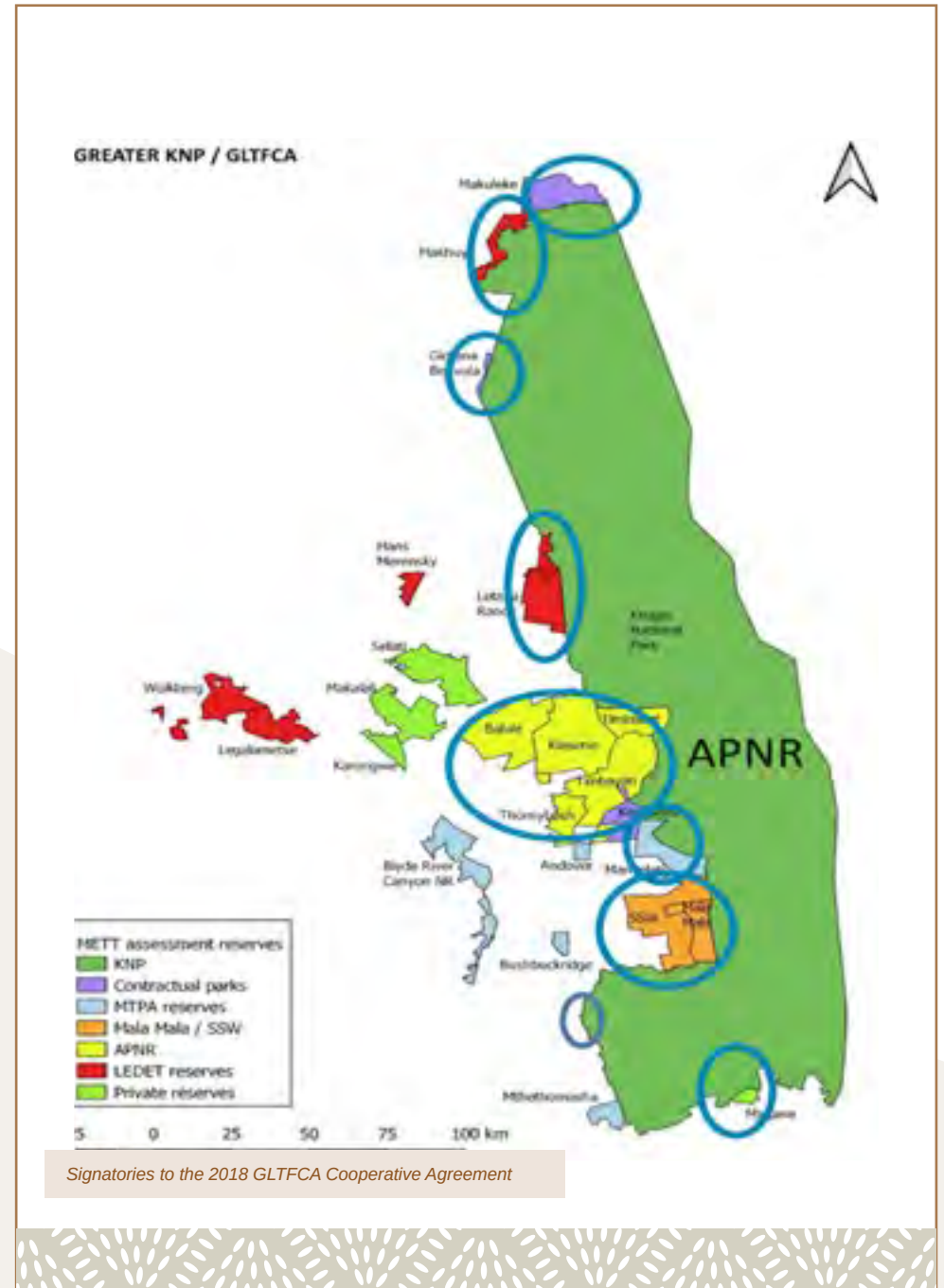
A range of engagements have taken place with National and Provincial Departments of Agriculture, Land Reform and Rural Development around potential inclusion of seven traditional authority areas into KNP. Processes for community resolutions, management agreements, stakeholder consultation and business development proposals have been discussed and meetings with individual community structures held. A KNP land inclusion summit will discuss processes and potential opportunities.



Bilateral meeting between SANParks, National and Limpopo DALRRD to discuss the process for community land inclusion into KNP (Photo credit: Faranani Lalumbe, WWF Khetha).

Two community entities signed the GLTFCA Cooperative Agreement, joining the 14 private, state and community conservation area signatories of 2018. Gidjana and Bevhuja communities signed management, Joint Operational Committee and GLTFCA Cooperative Agreements and Charters to initiate KNP land inclusion processes. Mdluli Trust signed the GLTFCA Cooperative Agreement in May 2021 and various workshops were conducted to support contractual national park processes and address governance and socio-economic beneficiation aspects. An integrated wildlife-livestock-tourism-infrastructure investment approach is underway, with further support through GEF-7 and WWF-Khetha funding.

A comprehensive GLTFCA Cooperative Agreement progress report and legal review of implementation progress since 2018 was completed in November 2021. A multi-lateral meeting between SANParks, DFFE and Provincial conservation authorities of Limpopo and Mpumalanga Provinces deliberated the reports and required interventions, for further submission to Working Group 1.



Bioregional integration

Global Environmental Facility 5th cycle (GEF-5) funded project

SANParks led a six-year GEF-5 funded project to expand representation of globally important habitats by 197 000ha, improve management effectiveness on 1 100 000ha and ensure financial sustainability of the protected area estate. After a six-month COVID-19 no-cost extension, the project has ended and terminal evaluation is underway by an international consultant. The project secured 374 161ha of new protected areas with global biodiversity value, contributing to conservation of priority biodiversity hotspot areas (i.e. succulent karoo, Cape Floristic Region, Maputaland-Pondoland-Albany thicket), national critical biodiversity areas, ecological support areas, protected area expansion priorities, threatened and under-protected ecosystems, priority freshwater ecosystems and water resources, and priority areas for climate change adaptation. A project highlight was declaration of 609 384ha private land in the Mountain Zebra-Camdeboo Protected Environment (MZCPE) by the Minister on 23 March 2022, bringing this to 873 467ha.

Other highlights of the GEF-5 project include:

- More than 700 000ha of conservation compatible land was secured through holistic incentive-driven approaches to improve protected area management effectiveness. The Greater Kruger Strategic Development Programme acted as framework for this approach.
- The national Management Effectiveness Tracking Tool (METT) was enhanced to include best practice principles and an interactive web-based tool.
- Innovative financing mechanisms were investigated and implemented. This included application of fiscal incentive Section 37D of the Income Tax Act to support private and community land owners with land eligible for national park declaration.
- Feasibility studies were conducted for biodiversity offsets financing and habitat banking mechanisms for protected area expansion. Biodiversity offset arrangements are expected to increase in future, with diverse developments in park buffer zones and finalisation of the National Biodiversity Offset Guideline. GEF-5 supported development of a SANParks system to better implement and leverage such offsets, including a financing mechanism, protocol, standards and biodiversity bank. The SANParks Biodiversity Offset Banking pilot will be a core component within the DFFE-BIOFIN offset financial solution.
- A debt finance instrument was investigated in KNP's green recovery, focused on application of a green bond for infrastructure recapitalisation.
- The Greater Kruger Socioeconomic Impact data collection template was transitioned into an online tool, supporting data consolidation for the next annual report.

- A framework and business case to leverage investment into conserving ecological infrastructure in the Vhembe district was completed in line with the Greater Kruger Strategic Development Programme's focus on watershed and ecological infrastructure for landscape sustainability.
- Evaluation of a Greater Kruger Development Fund to sustain long-term landscape livelihood projects led to a supply chain reform project. This will enable a strategic supplier development programme for KNP, building on SMME incubation work undertaken during GEF-5 and has initiated some institutional reforms.



Mountain Zebra National Park landscape within the MZCPE
(Photo credit: Kristal Maze)

GLTFCA arrangements

The GLTFCA Joint Management Board embarked on an institutional reform process to revise institutional arrangements for collaboratively managing the transfrontier conservation area. Significant progress was made towards development of a GLTFCA secretariat, sustainable finance strategy, GLTFCA joint security plan and a transboundary tourism strategic framework. The latter should guide and coordinate sustainable tourism development, promote investment and growth in the GLTFCA region. A pre-feasibility study and concept for seasonal border crossings between Makuleke Contractual National Park and the Sengwe Tshipise community area in Zimbabwe was endorsed by the GLTFCA Joint Management Board. Initial engagement with the Border Management Agency has commenced to link tourism opportunities between KNP and Gonarezhou National Park in Zimbabwe. Further, the GLTFCA Elephant Management Framework and continued translocation of wildlife species to Zinave National Park in Mozambique was endorsed.



Effective and efficient management of national parks

Park Management Plans

SANParks regularly updates and revises park management plans for terrestrial and marine protected areas. This is shaped by stakeholder inputs, consistent with objectives of National Environmental Management: Protected Areas Act (NEM: PAA) and legally required through Sections 39, 40 and 41 of NEM: PAA. Processes for developing, implementing and evaluating management plans have co-evolved with application of strategic adaptive management (SAM) in SANParks. More than a decade of using SAM as a framework for management planning and operationalisation resulted in an evaluation of operational utility and rigour. Four reflective assessments appraised learning, evaluation, planning and implementation through teams of SANParks scientists, external thought leaders and staff sharing experiential knowledge. Consolidated insights reveal areas for improvement in four broad thematic areas, namely (i) adaptive planning; (ii) implementation and institutional aspects; (iii) strengthening reflection and evaluation; and (iv) engagement and co-learning with stakeholders. Online workshops enabled deliberation on these findings with 19 proposed recommendations to improve planning, implementation and evaluation identified.

New and/or reviewed management plans

No park management plans were revised during 2021/22 due to COVID-19 impacts on stakeholder engagement processes. Legal requirements to submit Meerkat National Park's management plan within 12 months of declaration on 27 March 2020, resulted in an extension granted by DFFE. Stakeholder participation was thus concluded in October 2021 and the plan submitted for technical review after in-principle approval through SANParks' governance structures. It is due for submission to the Minister for approval. Similarly, submission of the Khomani Cultural Landscape Integrated Management Plan within 12 months of declaration on 11 December 2020 was extended. Stakeholder participation was concluded in March 2022 and the plan submitted to DFFE for technical review.

Marine and estuarine management planning processes

Draft management plans have been developed for three new Marine Protected Areas (MPAs), declared and assigned to SANParks in May 2019, namely Addo Elephant MPA, Namaqua MPA and Robben Island MPA. Draft plans were developed internally as appropriate stakeholder engagement was not possible due to COVID-19 regulations. The Namaqua MPA plan will be workshopped with stakeholders during Park Management Plan review in 2022/23, stakeholder participation to finalize Robben Island MPA management plan will be in 2023/24 and Addo Elephant National Park MPA during 2025/26. Development of estuary management plans has commenced, in line with the National Environmental Management: Integrated Coastal Management Act and in accordance with the recently gazetted national Estuary Management Protocol. A draft plan was developed in conjunction with stakeholders for Sout (Oos) estuary in Tsitsikamma while Knysna estuary plan development is underway

with the draft Situation Assessment Report compiled and stakeholder workshops initiated.

Makuleke Contractual National Park Management Plan and business case

The Makuleke Contractual National Park management plan and business case, a subsidiary of the KNP management plan, was endorsed by the Makuleke Contractual National Park Joint Management Board (JMB) and Community Property Association (CPA) in November 2021. The plan was launched during a special event on 3 December 2021. A range of financial, governance and implementation tools were developed. Implementation of the annual plan of operations is well underway with a key focus on the GLTFCA transboundary arrangements with Zimbabwe and Mozambique, management and monitoring of the Makuleke RAMSAR site and responsible tourism economic development opportunities and marketing within the broader region. Research on a Special Purpose Vehicle for the Makuleke Contractual National Park, in line with the Settlement Agreement and Management Plan, was endorsed by the Makuleke CPA and the Makuleke JMB, for implementation in 2022.



Launch of the Makuleke Management Plan and Business case, December 2021 (Photo credit: Marisa Coetzee)



Management effectiveness

The changing nature of pressures on parks

National Parks are part of a continuum of land uses and tenure and must meaningfully integrate into diverse social, economic and environmental contexts. Each park has a defined buffer zone to (i) protect the declared purpose and values and protect important areas of high biodiversity and/or societal value beyond park boundaries, and (ii) assist adjacent communities to secure appropriate sustainable benefits by promoting compatible land uses, a conservation economy and ecotourism. Nevertheless, land use and development applications will likely encroach on natural areas in South Africa including national parks, buffer zones and areas earmarked for protected area expansion. This could be through strategic-scale land use change (e.g. spatial development frameworks or Special Economic Zone processes) or diverse site-level developments. SANParks' current capacity to engage these increasing land use planning and development projects as interested and affected party and/or commenting authority is stretched. A toolbox consisting of a commenting protocol and handbook was thus developed with support from WWF-SA and Wilderness Foundation Africa (WFA) to support these engagements. Training was provided to over 50 SANParks staff and a database of engagements and official comments developed. Further, a guideline document was developed to aid landowners, planners, environmental assessment practitioners, specialists and parties wishing to undertake development near national parks to understand SANParks' mandate and values.

Management Effectiveness Tracking Tool (METT)

METT was developed by IUCN's World Commission on Protected Areas and WWF to provide an over-arching framework to assess management effectiveness of protected areas and MPAs worldwide. It monitors progress through about 70 indicators (the number varies for national park vs MPA assessments) grouped under six components of adaptive management, namely context, planning, inputs, process, outputs and outcomes. METT is complemented by State of Area Integrity Management (SoAIM) assessments undertaken at park or section levels. These evaluate operational interventions and determine effective and efficient functioning of parks, ensuring that people, systems, processes and resources are available to achieve desired ecological, safety and security management. Parks identify important corrective actions against which progress is monitored and reported quarterly.

A technical flaw, discovered in the METT online assessment tool, negatively affected scores by up to 1.3%. The anomaly was brought to the attention of DFFE and permission was granted to manually adjust scores to include missing indicators. SANParks scored an average of 70% for the 2021 national park assessment, slightly below the 71% achieved in 2019. Of 20 parks assessed, 17 achieved 67% or higher and three scored below 67%. An average of 60% was scored for SANParks-managed MPAs, the first year that all six MPAs have been assessed. Two MPAs scored 67% or over while four scored less than 67%. Due to the recent proclamation of new MPAs, a number of planning products must still be developed

or refined. Securing budgets and staffing requirements will be a future focal point which will contribute towards an improved management effectiveness score. In total, 15 METT indicators were directly affected by budget constraints due to major effects of COVID-19 on organisational income. Budget impact was partially offset by Presidential Employment Stimulus funds and infrastructure maintenance funding received during 2021/22. These contributed significantly to tourism infrastructure maintenance and renovation works.

METT assessments were concluded for 14 private, community and state signatory reserves party to the GLTFCA Cooperative Agreement around Greater Kruger. These assessments were reviewed by Game Rangers Association of Africa and compared with previous scores. Major progress has been made in regularising several areas in line with NEM: PAA requirements. The consolidated METT report is part of the GLTFCA Cooperative Agreement review process. Further discussion and interventions in the protected area network may include rationalisation of certain protected areas open to KNP.

Rehabilitation of degraded land

Alien invasive species pose a well-documented threat to biodiversity globally with alien plant removal initiated in national parks in 1995 through the Working for Water programme. Two other land rehabilitation initiatives in the Expanded Public Works Programme (EPWP) include Working for Ecosystems and Working for Wetlands. Alien invasive species control and land rehabilitation plans were developed for each park to prioritise interventions and develop annual operational plans for target areas. Invasive plant removal, prioritised by density and follow-up needs, is implemented in most parks while ecosystem rehabilitation initiatives vary across parks. Thus, activities in KNP focus on removal of redundant infrastructure such as dam walls and bush encroachment control along tourist roads, while soil erosion stabilisation is implemented in other parks. SANParks also implements these programmes in some areas adjacent to parks, including Kruger to Canyons Biosphere Reserve. Further, wetland rehabilitation, as part of a national plan, is implemented in six parks, namely Golden Gate, Highlands Mapungubwe, Marakele, Kruger, Agulhas and Table Mountain National Parks.





All rehabilitation projects are implemented on a labour-intensive model which impacted the livelihoods of 8 206 people and 480 small contractors from local communities neighbouring parks. This year all land rehabilitation targets were exceeded, even though the start of projects was initially delayed due to the late transfer of funds. A combination of remedial plans, additional teams and an additional R38.7 million in funding received during the third quarter enabled exceeding planned outputs. These included 11 731ha of initial land rehabilitation (109% of target), 157 462ha follow-up area rehabilitation (111% of planned target) and 8 595m³ wetlands at 20 sites stabilised (148% of planned target). Since the 1995 inception of EPWP land rehabilitation projects in national parks, 532 482 ha clearing and 3 086 456 ha follow-up hectares have been rehabilitated.

Climate change vulnerability reduced and climate resilience improved

In many parts of the world climate change is already driving biodiversity losses, disrupting ecosystems, and destroying the life-supporting services they provide to people. As climate change accelerates, risks to biodiversity and ecosystem services will heighten, potentially surpassing tipping points in Earth's ability to provide food, water and other resources to humans.

Climate change preparedness strategy and park-based vulnerability assessments

The Climate Change Preparedness Strategy aims to position SANParks to minimise climate change risks to its mandate and embrace emerging opportunities. Objectives include understanding climate change risks and vulnerability to biodiversity, cultural heritage, socio-economic development, infrastructure, tourism and revenue. This provides the foundation for the development of adaptation plans. Further, reducing organisational greenhouse gas emissions and exploring the role of parks in responsibly storing and sequestering atmospheric carbon is key. Parks provide ecosystem services (e.g. water provisioning, flood protection, resources, jobs and recreational spaces) which help build resilience to climate change. Therefore, helping build climate change resilience in communities through ecosystem-based adaptation is a further objective. Finally, the strategy aims to build public and scientific awareness of climate change impacts and ways to prepare for these. Enactment of the strategy will build skills and experience in SANParks that can be shared with other African organisations. The draft strategy is undergoing broad divisional engagement within SANParks and will soon be workshopped for implementation with EXCO.

Tankwa Karoo and Golden Gate Highlands National Parks were added to the list of seven parks for which climate change vulnerability assessments have been completed. Assessments included site visits, literature review, and meetings with SANParks staff across divisions and external experts. Key vulnerabilities in Golden Gate relate to the nature of rainfall, socio-economic vulnerabilities of adjacent communities and bush encroachment. Concerns are that lower snowfall and heavier rainfall events will result in water moving through the landscape too quickly, not replenishing groundwater and leading to erosion.

In addition, while this is a key water source area, many surrounding communities do not have access to water because of a lack of infrastructure. In Tankwa Karoo, drought, wind and high temperatures may interact to temper efforts at rehabilitation and pose a threat to already scarce ground- and surface-water. In addition, flash flooding, although natural, is predicted to increase under climate change and hamper efforts to maintain roads.

The Intergovernmental Panel on Climate Change 7th assessment report, published in February 2022, raised concern about the global rarity of 'hands-on' adaptation interventions. Nevertheless, SANParks' penguin project was featured as a case study for carrying out such adaptation actions (see Box).

SPECIES-LEVEL CLIMATE CHANGE ADAPTATION PROJECTS

Two projects are currently underway, funded by WWF-US Wildlife Adaptation Innovation Fund

1. Provision of artificial nest boxes aims to improve African penguin breeding by moderating temperature extremes at Boulders in Table Mountain National Park. In addition, a weather station provides early warning for extreme weather events, and an emergency response plan is in place in partnership with SANCCOB (Southern African Foundation for Conservation of Coastal Birds).



Penguins breeding at Boulders beach in Table Mountain National Park (Photo credits: Nicola van Wilgen)

2. Research in arid areas has shown that during extreme heat events, even if water is available, birds cannot access it if the ground is too hot for them to land. Working with the University of Cape Town, SANParks has set up an experimental intervention to assesses the degree to which provision of shade improves access to water for birds in Tankwa Karoo National Park.



Erecting a shade shelter for birds around a waterhole in Tankwa Karoo National Park (Photo credits: Dian Spear & Nicola van Wilgen)

Green energy strategy and plan

Approval of SANParks' Green Energy Strategy by the Board in September 2021 and development of an implementation plan confirms organisational commitment to reducing its reliance on fossil fuel-based power generation and its adverse economic and environmental consequences. It signals a move towards a more sustainable and efficient energy mix and reduction of energy costs in the long term. This includes the implementation of energy efficiency measures (technological and social/behavioural interventions) followed by investment and promotion of renewable energy technologies, including locally produced green energy. The strategy aims to reduce energy costs by 30% by 2026, with an associated CO₂ reduction of 13 159 tonnes per year after five years.

Due to limited resources and capacity to implement the strategy, SANParks will follow an energy hierarchy implementation plan. This begins with zero- to low-cost projects such as staff and visitor awareness, adjusting geyser temperatures downward and continued transition to LED lighting and solar hot water systems. Three scenarios were developed and costed for required energy efficiency (LED lighting and solar hot water systems) and renewable energy (solar plants) projects to reduce dependency on Eskom-generated power. Funding, secured on the Infrastructure Investment allocation, will replace generators in Mata Mata and Nossob rest camps in Kalahari Gemsbok National Park, and includes further installation of solar hot water systems.

Funding is vital to the achievement of SANParks' Green Energy Strategy, with several engagements conducted in the past year. These include a proposal to the United National Environment Programme (UNEP), a Memorandum of Understanding underway with Eskom to replace overhead transmission lines with micro-grid solar plants at selected sites in KNP, and a submission to the Jobs Fund to construct greenhouses to address the staff accommodation needs in KNP.

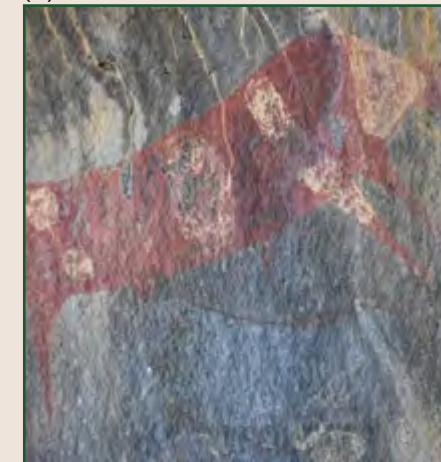
Cultural heritage

Diverse activities were undertaken during the year to safeguard and appropriately share cultural heritage resources found within national parks. These include assessments, interpretation display upgrades, rescue excavations, erosion mitigation, collections management and marketing initiatives to profile heritage resources. Further, collections management continues to improve as does the investigation of long-term storage solutions for collections and exhibitions, including possible construction of a modern museum and repository. A memorandum of understanding between SANParks and the Makahane-Marithenga family for management cooperation of Thulamela heritage site in northern KNP is one of many initiatives aimed at strengthening relations between SANParks and communities with cultural ties to parks. Further, a month-long Twitter campaign during September 2021 profiled cultural heritage in national parks and exposed SANParks' clients and the public to the diverse cultural heritage found in different national parks, promoting South Africa's rich history.

(a)

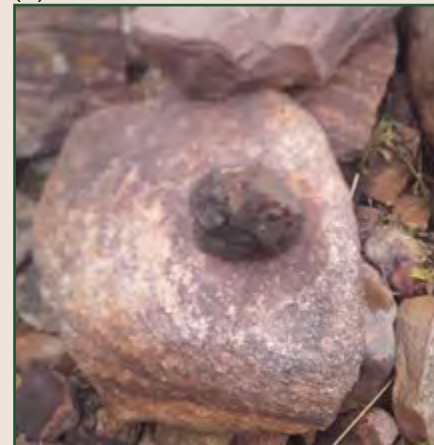


(b)



Cultural heritage sites assessed in Mountain Zebra National Park during 2021/22. (a) Perfectly preserved chess board from 1901/2 on top of Salpeterkop Mountain. The chess board was scratched into the rock by soldiers during the South African War (Anglo-Boer); (b) Rock art site assessed require conservation and visitor safety measures before they are opened for tourism purposes

(a)



(b)



Iron slag on grinding stone Iron Age (a) and decorated pot shards (b) from Marakele National Park cultural heritage survey and assessment.



Cultural heritage surveys and assessments in Marakele and Mountain Zebra National Parks

Surveys of cultural heritage resources in Marakele and Mountain Zebra National Parks included assessments of the conservation state of heritage sites and provided management and monitoring recommendations. In Marakele, some previously identified sites are located outside park boundaries or are untraceable and thus removed from the inventory. The Mountain Zebra assessment confirmed most previously listed sites but revealed that some sites do not meet cultural heritage definitions and were removed. Additional sites require further investigation to validate their significance. An important palaeontological site with potential educational and possible tourism value was identified and recommendations made for basic safety infrastructure at some San rock art sites.



Excavations by SANParks and the University of Pretoria at the Letaba Iron Age site during September 2021 revealed a pot (a) and (b) decorated pot shards (Photo credit: Thabo Kgomommu)

Kruger National Park heritage sites

During September 2021, a rescue excavation exercise was undertaken in KNP at two important Iron Ages sites threatened by erosion on the banks of the Letaba River. Excavations were conducted in partnership with the University of Pretoria and some important artefacts recovered and taken to the university for further analysis. In addition, measures to mitigate or slow down erosion will be explored.

A new interpretive infrastructure was developed and installed at certain heritage sites in KNP, including Mount Tshikumbu and Rabelais Hut.

Mapungubwe National Park and Cultural Landscape

Several projects addressed cultural heritage in Mapungubwe National Park this year. One project on the reinterpretation of the Mapungubwe Cultural Landscape, due for completion in March 2022, seeks to balance the narrative presented at the Mapungubwe Interpretation Centre by giving a voice to communities that were previously not well represented. Second, various sites threatened by soil erosion were rehabilitated and erosion control measures put in place in accordance with archaeological permits from the South African Heritage Resources Agency. The work was part of an environmental offsets project funded by MC Mining Limited (previously CoAL of Africa).



Archaeological site rehabilitation in Mapungubwe National Park. Erosion control measures were implemented by staff from Biodiversity Social Projects, directed by Cultural Heritage and Scientific Services (Photo credit: Thabo Kgomommu)

Wildlife and cultural heritage

South Africa's national parks are known for their landscapes and biodiversity, including the 'big five'. However, little is known or written about the cultural significance of this biodiversity. For most communities animals are more than just wildlife – they have spiritual and other cultural value. Thus, animals have been adopted as family surnames across many African language groups in South Africa and beyond. The lion has many families named after it – Mudau among the VhaVenda and Motau among the BaSotho/BaTswana. Similarly, many families carry the name of the elephant, including Ndlovu among the Nguni, Tlou among the BaTswana/BaSotho and Ndou among the VhaVenda. Further, cultural protocols in communities govern the usage of wildlife. For example, where the buffalo is used as clan name, the animal is given special status and is not killed for meat. Similarly, hunting certain animals like leopards is only permitted by royals or with permission from the royal leader. Such protocols, and in some cases taboos, have contributed to the survival of many wildlife species.

Dinosaur Interpretation Centre

Golden Gate Highlands National Park is best known for its geological, geomorphological and palaeontological heritage. Its rich geology consists of four sedimentary (Tarkastad, Molteno, Elliot and Clarens) and one igneous (Drakensberg) formation, dating back 195-210 million years. The Elliot formation is particularly rich in dinosaur fossils. Discovery of fossil dinosaur eggs containing foetal skeletons dating back to the Late Triassic period, 200-230 million years ago, has resulted in global palaeontological interest. Construction of a dinosaur interpretation centre has recently been completed, with the next phase including design and implementation of artwork, displays and models to fit the building.



Newly constructed Dinosaur Interpretation Centre at Golden Gate Highlands National Park (Photo credit: Paddy Gordon)



2019 reburial of the Khoisan woman, Madawas, who has subsequently been renamed Kx'u saa (Photo credit: Kennet Makondo)

Discovery and reburial of Kx'u saa in the Tankwa Karoo

Human remains, discovered in 2007 near Perdekloof in Tankwa Karoo National Park, were excavated under permit from Heritage Western Cape. The remains represent the burial of an individual in a tightly flexed position as is practice among Khoisan people. Radiocarbon dating and isotope analysis revealed that the woman lived around 1436-1622 AD, was 1.52 m tall, aged between 35-55 at the time of death and of Khoisan ancestry. The remains confirm the long history of people living in the Tankwa area where they successfully adapted to the environment.

In October 2019, a traditional San reburial ceremony, led by Khoisan leader Mr Petrus Vaalbooi, took place in the park. The woman was named Madawas, meaning 'she was here'. Shortly thereafter, the naming was successfully contested by the Northern Cape San Council which resulted in renaming to Kx'u saa, meaning 'to bring'. A cleansing ceremony will be arranged to change the Nama name of Madawas to Kx'u saa, with arrangement of gravestones corrected from Nama to San.



Knowledge for decision-making - contribution of the science function in SANParks

To effectively address complex and ever-evolving conservation issues faced by protected areas, ongoing and purposeful learning and incorporation of new knowledge into management plans and actions is required. Scientific research, a systematic and rigorous form of learning, makes an important contribution to this process. However, worldwide literature suggests that few protected areas attract significant research attention and requisite scientific evidence is rarely accessible to managers in a useful format or at the right time. SANParks' organisational strategy to overcome this predicament is to employ and enable a relatively small group of in-house research scientists (<1% of employees). Such 'embedded' scientists have been shown to be skilled conduits who increase the likelihood that priority knowledge needs are communicated to and addressed by external researchers and translate and communicate new scientific knowledge to decision-makers and stakeholders. Additional advantages include an ability to respond relatively quickly to emerging information needs, address mundane questions of limited interest to academic researchers but essential for management, stay abreast of ever-growing scientific literature and what this means for the organisation and synthesise available evidence for policy or management.

Key **knowledge production** activities of SANParks' scientists are to design and implement research projects and monitoring programmes, analyse data and publish findings in credible peer-reviewed journals. Publication helps consolidate personal and organisational learning, contributes credibility to information underpinning management decisions and policy, and ensures archiving and availability of research to the broad science and conservation communities. Furthermore, SANParks scientists plan and conduct a range of terrestrial and marine monitoring actions across all the national parks, curating these datasets and reflecting on what these may mean in terms of global change and management intervention. Field monitoring data (e.g. aerial surveys, vegetation condition monitoring) are a critical source of information to inform various management decisions (e.g. herbivore offtakes). In addition, SANParks' scientists also enable external researchers to do relevant research within the parks by providing access to historical datasets, managing field experiments, providing on-site expertise and by providing subsidized research accommodation and safety in the field.



Key knowledge production activities of SANParks' scientists are to design and implement research projects and monitoring programmes, analyse data and publish findings in credible peer-reviewed journals.



KNOWLEDGE PRODUCTION CONTRIBUTION OF SCIENCE IN SANPARKS IN NUMBERS (2021/2022)



Peer reviewed publications:

64

peer-reviewed publications (14 as first author)



Research Projects:

279

registered research projects



Monitoring:

141

monitoring activities across 19 National Parks



Passive and active monitoring takes place across all national parks (Photo credit: @RayChaplin.com; Stef Freitag)

Knowledge translation and application activities include science-management engagements to share knowledge related to pressing management issues and latest scientific evidence. These meetings are invaluable mechanisms for ongoing assessment of progress and challenges associated with implementing park management plans. Developing, reviewing or critically reflecting on management plans is aided by scientists consolidating and synthesising evidence related to various park objectives, and assist with translating this into management options and performance indicators. In-house scientists translate scientific knowledge for popular communications across a range of printed and broadcast media, while their expert knowledge and/or skills input to EIA's, influence policy and contribute to a range of national and international advisory or working groups.

KNOWLEDGE TRANSLATION CONTRIBUTION OF SCIENCE IN SANPARKS IN NUMBERS (2021/2022)

Science Management Engagements:

58 engagements across 14 parks and/or with senior management

Supported numerous METT assessments in parks and MPAs

MPA Management Plans:

Drafted sections for Addo, Namaqua and Robben Island MPA plans

Environmental Impact Assessments and Environmental Management Plans:

20 activities across **12** parks

Contributed to Park Management Plan:

Tracking Tool in pilot parks **3**

Estuary Management Plans:

Developed Estuary Management Plan for Sout (Oos) and situation assessment for Knysna Estuary

Communication:

20 popular press articles,

18 radio and television interviews

50 talks, lectures, webinars and other online communication platforms

Embedded scientists connect SANParks with the global knowledge network through **networking, collaborating and knowledge sharing with the broader scientific community**. This is through participating in global science-policy networks (e.g. Intergovernmental Platform on Biodiversity and Ecosystem Services), collaboration on research initiatives ranging from global (e.g. IUCN) to park-based, presenting at national and international conferences and symposia. In addition, adjunct positions with universities enhance access to scientific literature, post-graduate students and research funding opportunities. Linked to networking and knowledge-sharing functions, effective engagement with the scientific community also comes with a responsibility to contribute to upholding standards of scientific publication through peer-reviewing papers and/or serving on the editorial boards of various scientific journals. Scientists furthermore contribute to capacity building by presenting guest lectures, supervising, mentoring and/or examining post-graduate students or theses/dissertations for various universities, as well as reviewing research proposals, grants or rating applications for bodies such as the National Research Foundation.





KNOWLEDGE SHARING, NETWORKING, COLLABORATION AND CAPACITY BUILDING CONTRIBUTION OF SCIENCE IN SANPARKS IN NUMBERS (2021/2022)



Postgraduate examination:

5 MSc dissertations
and 2 PhD theses

Teaching, moderation and qualification review:

26 activities across
16 institutions



Peer review:

55 scientific
articles across

39 diverse
journals and

3 book
chapters



Editorial Boards:

7 associate editors
or guest editors
across 6 journals



Postgraduate supervision:

25 students (including
13 PhDs) across 11
institutions



International Conferences Hosted:

Savanna Science
Networking Meeting

Presentations at conferences, symposia, specialist meetings and workshops:

56 presentations



National/international advisory or working groups:

90 engagements



Policy formulation and/or legislative instruments:

inputs on
35 organisational
and national
instruments

Since the beginning of the COVID-19 pandemic, many science functions have been hampered by budget constraints. In response, in-house scientists have been successful in sourcing external funding for a wide range of activities. In addition, SANParks scientists also provided advisory services to many ad-hoc needs (e.g. the evaluation of park management planning). Thus, SANParks' scientists play a cross-cutting role that straddles a greater breadth of functions than typically expected of academic scientists.

Effective species and ecosystem conservation and management

Marine and estuarine

Three MPAs were added to SANParks' protected area estate when the Minister of Forestry, Fisheries and Environment gazetted 20 new MPAs on 23 May 2019 as part of the Presidential Phakisa Initiative. This is a significant achievement for marine conservation in South Africa and expands the protection footprint in the Exclusive Economic Zone from 0.4 to 5%, amounting to approximately 67 300km² or 6 730 000ha. The declarations added approximately 229 500 ha to SANParks' marine conservation estate, more than doubling this from 146 400ha to 377 100ha.



St Croix Island in the expanded Addo Elephant National Park MPA is home to the world's largest breeding population of endangered African Penguins

Management of these new MPAs as part of the larger MPA conservation estate is challenging, particularly in light of financial pressures created by the COVID-19 pandemic, which has stretched already insufficient budgets to the limit. Pressures have also increased tremendously over the past 10 years, with increasing oil and gas, mining and shipping activities. Seismic surveys for oil and gas exploration and ship-to-ship bunkering and associated oil spills are further examples. In addition, failure of municipal wastewater infrastructure has led to declining water quality along the coast, in MPAs and estuaries, leading to the accumulation of harmful substances which affect marine resources such as fish and mussels. These are complex socio-ecological systems and finding a balance between conservation objectives and human needs and our dependency on marine resources is challenging and require acceptable trade-offs. For example, humans and biodiversity compete for shifting sardine resources which are relied on by both the small pelagic fishing industry and the Endangered African penguin.

South Africa has approximately 300 functional estuaries of which 36 occur in national parks. These vary in complexity in terms of management requirements - some require little to no management intervention and/or share similar characteristics in terms of stakeholder involvement. Thus estuaries have been clustered for the purpose of developing Estuarine Management Plans.

ALGOA BAY OIL SPILL



In mid-November 2021, an oil spill was reported outside Addo Elephant MPA with spillage of ~200-400 litres of oil during a ship-to-ship bunkering operation during which the Sea Emperor was refuelling a cargo vessel. In line with the National Oil Spill Contingency Plan, SANParks participated in the clean-up operation and recovery of oiled birds. Fortunately strong on-shore winds pushed most of the oil onto the beaches between Coega harbour and Sunday's River. Fortuitously the extremely sensitive St. Croix Island, which hosts the world's largest breeding population of endangered African Penguins, escaped the oil. Four oiled Cape Gannet found on Bird Island were removed to SANCCOB on the mainland for rehabilitation.

KNYSNA SEAHORSE CITIZEN SCIENCE PROJECT

The iconic restricted range Knysna seahorse is found in Knysna, Swartvlei and Keurbooms estuaries. SANParks initiated research to improving understanding of this endangered species. Swartvlei Estuary was specifically targeted as it is the only host estuary that is periodically closed to the open ocean when a sandbar forms across the mouth. When the estuary is breached, water levels drop rapidly which results in stranding of seahorses. SANParks revived a citizen science programme (initially run from 2001-2003) where volunteers assist in finding stranded seahorses after breaching events. To date, up to 100 citizen scientists have helped estimate seahorse population size and distribution within the estuary and reduce seahorse mortality after breaching. Data have helped understand the relationship between basic morphometric characteristics and provided insights into reproduction and juvenile presence in the estuary.



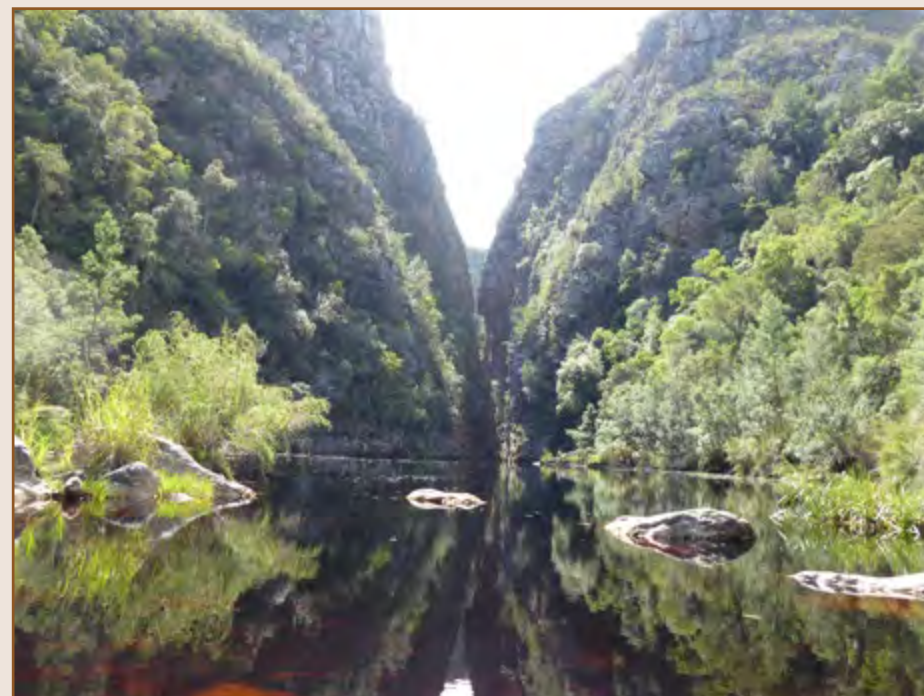
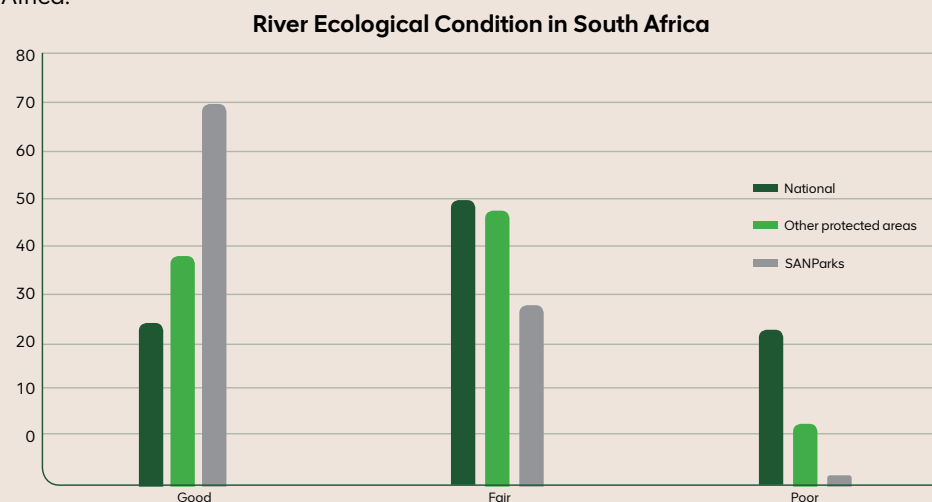
Freshwater

The National Biodiversity Assessment of 2018 found that approximately 67% of South Africa's total river length is degraded and the ecological conditions of rivers continue to decline. Furthermore, 64% of South Africa's distinct river systems (n=222) and 79% of its 135 wetland ecosystem types are threatened. This makes them, with estuaries, the most threatened ecosystems nationally, they have the lowest levels of protection (i.e. degree of representation in protected areas), and freshwater fishes are the most threatened species group. The state of freshwater ecosystems is of major concern from the perspective of biodiversity, critical ecosystem services (e.g. water security) and their ability to provide climate change resilience if intact.



SANPARKS' CONTRIBUTION TO PROTECTING FRESHWATER ECOSYSTEMS

National parks make up 3.6% of South Africa's land surface, 2.8% of the country's total river length (~200 167km) and 5.4% of national wetland extent (~2 650 500 ha). It is clear that national parks alone cannot effectively conserve the country's freshwater biodiversity. However, from an ecological condition perspective, rivers in national parks are generally in a better condition relative to other protected areas or outside protected areas in South Africa:



River at Kosyn in Garden Route National Park - (Photo credit: Stef Freitag)

Figure describing general river ecological condition in South Africa within national parks, other protected areas and unprotected.

With the new Grasslands National Park, SANParks' contribution to the protection of Strategic Water Source Areas (SWSAs) has more than doubled. SWSAs are 10% of South Africa's land area that delivers 50% of all surface water, supporting half of South Africa's population and nearly two-thirds of its economy. Nevertheless, only 2.5% of SWSAs overlap with national parks, and with ~12% of all protected areas in the country.

South Africa has only 48 free-flowing rivers (FFRs) left, down from 62 in 2011. FFRs are long stretches of undammed river flowing undisturbed from source to confluence with another large river or the sea. Of these, 19 are in near-natural ecological condition, known as Flagship FFRs. Half of all remaining FFRs in South Africa (i.e. 24 of 48) overlap with national parks: Garden Route (10), Grasslands (7), Kruger (6) and Table Mountain (1). These include 4 Flagship FFRs and 8 FFRs completely contained within parks which are therefore relatively buffered against developmental pressures.

Progress has been made in inventorying wetlands in some smaller parks, and development of wetland inventories for more parks remains an urgent priority but is dependent on technical collaboration with external specialists. Further, a current project aims to assess the detailed contribution that SANParks makes towards national and global freshwater conservation targets and to articulate this contribution, per river, wetland and estuary ecosystem type, at both agency and individual park levels.

Freshwater challenges and pressures

Flow modification, pollution, climate change and biological invasions remain key pressures on freshwater ecosystems. These are primarily exerted from outside parks, although artificial barriers such as dams and weirs modify flow within parks. KNP continues to restore ecologically important flow and sediment transfer regimes through removal of such structures but removing weirs and dam walls in smaller arid parks is more challenging as artificial water is necessary for animals to drink. A further increasing problem is eutrophication, or nutrient enrichment, of water bodies which can result in blooms of toxin-producing blue-green algae. In the past year, Olifants and Sabie Rivers in KNP were affected by algal blooms in Massingir and Corumana Dams in Mozambique respectively (see box). Transboundary co-operation between South African and Mozambican authorities helped mitigate potential harm, especially to human communities. In the Garden Route, a similar algal bloom resulted in the closure of Island Lake to recreational users.

TRANSBOUNDARY CO-OPERATION IN MANAGEMENT OF HARMFUL ALGAL BLOOMS

An algal bloom rapidly built up during 2021 in the Olifants River as it flows into Mozambique's Massingir Dam. SANParks scientists worked closely with diverse research collaborators and water management agencies in South Africa and Mozambique to identify microcystins in the exceedingly hyper-eutrophic ('off the charts') conditions. The bloom, which covered the entire dam, presented risks to ecological and human health. It may have been triggered by rapid filling and remobilisation of sediment carrying high nutrient loads in the dam after Cyclone Eloise in early 2021. Conditions were reminiscent of those prior to the 2008 outbreak of pancreatitis (a disease probably catalysed by consumption of rancid fish leading to build-up of poly-unsaturated fatty acids) in crocodiles in the Olifants gorge upstream of the dam. Early reaction enabled forewarning of risk to potable water for communities living adjacent to Massingir Dam. Monitoring continued throughout the year using water quality sampling, fish health assessments, satellite analysis and routine aerial patrols. A similar but less severe algal bloom afflicted Corumana Dam in the Sabie River at the same time. Joint monitoring together with Ara-Sul (Mozambique) and Inkomati-Usuthu Catchment Management Agency (SA) provided early warning of microcystin risk to Maputo's water supply from the dam. Algal blooms and eutrophic conditions in both dams persisted throughout winter into early spring, probably driven by higher winter temperatures. These events have enabled greater transboundary focus on shared river management in the Great Limpopo Transfrontier Park.



Severe algal blooms in the Olifants River gorge (Mozambique/South Africa border) photographed in April 2021 (photo credit: Eddie Riddell)

Understanding groundwater resources

Groundwater represents 99% of Earth's liquid freshwater. In South Africa, water security is increasingly difficult under current climatic variability, including the recent worst drought in the country's recorded history. Groundwater is a critical buffer to sustain water for public health, the environment and the economy but in many parts of the country it is increasingly depleted or polluted. In vulnerable areas such as the Karoo, national parks are increasingly confronted with bulk water infrastructure development pressures along and within its borders and the possibility of shale gas extraction (fracking). Long-term groundwater monitoring and research was initiated to improve understanding effects of regional aquifer development and groundwater recharge rates, assess effects of climate variability and support protection of aquifer-dependent ecosystems in national parks. The three phases include baseline assessment (hydro-census), monitoring, and information consolidation and monitoring network refinement. During 2021, groundwater hydro-censuses were completed in nine national parks across the Frontier and Arid regions as they are at the highest risk of impacts associated with proposed bulk water supply schemes and shale gas extraction. As governments rely increasingly on conservation authorities for watershed management and planning, SANParks will continue increasing visibility of groundwater resources by building capacity and competency. Further, digital technologies and capabilities will be built into the monitoring network to improve information sharing and decision support.



Terrestrial systems

SANParks participated in policy development promoting linkages between wildlife and human wellbeing. The notion of inclusive transformation requires enhancing people and nature alike in the management of terrestrial systems.

Herbivores and herbivory

Herbivory is a natural disturbance affecting species co-existence. Non-selective mega-herbivores such as hippo, buffalo, giraffe, rhinoceroses and elephants are ecosystem engineers, changing the structure and make-up of vegetation; species' responses to this disturbance create diversity. Individual animals use landscapes based on availability of water, safety and food. Patchier landscapes allow species to be present at different places and at different times which is further affected by water provision, fire and fencing. In addition, excessive animal removals and/or poaching can affect herbivory processes.

Rhinos

Six parks outside KNP manage rhino populations, namely Addo Elephant, Karoo, Mountain Zebra, Mokala, Mapungubwe and Marakele National Parks. These consist of white rhino and two subspecies of black rhinos, namely south central (*Diceros bicornis minor*) and south-western (*D. b. bicornis*) black rhino, with the latter in Addo Elephant, Karoo, Mountain Zebra and Mokala National Parks. This is the largest metapopulation of this subspecies outside Namibia. During the past year, SANParks achieved the population growth targets for the rhino species in these parks, with 6.2% growth achieved. Populations skewed towards males are leading to increased fights and mortalities. Parks Division has successfully implemented the Rhino protection plan since 2014, having lost only six white rhino to poaching since then.

In KNP, white rhino continued declining while black rhino numbers remained stable. The anti-poaching programme has been redesigned with a key focus on a number of core areas for effective access control, situational awareness, dedicated staff with integrity and detailed knowledge of rhinos. During 2021/22 805 rhino were dehorned with the approach now focused on broad-scale dehorning within core zones and dehorning of cows in areas beyond that. In addition, retrieval of orphaned and treatment of injured rhinos continues. Further, establishment of rhino strongholds beyond Kruger as sources for future re-introductions into the park when births exceed poaching threats are receiving attention.

SANParks is revising its rhino strategy to focus on achieving thriving rhino populations with diverse stakeholder communities owning, valuing and/or benefiting from rhino. This will be supported by resourcing core areas in KNP to grow numbers, continue expanding populations in other national parks and establish populations elsewhere. In addition, SANParks recognizes the insurance potential of existing populations derived from rhino originally sourced from KNP and now under diverse management models.

RHINO DEHORNING IN KRUGER NATIONAL PARK

Dehorning is an adjunct to other preventative anti-poaching measures in KNP. This year, 753 white and 52 black rhinos were dehorned, supported by funds from various sources and funding raising efforts. Dehorning involves removal of both horns from immobilised rhinos, leaving a stump to protect the sensitive epidermal layer required for regrowth. Rhinos are also ear-notched and microchipped sub-cutaneously for individual identification. Horn and tissue samples are collected for the Rhino DNA Index System (RhODIS®). Biological samples are processed and stored in the SANParks Biobank for future research. Removed horns are identified, measured and stored according to DFFE requirements. Initial results suggest that dehorning has reduced the number of poached rhino but in-depth analysis is required to determine whether reduced poaching is associated with dehorning or other factors, and whether the strategy is sustainable and cost-effective.



Dehorning operations in KNP

RHINO RANGE EXPANSION



SANParks secured funds from Total Energies for rhino range expansion i.e. systematic identification of safe sites for conservation of rhino across South Africa. The project will prioritize sites for phased implementation. Initial discussions suggest 4-8 areas of 30 000 – 60 000 ha each with suitable habitat in areas with reduced security vulnerabilities for one or more rhino subspecies. The approach will use a combination of filters (against pre-agreed criteria), local knowledge and experience. A due diligence checklist will assess shortlisted sites on state, private and/or community properties. Concomitant with the objective of establishing new secure ranges for rhinos, opportunities will seek to contribute to the National Protected Area Expansion Strategy, National Biodiversity Economy Strategy and National Integrated Strategy to Combat Wildlife Trafficking.

Elephants

African elephants play key roles in ecosystems. Their ecological influence and conflict with people is dependent on where they are, during which season, how much time they spend there, what they do there and whether its bulls or breeding herds. Elephant influences are affected by local conditions and factors. Thus, SANParks focuses on specific localities and the intensity with which elephants use these. In Addo Elephant National Park, contraception vaccines were administered to >200 elephant cows to limit reproduction of 80-90% of sexually mature cows. Assessments in Marakele and KNP identified areas where elephants have strong localized influences with consideration of intervention options to affect elephant use of these areas. Budgetary constraints limited implementation of exclusion fencing in Marakele and Mapungubwe.

There are over 1000 elephants in the two fenced parks, namely Marakele and Addo, and one free-ranging elephant in the Garden Route. KNP has in excess of 27,000 elephants as part of the Greater Kruger Transfrontier Conservation Area. Interestingly, several elephants have made regular movements between Kruger and the coast of Mozambique. Mapungubwe is also part of a trans-frontier park with elephants moving considerably across borders. SANParks therefore contributes to development of trans-boundary elephant management strategies.

Other herbivores

Most smaller parks have robust fencing, provide water and often lack several carnivore species, affecting natural processes. This can result in high abundances of some herbivores

and intense use of certain areas, which can in turn influence other ecological features. However, large herbivores are also important for tourism. Thus, management attempts to restore ecological processes where possible, or mimic their outcomes. This includes continued removal of species outside historical ranges (e.g. waterbuck, impala and warthog from Mokala National Park). Aerial surveys in Golden Gate Highlands, Mokala, Mountain Zebra and Karoo National Parks this year informed management interventions while ground-based surveys in Kalahari Gemsbok National Park enabled detection of local movement of giraffe in response to fires.

Overall, SANParks removed 5 543 animals of 14 species from parks excluding KNP. These removals mimic ecological processes and contribute to various other SANParks objectives. Further, 300 animals from six species were sold on wildlife auctions for revenue generation and 4 501 individuals of 11 species were harvested to support local meat markets. In addition, SANParks provided 605 individuals of nine species as loans and donated 137 individuals of three species to local communities as part of transforming South Africa's wildlife economy. SANParks translocated 27 plains zebra and 62 blue wildebeest from KNP to Zinave National Park in Mozambique. In KNP herbivore removals are done to have no detectable impact on populations while contributing benefits to people.

Predators and predation

Predators create gradients of predation pressure on diverse prey species. Widespread water provisioning, fences, fire, over-harvesting, invasive species and climate change influence prey and predators. For instance, fences limit movement of predators in smaller parks resulting in high predation pressure on certain prey species, leading to their decline. Nevertheless, predation by smaller vertebrate and invertebrate species generally remains sustainable if habitats are intact. Enabling predation processes requires responsible management of opportunities (e.g. wildlife viewing) and risks (e.g. predators escaping park boundaries and causing damage to livestock, livelihoods and/or threatening people's lives).





Most smaller parks do not have the full complement of carnivores resulting in limited natural regulation of the dynamics of existing medium- and small-sized predators. Mimicking the outcomes of such processes may, however, lead to predator-prey imbalances. For instance, intensive interventions for several carnivore species in Marakele followed a period of minimal intervention. In Addo, spotted hyaenas were collared to assist with carcass detection, and camera traps deployed to determine clan size and support better understanding social dynamics of spotted hyaenas in fenced areas. Further, one male lion was donated to Shamwari Game Reserve and reproduction of one female controlled through contraception, fitting within the meta-population management framework for lions in South Africa. An exciting observation of a leopard in the Colchester section of Addo is the first sighting in this area in the last decade.

Transgressing lions have killed livestock previously, resulting in numerous engagements with farming communities abutting Karoo National Park. It resulted in interventions to sterilise two males and nine females and initiation of a collaborative project to evaluate why lions leave the park and catch livestock. Regulating lion numbers in Mountain Zebra required vasectomising males, as contraception was leading to female obesity. As part of cheetah metapopulation management in South Africa, two males were translocated from Mountain Zebra to Makalali Private Game Reserve and SANParks received a female cheetah from Samara Private Game Reserve and a male from Dinokeng.

Within Kruger, lions respond to spatial and temporal variability in ecological dynamics. The population in far northern KNP is recovering following poisoning some years ago. In addition, experimental translocation of a transgressing pride of lions to the far north of KNP included provision of regular carcasses for a short period to facilitate the pride establishing a new home range within this area. Spotted hyaenas in KNP increased due to high prey biomass resulting in some conflict with neighbouring communities where clans exploit livestock close to the park boundary. Experimental removal of sub-adult hyaenas from boundary clans aimed to reduce exploratory foraging incidences into communities. Nevertheless, robust waste management and livestock husbandry approaches help mitigate damages.

Fire: a management tool and driver of landscape change and benefits in SANParks

SANParks is the custodian of national parks in savanna, grassland and fynbos biomes whose dominant vegetation and biodiversity are both fire-prone and fire-dependent. Fire management is legislated by the National Veld and Forest Act 101 of 1998 through principles of fire prevention, protection, suppression, recovery and monitoring to reduce the spread of wildfires. While fire benefits these ecosystems, its use can also protect people. Nevertheless, the context within which SANParks manages fire is changing. Thus, increased carbon dioxide due to climate change favours woody species over grasses, reduces grazing areas, while invasion by alien shrubs and trees adds to increasing biomass, fire frequency and fire intensity. Supportive pro-fire legislation and addressing negative attitudes towards fire and its use is particularly important in parks with a substantial urban fringe and/or fragmented landscapes. Economic context has similarly changed with a requirement to do

more with limited budgets. These changes take place at scales from local, regional to global but fire remains an important driver of biodiversity, ecosystem services and livelihoods. One hundred years after the first studies on fire impacts in southern Africa were published, celebration and critical assessment of current evidence-based fire management in grassy ecosystems was undertaken through publication of a Fire Special Issue in African Journal of Range and Forage Science. Three of the seven editors were SANParks scientists. Papers included diverse perspectives from ecological and social disciplines on fire management in grassy ecosystems globally. The issue was dedicated to Dr Winston Trollope for his contribution, commitment, inspiration, support and a lifetime of work in fire ecology.



Burning at night in southern KNP - (Photo credit: Danny Govender)

Conservation strategies for protecting cycad populations in their natural habitats in parks

Cycads (*Encephalartos spp.*) are the most primitive living seed-bearing plants from an ancient order, the Cycadales, which flourished about 100 million years ago. This genus is as threatened as rhinos in South Africa. A variety of species are protected in national parks eg. *Encephalartos arenarius*, *E. horridus* and *E. caffra* in Addo Elephant National Park, *E. eugene-maraisii* in Marakele National Park and *E. lebomboensis* in KNP. These species are listed as threatened or endangered in the National Cycad Management Plan. Two other species, *E. longifolius* and *E. lehmannii* in Addo, are not listed but are regularly poached for gardens and private nurseries. Studies over the past two decades indicate that ongoing adaptation of the management strategy in SANParks is critical to conserving these species.



Very old *Encephalartos eugene-maraisii* in Marakele National Park

There have been three context-specific strategies to re-establish cycad individuals:

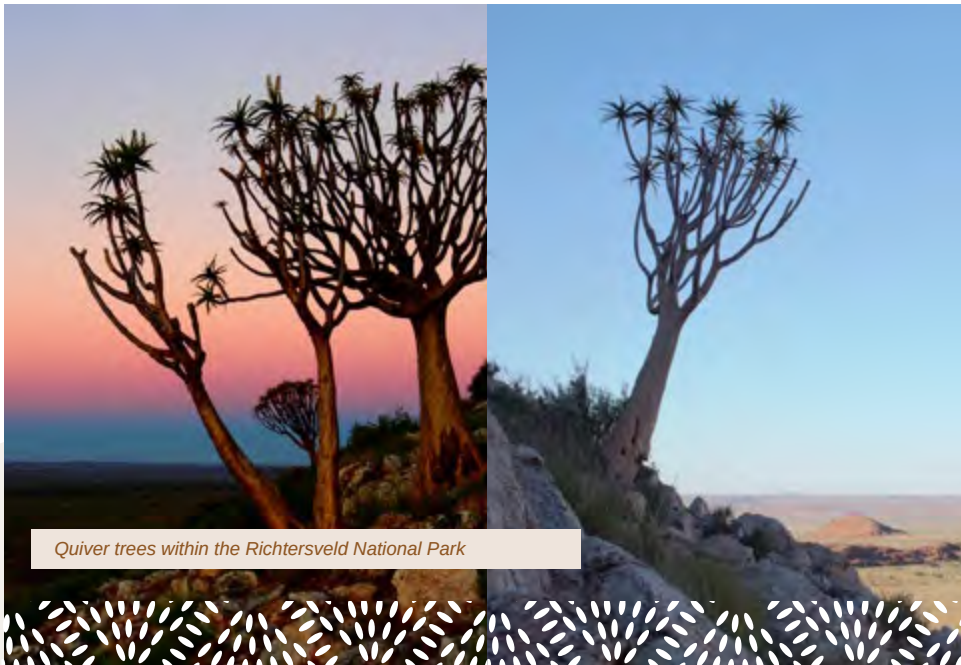
1. Poached *Encephalartos longifolius* and *E. lehmannii* confiscated by the police were treated and replanted in Addo in natural habitat and a park garden. Replanted individuals in the garden have had a higher survival rate than those replanted in natural habitat.
2. Different aged individuals of *E. eugene-maraisii* were planted to supplement cycad populations in Marakele National Park and Entabeni Safari Conservancy. Eight year old individuals fare best when supplementing populations in the field.
3. Viable seed of *E. lebomboensis* from an area threatened by agricultural practices, unnatural fire and poaching outside KNP were planted in the park based on a habitat assessment study. Good germination rates bode well for planting of more seeds in future.



Monitoring of *Encephalartos longifolius* after re-planting in Addo Elephant National Park after poaching and confiscation by the Police - (Photo credit: Hugo Bezuidenhout)

Climate effects on quiver trees

The charismatic tree aloe, the quiver tree (*Aloidendron dichotomum*), has become a poster-species demonstrating climate change impacts on biodiversity. Occurring in 'forests' in four arid national parks, these are also tourist attractions. Long-term monitoring shows high and ongoing mortality in Richtersveld (63%) and Augrabies Falls populations (73%) and no recruitment of juveniles. This is consistent with trends of increasing aridity in these parks. Conversely, southerly populations in Namaqua and Meerkat National Parks are in the cool wet extremes of the species' range, with low mortality (<20%) and increasing numbers of juveniles. SANParks' ongoing monitoring has provided the basis for an uplisting to 'vulnerable' status on the IUCN Red List of Threatened Species. This emphasises the importance of protecting thriving populations in Namaqua National Park where herbivores target young plants and highlights the already marked impacts of climate change, particularly in arid parks.



Quiver trees within the Richtersveld National Park

Wildlife and disease management

Wildlife disease, sporadic disease outbreaks and animal health are essential components of ecosystems. SANParks manages the risk of disease emergence at the human-animal-ecosystems interface through passive surveillance and/or active response. This year's avian influenza outbreak in seabirds along South Africa's west coast and Bird Island in Algoa Bay required surveillance and response (see box).

In Mokala and Addo Elephant National Parks, south-western expansion of African swine fever and associated warthog carrier ticks (*Ornithodoros spp.*) was investigated, while buffalo testing in Mokala contributed towards identifying environmental mycobacteria postulated to interfere with intradermal bovine tuberculosis tests. Bovine tuberculosis is one of four notifiable diseases (tuberculosis, brucellosis, corridor and foot-and-mouth disease) monitored in buffalo in South Africa and affecting movement of buffalo within the disease free zones of South Africa.

While SANParks focusses on wildlife, diseases of domestic animals can play a role in parks. Thus, horses in national parks are vaccinated annually for African Horse Sickness and a rabies outbreak around Addo Elephant National Park prompted vaccination of all working dogs in parks. In Golden Gate Highlands National Park, research contributed to evaluation of oral rabies vaccine efficacy in black-backed jackal which, if applied country-wide

together with continued dog vaccination campaigns, may alleviate future rabies outbreaks and save human lives.

Fifteen peer-reviewed articles were published from diverse veterinary field studies and biological samples from SANParks' Biobank (see box). These include development and evaluation of diagnostic assays for tuberculosis in diverse wildlife species, haematology and clinical chemistry in elephants and white rhinoceros, various immobilisation studies and disease-related topics including *Coxiella burnetii* infection in white rhinoceros, circulation of African swine fever in warthogs and *Mycobacterium bovis* shedding in wild dogs. Two large field projects included evaluation of immobilisation options for free-living lion and evaluation of effects of different drug combinations used to chemically capture white rhino. In early 2022 a workshop was hosted in collaboration with the Brain Function Research Group from the University of the Witwatersrand and the Centre for Veterinary Wildlife Research at the University of Pretoria on 'wildlife conservation physiology in a changing world'.

AVIAN INFLUENZA OUTBREAK

The highly pathogenic H5N1 strain of avian influenza virus was detected, primarily in gulls, in the Western Cape in May 2021, followed by diagnosis in Cape cormorants in mid-September. Worst-affected colonies are those on Dyer Island and near Velddrif on the west coast. Jutten Island in West Coast National Park also experiences mortalities. Surveillance is ongoing in areas where Cape cormorants congregate. Mitigation measures include safe removal of carcasses and sick birds. Sick birds are euthanized as treatment is futile and can contribute to disease spread.



Research on lion immobilisation in KNP

SANPARKS BIOBANK

Biological samples were processed and stored from 18 species in KNP during the year, including 1 167 serum, 697 plasma, 1 861 whole blood, 541 tick, 908 skin and 906 hair samples. During this period, 18 biomaterial sample requests from external researchers were received, evaluated and approved. A total of 3150 samples have been taken out of the biobank for use.

Discussions continued with the South African National Biodiversity Institute and other organizations to create the Biodiversity Biobanks of South Africa (BBSA). BBSA aims to develop a collective strategy and infrastructure roadmap for South African biobanks, funded by the Department of Science and Innovation. SANParks contributes a core biobank within BBSA in support of national and international research and development. Funding through BBSA secured a variety of equipment including three ultra-low temperature (-80°C) chest freezers, 30 KVA backup generator, laboratories and offices, CO₂ leak-detection monitor and a biosafety cabinet for processing biological specimens in Kimberley. In addition, funding supports appointment of a fixed-term biobank technician to assist with various functions.



Extractive natural resource use

National parks are mandated to conserve biodiversity, to connect (and in so doing to heal) society and the environment. Natural resources within and adjacent to national parks play an important role in providing ecosystem services and products that people rely on and value for a variety of tangible and intangible uses. The intangible use of ecosystems provides opportunities for spiritual and cultural reconnections, as well as psychological and physical health benefits linked to spending time in nature. Tangible benefits are linked to resources used for a variety of purposes including maintenance of infrastructure (water, gravel, sand, thatch), biodiversity management and revenue generation (offtakes, sales). Extractive use of natural resources within parks is guided by international conventions and agreements, national legislation and various organisational policies and procedures. Biodiversity benefits from parks were historically not shared by all, with large sectors of society losing connections to natural and cultural heritage within protected areas. Thus stronger focus in the past 20 years has facilitated access to a wider diversity of natural resources from national parks to improve human wellbeing (physical and psychological), and in so doing contribute towards sustainability of the conservation estate. This is done specifically to rebuild connections to land and heritage in parks, in the context of healing historical injustices.

During 2020/21, in accordance with the annual resource use report compiled in compliance with section 7 of NEM:PAA, and submitted to the Minister of DFFE in June annually, 17 national parks reported formalised resource use through terrestrial and/or aquatic resource harvesting. Live animal sales and donations accounted for ~59% of the estimated >R12 million value of formalised terrestrial resource use, followed by venison (23%) and plant (18%) sales and donations. Monitoring of marine resource use during that time was severely limited due to COVID-19 restrictions. Overall, the value of resource use sales/donations for 2020/21 was approximately 39% lower than 2019/20, attributed to COVID-19-related restrictions on access to resources and markets.

The 2021/22 financial year was positive for achieving SANParks' transformation and benefit-sharing objectives, with 5 500 individuals from 16 species removed from various parks. Of these, 98 animals from 10 species were sold live at wildlife auctions to generate revenue and 4501 animals from 11 species were harvested and incorporated into local meat markets. In addition, SANParks provided 605 individuals of nine species as wildlife loans and donated 137 animals from three species to black game farmers adjacent to parks as part of growing and transforming South Africa's wildlife economy. SANParks translocated 28 plains zebra and 62 blue wildebeest to Zinave National Park in Mozambique through international agreements. Further, processing and sharing of venison from offtakes through Skukuza abattoir contributed to relationship-building and wellbeing improvement in communities adjacent to KNP, with close to 13 tonnes of meat donated to community groups this year. These include primary and secondary schools, churches and other vulnerable community groups.



TIMBER HARVESTING FROM INDIGENOUS FORESTS OF GARDEN ROUTE NATIONAL PARK

A system was initiated this year whereby limited standing timber was availed to the public by means of a tender. Timber was identified and marked according to the Senility Criteria Harvesting System whereby dead and dying trees are selected through detailed surveys. Successful bidders had to appoint an accredited vetted contractor to conduct the harvesting with strict environmental conditions applied. As historical timber supplies advantaged certain stakeholders, social criteria were developed and considered to ensure equitable access to and beneficiation from the timber harvesting project.



Confiscated poached succulent plants from around Richtersveld

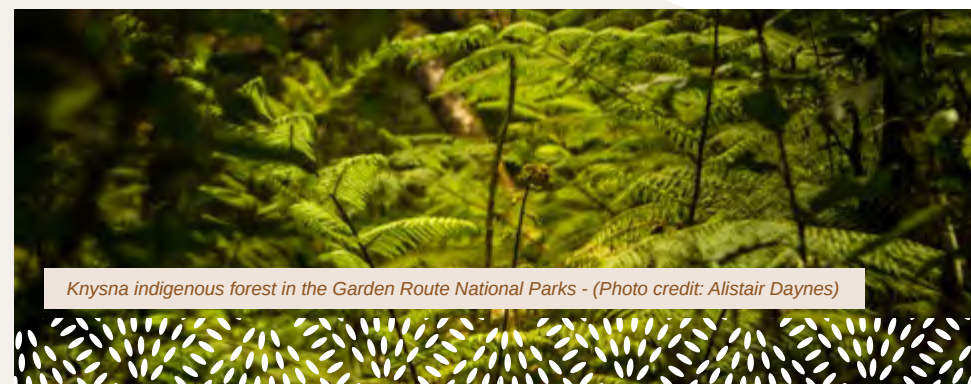
Illegal resource use has remained challenging over the past year, particularly for high-value species such as rhino, elephant and abalone. However, recent increases in succulent poaching in Namaqualand and Richtersveld are demanding new strategies and approaches, including exploring large-scale propagation of endangered species to reduce pressure on wild plants. Recent monitoring of endangered pepperbark trees (*Warburgia salutaris*) donated to traditional healers adjacent to KNP over the past decade suggest a survival rate >80%, with the majority of users no longer purchasing illegally harvested material. This positively impacts on reducing illegal trade in this important plant and provides important health and human wellbeing impacts, reflecting positively on conservation constituency. Permitting support by SANParks, in collaboration with local provincial conservation agencies and Kruger-to-Canyon Biosphere, has enabled local

growers of critically endangered wild ginger (*Siphonochilus aethiopicus*) in Mpumalanga and Limpopo Provinces to legal access to the medicinal plant market. This aims to reduce pressure on wild plants through promoting access to alternative sources of sustainably harvested wild ginger tissue. SANParks continues to explore ways to expand opportunities for societal access to sustainably harvested resources for the benefit of both people and wildlife, reconnecting people to the natural and cultural heritage within parks, in the spirit of healing injustice and promoting transformation.

Conservation for constituency-building

Connecting to and with society is an important requirement for parks to maintain and where needed, build relevance and acceptability. Sharing benefits from biodiversity is one mechanism that enables the building of value in and support for national parks. Building relevance with society remains an ongoing challenge and opportunity for SANParks, acknowledging the diverse range of lenses through which stakeholders perceive and value nature, with lenses being shaped by culture, religion, socio-economic situation, personalities, upbringing and lived experiences. Maintaining connections between parks and society enables SANParks to use multiple lenses to engage in ways that are meaningful, relevant and legitimate. In some cases this involves managing the nature of the tourist experience, in other cases, this may even involve a donation of food at a time when it is most needed.

Facilitating access for local SMMEs into the conference market in SANParks received attention, with local sewing groups producing lanyards and conference bags to the value of about ~R27 000 for several conferences in KNP this year. Further, support for traditional healers adjacent to KNP continues with distributions of pepperbark and wild ginger plants and exploring new possibilities such as donation of elephant dung, an important traditional medicine product in several societies. In partnership with One Land Love It, Addo celebrated World Rhino Day by sponsoring school shoes and providing much enjoyed nutritious soup to day-care centres in the area. KNP, with support from Oak Foundation, continued to donate porridge to pre-schools adjacent to the park, with >3 800 5kg-bags of SANParks-branded instant porridge distributed to vulnerable and needy groups adjacent to the park in the past year. Recipients included drop-in centres, daycare centres, crèches, traditional councils, home-based care centres, disabled centres, old-aged centres, as well the elderly and vulnerable.



Knysna indigenous forest in the Garden Route National Parks - (Photo credit: Alistair Daynes)

VARIOUS CONSERVATION CONSTITUENCY-BUILDING ACTIVITIES AROUND NATIONAL PARKS



A: Conference bags procured from local community sewing SMMEs for the Savanna Science Networking meeting held in March 2022 in Skukuza (photo credit: Louise Swemmer). B: As part of World Rhino Day, school shoes were donated to local schools around Addo Elephant National Park in conjunction with One Life Love It (photo credit:). C: Wild ginger (*Siphonochilus aethiopicus*) plants are sustainably and legally procured from local community growers and donated to traditional healers adjacent to the KNP to build relationships and to reduce harvesting of wild plants (photo credit: Louise Swemmer). D: Hundreds of children and vulnerable groups adjacent to KNP benefitted from porridge donations funded by Oak Foundation over the past year - (Photo credit: Tommy Mogakane).

FROM DISEASE TO CATTLE MANAGEMENT

The emergence of bovine tuberculosis in KNP buffalo in the late 1990s was of major concern leading to several large research and management projects including a 900ha enclosure near Satara for TB-free buffalo. Costs of fence maintenance are no longer sustainable and camp removal was initiated. A donation plan has been developed together with a local livestock farmers association (Welverdiend) to collaborate on this project for mutually beneficial outcomes, including the donation of approximately 20km of fencing material to assist in protecting cattle from predation as well as from straying onto roads where they pose risks to themselves and to people.



Welverdiend livestock farmers at work dismantling a buffalo camp in KNP as part of a collaborative project involving donation of ~20km of fencing to assist in animal husbandry adjacent to the park

Kruger National Park ranger hometown analysis

Hometown analysis of KNP ranger staff examined staff perceptions around town and village representation as well as employment of 'outsiders'. Both issues can cause animosity and reduce trust in the male-dominant ranger corps (88.9%) comprised largely of field rangers (47.2%). The study revealed that the vast majority of ranger staff (96.9%) are from Mpumalanga and Limpopo Provinces, directly adjacent to KNP with 86.8% of these from villages in the seven KNP community forum areas. The central and northern villages, from Kruger to Punda Maria gates, are best represented across the 180 different villages and towns, also including Gauteng, KZN, Eastern and Western Cape Provinces. Number of ranger staff from each village ranges between 1-47 staff members. Further analysis including village/town population estimates map place these numbers into perspective.



Tokai-Cecelia management framework for Table Mountain National Park

The Tokai and Cecilia sections of Table Mountain National Park are much-loved and intensely used by a wide range of visitors, including for hiking, dog walking, cycling, horse riding, picnicking and for spiritual gatherings. Previously leased to MTO Forestry, exotic plantations are being phased out and fynbos restored, with the area transitioning to SANParks' management after phased clearing. This transition is guided by the Tokai Cecilia Management Framework (TCMF; 2009) which lays out the long-term vision for these areas. This year saw an intensive public engagement process to review the framework and refresh the vision and plans. Over 300 stakeholders registered to participate, and during Phase 1, which aimed to create a shared understanding of the current context, issues and concerns, 75 written submissions detailed stakeholders' concerns and ideas for their resolution.

Seven thematic working groups, established during Phase 2, enabled stakeholders and SANParks to explore topics in detail, facilitated by external consultants. Groups focused on fire management, heritage, communications, biodiversity conservation, facilities, safety and security, and health and wellbeing. At a formal hand-over meeting, SANParks leadership received working group submissions, which included >300 proposals covering an extremely broad range of innovative ideas. These include upgrades of the Tokai Manor precinct and arboretum; development of new facilities such as a medicinal plant garden and memorial against gender-based violence; expanding and upgrading parking, ablutions and other infrastructure; alien clearing and restoration of wetlands and fynbos; interpretation of cultural heritage and histories; a range of surveillance and patrols to reduce crime; shade creation; trail maintenance and regulation; improved fire management. These have been included in a draft implementation plan which is currently under public review.

Reducing wildlife crime, improving livelihoods and governance

A GEF 6-funded collaborative partnership programme within the greater Kruger region seeks to reduce wildlife crime, improve livelihoods and strengthen governance with community structures by improving community relationships, environmental integrity and livelihoods, reducing human-wildlife conflict, upskilling youth, mentorship, training and job creation. The programme is implemented in three community clusters bordering KNP, namely Makuleke-Mutele-Makuya cluster, Sabie Sand Wildtuin-Sabie River-Mdluli cluster and Lupisi-Mthethomusha-Matsulu cluster. A coordinator, three stewardship supervisors and 74 environmental monitors form part of the KNP integrated fence stewardship programme. A total of 180 environmental monitors, State Veterinary Services officials and community representatives received orientation, training in dangerous animals and man-tracking, first aid and fence maintenance training. The programme and partner programmes facilitated engagement with People and Parks structures and community forums on governance training, feedback on the GLTFCA Elephant Management Framework and GEF-7 Human Wildlife Conflict Management Programme in collaboration with SANBI and DFFE. Further, GEF-6 supervisors and environmental monitors received CMORE training through support of WWF-Khetha and DFFE, and poisoning awareness through EWT (through a USAID

funded programme), with further roll-out to community structures planned. GEF-6 partners also participated with community structures in the USAID WWF-Khetha funded Restorative Justice Programme, presented through EWT and NICRO.

GEF-6 PROGRAMME INITIATIVES



A: The Environmental Monitors fixing the fence as part of the KNP Integrated fence programme; B: Community agri-SMME workshop within the Makuleke Village (Photo credits – GEF 6 programme)



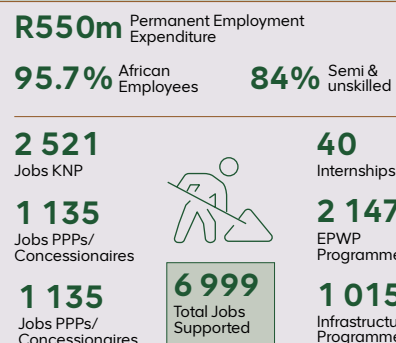
A: Environmental Monitors having participated in the USAID WWF Khetha funded Restorative Justice programme by EWT; B: Monthly Environmental Monitor feedback, during which monthly diaries and significant change stories are captured - (Photo credits: GEF 6 programme).

Kruger National Park Socio-Economic Report

SANParks and its GLTFCA Cooperative Agreement partners are currently compiling an updated socio-economic impact report for the Greater Kruger region for the period 2020/21. A preliminary economic report for KNP was developed with socio-economic benefits measured as a direct and indirect value through employment, monetary value or number of items provided. This includes programmes implemented in response to COVID-19.

SANParks - KNP SOCIO-ECONOMIC CONTRIBUTIONS TO LOCAL COMMUNITIES

KNP EMPLOYMENT



KNP PROCUREMENT SPEND



KNP WILDLIFE DONATIONS



KNP SUSTAINABLE RESOURCE USE



KNP PLANT DONATIONS

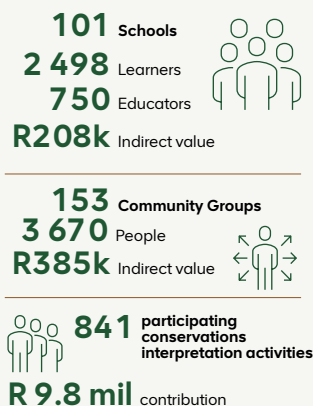


SKUKUZA SCIENCE LEADERSHIP INITIATIVE



KRUGER NATIONAL PARK

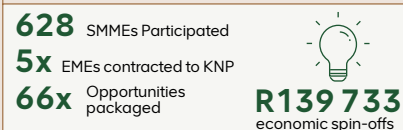
ENVIRONMENTAL AWARENESS & CAPACITY BUILDING



COVID-19 INSTITUTIONAL RESPONSE



KNP ECONOMIC TRANSFORMATION ROADSHOW



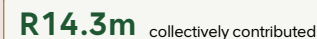
COMMUNITY ACCESS TO KNP



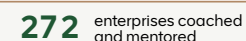
BEE CONCESSIONS



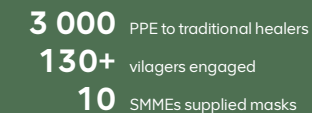
CONCESSIONAIRE/PPP CONTRIBUTION TO LOCAL COMMUNITIES



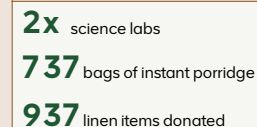
ENTERPRISE SKILLS DEVELOPED



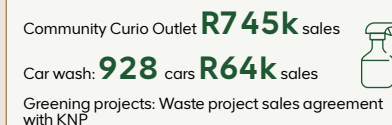
HON RANGER PEPPERBARK PROJECT -COVID RESPONSE



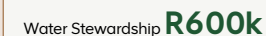
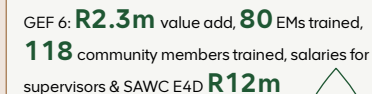
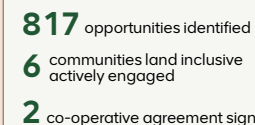
SOCIAL LEGACY PROGRAMME



BROAD BASED ECONOMIC EMPOWERMENT



REGIONAL INTEGRATION



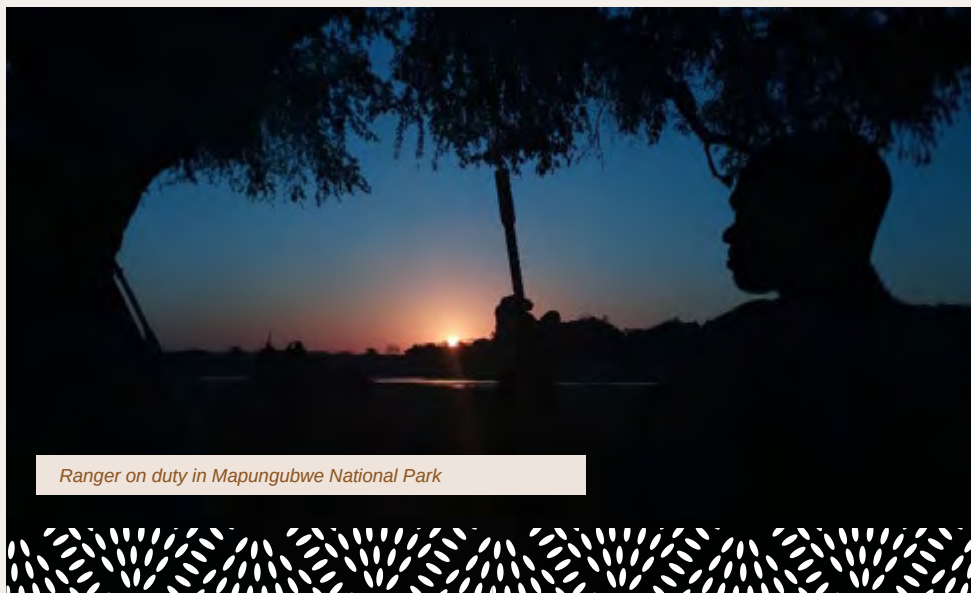


Wildlife and environmental crime

Strategies, tactics and resource allocation to respond to wildlife crime in national parks has taken place in conjunction with DFFE and diverse national law enforcement agencies, protecting around 4 million hectares on land and 370 000 ha at sea. This includes vast challenging landscapes such as Kruger and Table Mountain National Parks and expansive remote seascapes.

Safety and security across SANParks consists of diverse strategic, tactical and logistical support initiatives. Tactical strategies include the ~850 field ranger corps deployed across national parks to counter illegal activities primarily through foot and vehicle patrols. Further, since wildlife crime is dynamic and requires adaptable responses, Special Operations rangers use new tactics and technologies, with staff based in Kruger and Table Mountain National Parks. Dogs play a critical role in combatting wildlife crime and seven national parks have dogs thus far.

Rangers' duties vary widely across land- and sea-scapes of national parks, including integrity patrols, law enforcement and compliance, and observation and monitoring of fauna and flora. Tasks include monitoring and maintenance of fences, water supply and roads, management of alien invasive animals and plants, game capture, firefighting, boating work, visitor safety and gate security. The nature of work varies depending on a park's rural, peri-urban or urban setting. Specialised ranger staff are trackers, visitor safety rangers, pilots, vessel skippers and crew and dog handlers. Essential ranger services across all parks ensure compliance, enforcement and environmental integrity.



Ranger on duty in Mapungubwe National Park

Information gathering is coordinated through the Environmental Crime Investigations (ECI) unit so that intelligence-driven operations, often in conjunction with South African Police Services (SAPS) are key wildlife crime prevention strategies. A number of these operations took place this year, including clampdown on an illegal abalone factory in Gqeberha (Port Elizabeth), Eastern Cape.

Logistical support strategies include firearms management, training, air services. COVID-19 impacts on SANParks' revenue has affected some logistical support functions. Firearm management, regulated under the Firearms Control Act 60 of 2000, includes regular compliance inspections. SANParks was fully compliant with all inspections carried out by the Central Firearms Registry this year and SANParks' Firearms Manager has been requested to assist other conservation agencies in South Africa. The size of some parks and proximity to international borders in cases such as KNP, requires air support. Diverse detection technologies are used in fighting wildlife crime across parks, including simple technologies such as trap cameras, and more sophisticated technologies such as radars and unmanned aircraft.

CLAMPDOWN ON AN ABALONE FACTORY IN GQEBERHA

In June 2021, an intelligence-driven operation of SAPS and SANParks' ECI clamped down on an abalone factory in Gqeberha, Eastern Cape, leading to arrest of 13 suspects. Around 5 053 kg of abalone, representing 88 152 individuals were seized together with various vehicles, one vessel, cell phones, cash, diving gear, measuring scales, fans and 53 abalone drying racks. Factory value was estimated at R15 million. The case is ongoing.



Abalone confiscated and drying racks seized in Gqeberha



SANParks Air Services support wildlife crime response operations across parks and a Operational centre with technologies to counter wildlife crime

Environmental crime incidents across parks

Early strict COVID-19 restrictions led to a strong decline in poaching incidents across parks. However, as restrictions were adjusted and curfew hours eased, increased movement of people led to rising poaching incidences. An increasing concern across parks is the high frequency of poaching with snares and traps. The number of snares removed from parks has doubled from the previous year. In marine areas, abalone poaching remains problematic. However, strong collaboration between SANParks and other government agencies, through Operation Phakisa, works towards combatting these illegal activities. A number of successful abalone law enforcement operations resulted in a number of arrests, confiscation of abalone and equipment forfeited to the state.

The extent of succulent plant poaching in the vicinity of |Ai-|Ais/Richtersveld Transfrontier Park and World Heritage Site is a growing concern. Evidence indicates that large syndicates access remote areas with a high diversity of rare species. Poaching is mostly outside the park, but is widespread throughout the succulent karoo, greater Richtersveld and Namaqualand. South African Police Services Endangered Species and Stock Theft unit works tirelessly to thwart illegal syndicates operating over vast areas of the Northern Cape. Valuable assistance from SANBI, SA Hunters and Game Conservation Association, SANParks Honorary Rangers and British Cactus and Succulent Society has resulted in rescue and safe storage of numerous plants. These will be used for propagation and possible replanting in botanical gardens.



Confiscated succulents Hot Lips Conophytum pagea in Richtersveld National Park

Overall, there were 6 019 incidents of environmental threat or crime events encountered in parks during the year. These incidents vary considerably across parks and 136 arrests were made for environmental crime incidents. Further, 1 675 admission of guilt fines were given. All fines, arrests and offences encountered in parks are included as detailed National Environmental Compliance and Enforcement Report (NECER) submissions.

Rhino and elephant poaching

There was no rhino poaching in Marakele, Mapungubwe, Mokala, Addo Elephant, Mountain Zebra and Karoo National Parks during the reporting period. However, KNP lost 195 rhinos and nine elephant to poaching in 2021/22 (compared to 247 rhino and 15 elephant in the previous year). These successes can be attributed to the Integrated Wildlife Strategy developed by the South African Government. During Disaster Management Regulations for lockdown level 1, SANParks witnessed a significant drop in wildlife crime, particularly rhino poaching in KNP. The Skukuza Court presides over most rhino poaching cases and achieved a 97% conviction rate according to the Stock Theft Unit in Mpumalanga Province. Nevertheless, case management challenges include slow turnaround in DNA and ballistic testing.

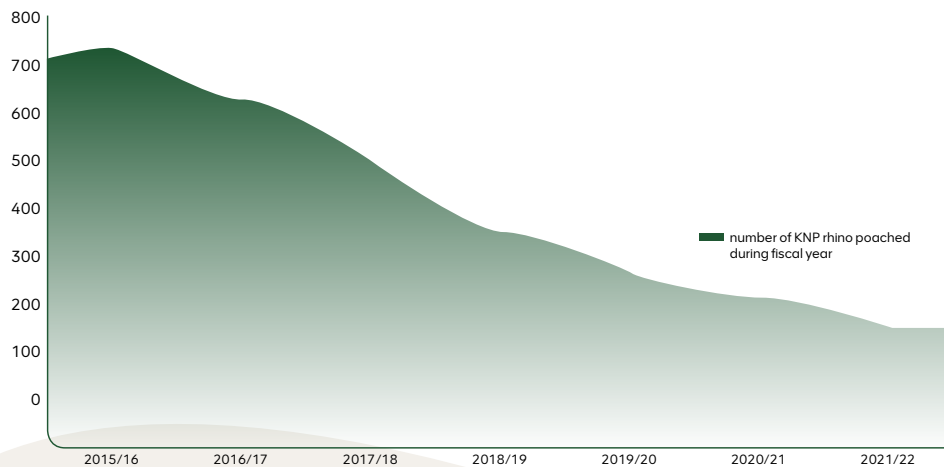


Figure: Collaborative approaches of law enforcement agencies fighting wildlife crime in South Africa has led to a decrease in incidence of rhino poaching in KNP since 2015/16.

Safety and security in Table Mountain National Park

Diverse criminal activities and associated challenges in Table Mountain National Park led to establishment of a fully functional command and operational centre to coordinate safety and security missions across the marine and mountainous park terrain. The specialised Sea, Air and Mountain (SEAM) team were established in December 2021. Their objective is intelligence gathering, information interpretation and coordinated response to criminal activities and emergency events across the park. Establishment of the Operational Centre and closer collaboration with neighbourhood watch groups around the park has contributed significantly towards safety and security, with a decline in criminal activities over the past months.



Launch of the SEAM Team in Table Mountain National Park, and successful confiscation of marine poaching gear.

Non-environmental crime

SANParks' law enforcement officers are responsible for diverse environmental and non-environmental incidents. The latter are linked to various transgressions under non-environmental legislation, primarily the Criminal Procedures Act, and include accidents, human-animal conflict, damage to property, smuggling, trespassing, theft and armed robbery, rescues and recoveries. There were 514 such incidents across all parks during the year under review.

Fencing and materials theft has increased across a number of parks, damaging property and enabling wild animals to leave and livestock to enter parks. For example, Golden Gate Highlands National Park is continually used as thoroughfare for stolen livestock driven between Lesotho and South Africa. This practice is also associated with arson fires, with 18 such fires extinguished during the past year. Illegal immigrants and cigarette smugglers regularly traverse Mapungubwe National Park from Zimbabwe with over R 6.08 million worth of illicit goods, primarily cigarettes, seized this year in collaboration with the South African National Defence Force.

Extraordinary ecological events

Extreme weather events across parks varied from rains bringing welcome relief, to flooding and/or continued drought, likely attributed to impacts of climate change. After a decade of drought and poor veld conditions, Addo Elephant National Park received good rains during November-December 2021 with 163.2mm measured at Main Camp for the two months. Unfortunately, these rains also resulted in flash floods in Darlington and Nyathi sections, causing considerable damage to fences and roads. Similarly, the Karoo National Park recorded 240 mm of rain during the latter part of 2021, with 157mm received in just one afternoon in December. This caused damage and closure to some tourist routes and camps, as well as extensive damage to two kilometers of fencing, which heightened the risk of animals leaving the park.



Flood damage to roads in Karoo National Park during December 2021.

Augrabies Falls spectacle

True to its Khoi name Aukoeribis meaning place of great noise, Augrabies Falls National Park experienced extreme water volumes cascading over the falls in early 2022. This after extended drought averaged 125mm of rain, decreasing year-on-year, for the past decade and only 41mm of rain recorded in the park in 2020. The average flow over Augrabies waterfall is usually 25-50 m³/s, but this increased to a peak flow of 3,663.28m³/s on 26 January 2022 after widespread rain in the Free State and Gauteng catchment areas. Bloemhof, Van der Kloof and Gariep Dams in the Orange River system filled, with water soon needing to be released or overflowing. Small dry tributaries became roaring rivers dispensing masses of water into the Orange River. The turbulent water came over the rocks with profound noise and turned the 56 m high waterfall into a spectacle which continued down the 18km long gorge. The spectacle became a huge visitor attraction, significantly increasing the number of park visitors. Although there is a slight flush of green in the park, it will likely take a few years of good rain before the veld recovers fully from the extended drought.



Augrabies Falls National Park in January 2022

Locusts in the Karoo

Good early summer rains in the Karoo resulted in millions of brown locust eggs hatching. Since October 2021, large swarms of locusts in gregarious and migratory stages walked or swarmed across semi-arid karoo landscapes. Karoo, Mountain Zebra, Camdeboo, Tankwa Karoo, Meerkat and certain sections within Addo Elephant National Park were affected. Hoppers were first recorded in November 2020 in Camdeboo National Park, six months after four months of above-average rainfall. However, unlike 2006, the 2021/22 outbreak has spread as far as Richtersveld, Augrabies Falls and Namaqua National Parks. In some cases swarm size exceeded 20kms.

Although locusts are considered pests in the agricultural sector, they are an important ecological driver in natural systems, particularly for nutrient cycling. No chemical spraying of locusts is permitted within the national parks, which represent just 0.52% of the 250 000km² total surface area experiencing brown locust outbreaks. Relative to previous outbreaks, stakeholder attitudes are changing towards environmentally safer control options. Some farmers reported using registered insecticides on hoppers and roosting adults only while others have adopted a no-control approach on their properties, embracing the outbreak as a natural phenomenon.

BROWN LOCUST OUTBREAK IN THE KAROO

The brown locust, *Locustana pardalina*, is endemic to the nama karoo biome. Analysis of locus frass (excrement) collected from parks revealed diverse nutrient content, notably phosphorus, potassium, carbon and nitrogen. A wide variety of animals such as red wing starlings, rock monitors, blue cranes, black headed heron, helmeted guinea fowl, cape crow, black backed jackal, monkeys, brown hyaena and ants have been seen feasting on hoppers and swarms of this outbreak. Further, locusts stripped buffalo grass bare while leaving nearby kikuyu in Karoo National Park, and exclusively grazed on green grass and *Petzia* shrubs in Mountain Zebra National Park, leaving dry grass, trees and other shrubs untouched. Adults have been observed taking off almost simultaneously with wind speeds of ~2-5 m/s.



Locusts in Addo Elephant National Park in early 2022 (photo credit: Ester van der Merwe)



Brown locusts invading the town of Graaff Reinet

Fire in Kgalagadi Transfrontier Park

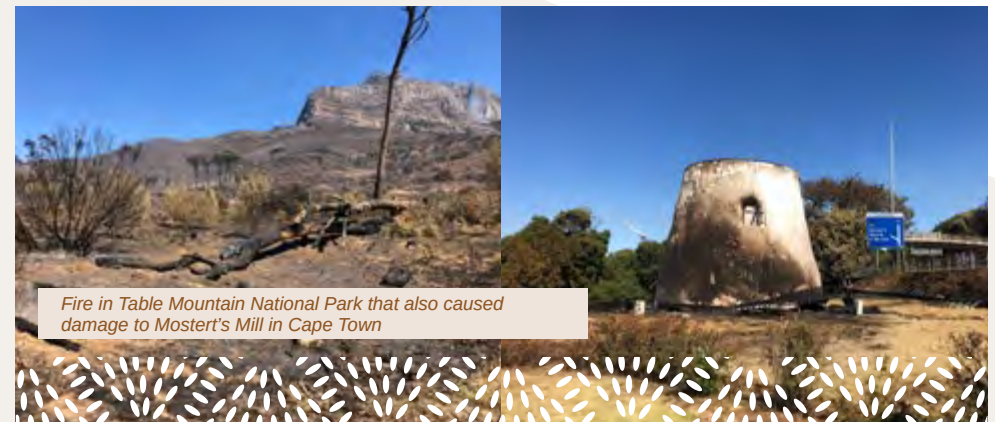
An extensive wildfire in western Botswana started in August 2021, moving steadily towards the South African side of the park. It reached the international border, the Nossob riverbed, on 7-8 September. The fire front extended over 204km and SANParks deployed to critical areas to prevent loss of infrastructure. Polenstwa Lodge in Botswana was entirely destroyed. The fire was brought under control by mid-September 2021 with 1 610 574ha of veld burnt on the Botswana side and only small pockets of veld burnt on the South African side of the transfrontier park. These natural savanna fires occur every 20-25 years, mostly in years following good rains. A fire of this magnitude was last recorded in 1995.



Wildfire in Kgalagadi Transfrontier Park during August – September 2021

Rhodes Memorial Fire in Table Mountain National Park

On Sunday 18 April 2021, a wildfire started around 08:40 under extreme weather conditions on the slopes of Devil's Peak in Table Mountain National Park. Soon the temperature rose to 34°C and humidity dropped resulting in a high fire danger index. These conditions, with dry vegetation, presented ideal conditions for rapid fire spread. In addition, increased wind speed and changed direction caused embers to ignite the surrounding veld. The fire, which burnt ~650 ha, was contained on 20 April. Extensive damages were suffered by Rhodes Memorial Restaurant, University of Cape Town, historic Mostert's Mill and various private properties. SANParks and University of Cape Town appointed independent fire investigators and a provisional report is currently being considered by SANParks.

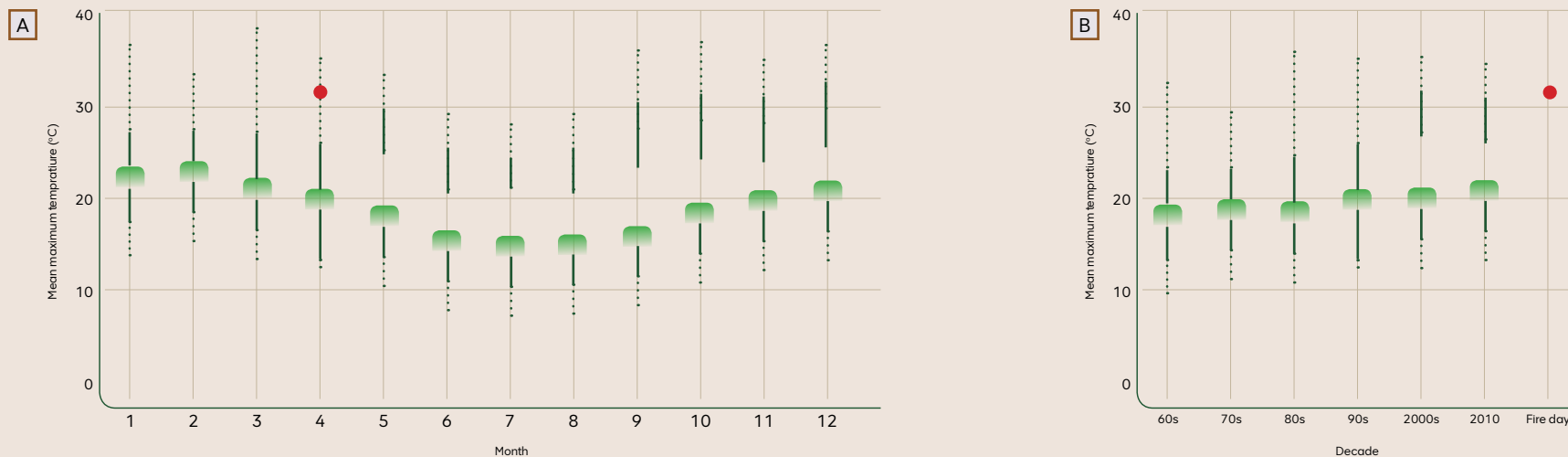


Fire in Table Mountain National Park that also caused damage to Mostert's Mill in Cape Town

A PERFECT FIRESTORM

Hot, windy and dry weather conditions, material to burn and just a small ignition can set large blazes alight. Sunday 18 April 2021 provided just these conditions, with humidity dropping as low as 10%, temperatures soaring $>15^{\circ}\text{C}$ above average April maxima for Cape Town and strong winds picking up in the afternoon. The fire destroyed countless invaluable buildings and collections and its tragic consequences will be remembered for a long time. How can such events be prevented in future?

Historically, summer and autumn conditions in the Cape are suitable for fires. However, the number of days with high wildfire risk is increasing. Temperatures have been increasing over the last few decades, with average maximum temperatures $>0.25^{\circ}\text{C}$ warmer per decade since 1960 i.e. average maximum temperatures are almost 2°C higher than in the 1960s. This has resulted in increased heat waves and number of hot days. Heat waves accompanied by strong wind and/or low humidity result in high risk of wildfires when fuel loads are high. In addition, there is a globally demonstrated strong link between human population density and number of fires. Thus, chance of fire ignitions occurring in urban areas such as Cape Town is high.



Figures: A: Average monthly maximum temperatures between 1960 and 2020 at Cape Point. B: Average maximum temperature per decade at Cape Point for the month of April showing the trend of increasing average April temperatures over time. Temperature on 18 April 2021 is shown as a red dot, illustrating how far the temperature that day was above the average maximum for April and all other months (A) and the deviation of the fire day from average April conditions (B).

The best means to reduce wildfire risk is by controlling fuel. Fynbos is naturally flammable and adapted to burn, but fire intensity is exacerbated by presence of many alien plants, which increase fuel available to burn and intensity of the fire. Further, embers from burning highly-flammable tall exotic trees may be carried long distances (termed 'spotting'), exacerbating fire risk. Reducing density and extent of invasive and flammable alien species in protected areas and the urban-wildland interface is critical. Buildings adjacent to natural vegetation should be fire-proofed with fire-resistant building materials, while gutters and other points accumulating plant material must be cleared regularly. Most importantly, increased public awareness and support for risk reduction strategies like prescribed burns to reduce fuel loads and stimulate biodiversity regeneration is required.



Conservation opportunities

Addo Elephant National Park's Rhino Impact Bond

Apart from Namibia, South Africa is the only other range state of the south western black rhino sub-species, *Diceros bicornis bicornis*, with the vast majority of this population within Addo Elephant National Park. Addo was therefore identified to trial the Rhino Impact Bond. This initiative of United for Wildlife, Royal Foundation and Zoological Society of London aims to demonstrate a scalable outcomes-based financing mechanism that directs private and public-sector funds to improve the management effectiveness of priority rhino populations. The initiative requires audited assessment of results. Thus, data has been collected through intensive black rhino monitoring since early 2019, tracking the population's demographics and social dynamics. Additionally, monitoring provides information to aid biological and security management decisions. Individual rhino recognition is aided through notching ears with distinctive combinations to represent numbers. Time-stamped images of rhino with distinctive ear patterns provide evidence of individual rhinos and indicate verifiable population growth. Black rhinos are monitored by a combination of vehicle, foot or aerial patrols and remote sensor cameras, depending on habitat accessibility. In Addo cameras collect between 40 000-60 000 photos weekly of which about 1 300 are black rhino sightings per month.

Following ongoing work and negotiations, the Rhino Impact Bond initiative has been consolidated into the Wildlife Conservation Bond (WCB). The World Bank, through its Global Environment Facility, has agreed to be the outcome payer while Credit Suisse has signed as sole structurer and joint bookrunner with Citibank. On 23 March 2022, the World Bank secured investor orders for the WCB initiative in support of South Africa's efforts to conserve endangered species. This five-year R150 million Sustainable Development Bond will allow the Eastern Cape's Addo Elephant National Park and Great Fish Nature Reserve to better ensure optimal growth of black rhino populations through effective security, habitat and population management.



BLACK RHINO MONITORING IN FRONTIER PARKS SUPPORTED BY IUCN SAVE OUR SPECIES FUNDING

Black rhino are critically endangered with almost 96% reduction in numbers between 1970 and 1992. However due to conservation efforts, black rhinos in Africa numbered around 5 500 individuals across all sub-species by end of 2017.

COVID-relief grant funding was received from IUCN Save Our Species (IUCN-SOS) to maintain south western black rhino monitoring across Addo Elephant, Mountain Zebra and Karoo National Parks. IUCN-SOS, co-funded by the European Union, awarded R 1.2 million in July 2021 for 12 months. This grant assists SANParks to continuously monitor black rhino through foot patrols, camera trap identification and/or aerial surveillance in the three parks. Financial support has enabled ongoing ear-notching of calves before separation from their mothers at around 18-20 months of age to ensure that rhinos are individually recognisable. Funds supported and enabled ear-notching operations in all three parks, 35 fixed-wing aerial survey flights, ranger foot patrols, procurement of 40 new camera traps and ongoing servicing of existing and new cameras across the study sites. In November 2021, representatives from IUCN and the EU conducted a field mission to Addo Elephant and Mountain Zebra National Parks to familiarise themselves with this project.

GIZ-E4D funding secured

KNP has secured one million euros in GIZ-E4D funding to support SANParks' implementation of the Greater Kruger Strategic Development Programme. This aims to secure the natural capital base of the Greater Kruger, increase local employment and sustain livelihoods. The agreement was signed in November 2021 with GIZ and forms the cornerstone of KNP's support to enterprise development and implementation of key outcomes of the KNP Turnaround Strategy Economic Transformation Roadshow held during November 2021.

GIZ-E4D is an up-skilling and enterprise development program consisting of five sub-components, including transformative enterprise and supplier development (led by South African Supplier and Development Council); developing the local meat value chain for wildlife and livestock (led by Conservation Outcomes); up-skilling and promoting green entrepreneurship in the communities adjacent to KNP (led by SANParks through a greening skills resilience program); promoting green entrepreneurship in Kruger to Canyons Biosphere (led by K2C Biosphere) and increased understanding of responsible resource use (led by Southern African Wildlife College). A monitoring and evaluation workshop was held in Skukuza during January 2022 while GIZ head office and country project coordinator staff visited KNP during February to see and meet various project sites and managers. Visits included Skukuza waste site, Skukuza abattoir, Shikosweni waste site, Madilika beading project, South African Wildlife College, Orpen hub, K2C offices and London landfill.



Conclusion

The year under review was energising, busy and productive, even as COVID-19 induced constraints and effects lingered. It has shown innovative approaches and tenacity of the human spirit. This has enabled the myriad connections between people and nature to flourish so that conservation is the legitimate outcome of an ongoing societal conversation. Through diverse projects, programmes and attitudes, national parks are catalysts for healing relationships between people, across cultures, with nature and as beacons of national pride.



Overseer's mountain cottage within the Table Mountain National Park



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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements: Improved Tourism Performance

SUB-OUTCOME 1: PROTECTED AREAS EXPANSION ALIGNED WITH THE NATIONAL PROTECTED AREA EXPANSION STRATEGY (NPAES) AND SANPARKS LAND INCLUSION PLAN		
Output Indicator	Annual Target	Annual Progress and Analysis
Number of hectares added to national parks	4 000 ha Revised Target 9 500 ha	On target : 9 524 ha concluded All purchase or contractual agreement(s) were concluded as per identified properties per Land Inclusion Plan and processes for 2021/22. The LI&PC meeting was held during March 2022.
Performance Analysis	9 524 ha concluded All purchase or contractual agreement(s) were concluded as per identified properties per Land Inclusion Plan and processes for 2021-2022. The LI&PC meeting was held during March 2022.	
Reason for Variance	Only a slight variance recorded	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 2: EFFECTIVE AND EFFICIENT MANAGEMENT OF NATIONAL PARKS		
Output Indicator	Annual Target	Annual Progress and Analysis
Percentage of METT corrective actions implemented	≥ 55% progress against identified METT corrective actions	On target 73.3% progress against identified METT corrective actions implemented.
National parks and MPAs assessed	20 National parks assessed. Of these, at least 80% of parks and 33% of six Marine Protected Areas with a METT Score of ≥ 67%. Revised target ≥ 70% progress against Identified METT corrective actions. 20 National parks assessed. 80 % with a METT Score of ≥ 67% & Marine Protected Areas Assessed, 33% with a METT Score of ≥ 67%	On target A total of 20 Parks and 6 Marine Protected Areas were assessed in Quarter 4. The manually adjusted scores indicate that 85% of parks, and 33% of the MPAs scored above the > 67% threshold score.

SUB-OUTCOME 2: EFFECTIVE AND EFFICIENT MANAGEMENT OF NATIONAL PARKS		
Output Indicator	Annual Target	Annual Progress and Analysis
Performance Analysis	On target 73.3% progress against identified METT corrective actions implemented. A total of 20 parks and 6 marine protected areas were assessed in quarter 4. The manually adjusted scores indicate that 85% of parks, and 33% of the MPAs scored above the > 67% threshold score.	
Reason for Variance	Over achievement on the corrective actions is mainly attributed to the easing of lock down levels which made it possible to address and improve upon the identified corrective actions, as well as the progress achieved in the last financial year. The Presidential Employment Stimulus Fund as well as additional EPWP for Tourism Infrastructure upgrades assisted in achieving in the additional 5% of park scoring above >67% threshold scores.	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 3: DEGRADED ECOSYSTEMS REHABILITATED		
Output Indicator	Annual Target	Annual Progress and Analysis
Number of degraded hectares of land under rehabilitation	4 000 initial ha Revised Target 10 805 initial ha	Target exceeded 11 731 initial ha rehabilitated
Performance Analysis	Target exceeded at 11 731 initial ha rehabilitated	
Reason for Variance	Additional funds of R18.8 million were received from the Department of Forestry, Fisheries and the Environment (DFFE) and the Eco-Furniture Programme (EFP). The EFP projects used this for initial invasive alien vegetation removal in the areas close to the factories, i.e. 1 278ha. The KNP teams did more initial land rehabilitation in the Working for Ecosystems programme, including bush encroachment (management & tourism roads) and rehabilitation of old dam sites.	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Number of degraded hectares of land under rehabilitation	69 200 follow-up ha Revised target 142 343 follow-up ha	Target exceeded 157 462 follow-up ha rehabilitated
Performance Analysis	Target exceeded at 157 462 follow-up ha rehabilitated	
Reason for variance	Additional funds of R18.8 million were received from the DFFE and the Eco-Furniture Programme (EFP). More follow-up land rehabilitation could be done for the projects in the Frontier Region (Addo Woody Cape Section) and Cape Region (Tankwa Karoo and West Coast National Park) when more teams were appointed with work done in low density areas, allowing for follow-up in large blocks of land.	



SUB-OUTCOME 3: DEGRADED ECOSYSTEMS REHABILITATED

Output Indicator	Annual Target	Annual Progress and Analysis
Planned Improvement / Corrective Actions	None required	
Number of m ³ of degraded wetlands under rehabilitation	5 100 m ³ wetlands Revised Target 5 800m ³ wetlands	Target exceeded 8 595 m³ of wetland rehabilitated
Performance Analysis	Target exceeded at 8 595 m ³ of wetland rehabilitated	
Reason for Variance	The Wetlands programme received an additional R3.5 million in 2021/22, and more structures could be constructed or extended. More gabions were constructed in the Mapungubwe National Park, while the design in Golden Gate Highlands National Park was extended to include steps. The capacity challenges in the programme still exist with two project managers needed at the Mapungubwe and Golden Gate projects, but the Implementation Manager assisted where needed on site ensuring the achievement of targets.	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 4: CLIMATE CHANGE VULNERABILITY REDUCED & CLIMATE CHANGE RESILIENCE IMPROVED

Output Indicator	Annual Target	Annual Progress and Analysis
Number of parks assessed for climate change vulnerabilities	Wide-scale engagement on draft climate change preparedness strategy Climate change vulnerability assessments compiled for 2 national parks Revised Target Final draft of Climate Change Preparedness Strategy approved Climate change vulnerability assessments compiled for 2 national parks	On target Final draft of Climate Change Preparedness Strategy approved. Climate change vulnerability assessments compiled for 2 national parks.
Performance Analysis	On target. The final draft of Climate Change Preparedness Strategy was approved. Climate change vulnerability assessments were compiled for 2 national parks.	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Green Energy programme developed for SANParks	Green Energy Implementation Plan developed and priority projects identified	On target Green Energy Implementation Plan developed and priority projects identified.

SUB-OUTCOME 4: CLIMATE CHANGE VULNERABILITY REDUCED & CLIMATE CHANGE RESILIENCE IMPROVED		
Output Indicator	Annual Target	Annual Progress and Analysis
Performance Analysis	On target Priority projects were identified in the approved Green Energy Implementation Plan.	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 5: A FRAMEWORK TOWARDS IMPROVED MANAGEMENT OF CULTURAL HERITAGE DEVELOPED		
Output Indicator	Annual Target	Annual Progress and Analysis
Number of Cultural Heritage assessments conducted	Cultural heritage resources in 2 national parks assessed	On target The cultural heritage resources of two parks (Marakele and Mountain Zebra NP) assessed.
Performance Analysis	On target The cultural heritage resources of two parks (Marakele and Mountain Zebra NP) were assessed.	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 6: SUSTAINABLE RHINO POPULATIONS MONITORED AND INCREASED		
Output Indicator	Annual Target	Annual Progress and Analysis
Percentage annual increase in rhino populations	Rhino population in KNP increasing at 0,5%	Off target Estimates translate into a 14.7% decline for white rhinos, but a 2.9% apparent increase for black rhinos. Although black rhino growth exceeds 0.5% increase, the population is at best similar to the years before. The weighted average combining both black and white rhino indicate a 13.4% decline in rhinos in KNP. SANParks did not achieve the target.
	Rhino population in other parks increasing at 4%	Target exceeded An increase of 6.2% overall achieved.
Performance Analysis	Off target for KNP. Estimates translate into a 14.7% decline for white rhinos, but a 2.9% apparent increase for black rhinos. Although black rhino growth exceeds 0.5% increase, the population is at best similar to the years before. The weighted average combining both black and white rhino indicate a 13.4% decline in rhinos in KNP.SANParks did not achieve the white rhino target. Parks: Within target: An increase of 6.2% overall was achieved.	
Reason for Variance	The poaching rate, i.e. proportion of the population poached coupled with natural death rates, i.e. the proportion of rhinos in the population that died a natural death, exceeded the birth rates indicated by the proportion of the population that were less than one year old towards the end of 2021.	



SUB-OUTCOME 6: SUSTAINABLE RHINO POPULATIONS MONITORED AND INCREASED

Output Indicator	Annual Target	Annual Progress and Analysis
Planned Improvement / Corrective Actions	The poaching rate, i.e. proportion of the population poached coupled with natural death rates, i.e. the proportion of rhinos in the population that died a natural death, exceeded the birth rates indicated by the proportion of the population that were less than one year old towards the end of 2021.	

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

Output Indicator	Annual Target	Annual Progress and Analysis
Number of approved animals delivered to African Range States as per Ministerial approval	≥ 495 animals delivered to Zinave National Park	Off target 89 animals delivered during the year
Performance Analysis	Deliveries were undertaken and reported on in Quarter 2 2021/22. Peace Parks Foundation reduced the initial committed animals due to financial constraints. Additionally, upon assessments, it was established that the animals that have already been translocated were faring well and the populations were growing significantly, thereby negating the need for more translocation.	
Reason for Variance	Reduction in required animal populations.	
Planned Improvement / Corrective Actions	None required for this year, however 70 giraffe is to be delivered during 2022/23.	

SUB-OUTCOME 8: WILDLIFE CRIME IN NATIONAL PARKS REDUCED

Output Indicator	Annual Target	Annual Progress and Analysis
Number of rhinos poached in KNP and 6 parks reduced	KNP: Reduce number of rhinos poached in KNP to < 230 animals	Within target Cumulatively: 195 rhinos were poached in KNP.
	Other rhino parks: Maintain the number of rhinos poached to less than 5 animals	Within target There was no poaching recorded in other parks.
Number of elephants poached reduced	KNP: Reduce number of elephants poached to less than 40 animals	Within target Cumulatively: 9 elephants were poached in KNP.
	Other parks: Reduce the number of elephants poached to less than 4 animals	Within target No elephants were poached in other parks.
Performance Analysis	Rhino poaching: 195 rhinos were poached in KNP for the period under review. No rhino were poached in other parks. Elephants poached: 9 elephants were poached in KNP for the period under review. No elephants were poached in other parks.	
Reason for Variance	The continued implementation of the multi-pronged anti -poaching plan	
Planned Improvement / Corrective Actions	The continued implementation of the multi-pronged anti -poaching plan	

3.2 DIVERSE AND RESPONSIBLE TOURISM

OUTCOME GOAL 2: IMPROVED DIVERSE AND RESPONSIBLE TOURISM

PURPOSE:

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

SUB-OUTCOMES:

1. Improved tourism performance
2. Improved responsible tourism

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

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





INTRODUCTION

The innate human instinct to connect with nature and other living beings draws people to national parks and allows SANParks to provide tourism services and generate revenue.

It thus follows that although the COVID-19 pandemic drove global tourism industry to its knees, the isolation and enforced periods of quarantine resulted in a longing to reconnect with nature. People are eager to once again visit national parks and benefit from the healing power of the natural environment. During 2021/22, SANParks therefore focused on enabling and encouraging the return to parks.

The recovery of international and domestic tourism

Since the start of the pandemic, SANParks has been monitoring the factors affecting international and domestic tourism recovery. Current positive forces fuelling the recovery include a renewed interest in nature-based tourism and personal wellness, and the lifting of travel restrictions in major source markets. International data shows that travellers are spending more on trips than before the pandemic due to a considerable amount of pent-up savings, with prolonged durations of stay and increased spending on transport as well as accommodation costs. Booking windows are slowly lengthening.

International tourist arrivals from overseas markets in South Africa showed significant improvements in the months of October through December 2021, although numbers were still 75% below 2019 levels. According to a recent survey among the UNWTO expert panel, most experts (64%) expect international arrivals to return to 2019 levels in 2024 or later.

On the downside, the world is confronted with a challenging economic and geopolitical environment putting additional strain on tourism's recovery. As a result of uncertainty, international leisure travellers are hesitant to book far in advance. Amid low demand and rising jet fuel prices, airlines will increase ticket prices to restore their finances and comply with climate regulations.

The already sensitive demand for international travel is likely to be further affected by the conflict in Europe, which introduced new shocks to the global economy through much higher energy and agricultural commodity prices. Local economic conditions are expected to weaken further and affect domestic tourism demand as consumers struggle to make ends meet.

Key uncertainties that may persist in the near future include the possibility of the conflict in Ukraine spreading to other countries, and the possible emergence of new variants of COVID-19 that could lead to governments reintroducing travel restrictions. It remains to be seen whether tourism will be resilient enough to withstand these shocks.

Tourism research

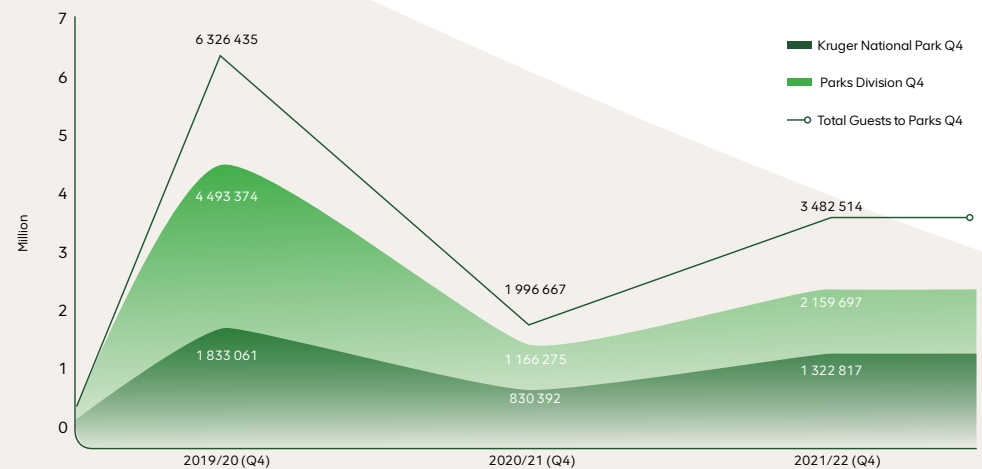
Through its dedicated tourism research facility that was created five years ago, SANParks enjoys active relationships with academic institutions locally and internationally. Three relevant areas of research during 2021/22 besides that of the recovery of tourism, were:

- Getting to know the tourism needs of Generation Z;
- Halal tourism as a niche market opportunity for South African National Parks; and
- Phase 1 of a travel behaviour study which involved a retrospective analysis of reservation data and tourism statistics pre- and mid-pandemic to identify changing patterns in the travel behaviour of SANParks' visitors was conducted. This will be explored more rigorously in Phase 2 through a targeted visitor survey investigating changes in other behavioural and attitudinal aspects of travel behaviour amidst the deteriorating economic and geopolitical conditions.

There are other areas of ongoing or developing research and SANParks is comfortable with progress made in interacting with the academic world and in directly benefitting from research.

Tourism statistics

Guests to parks



Top Five Parks – Highest number of **guests to parks** for 12-month term

Position	Park	Guests to Park (12 months) 2019/20 in brackets	% of total 2021/20	% of total 2019/20
1	Kruger	1 322 817 (1 833 061)	38.0%	29.0%
2	Table Mountain	1 136 352 (3 083 142)	32.6%	48.7%
3	Garden Route	288 655 (471 510)	8.3%	7.5%
4	West Coast	205 395 (250 638)	5.9%	4.0%
5	Addo	136 570 (277 350)	3.9%	4.4%

Unit occupancy

SANParks recorded accommodation unit occupancy of 57.6% compared to 69.4% recorded in 2019/20 and 29.4% in 2020/21. The Kruger National Park had unit occupancy of 61.0% versus 29.6% in 2020/21 and 78.0% in 2019/20. Parks Division had unit occupancy of 51.2% compared to 29.2% in 2020/21, and 54.5% in 2019/20.

Top Five Parks – **Highest unit occupancy (%)** for 12-month term

Position	Park	Occupancy (12 months) 2021/2	Occupancy (12 months) 2019/20
1	Kgalagadi	89.2%	82.7%
2	Mountain Zebra	69.0%	75.3%
3	West Coast	64.8%	55.0%
4	Karoo	62.9%	55.7%
5	Kruger	61.0%	78.0%
Total	All parks	57.6%	69.4%

Top Five Camps – **Highest unit occupancy (%)** for 12-month term

Position	Camp	Occupancy (12 months) 2021/2	Occupancy (12 months) 2019/20
1	Urikaruus	99.0%	96.5%
2	Kieliekrankie	97.2%	87.2%
3	Grootkolk	94.8%	90.5%
4	Nossob	93.9%	79.9%
5	Gharagab	93.0%	87.2%
Total	All parks	57.6%	69.4%

Bed occupancy

SANParks as a whole recorded accommodation bed occupancy of 45.6% in the reporting period, comparing to 54.0% recorded in 2019/20 and 23.7% in 2020/21.

The Kruger National Park had bed occupancy of 48.4% by end of Q4 2021/22 versus 23.8% in 2020/21 and 60.6% in 2019/20. Parks Division had bed occupancy of 40.4% by end of Q4 2021/22, versus 23.6% in 2020/21 and 42.3% in 2019/20.

Top Five Parks – **Highest bed occupancy (%)** for 12-month term

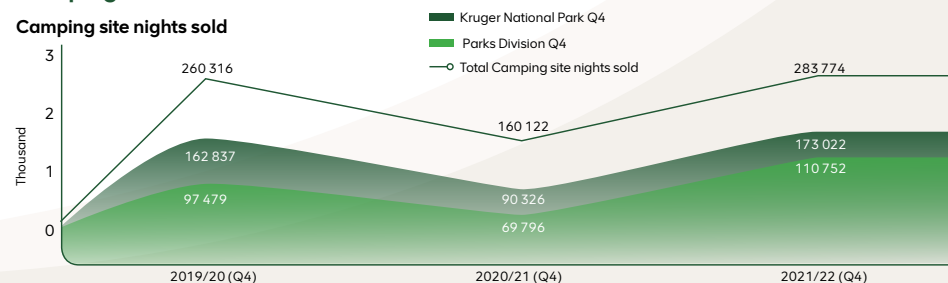
Position	Park	Occupancy (12 months) 2021/2	Occupancy (12 months) 2019/20
1	Kgalagadi	68.4%	63.7%
2	Camdeboo	51.4%	49.9%
3	Addo	50.0%	64.3%
4	Kruger	48.4%	60.6%
5	West Coast	45.5%	38.2%
Total	All parks	45.6%	54.0%

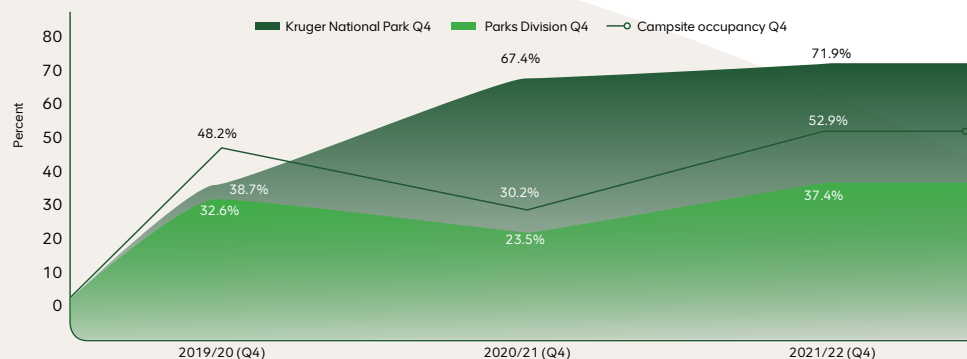
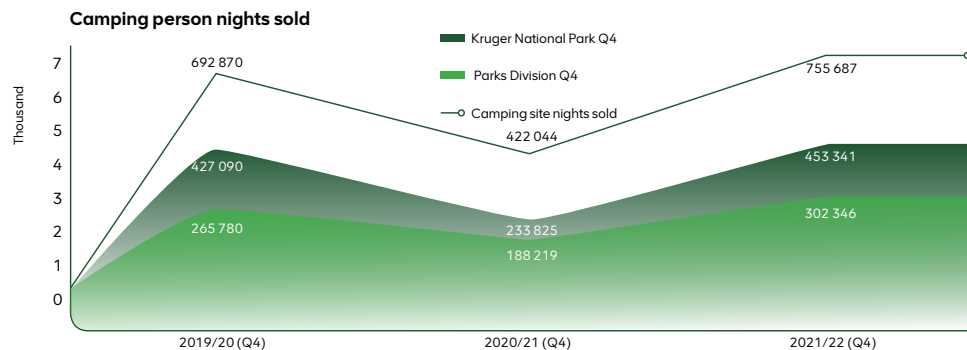
Top Five Camps – **Highest bed occupancy (%)** for 12-month term

Position	Camp	Occupancy (12 months) 2021/2	Occupancy (12 months) 2019/20
1	Urikaruus	94.9%	93.7%
2	Kieliekrankie	93.6%	83.9%
3	Grootkolk	91.6%	88.2%
4	Gharagab	90.7%	84.5%
5	Bitterpan	85.3%	83.1%
Total	All parks	57.6%	69.4%

Camping

Camping site nights sold





Top Five Parks – **Highest camp site occupancy (%)** for 12-month term

Position	Park	Occupancy (12 months) 2021/2	Occupancy (12 months) 2019/20
1	Kgalagadi	85.4%	76.0%
2	Kruger	71.9%	67.4%
3	Mapungubwe	69.8%	62.2%
4	Karoo	58.0%	51.3%
5	Mountain Zebra	56.9%	51.9%

Top Five Camps – **Highest camp site occupancy (%)** for 12-month term

Position	Camp	Occupancy (12 months) 2021/2	Occupancy (12 months) 2019/20
1	Nossob	89.7%	77.2%
2	Crocodile Bridge	88.6%	87.2%
3	Mata Mata	83.6%	71.6%
4	Motswedi	83.4%	80.5%
5	Lower Sabie	82.7%	82.2%

Activities

A total of 130 852 guests participated in activities in all national parks, compared to 55 752 in 2020/21 and 291 562 in 2019/20. The Kruger National Park recorded 91 861 compared to 35 864 in 2020/21 and 207 014 in 2019/20. Parks Division recorded 38 991 in 2021/22 compared to 19 888 in 2020/21 and 84 548 in 2019/20.

Demographics

Please note that country and province of guests' residence data is not captured at the Golden Gate Hotel and Chalets, while at the gates of the West Coast National Park (WCNP) and Table Mountain National Park's (TMNP) Boulders and Cape of Good Hope, limited demographic information is being reported since 1/04/2019.

Black South African domestic guests totalled 558 451 in 2021/22. This figure consists of 496 533 day visitors and 61 918 overnight guests and represents 33.2% of total South African day visitors and 12.7% of South African overnight guests, respectively. The total Black South African guests (day visitor and overnight) comprise 28.1% of total South African Guests where this metric is recorded. The number of Black South African guests are not captured at TMNP and WCNP.

“

Guests participating in park activities:
The Kruger National Park recorded
91 861 compared to **35 864** in
2020/21 and **207 014** in 2019/20

”

Top Five Parks – **Highest % total SA Black guests** of total SA guests

Position	Park	% Black Guests of Total SA Guests (12 months)	Number of Black Guests
1	Mapungubwe	47.7%	7 832
2	Kruger	34.2%	424 936
3	Golden Gate	33.8%	12 580
4	Augrabies	26.5%	26 169
5	Agulhas	24.2%	4 918

Composition of guests according to country of origin

Category		2021/22	2019/20	% change
SA Residents	Number	2 565 395	2 622 218	-2.2%
	% of total	87.3%	51.2%	
SADC Nationals	Number	24 779	85 996	-71.2%
	% of total	0.8%	1.7%	
Other Countries	Number	350 225	2 418 732	-85.5%
	% of total	11.9%	47.2%	

Day visitors vs overnight visitors

Category		2021/22	2019/20
Day Visitors	Number	1 817 016	2 539 099
	% of total	77.5%	78.3%
Overnight Visitors	Number	529 146	704 194
	% of total	22.6%	21.7%

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

“

Black South African domestic guests
33.2% of total South African day
visitors and **12.7%** of South African
overnight guests

”





Composition of guests according to province of origin

Position	Province	Guest Numbers 2019/20 in brackets	% change
1	Gauteng	553 460 (458 849)	+20.6%
2	Mpumalanga	439 854 (472 789)	-7.0%
3	Western Cape	351 279 (326 322)	+7.6%
4	Limpopo	203 461 (251 457)	-19.1%
5	Eastern Cape	200 167 (218 668)	-8.5%
6	Free State	66 704 (74 448)	-10.4%
7	KwaZulu-Natal	63 503 (60 427)	+5.1%
8	Northern Cape	57 597 (39 624)	+45.4%
9	North West	41 077 (32 239)	+27.4%

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

International guests – Top five countries

Position	Country	% of Total Foreign Guests 2019/20 in brackets	Number of Guests 2019/20 in brackets
1	Germany	42.1% (40.6%)	65 301 (423 088)
2	United States	7.6% (4.6%)	11 750 (47 717)
3	Netherlands	6.3% (6.6%)	9 762 (68 394)
4	United Kingdom	6.3% (7.1%)	9 739 (74 435)
5	France	5.6% (6.9%)	8 694 (72 443)

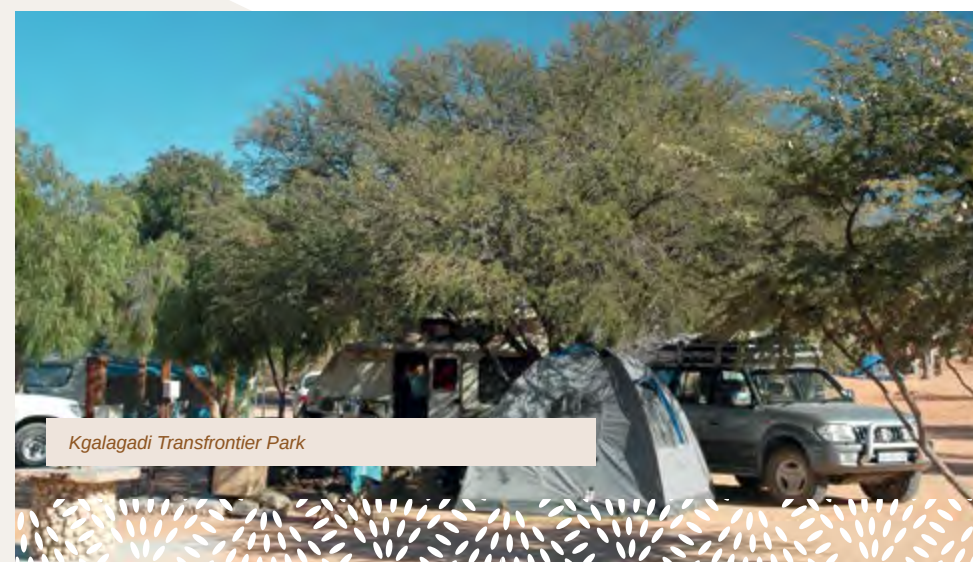
Note: Data on international guests' home country is not captured at Golden Gate Hotel, Table Mountain National Park and West Coast National Park

Forward bookings

As at 4 April 2022, SANParks held bookings for 212 885 accommodation unit nights for the period April 2022 to March 2023. This is -7.7% (below the level of 230 552) recorded on 4 April 2020. On 4 April 2022, SANParks held bookings for 140 152 camping site nights which is 16.3% better than the figure of 120 557 recorded in April 2020.

Accommodation unit nights booked in advance for all parks

Month	UNIT NIGHTS BOOKED					
	SANPARKS					
	Accommodation			Camping		
	@ 2/4/20	@4/4/21	@4/4/22	@2/4/20	@4/4/21	@4/4/22
Apr	10 377	32 664	35 957	6 249	24 091	21 405
May	24 043	24 169	26 075	18 569	22 425	21 826
Jun	31 615	21 532	24 451	20 373	19 122	18 889
Jul	30 714	30 316	30 288	16 602	20 925	19 895
Aug	33 090	24 853	26 256	16 646	17 205	16 509
Sept	30 349	22 617	19 894	15 873	14 510	12 351
Oct	24 990	18 352	16 671	6 377	8 665	9 030
Nov	13 839	8 827	8 914	2 686	3 245	3 392
Dec	16 102	11 658	12 383	11 915	10 069	11 177
Jan	7 836	6 007	6 171	3 870	4 049	4 450
Feb	6 941	4 638	5 053	1 365	602	1,132
Mar	655	679	772	32	96	96
TOTAL	230 552	206 312	212 885	120,557	145 004	140 152



Kgalagadi Transfrontier Park

The Kruger National Park shows a -9.1% decline in forward bookings for accommodation in the period April 2022 to March 2023 compared to that recorded on 4 April 2020. Camping is, however, 11.7% higher than April 2020.

Accommodation unit nights booked in advance for Kruger National Park

UNIT NIGHTS BOOKED						
KRUGER DIVISION						
	Accommodation			Camping		
Month	@ 2/4/20	@4/4/21	@4/4/22	@2/4/20	@4/4/21	@4/4/22
Apr	7 567	22 244	24 607	4 244	14 444	12 755
May	17 535	18 350	19 333	14 584	19 743	16 921
Jun	25 753	17 500	19 466	16 164	15 651	15 152
Jul	25 840	25 941	25 542	13 614	16 849	15 855
Aug	26 727	19 620	21 542	12 844	13 456	12 682
Sept	22 631	16 222	14 844	11 342	10 250	8 147
Oct	18 135	13 934	11 369	3 196	5 090	5 131
Nov	9 311	5 630	5 857	1 424	1 224	1 293
Dec	10 323	6 835	7 176	2 682	1 840	2 249
Jan	4 159	3 395	3 409	1 033	644	676
Feb	3 793	3 398	3 621	773	257	617
Mar	646	571	492	30	70	0
TOTAL	172 420	153 640	156 733	81 876	97 518	91 468

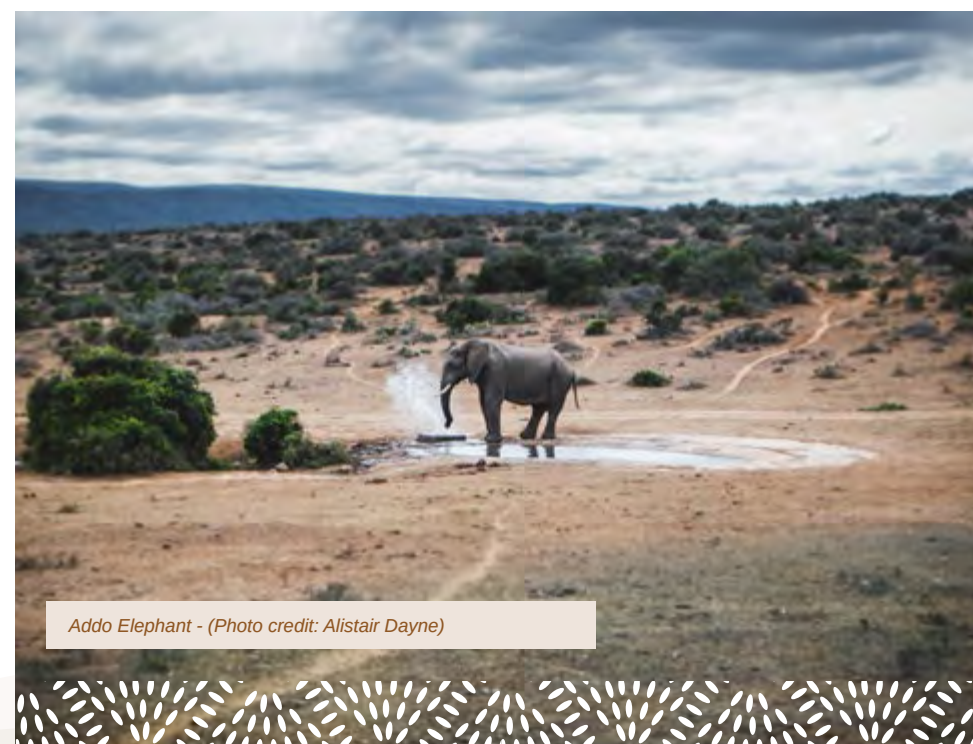
In forward bookings for accommodation, Parks Division shows a -3.4% decline below April 2020 levels, while camping reflects an increase of 25.9% over levels recorded two years ago.

In forward bookings for accommodation, Parks Division shows a -3.4% decline below April 2020 levels, while camping reflects an increase of 25.9% over levels recorded two years ago.

Accommodation unit nights booked in advance for Parks Division

UNIT NIGHTS BOOKED						
PARKS DIVISION						
	Accommodation			Camping		
Month	@ 2/4/20	@4/4/21	@4/4/22	@2/4/20	@4/4/21	@4/4/22
Apr	2 810	10 420	11 350	2 005	9 647	8 650
May	6 508	5 819	6 742	3 985	4 682	4 905

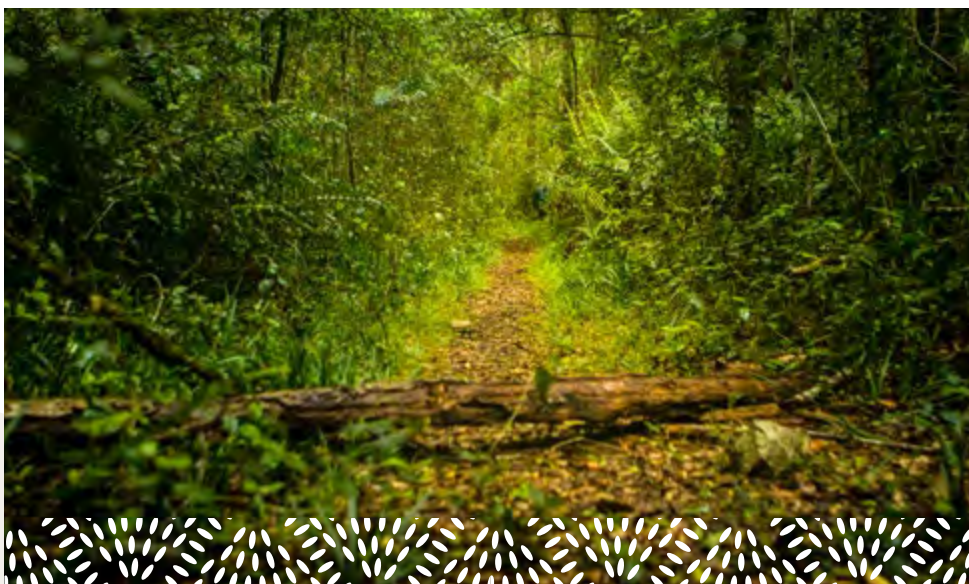
UNIT NIGHTS BOOKED						
PARK DIVISION						
	Accommodation			Camping		
Month	@ 2/4/20	@4/4/21	@4/4/22	@2/4/20	@4/4/21	@4/4/22
Jun	5 862	4 032	4 985	4 209	3 471	3 737
Jul	4 874	4 375	4 746	2 988	4 076	4 040
Aug	6 363	5 233	5 239	3 802	3 749	3 827
Sept	7 718	6 395	5 050	4 531	4 260	4 204
Oct	6 855	4 418	5 302	3 181	3 575	2 899
Nov	4 528	3 197	3 057	1 262	2 021	2 099
Dec	5 779	4 823	5 207	9 287	8 229	8 928
Jan	3 677	2 612	2 762	2 837	3 405	3 774
Feb	3 149	1 240	1 432	592	345	515
Mar	9	108	280	2	26	96
TOTAL	58 132	52 672	56 152	38 681	38 681	48 684





Tourism revenue

		Total April 2021 to March 2022			Total April 2020 to March 2021			2021/22 vs 2020/21	
		Actual	Budget	Budget Variance	Actual	Budget	Budget Variance	Actual vs Actual	Budget 2021/22 vs Actual 2020/21
A001 - Conservation Fees	A001 - Conservation fees	-R271 468 692	-R287 440 415	-5.6%	-R 145 638 475	-R127 466 653	14.3%	86.4%	97.4%
	A001 - Wild Card Income	-R56 175 216	-R24 801 550	126.5%	-R53 343 076	R0		5.3%	-53.5%
	A002 - Conservation Fees	-R204 852 848	-R250 610 243	-18.3%	-R82 124 715	-R127 466 653	-35.6%	149.4%	205.2%
	B011 - Entrance Fees	-R10 440 628	-R12 028 622	-13.2%	-R10 170 683	R0		2.7%	18.3%
	CONSERVATION FEES	-R271 577 551	-R288 688 619	-5.9%	-R145 687 846	-R127 644 653	14.3%	86.4%	98.1%
A005 - Concession Fees	A005 - Concession Fees	-R61 730 125	-R64 078 287	-3.7%	-R38 279 811	-R52 188 437	-26.7%	61.3%	67.4%
	A005 - Facilities Rental	-R23 862 968	-R21 877 844	9.1%	-R15 424 074	-R20 484 262	-24.7%	54.7%	41.8%
	C025 - Concession Fees	-R37 867 157	R42 200 334	-10.3%	-R22 855 737	-R31 104 175	-27.9%	65.7%	84.6%
A010 - Retail Gross Profit	A010 - Retail Gross Profit	-R35 821 614	-R35 076 470	2.1%	-R20 192 561	-R14 713 898	37.2%	77.4%	73.7%
	A010 - Sales - Trading	-R254 640 793	-R240 647 650	5.8%	-R138 488 549	-R54 981 859	151.9%	83.9%	73.8%
	A020 - Cost of Sales - Trading	R218 817 179	R205 571 180	6.4%	-R118 295 978	R40 267 962	193.8%	85.0%	73.8%
B010 - Tourism income	B010 - Tourism income	-R822 109 904	-R794 865 606	3.4%	-R418 526 654	-R382 925 750	12.2%	96.4%	89.9%
	B010 - Accommodation	-R721 887 217	-R 697 600 266	3.5%	-R366 808 642	-R330 896 467	10.9%	96.8%	90.2%
	B011 - Entrance Fee	-R108 859	-R1 22/8 204	-91.4%	-R49 371	R0		120.5%	2387.7%
	B012 - Trail Fees	-R30 254 725	-R30 280 892	-0.1%	-R12 205 214	-R27 227 009	-55.2%	147.9%	148.1%
	B014 - Drive Fees	-R30 191 840	-R39 824 432	-24.2%	-R12 502 684	-R14 802 273	-15.5%	141.5%	218.5%
	ACTIVITIES	-R60 446 565	-R70 105 324	-13.8%	-R24 707 899	-R42 029 283	-41.2%	144.6%	183.7%
	B015 - Sundry Tourism income	-R21 249 754	-R11 131 873	90.9%	-R11 374 376	R0		86.8%	-2.1%
	B016 - Cancellations & Forfeitures	-R18 417 508	-R14 799 939	24.4%	-R15 586 067	R0		18.2%	-5.0%
	OTHER TOURISM INCOME	R39 667 262	-R25 931 812	53.0%	-26 960 443	R0		47.1%	3.8%
	TOTALS	-R1 191 130 335	-R 1 181 460 770	0.8%	-R622 637 201	-R567 294 738	9.8%	91.3%	89.8%



Connecting with the tourist

Connecting with tourists and the public at large is a primary function of the units within the SANParks Tourism, Marketing and Communications Department. Various traditional and digital channels are used to communicate with, inform and receive feedback from, and incentivise the public.

In the aftermath of the COVID-19 pandemic, the public consumption of SANParks communications material reached new levels. This can be attributed to the fact that virtual platforms made it easier for people worldwide to connect regardless of their physical location. Audio/visual computer and smartphone-based communication was particularly beneficial in the periods when travel was curtailed and became a great outlet to share information and images from SANParks.

Marketing and promotions

As part of its mandate to initiate and implement activities that contribute towards “Improved Tourism Performance”, the Marketing unit focused on various campaigns during 2021/22, as outlined, see table below.

Digital and social media campaigns and projects

Short-term campaigns	Medium-term campaigns	Longer-term campaigns
Winter Specials	Away for Repair Promotion	Long Stay Camping
Sho't Left Specials	Dunlop	Extended Senior Citizen Discounts
SANParks Tourism Investment Summit		Stokvels & Travel Clubs
Short Notice Specials		Long stay Accommodation
Early Bird Specials		
Valentine's Day		
Discounted Activities		
Black Friday		
December Specials		
Still available this weekend.		

Customer relationship management (CRM)

The new CRM programme was scheduled to go live in 2021/22 but experienced a series of technical and licensing delays and is planned to launch during the first quarter of 2022/3. In August 2020, the survey module of the new CRM system was activated to replace the old Touchwork guest feedback system. On checkout, all overnight guests are sent an email to elicit feedback on their stay and experience at the national parks. Key customer



touchpoints surveyed include accommodation, reservations and check-in process, dining, shopping, activities and overall nature experience. The 2021/22 Customer Satisfaction Index remained steady throughout the year, ending at 76.9%.

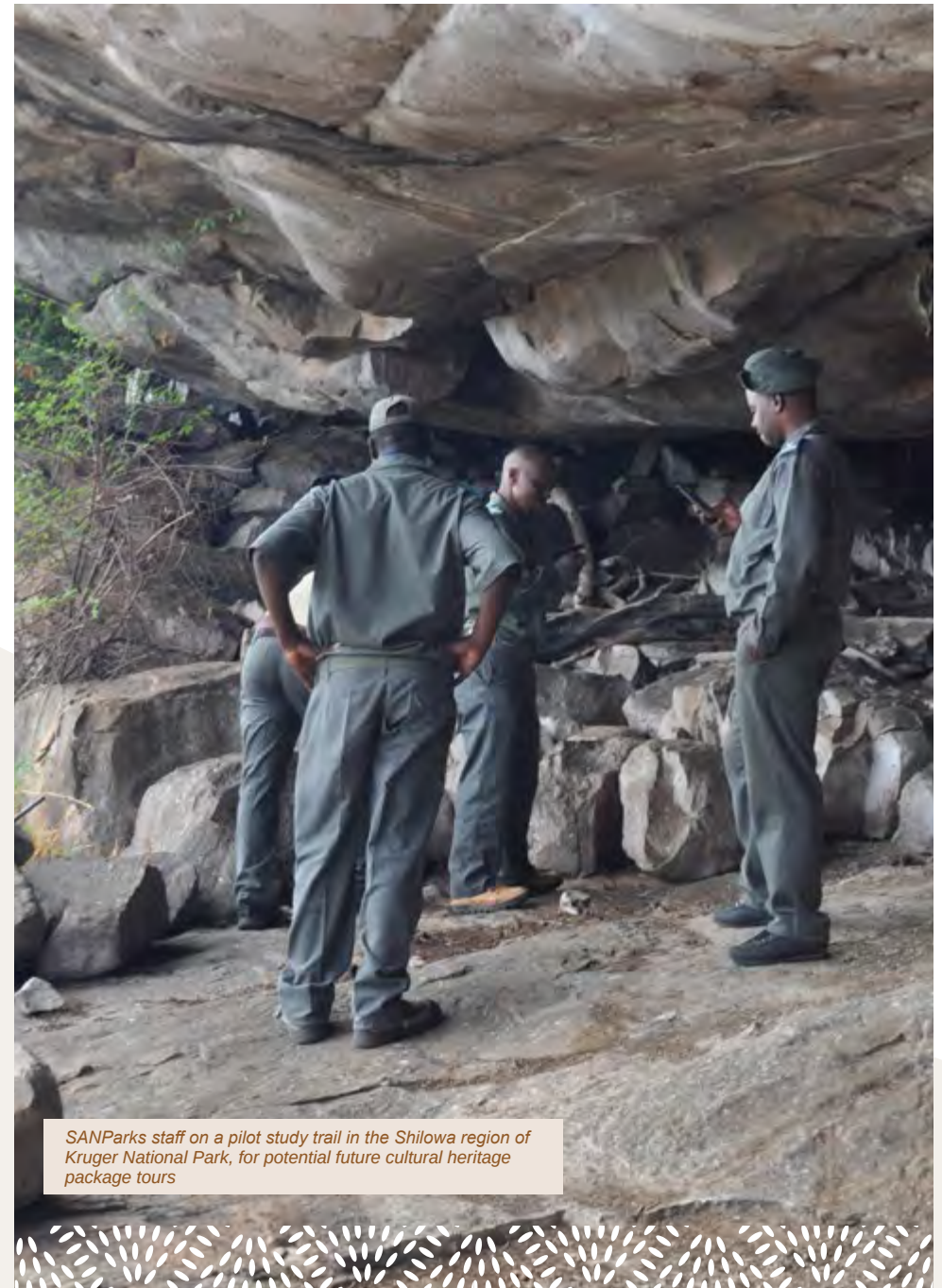
The survey, customer service management, sales management, marketing and campaign management modules will be customised to SANParks' needs, and training for key staff will be provided. As a management tool, CRM will enable informed decision-making and predictive analysis so that SANParks can respond better to customer needs. CRM collates all customer data into a central database and offers a dynamic new customer service interface.

New loyalty programme

The Loyalty programme will be introduced in phases to familiarise customers with the benefits and rewards system and as partner parks and corporate partners are brought on board. Customers will have access to their profile through their own customer portal making communication with the organisation more direct and giving them the power to manage their subscription. The Loyalty programme adds to the already substantial value that the Wild Card brings by offering personalised benefits beyond the benefits derived as an access card. Members will be able to subscribe according to their preferred category, each with its own special benefits and rewards.

Stokvels and travel clubs

SANParks marketing launched a stokvel and travel club programme that offers discounts to members of such groups. Travel clubs include groups of people that have special interests (such as hiking) as well as groups of friends and large families that enjoy group travel. This stokvel and travel club programme contributes to SANParks' growing specific non-traditional markets, attracting visitors, making travel inclusive and affordable, and diversifying the tourism offering.



SANParks staff on a pilot study trail in the Shilowa region of Kruger National Park, for potential future cultural heritage package tours

Corporate communications

The 2021/22 financial year was particularly challenging given the dynamic COVID-19 landscape and because of the shifting stakeholder messaging positions domestically and internationally.

At the beginning of the year, the country was on national lockdown with widespread travel bans mostly in key tourism source markets. This meant communication activities had to be limited as the fiscal obligations were diverted to fight the spread of the virus.

Priorities during this time included staff engagement imbizos, working groups on COVID-19, and public relations initiatives.

Pro-active media engagements

Throughout the year under review, SANParks continued to nurture relationships of mutual respect and benefit with the media. SANParks disseminated information pertaining to conservation and tourism as well as community beneficiation projects such as distribution of meat from culling to communities in need. Highlights of the year include the following:

- Wildlife Economy Animal Handover at Groot Marico, North West Province
- Ten years of cheetah tracking in Mountain Zebra National Park
- Rhodes Memorial Fire Media Briefing
- SANParks FNB Business Incubation Programme Graduation
- Tourism month publicity
- Flower season launch in Westcoast National Park
- Tankwa Karoo National Park unveils a new book called "The Heart and Soul of the Tankwa Karoo National Park"
- Carte Blanche coverage of the death of 63 African Penguins at Boulders Penguin Colony
- Carte Blanche coverage on bark stripping in Newlands Forrest
- Pass out parade of the SEAM Team in TMNP
- Six opinion pieces published in major national newspapers

Brand awareness and sentiment

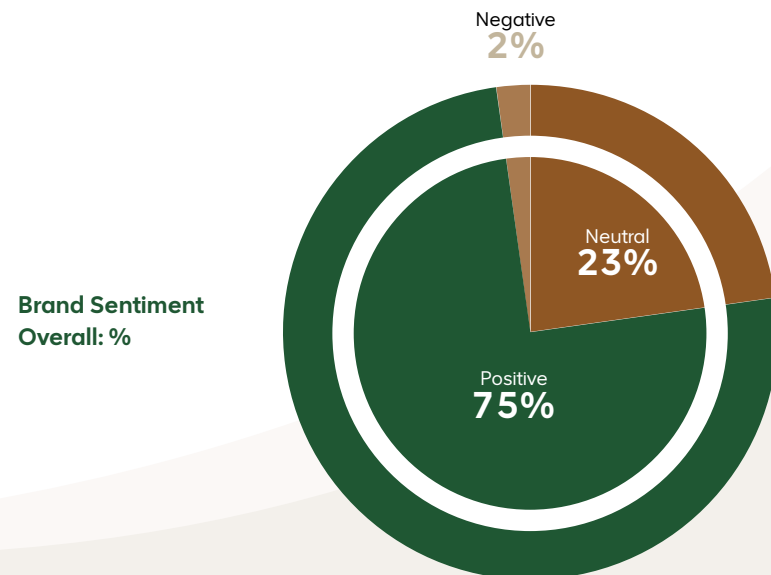
SANParks launched its Brand Awareness Plan in 2021/22. The event received extensive media coverage for SANParks and its funding partners FNB and Total Energies.

The overall sentiment towards the SANParks brand remained largely positive to neutral during 2021/22, retaining a combined 98% share while negative coverage stayed unchanged at 2% of total coverage, as was in the previous reporting period.

SANParks generated 22 972 mentions across traditional media platforms, which is 2 317 more mentions than the 20 655 recorded in 2020/21.

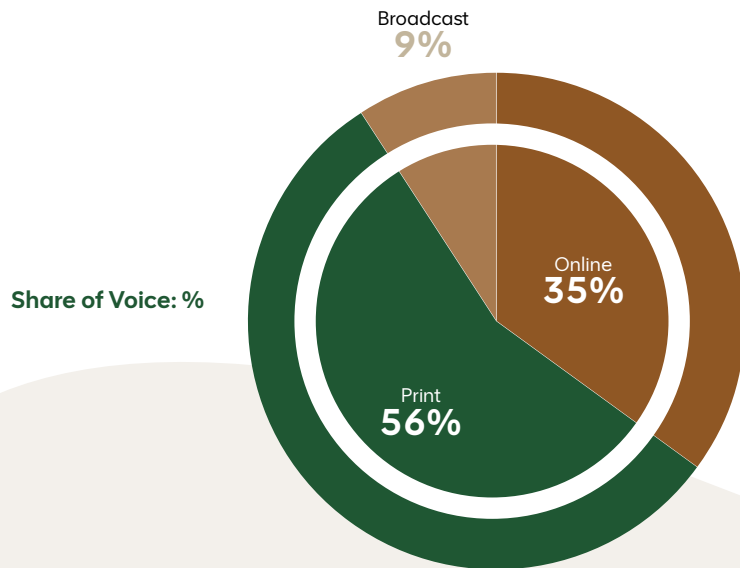


Overall brand sentiment





Share of voice in print, broadcast and online media



The following topics served as drivers of key positive and neutral coverage:

- Table Mountain National Park firefighting efforts and rehabilitation
- First-ever woman Kruger National Park head ranger
- First black chief pilot
- Anti-poaching
- Stokvel and Travel Club Programme
- Wildlife Economy Programme
- COVID-19 risk adjusted strategy
- Kruger National Park named in Time Magazine's 100 World Greatest Places to explore in 2021
- Table Mountain National Park named Africa's Leading Tourist Attraction by the World Travel Awards (WTA)

- Namaqua's flower camps named among SA's most alluring getaways
- Big 7 travel lists South Africa 6th best honeymoon destination in the world
- SANParks launches reality TV series
- Tourism Investment Summit
- National Parks Week
- Media excursions and conservation topics.

The following topics were identified as key reputational risks:

- Blame games and litigation over the Table Mountain National Park fires
- SANParks relationship with Table Mountain user groups
- Sexual harassment charge for CEO
- Break of corporate governance protocols
- Mountain attacks
- Tension over land claims.



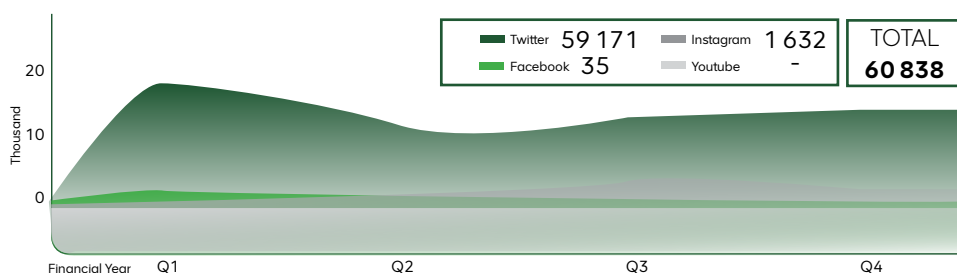
Social media

The role of social media is increasing as shown by the growth of public participation in the various SANParks social media platforms in 2021/22.

Public participation in SANParks social media platforms

Search	Q1	Q2	Q3	Q4	Total
Arid Region	80	141	77	144	442
Cape Region	1 640	970	197	376	3 183
Frontier Region	204	315	295	217	1 031
Garden Route National Park	87	105	181	181	554
Kruger National Park	4 859	4 278	4 281	4 355	17 773
Northern Region	684	104	198	62	1 048
SANParks	12 154	8 352	8 200	7 425	36 131
Spokespeople	271	125	66	29	491
Total	19 979	14 390	13 495	12 789	60 653

Public participation in SANParks social media platforms



Digital events

The Visitor Services and Communications units joined forces to arrange various online events that were well attended during the periods of lockdown. Of primary significance were the webinars run in partnership with Birdlife SA and the SANParks Honorary Rangers' webinars. Recordings of these webinars can be watched on the YouTube platforms of SANParks.

Birdlife SA Conservation Conversation webinars featured tourism facilities, routes, services and birding attractions in a general overview of all SANParks' parks. Ten individual parks were then featured in more in-depth dedicated webinars. Each webinar had a live audience of around 800 people per night, while the YouTube viewings are into the thousands for several of the parks.

SANParks Honorary Rangers' webinars included the following:

- Fire – a necessary evil for Kruger National Park Management (by SANParks' Navashni Govender)
- 'Why we visit national parks (by Professor Nellie de Crom of Tshwane University of Technology)
- World Ranger Day Celebrations (multiple SANParks staff)
- Tourism for Conservation: 1990 to 2021 (by Joep Stevens, recently retired after a 3 decade career in tourism with SANParks)
- The Heart and Soul of Tankwa Karoo National Park (by SANParks' Honorary Rangers Beverley & Michiel Moll and Rina Steyn)
- Managing Marine Protected Areas (by SANParks' Dr Alison Kock)
- Lion Conservation – from Facts to Solutions by Kruger Ranger Richard Sowry
- SANParks' Pepperbark Tree Project (by SANParks' Dr Louise Swemmer)

Television

There were two outstanding SANParks linked television series broadcast during 2021/22:

'Away for Repair' on DSTV's Mzansi Magic Channel

With the theme 'Nature's power is in its healing', Away for Repair was an emotionally charged reality TV show set in seven of the most beautiful South African national parks. Each week, eight contestants in strained relationships were faced with physical and emotional challenges aimed at bringing them towards a resolution.

'Siyaya – Come Wild with Us' on SABC2

The SANParks/Siyaya collaboration with Francois Odendaal Productions was aired on SABC2 between April and June (Season 4) and again from October to December 2021 (Season 5). The featured parks were Table Mountain National Park, |Ai-|Ais/Richtersveld and Kgalagadi Transfrontier Park, as well as some Cape Nature reserves and a sojourn into



Namibia. SANParks provided the filming locations and editorial assistance.

Both seasons of Siyaya the series were a success domestically and internationally, winning awards in the 2021/22 in the Golden Bee International Children's Film Festival and the American Environmental Film Festival.



Tourism development

SANParks adopted its commercialisation strategy in 2000 with the objective of introducing private sector involvement into select commercial ventures with a risk-free return for conservation.

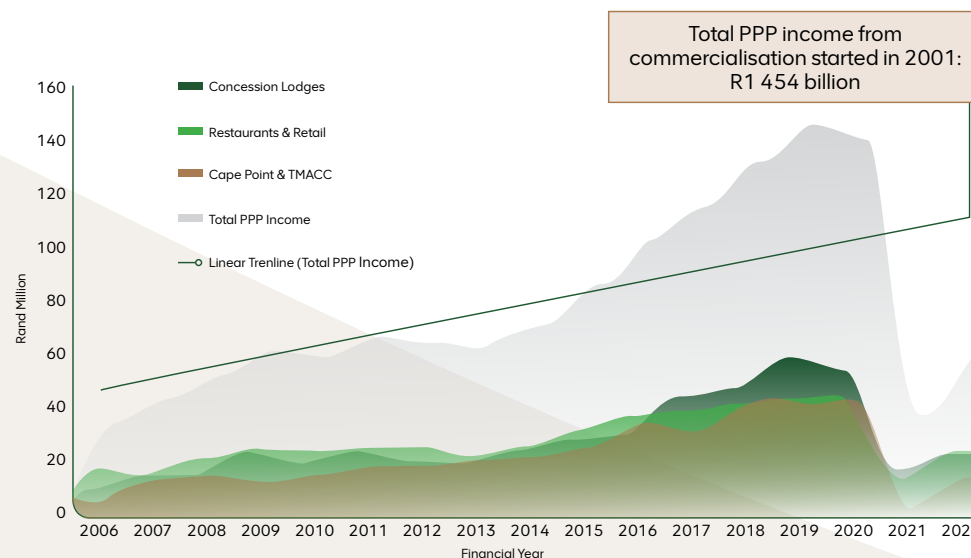
By providing world-class facilities, expanding retail and restaurant infrastructure and improving service levels, tourist numbers can be increased – while simultaneously advancing Broad-Based Black Economic Empowerment that promotes local black businesses.

Public Private Partnerships

Public Private Partnerships (PPPs) allow the private sector to perform an institutional function on behalf of a state entity, using state assets on an exclusive basis. They provide SANParks with product and price differentiation to accommodate different market segments and have proved an effective funding and development model that has yielded income of over R1.454 billion since inception and led to additional infrastructure to the value of R955 million.

As at 31 March 2022, SANParks has a portfolio of 60 PPPs covering accommodation, restaurant and retail activities, an airport and a golf club.

Total income from SANParks private public partnerships



SANParks' Business Development unit implements and manages this substantial range of public private partnerships with the dual aim of maximising opportunities for SANParks' financial independence, and enabling socio-economic development.

During 2021/22, the unit project-managed and facilitated the release of new facilities and products that included the Apostle Battery Boutique Hotel in the Table Mountain National Park; the Shingwedzi Treehouse camp and the Skukuza golf course in the Kruger National Park; and the Wilderness Eco-boat Safaris in the Garden Route National Park.

NEW ERA OF PPPS

Tourism is acknowledged as an **engine for job creation** and a **driver of sustainable socio-economic development** worldwide.

As the **largest state entity** in tourism SANParks has an obligation to **transform the tourism industry** in South Africa.

NEW PPP OPPORTUNITIES WILL HAVE A STRONG FOCUS ON PROMOTING:



Effective transformation through implementation of the B-BBEE Proposal



Skills development & skills transfer to local communities



Land claimant beneficiation through sustainable and viable shareholding models



Partnerships with SMMEs in managing PPPs



Enterprise development to strengthen the sector's linkages with related sectors



Reinforcing initiatives that lead to the upliftment of local communities

Tourism investment summit

SANParks hosted its second tourism investment summit on 31 March 2022. Leaning on the success of the commercialisation model, the summit showcased new business opportunities for the private sector.

More than 100 opportunities came under discussion with options to invest in accommodation, activities, restaurant and retail, and multi-use facilities in various national parks. They reflect the SANParks of the future by providing opportunities for virtual game drives; glamping adventures; treetop chalets; motorcycle tours; cultural heritage experiences; underground hides; activity hubs; sports tourism; paragliding; cable cars; suspension bridges; helicopter flips and many more.

The pipeline of new PPP opportunities (which will be implemented over the next 10 years), will widen the appeal of the parks to new markets while ensuring that the principal drawcards to national parks are not diluted and continue to hold appeal for our loyal traditional markets.

Cultural heritage connections and tourism packages

One of the primary focuses of SANParks in 2021/22 was to make the national parks more Afro-centric and make cultural heritage more accessible through interpretation displays and guided activities.

The Marketing, Cultural Heritage and Visitor Services departments together with Guides from Kruger developed a cultural heritage concept for a new trail in the Kruger National Park. The trail includes hiking and camping in a wilderness area in the Lebombo Mountains rich in cultural heritage sites and artefacts. The idea is to develop similar tours in other parks.

Interpretation site guide training

A programme to train interpretation site guides was written together with the SANParks Honorary Rangers. The first training course was presented and after successful completion of the assignments the guides are now qualified to operate at the Phabeni Interpretation Site.

Plans are in place to develop this programme further and to roll it out to interpretation sites across all national parks to provide this valuable service to visitors to the parks.

New interpretation centres

The Visitor Services unit manages or assists with content of numerous interpretation displays in parks that promote cultural heritage. During 2021/22, displays were produced for Tshikumbu Archaeological Site (former home to the Bakgalaka Tribe, located between Phalaborwa Gate and Mopani Rest Camp in the Kruger National Park), and Rabelais Interpretive Hut (a former western boundary entrance gate to the Kruger National Park).



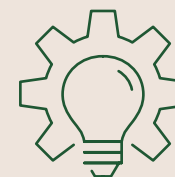
Major park interpretation centres under development in 2021/22 were the #Khomani San Cultural Landscape Centre in Twee Rivieren in Kgalagadi Transfrontier Park, and the Khodumodumo Dinosaur Centre in Golden Gate Highlands National Park, while the Mapungubwe Interpretation Centre in Mapungubwe National Park got a display makeover.

Print media interpretation

The Visitor Services unit engaged with Birdlife South Africa to publish (from 2020 to 2022) bi-monthly articles on unusual avi-tourism opportunities in national parks, such as Mapungubwe's Maloutswa Hide and the Limpopo Tree-top Boardwalk; and Kruger's Thulamila Hill near Punda Maria, N'wamibiya Sandveld and Matlakusa Pan, the latter two only accessible through 4x4 eco-routes and out of reach for many would-be visitors.



THE RESPONSIBLE TOURISM MEASURING TOOLKIT EXPLAINED



SANParks has a significant role in the promotion of South Africa's nature-based tourism, or eco-tourism business targeted at both international and domestic tourism markets. The eco-tourism pillar of the business architecture provides for the organisation's self-generated revenues from commercial operations that are necessary to supplement government funding of conservation management.

In 2011, SANParks formulated its Responsible Tourism Strategy, outlining its commitment towards the principles of responsible tourism, to ensure tourism development makes a positive contribution towards local communities and the conservation of natural and cultural heritage, is compatible with the environment in which it operates, and provides quality visitor experiences.

In 2020, SANParks developed a Responsible Tourism Performance Assessment Tool. The purpose of the tool is to enable the organisation to set responsible tourism goals and measure success in achieving said goals.

The SANParks Responsible Tourism Assessment Tool was piloted and refined during discussions with park managers. The Visitor Services unit successfully completed assessments for Golden Gate Highlands National Park, Mapungubwe National Park and Marakele National Park during 2021/22. Future assessments are dependent on parks' completion of the PMP evaluation first as the results are utilised in the RT Assessment. It is anticipated that the latter process will gain momentum in 2022/23 as several parks will soon be implementing the PMP evaluation tool.



South African
NATIONAL PARKS

Captions from left to right:

Pic 1 & 2: Display images from the Twee Rivieren Interpretation Centre showing #Khomani making "asbrood"

Pic 3: A scene on Table Mountain National Park beach from Siyaya Series 5.

Pic 4: The ruins of human settlements in the Kruger National Park, part of a Cultural Heritage Tour



The origins of the southern African civilisation – 900-1000AD

For millennia, the vast savannas of the Shashe-Limpopo Basin stretching to the Blueberg escarpment, ancestral to the San hunter-gatherers prospered in this region. Attracted by the thriving herds of elephants, Iron Age African farmers migrated into the Confluence Basin around 900 AD. They built their settlements in arable areas along the valleys of Limpopo and other rivers. Over a century they built the region's first large human settlement on the slopes of the Scheldt Hill high above the Limpopo River valley, with about 500 people living on the plateau. They had specialised iron-worked and entrepreneurs who exported exotic animal skins and ivory through the East African Indian Ocean Coast and imported silk and glass beads among other luxury items.

Display panel from Mapungubwe Interpretation Centre depicting the rise of complex African society.



Rise of African complex society – 1000-1200 AD

Between AD 1000 and AD 1200, political and economic power shifted from Scheldt to K2, a few kilometres to the west with an estimated population of 7 000 people. They had smaller village settlements along the edges of the Limpopo floodplains. The growth in wealth from long-distance trade enabled the emergence of a class-based society. During this period, evidence shows a settlement hierarchy emerged with residences at the centre exhibiting more wealth in cattle and imported luxury goods.



The Iron Age AD Settlements – Central Cattle Pattern at K2
The layout of Iron Age settlements indicates that the centre had a cattle kraal, the court area and graveyard surrounded by homesteads. The central area had wooden grain pits or revent grain bins for food storage, an assembly area where men met, a blacksmith's place for metalworking and groves of significant trees.



The Peak of the Mapungubwe civilisation – 1150-1320 AD

From 1150 AD, as the ruling elite became more powerful and wealthy they moved out of the valley at K2 for a new settlement on top of the Mapungubwe Hill. With an estimated population of 8 000 people, the king and his entourage lived at the hilltop, while the royal wives and families lived on the slopes. Communities continued living in existing villages along the river valleys. By the late 1300s AD, Mapungubwe had a sophisticated economy based on iron, copper, gold mining and trade. The bulk of the economy included sectors such as agro food production, ceramic, textile and jewellery manufacturing as well as long distance trade.



The first dry-stone walling technology was practiced at Mapungubwe, and later perfected during the Great Zimbabwe empire after 1300 AD.



OUTCOME GOAL 2: IMPROVED DIVERSE RESPONSIBLE TOURISM

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements: Improved Tourism Performance

SUB-OUTCOME 9 : IMPROVED TOURISM PERFORMANCE		
Output Indicator	Annual Target	Annual Progress and Analysis
Percentage improvement in Customer Satisfaction Index (CSI) rating	1% improvement on the baseline annual CSI score of 31 March 2021	Within target : 76.9%
Performance Analysis	Within target : 76.9%	
Reason for Variance	The 1.1% drop is driven by marginal decline in customer touchpoints. Nature Experience, Shopping, Dining, Activities and Overall Experience.	
Planned Improvement / Corrective Actions	The Hospitality Improvement Initiative with numerous projects aimed at improving tourism service delivery, tourism infrastructure is being implemented. The net effect of this initiative will improve overall customer experience with time.	
Output Indicator	Annual Target	Annual Progress and Analysis
Percentage increase in number of visitors to national parks year on year.	83.3% increase on previous actual (2020/21) Revised target 63,2% increase on 2020/21 actual (thus increase from 1 996 667 achieved in 2020/21 to 3 258 590)	Target exceeded. The number of visitors to national parks increased by 74.4% from 1 996 667 to 3 482 514 cumulatively for 2021/22, which is 6.9% above the target of 3 258 590 (previous year +63.2%)
Performance Analysis	Target exceeded The number of visitors to national parks increased by 74.4% from 1 996 667 to 3 482 514 cumulatively for 2021/2 which is 6.9% above the target of 3 258 590 (previous year + 63.2%).	
Reason for Variance	Earlier than anticipated resumption of tourism business and several initiatives to stimulate demand from the domestic market, e.g. Promotions, awareness, etc. notwithstanding that the earlier anticipated return of foreign guests during the last quarter of 2020/1 was not realised.	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Percentage increase in accommodation occupancy	20% increase on previous actual (2020/21)	Target exceeded 57.6%, calculated as 453 138 unit nights occupied from a total of 786 606 available.
Performance Analysis	Target exceeded: 57.6%, calculated as 453 138 unit nights occupied from a total of 786 606 available.	

SUB-OUTCOME 9 : IMPROVED TOURISM PERFORMANCE		
Output Indicator	Annual Target	Annual Progress and Analysis
Reason for Variance	Earlier than anticipated resumption of tourism business and several initiatives to stimulate demand from the domestic market, e.g. promotions, awareness, etc. notwithstanding that the earlier anticipated return of foreign guests during the last quarter of 2020/21 was not realised.	
Planned Improvement / Corrective Actions	No corrective actions.	
Output Indicator	Annual Target	Annual Progress and Analysis
Total Number of New and Diverse Tourism Products Implemented to attract domestic visitors	10	Off target 4 products implemented against an annual target of 10. These 4 are: Skukuza Golf Course; Apostle Battery Boutique Hotel; Wilderness Eco Boat Ferries; Treehouse Product Shingwedzi.
Performance Analysis	Off target: 4 products implemented against an annual target of 10. These 4 are: Skukuza Golf Course; Apostle Battery Boutique Hotel; Wilderness Eco Boat Ferries; Treehouse Product Shingwedzi.	
Reason for Variance	- No bids received for SMME projects (Table Mountain Commercial Treetop Adventure; Addo Bush Braai Dinosaur Centre Kiosk and Curio Shop; Golden Gate Spa; Wilderness Scooter Tours), due to the impact of COVID and related apprehension for access to funding and market - Zonation/Land claimants delays (Pafuri Precinct; Punda Maria Treehouse camp)	
Planned Improvement / Corrective Actions	Specifications to be reviewed for re-tender. Continuous training and awareness to SMME for preparation of a PPP tender.	

SUB-OUTCOME 10: IMPROVED RESPONSIBLE TOURISM		
Output Indicator	Annual Target	Annual Progress and Analysis
A Responsible Tourism (RT) Auditing Framework Implemented	Responsible Tourism audit conducted in 4 national parks	Partially achieved Responsible Audits were conducted in 3 National Parks, namely: Mapungubwe; Marakele and Golden Gate Highlands National Parks.
Performance Analysis	Partially achieved Responsible Audits were conducted in 3 national parks, namely: Mapungubwe; Marakele and Golden Gate Highlands National Parks.	
Reason for Variance	The RT auditing process is dependent on the Park Management Plan Assessments which were delayed as a result of the SOP for Park Management Plans approval delays and the priority which was given to creating estuarine and wetland management plans for the Garden Route.	
Planned Improvement / Corrective Actions	The audit for the Garden Route National Park will be conducted during Q1 of 2022/23.	

3.3. SOCIO-ECONOMIC TRANSFORMATION

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

PURPOSE:

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

SUB-OUTCOMES:

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

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



INTRODUCTION

SANParks recognises that most of its national parks are located in rural areas with limited opportunities for development, high levels of poverty, unemployment and inequalities. It also acknowledges the injustices of the past which saw most of these national parks established on land dispossessed from the rightful owners during the apartheid laws.

The goal of outcome 3 is therefore to ensure implementation of programmes and projects that will contribute to the development and growth of the local economy, sustainable job creation, enterprise development, skills training and social development in communities living in the vicinity of national parks. Special programmes and projects targeted at land claimants are also implemented to ensure that they derive benefits from the land they contributed for conservation use.

Transformation of the wildlife economy through increased PDI participation

The wildlife economy programme is centred on game and wildlife farming/ranching activities that relate to the stocking, trading, breeding, and hunting of game, and all the services and goods required to support this value chain. The purpose of providing game to local community trusts/communal property associations as well as individual game farmers is to ensure that the new entrants in the ranching industry becomes competitive and successful. The objective is to increase the participation of black emerging game ranchers with the aim of addressing the triple challenges faced by government of reducing poverty, unemployment and inequalities. In the 2021/22 year, 741 animals were donated or loaned to emerging game farmers and communities.

The programme further ensures that different enterprises are developed from other identified value adding products like products made from bones, skins, horns and animal hides, as well as game meat. All game donated and loaned is disease free to ensure the provision of healthy animals that can produce good products for business financial sustainability of the local enterprises and growth in the industry.

Improved participation of PDIs in SANParks

The implementation of sustainable enterprise and supplier development initiatives is conducted through mutually beneficial partnerships to the benefit of national parks and local entrepreneurs. Partnerships and alliances are fostered with government business units, community trusts, private sector and strategic funding agencies to support the development of local entrepreneurs. The growth and sustainability of enterprises is promoted by selecting enterprises that emphasise training and skills transfer to the beneficiaries.

Projects that fast-track and elevate historically disadvantaged individuals and communities into the mainstream of the economy by enhancing self-reliance and self-development to promote sustainability are implemented through community public private partnerships as well as community public partnership initiatives. Broad-based, meaningful participation in the economy is promoted to achieve sustainable development and general prosperity.

Rural and local entrepreneurs are empowered through facilitation of access to financing institutions, training and other mechanisms that will support growth and development.

The SANParks FNB Incubation Programme has 28 contractors enrolled in the year-long programme, funded by FNB at about R80 000 per participant. The programme aims to build the capacity of SMMEs.

Anglers were trained in the Wilderness area of the Garden route in Angling skills. In the KNP, emerging enterprises were trained in Basic Bookkeeping and finance.

During the 2021/22 financial year, SANParks supported both women and youth EMEs (R84 169 479.83) and QSEs (R62 924 999.91).

Increased access to education and skills development opportunities

Environmental education and awareness, and skills training and transfer are programmes implemented to promote shared responsibility between communities and national parks on caring for the environment and implementing sound environmental management practices.



School desks donated to Johan Hein Primary School close to Richtersveld NP



Environmental awareness (EA)

The Environmental Awareness programme builds the support for environmental conservation through creating a balance between access and benefit sharing of natural resources with communities and the continued existence of these resources into the future.

It recognises the dependence of local communities on natural resources for their survival and therefore seeks to make these resources available where applicable while raising awareness and educating on the need to sustainably use these resources

The two key sub-programmes of EA (the environmental awareness programme with school groups, and the environmental awareness programmes with other community groups) are implemented to ensure the reach and partnership building in conservation management.

The programme with schools seeks to build the cadre of youth in conservation at an early age; thereby building the future leaders in environmental conservation. Community groups with specific interest in the environment/ natural resource are engaged to ensure access and benefit sharing whilst promoting appropriate environmental ethics.

The two-pronged approach to environmental education is through community exposure to the environment of the parks (healthy environments); and reaching out to their own environment (which in most cases would be over used or polluted), is used to promote action.

EA programmes implemented range from promotion of taking action against anti-poaching, promotion of environmental cleanliness, access to natural resource use in national parks, access to parks for exposure to clean environments (Healthy People, Healthy Parks) actions against environmental degradation, observation of calendar days and others.

In the 2021/22 year, a total number of 16 729 people participated in environmental awareness and training programmes in and around national parks (see table).

Group visits as part of environmental awareness sub-programmes

Definition of group	Number of groups	Number of people
School visited the parks	105	3 973
School outreach outside the parks	5	6 626
Community visited the parks	74	1 512
Community outreach outside the parks	26	1 602
Research visited the parks	24	202
Tertiary institution visited the parks	14	231
Crèche visited the parks	19	440
Other visited the parks	23	974

Definition of group	Number of groups	Number of people
Other Outreach outside the parks	11	288
Church	8	239
Group not identified (Garden Route/ Frontier)	67	2 487
Totals	354	16 729



Wilderness Social Legacy Food Security Food Gardens
Certification Ceremony

Field guide training programme

SET staff and guides from SANParks and Cape Nature participated in the Field Guide training programme at Bergplaas during 17 - 23 May and 5 - 11 September 2021.

The Programme is endorsed by the Field Guides Association of Southern Africa (FGASA) and aims to deepen participants' understanding of working in a protected area, improve communication and guiding skills, and building a sense of responsibility and leadership.

Digital storytelling workshop

The workshop was conducted by Rhodes University Community Engagement in collaboration with SANParks and was attended by 17 young people from Tsitsikamma. The 3-day NQF Level 5 course explored the different values and meanings of the sea for the community.

Climate change awareness and training workshop

Camdeboo continued its collaboration with the Giant Flag Project that is raising awareness on climate change. During the past year, hundreds of spekboom seedlings were collected in the park and planted into the project site near Graaff-Reinet.

Junior Rangers Programme

The Junior Rangers Programme has been active throughout the year in Karoo National Park, with a new group of 12 Grade 7 learners from the Beaufort West Community on the next round of four years. Educational excursions have been hosted monthly.

In August, they explored the lives of ants of Dorette du Plessis from Stellenbosch University's Limbovane project and during September they learned about plants along the famous Bossie Trail from SET Jan Jacobs. Then during the annual birding weekend hosted by the Karoo National Park Honorary rangers they experienced birding alongside expert birders.

Ranger coding game

Addo SET collaborated with Professor Jean Greyling from the Nelson Mandela Bay University's Computing department to introduce a "Ranger" coding game that is to be rolled out at local schools in partnership with various other organisations.

A meeting was attended by possible sponsors and implementers from the SRCC Foundation, San Miguel, Thoko Ntshinga Foundation and Sundays River Valley Collaborative. Vusumzi Primary School was invited in order to test the game.

Accelerated Youth development

The Garden Route implemented the roll out plan for the internship programme funded by the Norwegian government in support of young college graduates who are qualified artisans and electricians to provide services for national parks for a period of 10 months. In the past two quarters, seven general infrastructure maintenance technical graduate interns were employed and it was motivated to extend the programme into the next financial year. (Full report available)



Wilderness Food Security Food Gardens Project



Youth Champions Presidential Stimulus Programme

Youth around national parks were offered the opportunity to participate in the Youth Champions Presidential Stimulus programme for a period of four months starting from 1 October 2021. Over 200 young people from communities adjacent to national parks benefitted from the programme.

Kids in parks

The programme was offered in the Mountain Zebra, Karoo and Garden Route (Tsitsikamma, Knysna and Wilderness sections) national parks.

A total of **1 839 learners** and **317 educators** participated in the programme.

Blended environmental education

Wilderness hosted a blended environmental education programme at the Rondevlei Learning Centre. This included a teacher's workshop and learner's workshop where the learners used tablets for outdoor environmental education activities while acquiring digital skills in the process.

This programme involved SET staff engaging with the learners once a week, focusing on different conservation related themes. Participants were taken on interpretative walks to learn about medicinal plants and how they are part of South African indigenous knowledge.

Essential services youth camp

The Knysna and Tsitsikamma SET officers co-hosted the Greater Knysna Essential Services Youth camp in Natures Valley from 25 to 27 June for 20 young people from SANParks, SAPS, traffic department, fire fighters, emergency response, sea rescue, forensic services, among others.

Earth day

Camdeboo celebrated Earth Day together with Support Centre for Land Change (SCLS) and the community of Vrygronde on 22 and 23 April 2021. The day created awareness around climate change and was followed by a community clean-up and planting of Spekboom around the community garden

Arbour month celebration

Arbour Day was celebrated in parks including KNP, Golden Gate HNP and Karoo. The event was celebrated at Karoo on 17 September 2021, in partnership with a number of stakeholders including the Department of Forestry, Fishery and the Environment.

The day celebrated trees through a school competition where learners had the opportunity to present their knowledge about trees. St Matthew's Primary School won first prize, which includes a weekend environmental awareness programme at Grantham Environmental Education Centre in Karoo National Park.

World wetlands day

On 4 February 2022, the Addo SET department visited Sandisulwazi High School in Paterson for an interactive session and presentation on wetlands in South Africa. The theme for this year was "Wetlands Action for People and Nature" and the interaction session focused on educating the learners on what wetlands are, their ecological benefits and the crucial role wetlands play in the natural environment.

In Marakele two local schools participated in the wetland event, namely Thabazimbi Advanced College and Ysterberg. The celebration of the event was done by the virtual video which was captured in Marakele National Park under the theme "Wetlands Action for People and Nature". The main objective of the presentation was to engage with the audience to understand the importance of the wetlands and also what can happen if we don't take care of them.

A celebration of World Wetlands Day and World Migratory Birds Day on 1 February was held at Mphophomo Primary Farm School in Van Reenen. Learners were taught about the importance of wetlands and the birds that depend on wetlands.



Wilderness Social Legacy Project launch

National Marine Week

Wilderness hosted the delayed National Marine Week, Wetlands Day, Earth Day and Environmental Education Day, during the past quarter.

On 26 January, World Environmental Education Day was celebrated with the hosting of **125 Grade 12 learners and five teachers** from Paarl Girls' High School.

Water Week

The Wilderness section of the Garden Route NP celebrated Water Week on 28 August 2021 and young people from Rheenendal took part of this event. The theme of water week 2021 was Resilience. Discussions were held, and were followed by practical work which involved water testing done by the youth. Miss Tourism South Africa was invited to be a guest speaker on this special day.

International Coastal Clean-up Day

International Coastal Clean-up Day was celebrated in a number of national parks including Addo Elephant National Park which celebrated the day in partnership with Plastics SA. Plastics SA sponsored gloves and refuse bags for the clean-up participants. A local school, Colchester Primary, was invited to join the clean-up.

Learners were informed about the importance of keeping our oceans and beaches clean by conservation students as part of their environmental education practices, followed by partaking in a fun beach clean-up where learners could immediately see the difference made by the amount of litter collected along the Colchester coastline.

Mandela Day

The event continues to be held in many national parks to promote spirit of Ubuntu and community service. Tsitsikamma NP together with Honorary Rangers and BSP hosted Mandela Day event on 28 July in the Woodlands Community.

About 35 elderly citizens attended and were served with soup and bread as refreshments. Spinach seedlings were also donated to each person to start vegetable gardens in their backyards.

Sustained corporate social investment towards community development

SANParks Corporate Social Investment Programme advances SANParks vision of "A world class system of sustainable national parks reconnecting and inspiring society" by contributing to the development of communities living adjacent to national parks through the provision of much needed facilities and services. These projects are funded from the 1% tourism income on all accommodation bookings and activities in national parks as well as income from the sale of high value species.

The programme identifies worthy causes to support within communities bordering national parks. At its inception phase, the programme provided support to education in schools bordering national parks through provision of infrastructure such as science laboratories, mobile libraries, computer laboratories, school desks and others. The primary focus was on contributing to the country's national drive to reduce mathematics and science skills deficiencies, particularly in communities bordering national parks where SANParks' future scientists will come from.

Recognising that community needs differ from one area to another, the programme was expanded to respond to the relevant and pressing needs of communities. For instance, the Arid Region (comprising of national parks such as Kgalagadi, Richtersveld, Mokala and others), experiences extreme food and water scarcity, while other regions such as Cape and Northern Regions, are in dire need of youth education and community development programmes due to the high prevalence of substance abuse, crime and gangsterism in those communities. The programme plans to expand further to include projects which will promote access to technology and machinery in support of small enterprises in communities.

After the COVID-19 pandemic which resulted in the national state of disaster, communities were threatened with shortages of food supply. The programme identified a need for Food sustainability projects to support communities with ongoing food supply. Establishment of vegetable gardens in communities are currently being supported as well as the Fish Anglers programme to support communities that are dependent on fishing for a living.

Meat distribution programme

SANParks not only donates live game, but also donates game meat to neighbouring indigent households, early childhood development centres as well as old age homes. The game meat provides much needed proteins to these vulnerable groups as well as ensuring sustainable livelihoods. To further strengthen the relationship with our traditional leaders live game is donated during the coronation of democratically elected chiefs as well as during traditional funerals. All this is achieved due to the trust and relationship the parks have established with its neighbouring communities.



A total of 940kg elephant meat was delivered to 13 schools within Ntirhisano, Lubambiswano and Mahlambandlopfu community forums.

Beneficiaries of meat distribution programme

Forum Name/Stakeholder	Kgs
NTIRHISANO FORUM	
Dumisani High School	90
Hoyohoyo High School	35
Kurhula High School	60
Mkhukhumba High School	25
Phulani High School	25
TOTAL	235
MAHLAMBANDLOPFU FORUM	
Dlumana High School	30
Frank Maginyana High School	60
Ludlow Primary School	55
Nxalati Primary School	30
Nyamazane Primary School	35
Tsuvuka Primary School	25
TOTAL	235
LUBAMBISWANO FORUM	
Lubambiswano Community Forum	70
Sandzile Primary School	200
Ngodini High School	200
TOTAL	470
TOTAL	940

SANParks school desk supply project

School desks were donated to Johan Hein Primary School close to Ai-Ais Richtersveld Transfrontier National Park where school learners did not have proper chairs to sit on. The Programme donated 100 double combination school desks which provided proper seating to all the learners in the school.

This project had a huge impact on the lives of the learners in this school as it positively affected their health and learning ability due to the fact that they no longer had to sit on the floor.

Wilderness fish anglers intergenerational skills transfer project

Corporate Social Investment unit together with Wilderness National Park and in collaboration with the Agriculture Research Council and Biosphere Reserve handed over fishing permits and proper fishing equipment to 30 pensioner fish anglers from the community of Sedgfield close to Wilderness national park at a special media event and handover ceremony.

Multiple workshops were held with the group to plan the content for the workshops and the development of the booklet on community fishing.

The event was a huge success, and the impact will be great as these anglers will now be fishing legally and are better equipped to provide food for their families.

Food security and food gardens project

The food security project will benefit the communities of Klienkrantz and Wilderness Heights and was implemented in partnership with the Department of Agriculture.

The communities from Klienkrantz and Wilderness Heights received training for the food security project and an official certification ceremony was held where community members received their certificates.

These communities were further provided with gardening equipment and seeds for food security and planting of vegetables for 12 food gardens.

The project will ensure the sustainability of food security for these communities going forward.

Distribution of instant porridge to crèches and drop centres

A total of 676 bags of 5kg instant porridge was delivered to crèches and drop in centres in 2021/22.

Recipients of instant porridge

Month	Forum Name/ Stakeholder	Number of Beneficiaries	Number of Bags
January	No Distribution	00	00
February	Lubambiswano Forum	430	128
	01	430	128
March	Mahlambandlopfu Forum	200	100
	Ntirhisano Forum	197	100
	Ba-Phalaborwa Forum	387	220
	Lubambiswano Forum	37	15
	Sukumani Forum	238	113
	05	1 059	548
Grand Total	06	1 489	676

Donation of old linen and towels

The Skukuza Camp Tourism Department donated old sheets and towels to Sibusisoetfu Day Centre from Bhuga Village within the Lubambiswano Community Forum in response to a formal request by the centre.

Improved participation of land claimants in SANParks business

In South Africa, most of the protected areas were established under the unjust laws which saw many people disposed of their land. The government, through its land restitution programme seeks to redress the victims dispossessed of their land and correct the past imbalances of land rights unleashed by the apartheid laws.

SANParks acknowledges that some of its national parks were established under these unjust laws and therefore implements the land claims programme in collaboration with the Commission; to redress injustices of the past and restore land rights to the rightful owners.

Land claims programme

The land claims programme collaborates with the Commission to facilitate and coordinate the negotiations and settlement of land claims lodged against a number of national parks. Through the mutually agreed beneficiation packages, claimants are enabled to derive benefits from the use of their land for conservation and related value chain activities. They

have access to ancestral land for spiritual and cultural practices and are offered preferential employment opportunities where applicable.

The land claim programme therefore provides the opportunity to build bridges between national parks and communities, brings about healing and restores the dignity and sense of pride of land owners in national parks.

Golden Gate Highlands National Park

In the 2021/22 financial year, the main land claim settlement process facilitated was for Dithabeng CPA at Golden Gate Highlands National Park (GGHNP). The CPA will have restored land rights in portions claimed inside GGHNP viz; Eerstegeluk 1&2 and Uitkyk. A beneficiation package providing the CPA with a number development opportunities and related benefits was developed, which will form an addendum to the settlement agreement. These include:

- Guided hiking trails; opportunity to run 4 x 4 drives or trails on claimed land traversing into the Park; mountain biking on claimed land, traversing into Park;
- Quad biking on claimed land; camping site on claimed land; cultural events on claimed land; abseiling on claimed land;
- Opportunity for the sale of craft work at the dinosaur precinct within the park; 5% share in income from game offtakes from the park;
- Access to the park for spiritual purposes; access to natural resources in the park; access to job opportunities on a 50:50 ratio (claimants 50%, non- claimants 50%); continuous skills training; and game donation to establish wildlife economy on community land outside the park.

Upon signing of the agreement, a contractual agreement will be signed between SANParks and the CPA for joint management of these portions. SANParks made inputs to the draft settlement agreement and forwarded this to the Department of Fisheries, Forestry and Environment to finalise and sign with the CPA and Commission; representing SANParks.

Other developments

The negotiations on the draft beneficiation package for COLCRA CPA at Addo Elephant National Park is in progress. The process has started to work with the Sydney-on-Vaal claimants, to whom a portion of land, previously the Vaalbos National Park, was restored, so that they may plan and develop their land for multi-purpose use.



SPECIAL PROJECTS PROGRAMMES

EXPANDED PUBLIC WORKS PROGRAMME

Introduction

Budget allocations for the Expanded Public Works Programme (EPWP) are back to pre-COVID level, and additional funds to the value of R64 million were received during the year from the Department of Forestry, Fisheries and the Environment and Department of Tourism resulting in the temporary employment to 13 659 EPWP participants from neighbouring communities to national parks, impacting on the livelihoods of 54 600 people based on an average of four dependents per person employed. The additional R38.7 million received from DFFE was used for Working for Water, Working for Ecosystems, Working for Wetlands and the Eco-Furniture Programme. The R25.6 million received from the Department of Tourism formed part of the Presidential Employment Stimulus Fund Phase 2, and was used for maintenance of infrastructure in Parks Division.

The 1.4 million person days worked converted to 6 065 full time equivalent (FTE) jobs which is 50% more than in 2020/21. The programme also supported 835 small, micro and medium enterprises (SMMEs) and paid R242 million to these small contractors for the various activities performed. The EPWP Programme employed 8 614 youth (63%); 6 877 women (50%) and 207 (2%) people with disabilities.

Projects implemented under the DFFE Natural Resource Management Programme such as Working for Water, Working for Ecosystems and Working for Wetlands programmes contributed to biodiversity management of national parks and achieved initial land rehabilitation of 11 731 ha and follow-up land rehabilitation of 156 462ha of land, and wetlands rehabilitation structures of 8 595 m³ were built.

EPWP projects have deliverables aligned to the programme objectives, and contributed to biodiversity and infrastructure management in all national parks, including the following:

- Invasive alien vegetation clearing
- Land rehabilitation including erosion and control of bush encroachment
- Wetland rehabilitation
- Cleaning of beaches and rehabilitation of coastal systems and tourism infrastructure
- Conservation management support through the Environmental Monitor Programme
- Tourism operations and activities support through the Tourism Monitor Programme
- Infrastructure maintenance through the NDT Infrastructure Maintenance Programme and DT PES Fund Phase 2 project.

During the past year, the accredited and non-accredited training target for the year was exceeded with 47% and 65 383 training days recorded. The Biodiversity Social Project Unit successfully implemented learnerships and national qualifications training for 233 tourism monitors making a huge contribution to the transformation agenda of the organisation. Training courses included Nature Conservation, Tourist Guiding, Resource Guardianship, New Venture Creation, Project Management, Occupationally Directed Education Training & Development Practices, Occupational Health & Safety and Supply Chain Management, and will present them with better future employment opportunities.



Overview of EPWP programmes and achievements implemented in 2021/22

EPWP programme	Activities	Implementation Overview	Deliverables Achieved
DFFE Working for the Coast (WftC)	Cleaning of beaches, rehabilitation of coastal systems and tourism infrastructure	The 2018/21 WftC projects came to an end and teams stopped working as from September 2021 (West Coast & Namaqua); December 2021 (Agulhas, Tsitsikamma, Addo Woody Cape) with the Wilderness, Knysna and Table Mountain projects ending in March 2022. The main activity remained cleaning of 394km beach areas. WftC teams were absorbed in other programmes, and a new three-year cycle of projects will start 1 April 2022.	Beach clean-up = 13 577 km
DFFE Environmental Monitors (EMs)	Support to conservation functions in parks, integrated zones, provincial nature reserves and private nature reserves	The final year of the three year cycle of the SANParks Environmental Monitor Programme was 2021/22. The EMs contributed to conservation management in all national parks, performing ranger, administration and research support services. Funding was approved for another three-year cycle.	605 EMs Employed
		The Environmental Monitor: Inland Cluster Coordination 2020/21 was extended by DFFE until March 2022. The project closed down at the end of March 2022 with no further employment of these EMs.	860 EMs Employed
DFFE People and Parks (P&P)	Infrastructure development and improving integrity of protected areas	The upgrade of the Oceanettes in the Tsitsikamma EPIP project was completed, while the contractor did not complete the staff houses in the Mokala EPIP project by the target date. The business plan revision of Ais! Ais! Richtersveld is still in process. The MP – Fencing of Nature Reserve and Land Rehabilitation Bushbuckridge Nature Reserve was closed and final payment to be made by Department.	Upgrade of Tsitsikamma Oceanettes = 100%. Construction progress for Mokala houses (74%) & Lilydale Entrance Gate (29%).
DFFE Working for Water (WfW)	Clearing of invasive alien vegetation	Alien invasive vegetation clearing projects were implemented in most national parks, and with the budget back to normal level was able to achieve the planned targets. The KNP projects faced a long delay due to contractor that claimed Temporary Employer Relief Scheme funds not paying the EPWP participants, and some new contactors had to be recruited.	Initial alien invasive clearing = 8 024 ha Follow-up alien invasive clearing = 140 385ha
DFFE Working for Ecosystems (WfE)	Land rehabilitation projects and bush encroachment control	This programme was implemented in all national parks, Integrated Zones and K2C and included various land rehabilitation activities, such as erosion control, removal of redundant structures (dam walls) and bush encroachment, and some alien invasive plants clearing, including Parthenium.	Initial land rehabilitation = 2 072ha Follow-up land rehabilitation = 16 106ha
DFFE Working for Wetlands	Rehabilitation of wetland systems	Rehabilitation activities took place on 20 wetland sites in Mapungubwe, Marakele, Golden Gate, Agulhas, Kruger and Table Mountain with interventions including gabions, earth works, rock packs, geo-cells constructed.	Wetland rehabilitation 8 595 m ³



EPWP programme	Activities	Implementation Overview	Deliverables Achieved
DFFE Eco-Furniture Programme (EFP)	Manufacturing of school desks and furniture from alien vegetation	The initial budget of R45 million severely limited the operations programme. Additional funding of R20 million was used to invasive alien vegetation clearing, with limited dry mill and wet mill operations. The tender for appointment of a new service provider/s for the programme or parts thereof was not finalised and DFFE has indicated that a close-out process must be implemented in 2022/23.	Manufactured 23 894 school desk equivalent items Initial alien invasive clearing = 1 287ha Follow-up alien invasive clearing = 29ha
DFFE Working on Fire and High Altitude Teams WoF FF & WoF HAT	Fire prevention and control in national parks, and removal of alien vegetation from inaccessible mountain areas and cliffs	SANParks continued the cooperation relationship with WoF to ensure firefighting capacity remains intact in the eight parks, i.e. Table Mountain, Mapungubwe, Marakele, Golden Gate, Wilderness, Tsitsikamma, Knysna & Addo. High Altitude Teams clearing alien vegetation was done at Table Mountain, Garden Route and Camdeboo National Parks, and teams could work until March 2022, following the extended agreement between WoF of DFFE.	Initial alien invasive clearing = 348ha Follow-up alien invasive clearing = 942ha
NDT Social Responsibility Programme	Development of tourism infrastructure and maintenance of infrastructure	The Dinosaur Interpretive Centre EPWP -, and Tsitsikamma Big Tree EPWP projects were completed. The Addo Extension of Rest Camp project is at tender stage, with the EIA process to be completed. The contract for the Agulhas Lighthouse Precinct development was signed, and construction will commence and include EPWP participants. Environmental Authorisation is awaited, and Phase 1 of the Mapungubwe Youth Facility Project will be implemented in 2022/23.	EPWP person days achieved to date, and most projects moving to tender & construction stage
		Implementation on the SANParks Infrastructure Maintenance Programme progressed to where all 60 SMMEs were appointed. The maintenance work done by these teams in the parks have assisted hugely to maintain existing buildings, roads, fences and terrain landscaping. Entrepreneurial training of SMMEs started in the Parks Division.	4 226 Buildings small maintenance 1 357 Units painted - internal 1 441 Units painted - external 838 km of roads maintained 784 km of road verges cleared 2 580 km of fences maintained
NDT Tourism Monitors	Employment of especially youth to support tourism functions	The tourism monitors assisted with various tourism related functions in the parks. The learnerships and national qualifications training for the programmes was implemented with huge success.	452 TMs employed
Presidential Employment Stimulus Fund Phase 2	Infrastructure upgrade & maintenance	Funding became available in October 2021, and Parks Division employed a further 39 SMMEs to assist with maintenance in parks.	Maintenance on fences, buildings and roads in process





Social deliverables of EPWP programmes for 2021/22

Programme	No of People	Person days	FTEs	Training	SMMEs	Amount paid SMMEs ('000)	Expenditure Actual ('000)
Planned 2021/22	6 532	1 221 648	5 312	44 519	456	R198 241	R599 981
DFFE Environmental Protection and Infrastructure Programme							
Working for the Coast	826	68 791	299	7 071	62	R17 858	R26 149
Environmental Monitors: SANParks	605	119 275	519	1 668	12	R0 899	R32 090
Environmental Monitors: Inland 2020/21	860	190 306	827	2 774	45	R4 443	R51 800
People & Parks	-	-	-	-	-		R1 743
DFFE PES: Infrastructure	530	27 513	120	-	38	R2 687	R 49 396
Total: DFFE EPIP	2 821	405 885	1 765	11 513	157	R25 887	R161 178
DFFE Natural Resource Management Programme							
Working for Water: SANParks	4 962	385 247	1 675	26 799	239	R83 804	R159 934
Working for Ecosystems	1 516	132 659	577	7 899	79	R30 984	R37 779
Kruger to Canyons	565	43 525	189	1 808	28	R8 792	R12 413
Integrated Zones	652	57 752	251	2 761	48	R13 381	R19 067
Working for Wetlands	511	31 632	138	4 111	86	R10 710	R12 940
Total: DFFE NRMP	8 206	650 815	2,830	43 378	480	R147 671	R242 133
Eco-Furniture Programme	722	56 027	244	4 253	58	R14 590	R62 358
Total: EFP	722	56 027	244	4 253	58	R14 590	R62 358
NDT Social Responsibility Programme							
Tourism Monitors	452	76 047	331	4 070	27	R4 453	R34 235
GGHNP EPWP Dinosaur Centre	60	7 023	31	229	5	R1 671	R1 864
Tsitsikamma EPWP Big Tree Project	26	1 028	4	42	2	R0 228	R0 308
Addo Ext Rest Camp	55	1 616	7	6	5	R0 322	R1 786
SANParks Infrastructure Maintenance	607	143 523	624	1 892	62	R38 871	R42 697
DT PES Fund Phase 2: Maintenance	631	37 695	164	-	39	R 8 974	R14 715
Total	1 831	266 932	1 161	6 239	140	R54 519	R95 605
TOTAL	13 580	1 379 659	5 999	65 383	835	R242 667	R561 275
Working on Fire (Host arrangement)							
WoF: High Altitude	70	15,273	66	-	-	R 0	R 0
Total	70	15,273	66	-	-	R 0	R 0
GREAT TOTAL	13 650	1 394 932	6,065	65 383	835	R 242 667	R 561 275
Percentage	209%	114%	114%	147%	183%	122%	94%

INFRASTRUCTURE PROGRAMME

The infrastructure investment allocation of R120.7 million for 2021/22 was redirected, bringing the total funds redirected over the past two years to R235.4 million. This had a huge impact on the implementation of the programme. Expenditure of R163 million was achieved, inclusive of the completion of the projects funded by the additional funds received in prior years, and DFFE Presidential Employment Stimulus Fund Phase 1. The tender process to appoint new renovations contractors in Kruger National Park enabled the appointment of 5GB-7GB and 5CE-7CE contractors. The tender process for the larger projects in the Parks Division was finalised, and construction has started on the replacement of the Tsitsikamma Restaurant, Agulhas Lighthouse Precinct and Dawid Kruiper Rest Camp in the Kgalagadi Transfrontier Park.

Projects that were completed during the past year, included the construction of the Dinosaur Interpretive Center in the Golden Gate Highlands National Park that achieved practical completion on 8 March 2022, construction of 17 staff houses destroyed by fire at Beervlei and Farleigh in the Wilderness Section of Garden Route National Park and the upgrade of the Tsitsikamma Oceanettes. Contractor performance has impacted on the completion of the Craig Lockhardt camp sites, Kgalagadi; entrance gate at Marakele National Park and the new sewer plant at Main Camp, Addo Elephant National Park. The tenders for the planned upgrade of the Golden Gate chalets, construction of waste water treatment plant at Lilydale, Mokala; water purification plants in Kgalagadi; construction of additional chalets at Addo Main Camp; construction of perimeter fence in Camdeboo and construction of solar plants at Mata Mata, Kgalagadi could not be issued due to the Constitutional Court ruling on the PPPFA regulations which resulted in the suspension of all procurement above R30 000.

Condition assessments were done for all aboveground buildings, roads and fences and a comprehensive and detailed database developed for the 15 221 assets that were assessed. All national parks were visited over a period of 12 months (Sept 2020 to Sept 2021), with teams spending a total of 294 days to verify and do condition assessments of infrastructure up to component level. The information was captured in a database, geo-referenced and used to determine the condition index, replacement values (current & depreciated) and remaining useful life (RUL).

The table below is a summary of the condition index and valuations done per region:

Condition index and valuations

Region	No. of Assets	Total Current Replacement Cost	Total Depreciated Replacement Cost	Asset Portfolio Health Grade %	Asset Portfolio Health Grade
Arid	1 476	R1 243 149 155	R670 664 819	53.95%	Good
Cape	1 082	R1 312 746 125	R700 630 253	53.37%	Good
Frontier	1 225	R1 029 841 616	R532 508 942	51.71%	Fair
Garden Route	852	R458 672 924	R267 351 579	58.29%	Good
Northern	1 144	R878 233 342	R495 847 382	56.46%	Good
KNP - Marula Region	6 255	R6 527 524 452	R3 783 196 084	57.96%	Good
KNP - Nxanatseni Region	3 187	R4 723 570 954	R2 746 102 969	58.14%	Good
Grand Total	15 221	R16 173 738 568	R9 196 302 029	56.86%	Good

The data collected was used to determine the maintenance and re-capitalisation budgets based on the condition index, current replacement cost and remaining useful life of each asset, and resulted in the SANParks Maintenance & Re-capitalisation Plan, with the summarised implications for the next five years presented below:

Budget implications

Description	2022	2023	2024	2025	2026
Operations	R 7 829 960	R29 221 458	R30 682 530	R32 216 657	R33 827 490
Maintenance	R246 564 670	R258 892 903	R271 837 548	R285 429 426	R299 700 897
Re-capitalisation	R 61 448 022	R240 626 748	R408 729 385	R436 685 299	R483 170 761
Total	R335 842 652	R528 741 109	R711 249 463	R754 331 382	R816 699 148

The SANParks Green Energy Strategy was approved by the Board, and an implementation plan developed identifying the priority projects. The roll-out of this programme is dependent on funding and collaboration, and various engagements took place in the past year. A memorandum of understanding is in process with Eskom to provide mini-grid solar plant systems at selected sites in KNP as an alternative to the overhead transmission lines.



The deputy minister visited the NDT maintenance team at the West Coast National Park.



WfC West Coast Beach Cleanup 2021 Langebaan

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements: Improved Tourism Performance

SUB-OUTCOME 11: TRANSFORMATION OF THE WILDLIFE ECONOMY THROUGH INCREASED PDI PARTICIPATION		
Output Indicator	Annual Target	Annual Progress and Analysis
Number of animals delivered to communities and individual emerging game farmers.	≥ 500 animals delivered to communities and individual emerging game farmers. Revised target. ≥ 600 animals delivered	Target exceeded 742 animals delivered
Performance Analysis	Target exceeded : 742 were animals delivered	
Reason for Variance	The game capture process resulted in higher numbers being caught	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Number of fulltime equivalent employment (FTE) job opportunities created through EPWP.	EPWP FTE: ≥ 4 008 Revised Target ≥ 5 300	Target exceeded: 6 065 FTEs created through EPWP
Performance Analysis	Target exceeded: 6 065 FTEs created through EPWP	
Reason for Variance	More EPWP participants were employed from November 2021, after additional funds of R64,4 million in total was received: - R38,8 million from the Department of Forestry, Fisheries and the Environment (DFFE) on the Natural Resources Management Programme, and Eco-Furniture Programme, and - R25,6 million from the Department of Tourism as part of the Presidential Employment Stimulus Fund Phase Additional employment resulted in more person days worked than planned, and as such more FTEs. Kruger National Park appointed more people to finalise the DFFE Presidential Employment Stimulus Fund Phase 1 project. No corrective actions required	
Planned Improvement / Corrective Actions	None required	



SUB-OUTCOME 11: TRANSFORMATION OF THE WILDLIFE ECONOMY THROUGH INCREASED PDI PARTICIPATION

Output Indicator	Annual Target	Annual Progress and Analysis
Number of jobs created for youth, women and people with disabilities through EPWP	Youth EPWP: ≥ 4 615 Revised target Youth EPWP: ≥ 4 985	Target exceeded Youth EPWP: 8 614
	Women EPWP: ≥ 3 810 Revised target Women EPWP: ≥ 4 115	Target exceeded: Women EPWP 6 877
	People with Disabilities EPWP : ≥ 110 Revised target People with Disabilities EPWP : ≥ 175	Target exceeded People with disabilities EPWP: 207 (118%)
Performance Analysis	Targets exceeded Youth EPWP : exceeded by 73% at 8 614 Women EPWP: exceeded by 67% at 6 877 People with disabilities EPWP: exceeded by 18% at 207	
Reason for Variance	More EPWP participants were employed as from November 2021, following the approval of additional funds & projects to the value of R64.4 million. More people were employed in the Working for Water, Working for Ecosystems and Working for Wetlands programmes, while a new project was started with R25.6 million received for infrastructure maintenance. The initial delay in the implementation of the Natural Resource Management projects (WfW/WfE) also resulted in the employment of more people as part of the remedial plans to make up for the time lost.	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 12: IMPROVED PARTICIPATION OF PDIs IN SANPARKS BUSINESS		
Output Indicator	Annual Target	Annual Progress and Analysis
Number of SMMEs contracted for provision of services and goods through EPWP	No of SMMEs' contracted through EPWP ≥ 442	Target exceeded 835 SMMEs EPWP
Performance Analysis	Target exceeded 835 SMMEs (EPWP) - exceeded by 89%	
Reason for Variance	Additional SMMEs were appointed is part of the remedial plan to make up for time lost during the first quarters in resolving the TERS payments to EPWP contractors in Kruger National Park. Furthermore, more SMMEs were appointed when the Natural Resource Management projects started late after the first transfer payment was delayed. More SMMEs could also be appointed with additional funds of R64.4 million received during the 3rd quarter. Extensive training was done with small companies (SMMEs) on the environmental monitor and tourism monitors programmes, and were recorded as part of the overall achievement.	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Number of EMEs and QSEs contracted for goods and services	Goods and services contracted to 100 EMEs and 100 QSEs for procurement below R500 000 (RFQs), and goods and services contracted to 20 EMEs and 20 QSEs for procurement above R500 000	Target exceeded 620 EMEs were contracted for goods/services below R500 000 & 115 QSEs were contracted for goods/services below R500 000
	Revised target Goods and services contracted to 100 EMEs for procurement below R500 000 (RFQs)	
	Revised target Goods and services contracted to 20 QSEs for procurement above R500 000	Target exceeded 23 EMEs and 15 QSEs were contracted for goods/services above R500 000
Performance Analysis	Target exceeded for annual: 504 EMEs were contracted for goods/services below R500 000 & 115 QSEs were contracted for goods/ services below R500 000. Target exceeded: 23 EMEs and 15 QSEs were contracted for goods/services above R500 000.	
Reason for Variance	A concerted effort form all divisions to ensure preferential procurement is implemented.	
Planned Improvement / Corrective Actions	None required	



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

Output Indicator	Annual Target	Annual Progress and Analysis
Percentage of expenditure on preferential procurement	70% of total procurement spent on designated groups	Target exceeded 93.89% of total procurement spent on Designated Group
Performance Analysis	Target exceeded 93.89% of total procurement spent on Designated Group	
Reason for Variance	A concerted effort from all divisions to ensure preferential procurement is implemented.	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Integrated Transformation Programme implemented	Transformation Integration Implementation Plan and Transformation Dashboard developed and 100% implemented as per implementation plan Revised target Transformation Integration Implementation Plan developed and approved. 80% implemented as per implementation plan	On target The Transformation Integration implementation Plan was developed and approved by EXCO 86% of the Transformation integration Implementation plan, was implemented
Performance Analysis	On target The Transformation Integration implementation Plan was developed and approved by EXCO. 86% of the Transformation integration Implementation plan, was implemented.	
Reason for Variance	Slight variance recorded.	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 13: INCREASED ACCESS TO EDUCATION AND SKILLS DEVELOPMENT OPPORTUNITIES		
Output Indicator	Annual Target	Annual Progress and Analysis
Number of beneficiaries from targeted groups trained	≥ 300 Revised target ≥ 100	Target exceeded 122 beneficiaries trained
Performance Analysis	Target exceeded : 122 beneficiaries trained	
Reason for Variance	Additional funding and support was received from DFFE.	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Number of schools and other target groups accessing the national parks for educational purposes	≥100 schools and other target groups , accessing national parks for educational purposes	Target exceeded 211 schools and other groups visited the national parks for the purpose of education.
Performance Analysis	Target exceeded: 211 schools and groups visited the national parks for the purpose of education.	
Reason for Variance	The easing of the COVID-19 restrictions allowed for schools and other groups to travel and visit the parks for educational purposes.	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 14: SUSTAINED CORPORATE SOCIAL INVESTMENT TOWARDS COMMUNITY DEVELOPMENT		
Output Indicator	Annual Target	Annual Progress and Analysis
Number of individuals/ communities where Social Legacy projects have been completed	≥ 3 Social Legacy projects Implemented	Target achieved 3 Social Legacy Projects implemented
Performance Analysis	3 Social Legacy Projects implemented • School Desks • Food Gardening Training Project • Fish Anglers Intergenerational Skills Transfer Project	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	



SUB-OUTCOME 15: IMPROVED PARTICIPATION OF LAND CLAIMANTS IN SANPARKS BUSINESS

Output Indicator	Annual Target	Annual Progress and Analysis
Claimant Beneficiation Scheme developed and implemented as per Land Claims Identified	30% of the planned activities on KNP beneficiation Scheme implemented	Target removed from the APP during the Midterm Review
	30% of the planned activities on the QwaQwa Land Claim beneficiation package implemented	Target achieved 33% of the activities in the beneficiation package implemented.
Performance Analysis	• Target achieved • 33 % of the activities in the beneficiation package implemented.	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	



Knysna Hiking Kranshoek - (Photo credit: Rudolph de Girardier)

3.4 SUSTAINABLE AND TRANSFORMED ORGANISATION

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

PURPOSE:

- To create a robust finance strategy for financial sustainability of the organisation
- To create and maintain a conducive workplace for skilled and capable workforce that will form a responsive, accountable, effective and efficient national parks system.

SUB-OUTCOMES:

1. Financially sustainable organisation
2. Transformed & capable human capital
3. Efficient, innovative and business processes supportive of SANParks core business
4. Sound corporate governance
5. Effective stakeholder and partnership management
6. Appropriate and well maintained infrastructure

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





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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements: Improved Tourism Performance

SUB-OUTCOME 16: FINANCIALLY SUSTAINABLE ORGANISATION		
Output Indicator	Annual Target	Annual Progress and Analysis
Revenue raised through resource mobilisation	R75 million	Target exceeded : R13,318,077,831
Performance Analysis	Target exceeded : R133 180 778 31	
Reason for Variance	Initiatives to mobilise resources for substantial projects, were concluded ahead of schedule, by all Divisions to mobilise resources. SANParks efforts were further enhanced by the establishment of DFFE Ministerial Resource Mobilisation Task team.	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Revenue raised through tourism performance	R1 071 billion Revised Target R1 056 billion	Target exceeded Revenue of R1.206 billion realised through tourism performance for 2021/22 is 14.2% above target of R1.056-billion and 91.3% better than previous year actual of R622.6 million
Performance Analysis	Target Exceeded Revenue of R1.206 billion realised through tourism performance for 2021/22 is 14.2% above target of R1.056 billion and 91.3% better than previous year actual of R622.6 million.	
Reason for Variance	Earlier than anticipated resumption of tourism business and several initiatives to stimulate demand from the domestic market, e.g. promotions, awareness, etc. notwithstanding that the earlier anticipated return of foreign guests during the last quarter of 2020/21 was never realised.	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Revenue raised through wildlife sales	≥ R4 million	Target exceeded R9 639 million raised
Performance Analysis	Target Exceeded R 9 639 million raised	
Reason for Variance	The carcass prices were favourable which resulted in an estimated income of over R9 million from 6 national parks	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 16: FINANCIALLY SUSTAINABLE ORGANISATION		
Output Indicator	Annual Target	Annual Progress and Analysis
20 year financial sustainability model developed	20 year financial sustainability model developed and approved by EXCO	On target 20 year financial sustainability model developed and approved by EXCO
Performance Analysis	On target 20 year financial sustainability model developed and approved by EXCO.	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Income to Cost Ratio	0,75:1	Target achieved 0.96:1
Performance Analysis	Target exceeded : 0.96:1	
Reason for Variance	8.9% above the target tourism (R 1,191 billion) realized and the successful implementation of cost curtailment measures target for tourism revenue target for tourism revenue.	
Planned Improvement / Corrective Actions	None required.	

SUB-OUTCOME 17: TRANSFORMED & CAPABLE HUMAN CAPITAL		
Output Indicator	Annual Target	Annual Progress and Analysis
Percentage of women in management positions	WM = 39.3 %	Target exceeded 40.5%
Performance Analysis	Target exceeded slightly : 40.5%	
Reason for Variance	Only a slight variance recorded	
Planned Improvement / Corrective Actions	Improvement actions: Monitor adherence to the EE plan; Design EE monitoring tool to assist in achieving EE targets ; In collaboration with regional HCM build the management pipeline through early talent identification and target setting.	
Output Indicator	Annual Target	Annual Progress and Analysis
Percentage of People with Disabilities increased	PwD = 1.1%	Target achieved 1.1%
Performance Analysis	Target achieved: 1.1%	
Reason for Variance	Concerted effort for the HCM team to ensure medical certificates are submitted.	



SUB-OUTCOME 17: TRANSFORMED & CAPABLE HUMAN CAPITAL

Output Indicator	Annual Target	Annual Progress and Analysis
Planned Improvement / Corrective Actions	Improvement actions: Source institutions and organisations that could provide SANParks with names/databases of persons living with disabilities whom we could interview for possible employment in order to increase the number of employees living with disability. Provide disability awareness sessions in the regions. Ensure reasonable accommodation requirements are addressed.	
Output Indicator	Annual Target	Annual Progress and Analysis
Black as a percentage of management increased	Black as % of Management = 62.5%	Target achieved 62.1 %
Performance Analysis	Quarterly target was missed by 0.6%	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Percentage of payroll spent on skills development programmes	1%	Target exceeded R1,380,159,780 (1.19%)
Revised output indicator	Revised target	
Spend on skills development	0,6%	
Performance Analysis	Target exceeded: R1,380,159,780 (1.19%)	
Reason for Variance	Additional training was conducted via the Department of Tourism projects through BSP for learnerships (R6 million) and SANParks used the rebate of SETA to pay for additional training.	
Planned Improvement / Corrective Actions	None required.	
Output Indicator	Annual Target	Annual Progress and Analysis
Human Capital Management Strategy developed and Implemented	Human Capital Management Strategy Developed and 50% implementation of the operational plan	Off target HCM Strategy developed and approved by EXCO. No implementation has taken place as yet
Performance Analysis	Off target HCM Strategy developed and approved by EXCO. The strategy will be submitted to the Board during Q1 of 2022/23. No implementation took place as yet.	
Reason for Variance	The draft HCM Strategy was returned by EXCO for further consultation. Further consultation is scheduled to take place during Q 4.	

SUB-OUTCOME 17: TRANSFORMED & CAPABLE HUMAN CAPITAL		
Output Indicator	Annual Target	Annual Progress and Analysis
Planned Improvement / Corrective Actions	The strategy was improved and workshopped and will be submitted to the Board for approval during May 2022. Implementation shall continue after improvement.	

SUB-OUTCOME 18: EFFICIENT, INNOVATIVE AND BUSINESS PROCESSES SUPPORTIVE OF SANPARKS CORE BUSINESS			
Output Indicator	Annual Target	Annual Progress and Analysis	
Integrated Information Decision Support Tool Developed	Phase 1 of Integrated Information Decision Support Tool developed and implemented	On target Phase 1 of Integrated Information Decision Support Tool developed and implemented	
Revised Output indicator	Revised target		
Phase 1 of Integrated	Phase 1 of Integrated		
Information Decision Support	Information Decision Support		
Tool Developed and % Implemented	Tool developed and 80% Implemented		
Performance Analysis	On target : Phase 1 of Integrated Information Decision Support Tool Developed and implemented.		
Reason for Variance	None recorded		
Planned Improvement / Corrective Actions	None required		
Output Indicator	Annual Target	Annual Progress and Analysis	
SANParks Digital Strategy developed and implemented	SANParks Digital Strategy developed and approved and 1 strategic project implemented. Revised target SANParks Digital Strategy developed and approved.	On target SANParks digital strategy developed and approved	
Performance Analysis	On target : SANParks digital strategy developed and approved.		
Reason for Variance	None recorded		
Planned Improvement / Corrective Actions	None required		
Output Indicator	Annual Target	Annual Progress and Analysis	
Business Process review and re-engineering programme developed and implemented	Business process mapping approach completed	On target Business process mapping approach completed	
Performance Analysis	On target : Business process mapping approach completed.		
Reason for Variance	None recorded		
Planned Improvement / Corrective Actions	None required		



Cape Point within the Table Mountain National Park

SUB-OUTCOME 19: SOUND CORPORATE GOVERNANCE		
Output Indicator	Annual Target	Annual Progress and Analysis
Internal Audit Quality Assurance Rating of 'generally conforms' achieved	Percentage of implementation of corrective measures conducted	On target 100% of corrective actions implemented Periodic self- assessments and Q&A on sample of engagements were conducted.
Performance Analysis	On target 100% of corrective actions implemented. Periodic self- assessments and Q&A on sample of engagements were conducted.	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Unqualified audit opinion without findings	Unqualified audit opinion without findings	On target Unqualified audit opinion with matters of emphasis.
Revised output indicator	Unqualified Audit opinion	
Unqualified audit opinion	80% of corrective actions implemented	Off target 71% (24/34) of corrective actions were implemented and closed against a target of 80%
Performance Analysis	Off target 71% (24/34) of corrective actions were implemented and closed against a target of 80%.	
Reason for Variance	Implementation of corrective actions against the following finds are still in progress.	
Planned Improvement / Corrective Actions	Complete the outstanding 2 corrective actions during 2022/23.	
Output Indicator	Annual Target	Annual Progress and Analysis
Matured ERM with rating level 5 according to the DFFE governance maturity framework Achieved	95% of approved annual ERM Maturity Improvement and Implementation Plan implemented	Target exceeded : 91% weighted achievement
Revised output indicator	Revised target	
Percentage implementation of ERM Maturity Improvement and Annual Implementation Plan implemented	82% of the approved annual ERM Maturity Improvement and Implementation Plan implemented	
Performance Analysis	Target exceeded : 91% weighted achievement	



SUB-OUTCOME 19: SOUND CORPORATE GOVERNANCE

Output Indicator	Annual Target	Annual Progress and Analysis
Reason for Variance	Slight over-achieved in terms of weighted achievement. The plan is high level and needs to still be broken down into actual quarterly targets and progress therefore reflect ongoing work.	
Planned Improvement / Corrective Actions	No corrective actions required	
Output Indicator	Annual Target	Annual Progress and Analysis
Matured Ethics Management with rating level 4 according to the DFFE governance maturity framework achieved	95% of approved annual Ethics	Partially achieved 75% of the annual Ethics Maturity Improvement & implementation plan, implemented (9/12 initiatives)
Revised output indicator	Management Maturity Improvement and Implementation Plan implemented Internal assessment achieving level 3.	
Percentage implementation of Ethics Maturity Improvement and Implementation Plan	Revised target 82% of approved annual Ethics Management Maturity improvement and implementation plan implemented.	
Performance Analysis	Partially achieved 75% of the annual Ethics Maturity Improvement & implementation plan, implemented (9/12 initiatives).	
Reason for Variance	The Code of Ethics could not be completed as further consultation is required on the proposed values and associated behaviours.	
Planned Improvement / Corrective Actions	The Code of Ethics will be completed during the 2022/23 year.	
Output Indicator	Annual Target	Annual Progress and Analysis
Integrated Compliance Promotion, Monitoring and Reporting System developed and Implemented	Draft Compliance Universe Framework developed	On target Draft Compliance Universe Framework was developed.
Performance Analysis	On target: Draft Compliance Universe Framework was developed.	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	

SUB-OUTCOME 20: EFFECTIVE STAKEHOLDER AND PARTNERSHIP MANAGEMENT		
Output Indicator	Annual Target	Annual Progress and Analysis
Stakeholder and Partnership Engagement Strategy developed and approved. Annual Implementation Plan developed and % implemented Revised Output indicator Stakeholder and Partnership engagement strategy develop and approved Annual implementation plan developed and number of interventions implemented	% of Stakeholder and Partnership Engagement Implementation Plan implemented as per implementation plan. Revised target 4 interventions implemented as per stakeholder and engagement plan .	Target achieved. 4 interventions have been implemented.
Performance Analysis	Target exceeded. 4 interventions have been implemented. These are: • Tokai Cecilia Management Framework (TCMF) – process ongoing – a service provider has undertaken the review process of TCMF • TMNP Park Forum – meetings are ongoing on a regular basis • KNP Community and Business Engagements hosted in various regions of the park • CEO Imbizo	
Reason for Variance	None recorded	
Planned Improvement / Corrective Actions	None required	
Output Indicator	Annual Target	Annual Progress and Analysis
Annual communications plan between the Board and SANParks developed and implemented	Annual Communications plan between the Board and SANParks developed and implemented	Indicator removed from the APP
Performance Analysis	N/A	
Reason for Variance	N/A	
Planned Improvement / Corrective Actions	N/A	
Output Indicator	Annual Target	Annual Progress and Analysis
Number of SANParks Week free visitors to national parks	80 000	Off target 28 018
Performance Analysis	Target of 80 000 was not achieved.	



SUB-OUTCOME 20: EFFECTIVE STAKEHOLDER AND PARTNERSHIP MANAGEMENT

Output Indicator	Annual Target	Annual Progress and Analysis
Reason for Variance	The reasons for variance are as follows: • Weather conditions affecting the Southern Cape Parks. • Quota system was considered in line with the COVID-19 restrictions and that resulted in a limited number of people accessing the parks. • Due to the COVID-19 restrictions SANParks Week was moved from the second quarter to the third quarter as a result limited number of people accessed the parks due to EXAM time. • 5 of the national parks generating substantial revenue for the organization were not opened over the weekend during SANParks.	
Planned Improvement / Corrective Actions	None recorded	
Output Indicator	Annual Target	Annual Progress and Analysis
Maintenance and Recapitalisation Plan towards improvement of Infrastructure condition developed Revised output indicator Improved conditions and maintenance of prioritised infrastructure	Condition assessment of prioritised infrastructure & finalise maintenance plan completed. Revised target Complete conditional assessment of above ground infrastructure and 5-Year Maintenance and Recapitalisation Plan developed.	On target The 5-Year Maintenance & Recapitalisation Plan was approved, and list of maintenance projects prioritised during Infrastructure Programme allocation project selection.
Performance Analysis	On target The 5-Year Maintenance & Recapitalisation Plan was approved, and list of maintenance projects prioritised during Infrastructure Programme allocation project selection.	
Reason for Variance	No variance recorded	
Planned Improvement / Corrective Actions	No corrective actions required	





OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS TABLE (INITIAL APP & MIDTERM REVIEWS)

OUTCOME GOAL 1:

OUTCOME GOAL 1: SUSTAINABLE BIODIVERSITY AND CULTURAL HERITAGE ACROSS LAND AND SEA DELIVERS BENEFITS FOR THE PEOPLE OF SOUTH AFRICA AND THE WORLD, NOW AND IN THE FUTURE									
Sub-Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022 until date of re-tabling	Deviation from planned target to Actual Achievement 2021-2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Protected Areas expansion aligned with the NPAES and SANParks Land Inclusion Plan	Hectares added to national parks	Number of hectares added to national park	136 300 ha	6 424 ha added to national park	4 000 ha	100% of activities on the annual implementation plan implemented	9 524 ha concluded	All purchase or contractual agreement(s) were concluded as per identified properties per Land Inclusion Plan and processes for 2021-2022. The LI&PC meeting was held during March 2022.	The motivation for the increase in the target is due to the successful conclusion of negotiations for the inclusion of properties in Q1 that have long been planned for inclusion. The land inclusion process is unpredictable and influenced by several circumstances beyond SANParks control. Several properties have been under planning and negotiation for the last few years and it is not possible to accurately predict exactly when agreements between SANParks and landowners will be concluded.
Effective and efficient management of national parks	METT Assessments	% of METT corrective actions implemented	100% progress against identified corrective actions 80 % of parks achieve a METT score of $\geq 67\%$	64.3 % progress against identified METT corrective actions were implemented. One park (Namaqua NP) was reassessed in quarter 4.	$\geq 55\%$ progress against identified METT corrective actions METT score of $\geq 67\%$	69.1% progress against identified METT corrective actions implemented.	73.3% progress against identified METT corrective actions implemented.	A total of 20 Parks and 6 Marine Protected Areas were assessed in Quarter 4. The manually adjusted scores indicate that 85 % of parks, and 33 % of the MPAs scored above the $> 67\%$ threshold score.	Due to the easing of the COVID 19 alert level and restrictions most of the corrective actions were implemented and It is anticipated that within the budget review process a score of 70% against the corrective measures could still be achieved.

OUTCOME GOAL 1: SUSTAINABLE BIODIVERSITY AND CULTURAL HERITAGE ACROSS LAND AND SEA DELIVERS BENEFITS FOR THE PEOPLE OF SOUTH AFRICA AND THE WORLD, NOW AND IN THE FUTURE									
Sub-Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022 until date of re-tabling	Deviation from planned target to Actual Achievement 2021-2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Degraded Ecosystems rehabilitated	Hectares of land rehabilitated	Number of degraded hectares of land under rehabilitation	186 969 followup ha	78 600 follow-up ha rehabilitated	69 200 follow-up ha	55 131 follow up ha rehabilitated (199%)	157 462 follow-up ha rehabilitated (111%)	Additional funds of R18.8 million were received from the Department of Forestry, Fisheries and the Environment (DFFE) and the Eco-Furniture Programme (EFP).	The targets for the land rehabilitation was based on an estimated budget.
Degraded Ecosystems rehabilitated	Cubic meters of wetlands rehabilitated	Number of m ³ of degraded wetlands under rehabilitation	6 015 m ³ wetlands	5 862 m ³ of wetland rehabilitated	5 100 m ³	1 132 m ³ of wetland rehabilitated (74%)	8 595 m ³ of wetland rehabilitated (148%)	The Wetlands programme received an additional R 3.5 million in 2021/22, and more structures could be constructed or extended. More gabions were constructed in Mapungubwe National Pars, while the design in Golden Gate Highlands National Park was extended to include steps. The capacity challenges in the programme still exist with two project managers needed the Mapungubwe and Golden Gate projects, but the Implementation Manager assisted where needed on site ensuring the achievement of targets.	The targets for the wetlands rehabilitation was based on an estimated budget.
Climate Change vulnerability reduced and Climate Resilience Improved	Completed Climate Change assessment	Number of climate change response interventions implemented	Draft climate changes preparedness plan developed	Visitors declined by 68.4% from 6 326 448 to 1 996 667	Wide-scale engagement on draft climate change preparedness strategy. Climate change vulnerability assessment complied for 2 national parks.	Ongoing engagement and co-development with the SET division and CSD MANCO. The vulnerability assessment for the Golden Gate Highlands National Park (GGHNP) was initiated.	Final draft of Climate Change Preparedness Strategy approved. Climate change vulnerability assessments compiled for 2 national parks	The final draft of Climate Change Preparedness Strategy was approved. Climate change vulnerability assessments were compiled for 2 national parks.	The timing of consultation and approval of the strategy has been brought forward due to easing of the COVID 19 restrictions that enabled consultation of the strategy.



OUTCOME GOAL 2:

OUTCOME GOAL 2: IMPROVED DIVERSE RESPONSIBLE TOURISM									
Sub-Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022 until date of re-tabling	Deviation from planned target to Actual Achievement 2021-2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved Tourism Performance	Visitors to national parks	Percentage increase in Number of visitors to national parks year on year	6 326 448 visitors to national parks	Visitors declined by 68.4% from 6 326 448 to 1 996 667	83,3% increase on previous actual (2020/21)	176,9% increase	The number of visitors to national parks increased by 74.4% from 1 996 667 to 3 482 514 cumulatively for 2021/22 which is 6.9% above the target of 3 258 590 (previous year + 63.2%).	The national lockdown to curtail the spread of COVID-19 in South Africa caused all national parks to remain shuttered for all of April and May 2020. Limited day-visits by intra-provincial local travellers were allowed from 8 June 2020, with overnight leisure accommodation and inter-provincial travel allowed again from mid-August 2020. Consequently the first quarter of the year recorded limited activity both in tourism revenues and volumes.	The target was adjusted as a result of the COVID-19 restrictions that led to the July travel ban on Gauteng residents to travel out of the province, the predicted 4th wave which may hit in October or November and the likely restrictions that may bring and the delay on the recovery of the international market due to the slow progress on vaccinations



OUTCOME GOAL 3:

OUTCOME GOAL 3: SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT PROGRAMME THAT ENSURES DELIVERY OF BENEFITS TO THE LAND CLAIMANTS, HISTORICALLY DISADVANTAGED COMMUNITIES AND THE PEOPLE OF SOUTH AFRICA									
Sub-Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022 until date of re-tabling	Deviation from planned target to Actual Achievement 2021-2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Transformation of wildlife economy through increased PDI participation	Animals delivered	Number of animals delivered to communities and individual emerging game farmers	New Indicator	≥ 750 animals delivered	≥500 animals delivered to individual game farmers	92 animals were delivered.	742 animals delivered	The game capture process resulted in higher numbers being caught	Annual target was 500 and 475 animals were delivered in Q.1 The annual target will be changed from 500 to 550, this is due to the game which was not delivered the previous financial year and delivery was then carried over to the new financial year also funds were available to ensure delivery of game
Transformation of wildlife economy through increased PDI participation	Job opportunities created No of jobs created for Youth, Women, and People with Disabilities through EPWP.	Number of full time equivalent employment (FTE) job opportunities created through EPWP New Indicator	EPWP FTE: 5 451 Youth EPWP: 6 927 Women EPWP: 5 844 People with disabilities EPWP: 271	4 741 FTEs job opportunities created 322 other jobs were created Youth EPWP: ≥ 4 615 Women EPWP: ≥ 3 810 People with disabilities EPWP: ≥ 110	EPWP FTE: ≥ 4 008 Youth EPWP: 5 705 (145%) Women EPWP: 4 735 (146%) People with disabilities EPWP: 150 (160%)	2 496 FTEs (156%) against a target of > 1 603 FTEs. Youth EPWP: 8 614 (173%) Women EPWP: 6 877 (167%) People with disabilities EPWP: 207 (118%)	Target exceeded: 6 065 FTEs (114%) created through EPWP	More EPWP participants were employed from November 2021 after additional funds of R64.4 million was received. The initial delay in the implementation of the Natural Resource Management projects (WfW/ WfE) also resulted in the employment of more people as part of the remedial plan to make up for time lost.	The target for the FTEs was based on an estimated budget at the time of the planning. The revised target is based on the Annual Plan of Operation developed after the confirmation of the budget allocated to SANParks for 2021/22 The target for jobs created for Youth, Women and People with Disabilities through the EPWP was based on an estimated budget at the time of the planning.

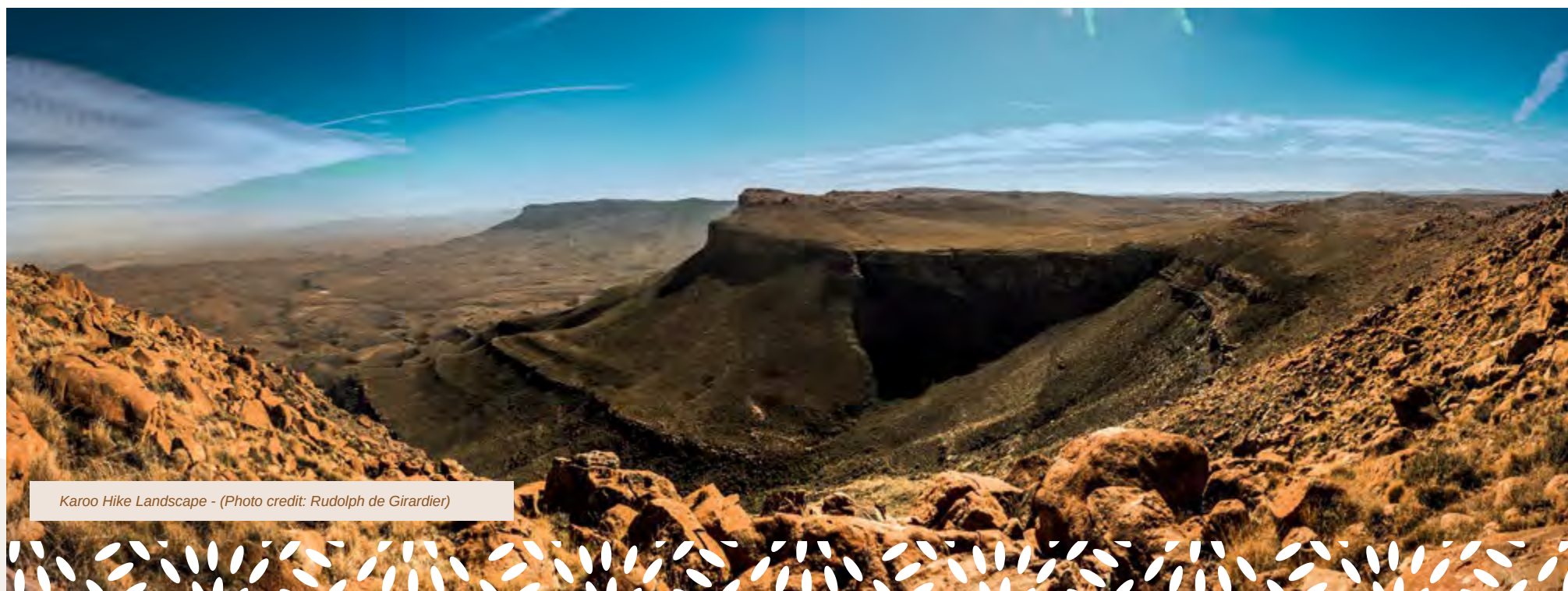


OUTCOME GOAL 3: SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT PROGRAMME THAT ENSURES DELIVERY OF BENEFITS TO THE LAND CLAIMANTS, HISTORICALLY DISADVANTAGED COMMUNITIES AND THE PEOPLE OF SOUTH AFRICA

Sub-Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022 until date of re-tabling	Deviation from planned target to Actual Achievement 2021-2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved participation of PDIs in SANParks Business	EMEs and QSEs contracted	Number of EMEs and QSEs contracted for goods and services	New Indicator	New Indicator	Goods and Services contracted to 100 EMEs for procurement below R500 000 (FRQs)	Total BBBEE Spent (YTD) is R686 051 424 (61%)	612 EMEs were contracted for goods/services below R500 000 & 115 QSEs were contracted for goods /services below R500 000. 23 EMEs & 15 QSEs were contracted for goods/services above R500 000.	A concerted effort from all divisions to ensure preferential procurement is implemented.	The annual target was incorrectly captured as QSEs are not contracted for procurement under R500 000. The QSEs total annual target were also incorrectly reflected as 100, instead of 20 it should be.
Improved education and skills	Beneficiaries trained	Number of beneficiaries from targeted groups trained	New Indicator	593 beneficiaries trained from targeted groups	≥ 300	A draft skills training plan was developed.	121 beneficiaries trained	The easing of the COVID-19 restrictions allowed for schools and other groups to travel and visit the parks for educational purposes.	Due unpredictable COVID-19 regulations access to communities has been reduced, the other factor is we cannot conduct virtual training as most of the beneficiaries does not have the relevant technology. The annual target will be reduced from 300 to 100.
Transformed organisation	Integrated Transformation programme implemented	Transform	New indicator	New indicator	Transformation Integration Implementation Plan and Transformation Dashboard developed and 100% implemented as per implementation plan	The annual Implementation plan has not been approved as yet.	The Transformation Integration implementation Plan was developed and approved by EXCO. 86 % of the Transformation integration Implementation plan, was implemented	Slight variance recorded.	The dashboard is to be included as a deliverable of the implementation plan due to the impact of COVID-a9 on traveling and face to face meetings, workshops with regions and divisions, had to be postponed.

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

Sub-Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022 until date of re-tabling	Deviation from planned target to Actual Achievement 2021-2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved Participation of Land Claimants in SANParks Business	Claimants benefitting in SANParks business	Claimant beneficiation scheme developed and implemented as per land claims identified	Land claim beneficiation scheme developed for Colchester 80% implementation of the activities as per implementation plan	85% (17/20) activities on the KNP land claims implementation plan were implemented	30% of the planned activities on KNP beneficiation Scheme implemented	The implementation of KNP beneficiation scheme cannot be implemented due to processes that are beyond SANParks obligation.	The indicator was removed from the 2021/22 APP	The indicator and target to be removed from the APP.	The implementation of KNP beneficiation scheme cannot be implemented due to processes that are beyond SANParks obligation.



Karoo Hike Landscape - (Photo credit: Rudolph de Girardier)



OUTCOME GOAL 4:

OUTCOME GOAL 4: SUSTAINABLE AND TRANSFORMED ORGANISATION THROUGH REVENUE, PEOPLE, SYSTEMS AND BUSINESS PROCESSES									
Sub-Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022 until date of re-tabling	Deviation from planned target to Actual Achievement 2021-2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Financially Sustainable Organisation	Own revenue generated	Revenue raised through tourism performance	8%	revenue realised through Tourism performance in the 2020/21 financial is R618 748 000	R1,071 billion	R567 975 million raised through Tourism Performance.	Revenue of R1.191 billion realised through Tourism performance for 2021/2 is 12.8% above target of R1.056 billion and 91.3% better than previous year actual of R622.6 million	Earlier than anticipated resumption of tourism business and several initiatives to stimulate demand from the domestic market, e.g. Promotions, awareness, etc. notwithstanding that the earlier anticipated return of foreign guests during the last quarter of 2020/1 was never realised.	The downward adjustment was made to reflect the impact of lockdown on conservation and tourism revenue.
Transformed and Capable Human Capital	Payroll spent on skills development	Percentage of payroll spent on skills development programmes increased	2%	% target that is R11.1 million	0.6%	R2 651 682 52 (0.38%)	R13 801 597 80 (1.19%)	Additional training was conducted via the Department of Tourism projects through BSP for learnerships (R 6 million) and SANParks used the rebate of SETA to pay for additional training	The training budget was reduced by 85% as part of budget cuts and cost curtailment
Efficient, Innovative Systems and Business Processes Supportive of SANParks core business	Integrated information decision support tool developed	Integrated information decision support tool developed	New Indicator	Draft proposal (project charter) on approach developed	Phase 1 of Integrated Information Decision Support Tool developed and % implemented	70 % of the Integrated Decision Support Toll developed.	Phase 1 of Integrated Information Decision Support Tool Developed and 100% implemented	Support was provided by the service provider	The annual target did not indicate an actual % to be implemented. The quarterly targets were not aligned to the annual target.

OUTCOME GOAL 4: SUSTAINABLE AND TRANSFORMED ORGANISATION THROUGH REVENUE, PEOPLE, SYSTEMS AND BUSINESS PROCESSES									
Sub-Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022 until date of re-tabling	Deviation from planned target to Actual Achievement 2021-2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Efficient, innovative systems and Business Processes supportive of SANParks core business	Integrated information decision support tool supported	SANParks Digital Strategy developed and implemented	New Indicator	New	SANParks Digital Strategy developed and implemented	The Digital Strategy was not submitted to EXCO for approval.	SANParks digital strategy developed and approved	Not required	The annual target was reviewed due curtailment measures that have into effect. The digital strategy project will have to be reprioritised in line with the financial constraints.
Sound Corporate Governance	Unqualified audit	Unqualified audit opinion without findings	Unqualified audit opinion with findings	Unqualified audit opinion with findings	Unqualified Audit Opinion without findings	45% of corrective actions implemented	100% of corrective actions implemented Periodic self-assessments and Q&A on sample of engagements were conducted.	Not recorded	The tender to appoint an external service provider was delayed, which delayed the implementation of the internal audit plan
	ERM Matured	Matured ERM with rating level 5 according to DFFE government maturity framework achieved.	Achieved at 100% (16/16 activities)	New indicator	95% of approved annual ERM maturity improvement and implementation plan implemented	47% of approved annual ERM Improvement Implementation Plan implemented.	Target exceeded : 91% weighted achievement	Slight over-achieved in terms of weighted achievement. The plan is high level and needs to still be broken down into actual quarterly tar-gets and progress therefore reflect ongoing work	The General Manager ERM post have been vacant for 6 months and there are various other vacancies in the ERM unit that cannot be filled due to budget constraints
Organisational Ethical Culture Maturity improved	Ethical Culture matured	Matured Ethical culture at level 4	The Ethics strategy was developed	The Ethics strategy was developed	95% of approved annual ethics management Maturity Improvement and 1 strategic project implemented	68% of the annual Ethics maturity improvement plan implemented.	75% of the annual Ethics Maturity Improvement & implementation plan, implemented (9/12) initiatives	Not applicable	The self-assessment cannot be implemented due to capacity



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

Sub-Outcome	Output	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022 until date of re-tabling	Deviation from planned target to Actual Achievement 2021-2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Effective stakeholder and partnership management	Approved stakeholder and partnership engagement strategy	Stakeholder and partnership engagement strategy developed. Annual Implementation Plan developed and % implementation	Stakeholder mapping document was done but is still awaiting EXCO approval	Stakeholder Engagement Management Plan was developed and approved by the Board	% of stakeholder and partnership engagement implementation plan	Stakeholder Mapping and Engagement Strategy approved.	4 interventions have been implemented	Not recorded	The annual implementation plan was developed as part of the strategy.
	Annual Communication Plan between the Board and SANParks developed and implemented	Annual Communication Plan between the Board and SANParks developed and implemented	New Indicator	New Indicator	Annual Communications plan developed and 100% implemented	Communication plan was developed and approved by the Board.	The indicator was removed from the APP	The indicator was removed from the APP	The indicator was found to be on an operational level and will be reflected on the AOP of the division
Appropriate and well maintained infrastructure	Improved Condition of Infrastructure	Percentage improved condition and maintenance of prioritised infrastructure	The award of the tender could not be finalised by the end of March 2020 due to the unforeseen circumstances of the COVID-19 lockdown and the availability of Bid Adjudication Committee members during this time.	The Infrastructure Investment Committee was established	Condition assessment of prioritised infrastructure & finalise maintenance plan completed	The draft 5-year maintenance and recapitalisation plan was produced.	The 5-Year Maintenance & Recapitalisation Plan was approved, and list of maintenance projects prioritised during Infrastructure Programme allocation project selection.	No variance recorded	Due to budget challenges the conditional assessment will focus on the above ground infrastructure

4. STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

4.1 Institutional response to the COVID-19 pandemic

Programme / Sub-Programme	Intervention	Geographic location (Province/ District/ local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention (R'000)	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Presidential Employment Stimulus Funds Phase 2	Employment and jobs supported in the EPWP programme for Infrastructure maintenance	All National Parks, except KNP	631	From communities next to all National Parks	R25.6 million	R15.7 million	No of jobs created and supported = 631 No of SMMEs supported = 37 153 x Buildings maintained 156km of road verges cleaned 78km of fences maintained 36.7km footpaths maintained	No of jobs created and supported = 631 No of SMMEs supported = 37 153 x Buildings maintained 156km of road verges cleaned 78km of fences maintained 36.7km footpaths maintained Sustained corporate social investment towards community development

SANParks received R25.8 million from the Presidential Employment Stimulus Fund Phase 2 (PES Fund) from the Department of Tourism. These funds were used to assist with maintenance in all National Parks, except Kruger.



631

No of jobs created and supported



37

No of SMMEs supported



153

Buildings maintained



156km

of roads graded and drainage structures cleaned



78km

of fence maintained – rock packing and vegetation clearing



36.7km

hiking trails maintained



5. REVENUE COLLECTION

LINKING PERFORMANCE WITH BUDGETS

Programme/activity/objective	Financial year 2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure
Protected areas expansion aligned with the national protected area expansion strategy (NPAES) and SANParks land inclusion plan	R53 421 220	R51 261 880	R2 159 340
Effective and efficient management of national parks	R854 739 520	R820 190 080	R34 549 440
Degraded ecosystems rehabilitated	R53 421 220	R51 261 880	R2 159 340
Climate change vulnerability reduced and climate resilience improved	R26 710 610	R25 630 940	R1 079 670
A framework towards improved management of cultural heritage developed	R26 710 610	R25 630 940	R1 079 670
Sustainable rhino populations monitored and increased	R26 710 610	R25 630 940	R1 079 670
Contribution to improved wildlife populations of African range states sustained	R26 710 610	R25 630 940	R1 079 670
Wildlife crime in national parks reduced	R26 710 610	R25 630 940	R1 079 670
Improved tourism performance	R133 553 050	R128 154 700	R5 398 350
Improved responsible tourism	R186 974 270	R179 416 580	R7 557 690
Transformation of wildlife economy through increased PDI participation	R106 842 440	R102 523 760	R4 318 680
Improved participation of PDIs in SANParks business	-	-	-
Increased access to education and skills development opportunities	R26 710 610	R25 630 940	R1 079 670
Sustained corporate social investment towards community development	R80 131 830	R76 892 820	R3 239 010
Improved participation of land claimants in SANParks' business	R26 710 610	R25 630 940	R1 079 670
Financially sustainable organisation	R240 395 490	R230 678 460	R9 717 030
Transformed and capable human capital	R267 106 100	R256 309 400	R10 796 700
Efficient, innovative systems and business processes supportive of SANParks core business	R213 684 880	R205 047 520	R8 637 360
Sound corporate governance	R53 421 220	R51 261 880	R2 159 340

	Financial year 2020/2021		
Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure
Effective stakeholder and partnership management	R53 421 220	R51 261 880	R2 159 340
Appropriate and well maintained infrastructure	R186 974 270	R179 416 580	R7 557 690
TOTAL EXPENDITURE	R2 671 061 000	R2 563 094 000	R107 967 000

	Financial year 2021/2022		
Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure
Protected areas expansion aligned with the national protected area expansion strategy (NPAES) and SANParks land inclusion plan	R49 726 500	R57 614 740	R-7 888 240
Effective and efficient management of national parks	R770 760 750	R893 028 470	R-122 267 720
Degraded ecosystems rehabilitated	R49 726 500	R57 614 740	R-7 888 240
Climate change vulnerability reduced and climate resilience improved	R24 863 250	R28 807 370	R-3 944 120
A framework towards improved management aquatic systems developed	R24 863 250	R28 807 370	R-3 944 120
A framework towards improved management of cultural heritage developed	R24 863 250	R28 807 370	R-3 944 120
Sustainable rhino populations monitored and increased	R24 863 250	R28 807 370	R-3 944 120
Contribution to improved wildlife populations of African range states sustained	R24 863 250	R28 807 370	R-3 944 120
Wildlife crime in national parks reduced	R24 863 250	R28 807 370	R-3 944 120
Improved tourism performance	R24 863 250	R144 036.850	R-19 720 600
Improved responsible tourism	R124 316 250	R201 651 590	R-27 608 840
Transformation of wildlife economy through increased PDI participation	R174 042 750	R115 229 480	R-15 776 480
Improved participation of PDIs in SANParks business	R99 453 000	R28 807 370	R-3 944 120
Increased access to education and skills development opportunities	R24 863 250	R28 807 370	R-3 944 120
Sustained corporate social investment towards community development	R24 863 250	R57 614 740	R-7 888 240
Improved participation of land claimants in SANParks' business	R49 726 500	R28 807 370	R-3 944 120
Financially sustainable organisation	R24 863 250	R259 266 330	R-35 497 080



	Financial year 2021/2022		
Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure
Transformed and capable human capital	R223 769 250	R288 073 700	R-39 441 200
Efficient, innovative systems and business processes supportive of SANParks core business	R248 632 500	R230 458 960	R-31 552 960
Sound corporate governance	R198 906 000	R57 614 740	R-7 888 240
Effective stakeholder and partnership management	R49 726 500	R57 614 740	R-7 888 240
Appropriate and well maintained infrastructure	R174 042 750	R201 651 590	R-27 608 840
TOTAL EXPENDITURE	R2 486 325 000	R2 880 737 000	R-394 412 000

	Financial Year 2021/2022			Financial Year 2020/2021		
Sources of revenue	Estimate) (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	Estimate (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)
Tourism, retail, concession and other	R1 523 379	R1 589 480	R66 101	R681 158	R825 977	R(144 819)
Sales - fauna and flora	R8 000	R9 693	R1 693	R4 000	R4 753	R(753)
Other operating income	R33 041	R57 003	R57 003	R22 287	R55 563	R(33 276)
Interest received	R46 980	R45 277	R(1 703)	R40 964	R49 075	R(8 111)
Government grants and other	R856 103	R935 691	R79 588	R1 347 436	R1 520 647	R(173 211)
Funding	R19 000	R28 955	R9 955	R65 000	R26 863	R38 137
Donations	R2 486 503	R2 699 140	R212 637	R2 160 845	R2 482 878	R(322 033)
TOTAL REVENUE	R2 160 845	R2 482 878	R(322 033)	R3 321 489	R3 168 102	R153 387



Actual expenditure is above the budgeted expenditure because of the extensive (70%) budget adjustment in response to the PFMA compliance to present a break-even budget for the organisation. The impact of the adjustment meant that statutory obligations, compliance training, operational commitments, and the contractual agreement could not be carried out without having to exceed the budget. All areas within the operating costs are above budget.

Employee related costs reflect an underspending. Depreciation and amortisation's underspending emanates from assets not yet realised, but were expected to have materialised by the end of the financial year.

Finance costs reflect an underspending, due to a reduction in finance lease repayments as the majority of vehicles are not replaced with new vehicles. The process is underway to

investigate the most suitable method of fleet management. Operating leases are above budget due to budget cuts.

Repairs and maintenance are above the budget due to budget cuts.

Revenue from tourism-related activities performed better than expected as a result of a higher number of visitors than anticipated. The concessions relief has also been taken into consideration.

The grant income positive variance is due to the infrastructure grant income. The infrastructure grant income is more than budgeted due to the realisation of income as a result of completed projects. Also included in the infrastructure grants are grants relating to the EPWP project.

6. CAPITAL INVESTMENT

Infrastructure project	Financial Year 2020/21			Financial Year 2021/22			Expected Completion Date
	Estimate) (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	Estimate (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	
KRUGER NATIONAL PARK							
Nxanatseni Energy Efficiency Upgrade	R700 000	R685 435	R14 565	R217 391	R217 391	R0	30-Dec-22
Nxanatseni Electrical Infrastructure				R523 528	R523 528	R0	30-Dec-22
Nxanatseni Region Staff Accommodation Upgrade	R180 000	R192 854	-R12 854	R847 340	R434 702	R412 638	30-Dec-22
Nxanatseni Region Tourism Upgrade	R8 000 000	R7 602 911	R397 089	R3 882 394	R1 178 678	R2 703 716	30-Dec-22
Nxanatseni Roads				R1 874 266	R 0	R1 874 266	30-Dec-22
Nxanatseni Water and Sewer Infrastructure Upgrade	R2 500 000	R2 443 960	R56 040	R1 900 196	R95 184	R1 805 012	30-Dec-22
Letaba Tourism Upgrade	R950 000	R953 179	-R3 179	R247 214	R0	R247 214	30-Dec-22
Mopani Tourism Upgrade	R3 400 000	R3 287 652	R112 348	R382 997	R475 880	-R92 882	30-Dec-22
Skukuza Lodge				R656 374	R656 374		Completed
Skukuza Lodge Support Services	R6 000 000	R554 670	R5 445 330	R293 789	R0	R293 789	30-Dec-22
Relocation of offices and workshops							
Skukuza Lodge Staff accommodation	R17 450 000	R17 271 221	R178 779	R10 601 479	R9 564 193	R1 037 287	30-Dec-22
Marula Corporate Infrastructure	R1 900 000	R1 895 446	R4 554	R1 810 976	R592 542	R1 218 434	30-Dec-22



Infrastructure project	Financial Year 2020/21			Financial Year 2021/22			Expected Completion Date
	Estimate) (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	Estimate (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	
Marula Electrical Infrastructure	R1 700 000	R1 703 573	-R3 573	R849 437	R849 437	R0	30-Dec-22
Marula Energy Efficiency and WPS Generator				R680 632	R0	R680 632	30-Dec-22
Marula Roads	R2 250 000	R2 292 699	-R42 699	R1 223 567	R0	R1 223 567	30-Dec-22
Marula Region Staff Accommodation Upgrade	R1 750 000	R1 739 499	R10 501	R3 741 821	R1 226 903	R2 514 919	30-Dec-22
Marula Tourism Upgrade	R15 400 000	R15 378 633	R21 368	R6 317 451	R5 756 971	R560 480	30-Dec-22
Skukuza Sub Station and LT Reticulation	R120 000	R5 620	R114 380	R236 498	R236 498	R0	Completed
Skukuza Staff Accommodation, Clinic and Sports Centre	R100 000	R70 083	R29 917	R4 104 332	R0	R0	On hold: Redirection of funds to Opex
Skukuza Tourism Upgrade	R2 500 000	R2 505 205	-R5 205	R1 652 432	R74 506	R1 577 926	30-Dec-22
Skukuza Laundry upgrade and Water Infrastructure Upgrade	R170 000	R169 197	R803	R233 486	R233 486	R0	30-Dec-22
Satara Water and Sewer Reticulation Upgrade				R308 397	R0		Completed
Sub-Total IP4	R65 070 000	R58 751 838	R6 318 162	R42 585 999	R22 116 273	R16 056 996	
IP5 Corporate Airport Infrastructure	R850 000	R679 533	R170 467	R1 385 424	R747 289	R638 135	31-Mar-23
IP5 Corporate Infrastructure Buildings				R255 929	R255 929	R0	31-Mar-23
IP5 Corporate Infrastructure Fire and Services				R1 852 315	R1 585 079	R267 236	31-Mar-23
IP5 Corporate Staff Accommodation				R11 704 894	R10 734 562	R970 333	31-Mar-23
IP5 Marula Infrastructure	R2 900 000	R2 948 382	-R48 382	R1 460 663	R950 767	R509 896	31-Mar-23
IP5 Marula Roads				R198 693	R198 693	R0	31-Mar-23
IP5 Marula Staff Accommodation				R10 532 964	R8 723 659	R1 809 304	31-Mar-23
IP5 Marula Tourism				R2 987 961	R2 906 349	R81 612	31-Mar-23
IP5 Nxanatseni Infrastructure				R500 000	R159 504	R340 496	31-Mar-23
IP5 Nxanatseni Roads				R2 681 447	R2 681 447	R0	31-Mar-23
IP5 Nxanatseni Staff Accommodation				R15 455 650	R15 378 265	R77 385	31-Mar-23
IP5 Nxanatseni Tourism				R5 187 850	R3 609 549	R1 578 301	31-Mar-23
Sub-Total IP5	R3 750 000	R3 627 915	R122 085	R54 203 790	R47 931 092	R6 272 698	

Infrastructure project	Financial Year 2020/21			Financial Year 2021/22			Expected Completion Date
	Estimate) (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	Estimate (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	
IFS KNP Marula Renovation of Infrastructure	R4 400 000	R4 386 034	R13 966	R4 581 433	R4 736 216	-R154 782	31-Dec-21
IFS KNP Nxanatseni Renovation of Infrastructure	R50 000	R4 245	R45 755	R395 679	R395 679	R0	31-Dec-21
Sub-Total DFFE Additional Funding	R4 450 000	R4 390 279	R59 721	R4 977 112	R5 131 894	-R154 782	
SF-KNP Nxanatseni Staff Accommodation	R6 000 000	R5 819 051	R180 949	R18 294 777	R18 102 664	R192 113	30-Jul-22
SF-KNP Marula Staff Accommodation	R7 000 000	R6 941 363	R58 637	R20 332 903	R20 318 131	R14 772	30-Jul-22
Sub-Total PES Funding	R13 000 000	R12 760 414	R239 586	R38 627 680	R38 420 795	R206 885	
NDT - KNP Shangani Gate Development	R350 000	R228 230	R121 770	R15 385	R15 385	R0	31-Dec-22
NDT - KNP Phalaborwa Activity Hub	R150 000	R0	R150 000	R295	R295	R0	31-Dec-22
Sub-Total NDT Funding	R500 000	R228 230	R271 770	R15 680	R15 680	R0	
Total KNP	R86 770 000	R79 758 676	R7 011 324	R140 410 261	R113 615 734	R22 381 798	

PARKS DIVISION							
Addo Lendlovu Community Lodge	R234 500	R877	R233 623	R1 767 511	R1 492 268	R275 243	31-Mar-24
Addo Construct Wastewater Plant	R440 000	R283 465	R156 535	R6 200 002	R4 692 358	R1 507 644	31-May-22
Addo Upgrade Electrical Reticulation	R150 000		R150 000	R108 594	R108 594	R0	On hold: Redirection of funds to Opex
Tsitsikamma Restaurant & Precinct Development	R5 570 121	R1 120 656	R4 449 465	R8 958 786	R8 445 855	R512 930	24/01/2024
Tsitsikamma Fill Slope Failure				R1 388 000	R0	R0	On hold: Redirection of funds to Opex
Tsitsikamma Big Tree Parking				R504 402	R504 402	R0	
Tsitsikamma Oceanettes Upgrade				R5 436 656	R5 248 470	R188 186	30-Jun-22
Bontebok Die Stroom Swimming pool & Day Visitor Site	R73 200	R44 175	R29 025	R5 124 297	R61 548	R0	On hold: Redirection of funds to Opex
Table Mountain Upgrade of Cape Point Roads				R585 119	R585 119	R0	Completed
West Coast Geelbek Activity Node	R66 228	R3 592	R62 636	R7 927 285	R0	R0	On hold: Redirection of funds to Opex
West Coast Upgrade R27 Entrance Gate	R66 228	R51 110	R15 118	R2 935 848	R84 459	R0	On hold: Redirection of funds to Opex



Infrastructure project	Financial Year 2020/21			Financial Year 2021/22			Expected Completion Date
	Estimate) (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	Estimate (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	
West Coast: Kraalbaai Day Visitor Site	R2 342 782	R946 448	R1 396 334	R1 258 339	R43 636	R1 214 703	31-Dec-22
West Coast Construct Park Management Offices (Langebaan Gate)	R260 000	R81 650	R178 350	R9 000 000	R0	R0	On hold: Redirection of funds to Opex
Kgalagadi Construct Dawid Kruiper Rest Camp	R4 215 652	R51 783	R4 163 869	R3 389 278	R839 725	R2 549 553	23-May-23
Kgalagadi Construct Craig Lockhardt Camp Site	R958 010	R0	R958 010	R3 007 143	R295 239	R2 711 904	31-May-22
Kgalagadi Water Purification Plants	R20 700	R0	R20 700	R160 665	R118 353	R42 312	31-Mar-23
Mokala Upgrade Lilydale Water & Sewer infrastructure	R30 000	R0	R30 000	R201 250	R128 150	R73 100	31-Mar-23
Kimberley Game Capture Upgrade sewer & fence	R2 217 516	R1 557 086	R660 430	R682 055	R682 055	R0	Completed
Mapungubwe: Construct Park Management Offices	R103 802	R0	R103 802	R164 593	R0	R164 593	30-Sep-23
Mapungubwe: Upgrade Hamilton Day Visitor Site	R45 900	R0	R45 900	R150 390	R0	R150 390	31-Mar-23
Mapungubwe: Expand Mazhou Camp Site	R26 528	R0	R26 528	R88 425	R0	R88 425	31-Mar-23
Mapungubwe Construct staff houses: Hamilton							Completed
Mapungubwe Construct staff houses: Rhodesdrift	R99 000		R99 000	R6 600 000	R0	R0	On hold: Redirection of funds to Opex
Marakele: Upgrade Offices & Entrance Gate	R2 880 259	R1 625 271	R1 254 988	R1 362 549	R205 055	R1 157 493	30-Jun-22
Marakele: Construct staff accommodation	R225 051		R225 051	R15 003 423	R0	R0	On hold: Redirection of funds to Opex
Golden Gate Hotel Chalets, Parking & BCV Entrance Gate Upgrade & Construction	R467 258	R467 258	R0	R5 867 657	R0	R0	On hold: Redirection of funds to Opex
Sub-Total	R20 759 611	R6 500 247	R14 259 364	R87 872 264	R23 535 285	R10 636 478	
Insurance							
Wilderness Construct Beervlei houses	R3 655 580	R3 459 761	R195 818	R53 912	R53 912	R0	Completed
Wilderness Construct Farleigh houses	R7 602 722	R6 253 421	R1 349 301	R5 443 075	R4 829 958	R0	Completed
Augrabies Repairs to Fire Damaged Chalets				R676 851	R163 263	R513 588	30-Jun-22
Sub-Total	R11 258 302	R9 713 182	R1 545 120	R6 173 838	R5 047 133	R513 588	

Infrastructure project	Financial Year 2020/21			Financial Year 2021/22			Expected Completion Date
	Estimate) (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	Estimate (R'000)	Actual Amount Collected (R'000)	(Over)/Under Collection (R'000)	
National Department of Tourism							
Golden Gate Dinosaur Centre	R41 819 069	R21 142 432	R20 676 637	R5 481 778	R3 282 502	R2 199 275	30-Sep-23
Addo Extension of Rest Camp	R2 967 052	R2 967 052	R0	R1 827 110	R1 785 643	R41 467	30-Sep-23
Mapungubwe Youth Facilities	R49 085	R30 759	R18 326	R222 079	R1 431	R220 648	31-Dec-23
Agulhas Lighthouse	R5 570 121	R952 193	R4 617 928	R1 051 103	R599 676	R451 428	31-Mar-24
Sub-Total	R50 405 326	R25 092 436	R25 312 890	R8 582 069	R5 669 252	R2 912 817	
Parks Division	R82 423 240	R41 305 866	R41 117 374	R102 628 172	R34 251 670	R14 062 883	
TOTAL	R169 193 240	R121 064 542	R48 128 698	R243 038 432	R147 867 403	R36 444 681	

Progress made on implementing the capital, investment and asset management plan

The asset verification and condition index assessment of all aboveground infrastructure in national parks that was concluded in 2021, and one of the outputs is a 5-Year Maintenance and Recapitalisation Management Plan. The information contained in the report and database will be used for the prioritisation of maintenance and recapitalisation of infrastructure. The table below provides a summary of the number of infrastructure assets evaluation, replacement value, depreciated replacement cost and percentage health grade per region.

Region	No. of Assets	Total Current Replacement Cost	Total Depreciated Replacement Cost	Asset Portfolio Health Grade %*	Asset Portfolio Health Grade
Arid Region	1 476	R1 243 149 155	R670 664 819	53.95%	Good
Cape Region	1 082	R1 312 746 125	R700 630 253	53.37%	Good
Frontier Region	1 225	R1 029 841 616	R532 508 942	51.71%	Fair
Garden Route Region	852	R458 672 924	R267 351 579	58.29%	Good
Northern Region	1 144	R878 233 342	R495 847 382	56.46%	Good

Region	No. of Assets	Total Current Replacement Cost	Total Depreciated Replacement Cost	Asset Portfolio Health Grade %*	Asset Portfolio Health Grade
KNP - Marula Region	6 255	R6 527 524 452	R3 783 196 084	57.96%	Good
KNP - Nxanatseni Region	3 187	R4 723 570 954	R2 746 102 969	58.14%	Good
Grand Total	15 221	R16 173 738 568	R9 196 302 029	56.86%	Good





Approved projects for the 2019/20 to 2021/22 MTEF budget cycle to the value of R 235.7 million were placed on hold following the redirection of the Infrastructure Investment allocation of 2020/21 (R114.7 million) and 2021/22 (R121 million) to the operational budget. This impacted the implementation of the Capital Plan (2018).

The data collected for the 15,221 aboveground assets assessed up to component level, was used to determine the maintenance and recapitalisation budgets and considered the condition index, current replacement cost and remaining useful life of each asset. The exercise confirmed that current maintenance and capital budgets are not adequate, with huge shortfalls that contribute to an ever-increasing backlog as per the table below:

Descrip- tion	2022	2023	2024	2025	2026
Opera- tions	R27 829 960	R29 221 458	R30 682 530	R32 216 657	R33 827 490
Mainte- nance	R246 564 670	R258 892 903	R271 837 548	R285 429 426	R299 700 897
Recapi- talisat ion	R61 448 022	R240 626 748	R408 729 385	R436 685 299	R483 170 761
Total	R335 842 652	R528 741 109	R711 249 463	R754 331 382	R816 699 148

Note: The recapitalisation budgets were based on the assets evaluated and does not include the cost of re-design of the facilities such as tourism units and staff accommodation where existing units are converted to new products.

KNP continued to implement various projects on the Infrastructure Programme with the 32 contractors from the Mpumalanga Department of Public Works, while tenders were issued to appoint panels of renovation contractors on different Cidb gradings. In Parks Division, the Dinosaur Interpretive Centre construction achieved practical completion, and the replacement of the houses lost during a fire at Beervlei and Farleigh, Wilderness Section of Garden Route National Park was concluded.

Projects to the value of R 391.5 million were selected and approved for the Infrastructure Investment Allocation 2022/23 – 2024/25, as well as R 80 million DFFE Environmental Protection and Infrastructure Programme funding. Projects to the value of the R 471.6 million will be implemented over the next three years, including many of the projects that were placed on hold over the past two years.

Infrastructure projects that are currently in progress

KNP continued with their programmes to upgrade and renovate tourism units, upgrade and construct new staff accommodation, roads maintenance and upgrade of bulk services infrastructure. Within the Parks Division, the appointment of contractors for the larger projects such as the new Dawid Kruiper Rest Camp, Kgalagadi Transfrontier Park; replacement and upgrade of Tsitsikamma Restaurant and Precinct Development and Agulhas Lighthouse

Development was finalised, and work started on these projects with satisfactory progress so far. Poor performance of contractors impacted on the completion of works in KNP, the Craig Lockhardt camp site, repairs to Augrabies chalets damaged in a fire, construction of Kabouga fence in Addo Elephant National Park and the completion of the Kraalbaai Day Visitor facilities in West Coast National Park.

The Constitutional Court ruling on the validity of the PPPFA Regulations of 2017 impacted on the issuing of planned tenders in 2021/22, including the construction of the Camdeboo perimeter fence, upgrade of Golden Gate Hotel chalets, Addo Extension of the main rest camp, Mokala Lilydale wastewater treatment plant and Kgalagadi Water purification plants.

Plans to close down or down-grade any current facilities

No facilities were downgraded or closed in 2021/22.

Progress made on the maintenance of infrastructure

The operational maintenance budget in 2021/22 was still impacted and less than the pre-COVID-19 budgets due the reduced income of the organisation. Sixty SMMEs employed in the SANParks Maintenance Programme funded by the Department of Tourism, as well as R 25.8 million approved on the Presidential Employment Stimulus Funds Phase 2 (PES Fund Phase 2) assisted with maintenance in parks. The support provided by the SMMEs to Technical Services has contributed immensely to maintain infrastructure daily.

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

The operational budget for maintenance remains a structural budget item and will not change in the near future given the income generation constraints faced by SANParks. The maintenance project funded by the Department of Tourism will come to an end in 2022/23 further impacting on maintenance of infrastructure. The appointment of a Managing Executive: Infrastructure and more capacity to implement maintenance, upgrades and new infrastructure projects must be increased, especially in KNP where Technical Services lost critical managers during the past two years.

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

For the current financial year, total assets as per the fixed asset register amount to R2 111 billion (R2 087 billion 2020/21) and reflect an increase of R24 million from the previous period. Total assets acquired during the year total R168 064 million (R141 064 million 2020/21), majority being infrastructure acquisition. Disposals of fixed assets total R1 337 million for the year under review (R14 712 million 2020/21). The decline in total asset value for the current financial period is due to the depreciation of assets and some assets that were written off. Finance must provide this information. All assets completed in the Infrastructure Programme were capitalised.

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

Assets created and procured as part of the funding received for infrastructure were capitalised and included in the asset register. National Parks were visited over a period of 12 months (September 2020 to September 2021), with teams spending a total of 294 days to verify and do conditions assessments of all above ground infrastructure up to component level. This information was captured in a database, geo-referenced, photographed and used to determine the condition, replacement values (current and depreciated) and remaining useful life.

The current state of the SANParks' capital assets.

The condition assessment of all above ground infrastructure in National Parks was completed and the asset portfolio health grade percentage determined was 56.86% of "Good" overall.

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

KNP continued with the maintenance and renovations programmes in the park to address tourism accommodation, staff accommodation, roads and bulk services infrastructure, while the rest of the parks implemented maintenance with operational budgets, Department of Tourism Maintenance Programme and PES Fund Phase 2.

Progress made in addressing the maintenance backlog

The operational maintenance budget was reduced during the past two years, and the Infrastructure Investment allocation of R 235 million redirected to the SANParks operational budget. Due to the budget constraints, the backlog is increasing year on year. Applications for funding to maintain, upgrade and construct new infrastructure are submitted to the Department, and ad hoc funds received such as PES Fund Phase 2 assist to address needs.







PART C:
Governance



1. INTRODUCTION

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

2. EXECUTIVE AUTHORITY

SANParks reports to the Minister of Forestry, Fisheries and Environment and annual reports against the 2021/22 Annual Performance Plan were submitted to the Minister and tabled before the Portfolio Committee on Forestry, Fisheries and Environment.

3. THE ACCOUNTING AUTHORITY

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

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

The role and responsibilities of the Board include the following:

- (a) Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the Minister, Parliament as well as other stakeholders along corporate governance principles.
- (b) Appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
- (c) Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
- (d) Identifying key performance and risk areas;
- (e) Ensuring that the strategy will result in sustainable outcomes;
- (f) Provide effective leadership on an ethical foundation.
- (g) Ensure that SANParks is and is seen as responsible by having regard to not only the financial and regulatory aspects of SANParks, but also the impact that SANParks' operations have on the environment and the society within which it operates.
- (h) Ensure that ethics are effectively managed within SANParks.
- (i) Ensure that SANParks has an independent and effective Audit and Risk Committee.

- (j) Be responsible for the governance of risk.
- (k) Be responsible for information technology governance.
- (l) Ensure that SANParks complies with applicable laws and considers adherence to non-binding rules and standards.
- (m) Ensure that there is an effective risk-based internal audit.
- (n) Ensure the integrity of SANParks' annual report.
- (o) Recommend appointment of the CEO to the Minister.
- (p) Evaluate the performance of the CEO.
- (q) Monitor the relationship between management and SANParks' stakeholders.
- (r) Recommend approval of SANParks' strategy and vision to the Minister.

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

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

1. Audit and Risk Committee, whose functions cover internal audit, risk management, IT governance, statutory reporting and compliance;
2. Human Capital Management Committee which oversees the implementation of human resources and transformation, and ensures that ethical conduct is embedded within SANParks;
3. Conservation and Socio-Economic Transformation Committee which oversees the implementation of approved conservation, and socio-economic transformation strategies;
4. Tourism Committee which oversees the implementation of approved tourism, marketing and communications strategies.

Board and Committees' responsibilities are outlined in the respective charters, which were reviewed during the 2021/22 financial year to ensure compliance with legislation and best practice.

The Board's term expired on 30 September 2021 and new Board members were appointed with effect from 1 October 2021.

The following is a list of all SANParks Board members:

Member	Board	Audit and Risk Committee	Human Capital Management Committee	Conservation and Socio-Economic Transformation Committee	Tourism Committee
Number of meetings held	18	11	7	3	3
Attendance by Board members					
J Yawitch	7	-	-	1	2
T Mphahlane	6	5	3	-	-
S Molokoane	7	-	3	2	2
U Govender	5	5	-	2	0
T Abrahamse	7	-	-	2	2
**J Mashele	18	10	2^	-	3
**L Mogakane	18	10	-	3	2
F Docrat	7	7	3	-	-
Z Fihlani	6	5	-	-	-
**B Koyana	17	4	7	-	3
E Mokotong	7	-	3	2	2
T Motsepe	7	-	2	2	2
S Munzhedzi #	0	-	-	0	
*P Yako	11	-	-	0	0
*N Mayathula-Khoza	11	-	4	1	-
*Z Ramasia	10	-	4	1	1
*Y Friedmann	11	-	-	1	1
*B Ngobeni	11	3	-	1	-
*H Mushiane	11	-	-	1	1
*E Neluvhalani	10	4	4	-	1
*L Matsila	11	-	4	1	-
*~# S Ntshanga	4	-	-	0	-
***#					
F Mokgohloa	2	-	-	1	-
F Mketeni	1	0	1	1	1

Member	Board	Audit and Risk Committee	Human Capital Management Committee	Conservation and Socio-Economic Transformation Committee	Tourism Committee
Attendance by Non-Board Members					
#R Sedumo	-	1	-	-	-
#A Jass	-	2^	-	-	-
<i>* Appointed 1 October 2022</i> <i>** Reappointed 1 October 2022</i> <i>***Appointed 1 January 2022</i> <i>~Term ended 31 December 2021</i>					
<i>#Department of Forestry, Fisheries and the Environment Representative</i> <i>^Attended as an invitee</i>					

4. RISK MANAGEMENT

The COVID-19 pandemic highlighted the need to ensure that appropriate policies are in place to ensure business continuity. Consequently a business continuity policy and strategy were approved during the financial year. The risk register was also reviewed and the enterprise risk management strategy was also approved by the Board. The slow recovery of the international tourism market continues to have a negative impact on SANParks' finances. Budget constraints in turn have an effect on risks associated with insufficient human capital capacity as well as infrastructure maintenance. The Board continuously monitors these risks as well as attendant mitigation measure to ensure SANParks' sustainability.

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

5. INTERNAL AUDIT AND AUDIT COMMITTEE

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



6. COMPLIANCE WITH LAWS AND REGULATIONS

A compliance management regime is introduced through both NEMPAA and the PFMA. The Board, with the assistance of the Audit and Risk Committee, quarterly reviews reports on SANParks' compliance to relevant prescripts in accordance with SANParks compliance universe. A report on SANParks' compliance with the PFMA was submitted to the Minister at the end of each quarter.

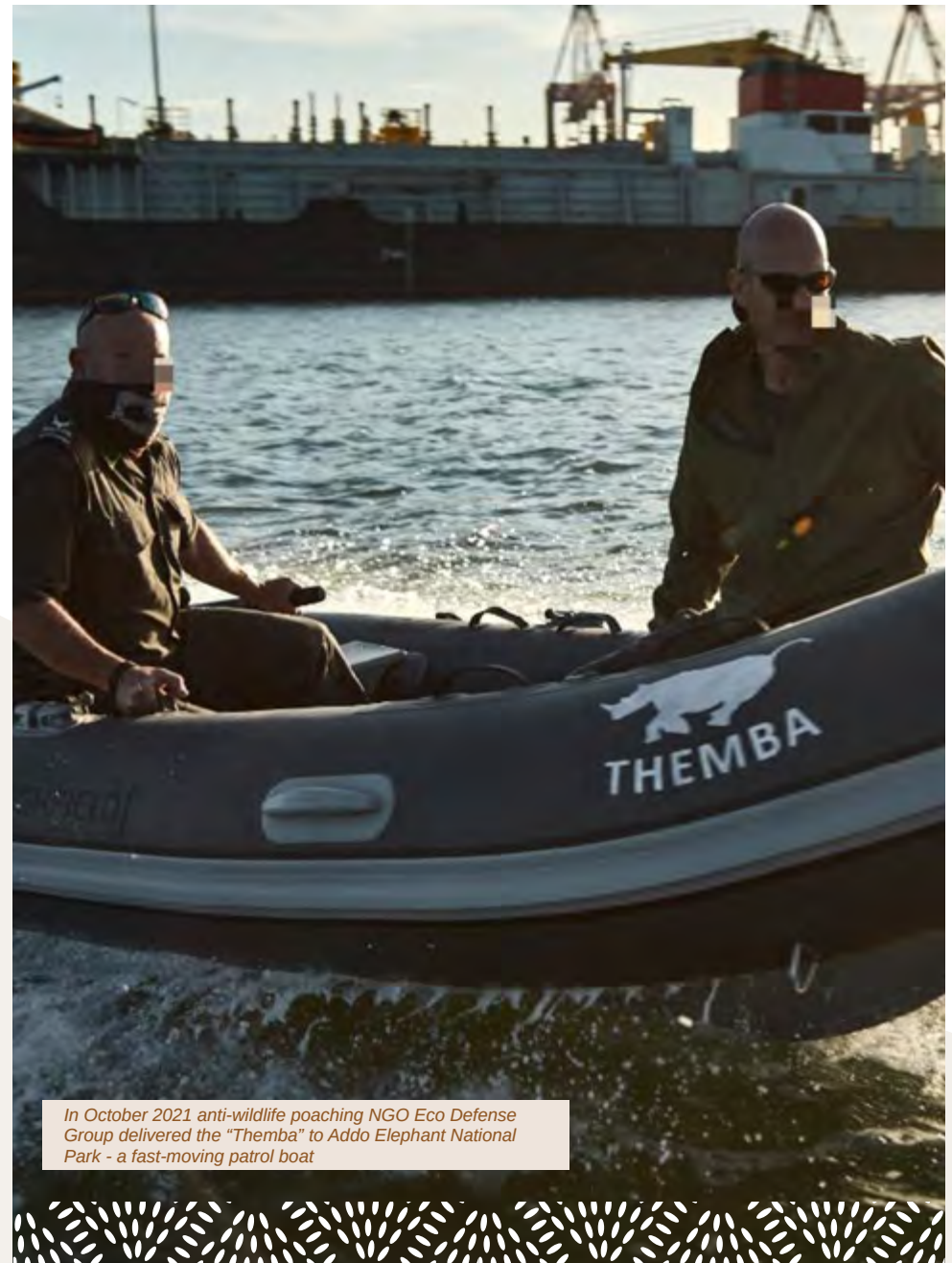
7. FRAUD AND CORRUPTION

SANParks is governed by the Public Finance Management Act (No. 1 of 1999) (as amended by Act 29 of 1999) and the associated Treasury Regulations as well as the Protocol on Corporate Governance in the Public Sector issued by the Department of Public Enterprises.

As a public entity, SANParks conducts the management and governance of ethics and fraud in line with the Public Sector Framework managed through the Department of Public Service and Administration (DPSA), including the DPSA Integrity Framework, the Public Service Regulations of 2016, and guidance instruments from DPSA such as the Ethics Committee Guide of 2019. However, as agreed in the Board approved approach to ethics management, SANParks also incorporates, where relevant, best practice guidance from the Ethics Institute, such as the Ethics Office Handbook of 2018.

Accordingly, Ethics Management is overseen and directed through the Board, the Audit and Risk Committee, and the Human Capital Management Committee on the one hand, and managed by the Executive Committee, the Chief Ethics Officer, the Enterprise Risk Management Steering Committee and the Enterprise Risk Management department where the Ethics Office is based, on the other.

Board approved Ethics Governance and Management Strategy and Policy and Fraud prevention Plan are in place. A Fraud Prevention and Management Strategy and Policy are under development and will be considered by the Board in 2022/23.



In October 2021 anti-wildlife poaching NGO Eco Defense Group delivered the "Themba" to Addo Elephant National Park - a fast-moving patrol boat

Ethics maturity

Unethical behaviour poses organisational risks at operational, strategic and national level. Its existence and proliferation could threaten the sustainability and credibility of SANParks. SANParks has therefore embarked on a journey towards a stronger ethical culture. This journey entails ethics management initiatives that are anticipated to yield long-term rewards, for example, the reduction in the cost of ethical violations such as but not limited to fraud, corruption, malpractice and maladministration. SANParks encourages ethical behaviour, such as embracing morality, encouraging openness, expecting accountability and building trust both to its external and internal stakeholders.

During 2019 SANParks was assessed by the DFFE using the Governance Maturity Framework. The outcome of the ethics management assessment indicated that SANParks' achieved a level 2 out of the 5 level scale, indicative that ethics management was still at the developmental stage.

The aim is for SANParks to achieve a level 4 rating by the end of the 2023/24 financial year which would confirm an entrenched/integrated ethics status – meaning that SANParks has a formal ethics management programme in place and that ethical behaviour is encouraged. The desired state is to ultimately achieve a level 5 rating, which would confirm a matured ethics status with an institutionalised, ethical culture.

To achieve this goal, an Ethics Maturity Improvement and Annual Implementation Plan is reviewed each year to identify the key initiatives to be implemented or performed to ensure overall improvement of ethics maturity throughout the organisation. For the year under review, 75% of the planned activities were fully implemented and remaining activities were partially implemented.

With a matured ethical culture, SANParks will have more sustainable growth, will retain and attract the best employees, will earn public trust and customer loyalty, and be far better placed to survive adverse contexts and macro environmental forces.

ERM maturity

Enterprise Risk Management (ERM) forms a critical part of the organisational strategic management. It is the process where the organisation both methodically and intuitively addresses the risk attached to the activities with the goal of achieving sustainable benefit within each activity and across the portfolio of activities. Risk management is therefore recognised as an integral part of sound organisational management.

During 2019 SANParks was assessed by the Department of Fishery, Forestry and the Environment (DFFE) using the Governance Maturity Framework. The outcome of the ERM assessment indicated that SANParks' achieved a rating level 4 out of the 5 level scale, indicative that 'organisation-wide risk management process is established and institutionalised'.

The aim is for SANParks to achieve a level 5 rating by the end of the 2023/24 financial year which would confirm that the organisation is risk intelligent. To achieve this goal, an ERM Maturity Improvement and Annual Implementation Plan is reviewed each year to identify the key initiatives to be implemented or performed to ensure overall improvement of ERM maturity throughout the organisation. For the year under review 91% of the planned activities were fully implemented and remaining activities were partially implemented. In addition, a self-assessment was conducted on the maturity level which confirmed that level 4 has been maintained.

AN EFFECTIVE, MATURED ERM SYSTEM PROVIDES VALUE TO THE ORGANISATION IN THE FOLLOWING WAYS:



Greater awareness about the risks facing the organisation and the ability to respond timeously and effectively



Enhanced confidence about the achievement of strategic objectives



Improved compliance with legal, regulatory and reporting requirements



Increased efficiency and effectiveness of operations



Enhanced decision-making



8. MINIMISING CONFLICT OF INTEREST

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

Employees are also expected to complete annual declaration of interest and to avoid conflict between their personal interests and those of SANParks. Policies and procedures are in place to ensure that all staff declare directorships or any other business interests on an annual basis. In addition a SCM policy is in place requiring that all members of Bid Specification, Bid Evaluation and Bid Adjudication committees to declare any conflict of interest regarding agenda items of the relevant structure and recuse themselves from the meeting when the item is discussed. Such declarations are on record and reflected in the minutes of the meeting.

9. CODE OF CONDUCT

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

The Code of Ethics provides a framework of ethical principles and standards that guide all employees' work performance, professional standards, and the way that they conduct their relationships with others, within the organisation and when interacting with individuals, organisations and agencies outside of SANParks. The review of the Codes commenced in 2021/22.



10. HEALTH, SAFETY AND ENVIRONMENT ISSUES

SANParks values its employees and recognises that health and safety is integral to achieving excellent performance outcomes. SANParks is legally and morally committed to providing employees, visitors, researchers, concessionaires, contractors, students, communities and all other stakeholders with a healthy and safe working, visiting and learning environment as well as minimising waste generation, air emissions and other discharges from activities to the environment. In this context, Occupational Health and Safety (OHS) forms an integral part of the organisational strategic management under Enterprise Risk Management. This is the process that focuses on constant health and safety improvements across all organisational levels, ensuring a safe working environment. It further strives to effectively deal with constant improvement and enhancing the capacity to build value.

During the 2021/22 financial year, the Safety, Health and Environment Policy was reviewed and approved by the Board.

11. COMPANY/ BOARD SECRETARY

The Board Secretary is responsible for advising the Board on governance and compliance issues, and all Board members have access to her services and guidance.

12. SOCIAL RESPONSIBILITY

SANParks' Community Social Legacy programme under Corporate Social Investment is aimed at advancing SANParks' vision of "A world class system of sustainable National Parks reconnecting and inspiring society" by contributing to the development of communities living adjacent to national parks through the provision of much needed facilities and services. Community Social Legacy Projects are funded from the 1% tourism income on all accommodation bookings.

The programme identifies worthy causes to support in communities bordering national parks. At its inception phase, the programme provided support to education in schools bordering national parks through provision of infrastructure such as science laboratories, mobile libraries, computer laboratories, school desks and others. The primary focus was on contributing to the country's national drive to improve Mathematics and Science

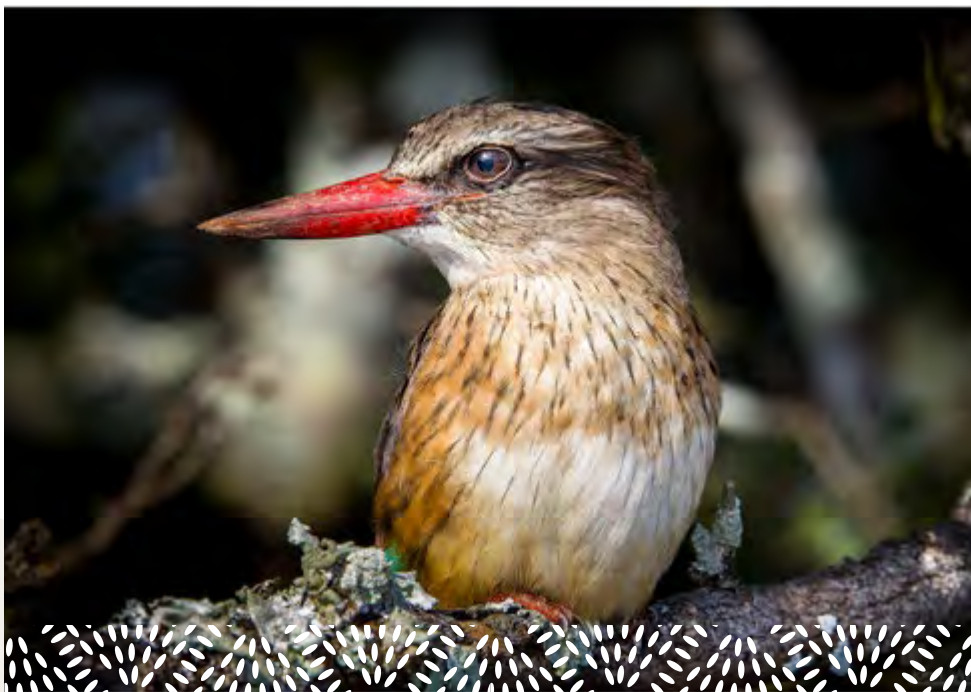
skills deficiency, particularly in communities bordering national parks where SANParks future scientist will come from. Recognising that community needs differ from one area to another, the programme was expanded to respond to the relevant and pressing needs of communities.

The focus of the 2021/22 financial year was on the implementation of food security projects to support community livelihoods following job losses due to the COVID-19 pandemic. The food gardens and anglers support programmes were launched where community members were provided with training and gardening equipment; and the anglers with fishing permits and fishing equipment.

Thirty pensioner fish anglers, who used to fish illegally due to lack of permits in the Garden Route Area (Wilderness), were provided with fishing permits and fishing equipment.

The communities of Kleinkrantz and Wilderness Heights received training on gardening and received certificates. They were further provided with gardening equipment and seeds for 12 food gardens.

Continuing with support to education, 100 double combination school desks were donated to Johan Hein Primary School close to Ai-Ais Richtersveld Transfrontier National Park where school learners did not have proper chairs and sat on the floor.



13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

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



Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response	Discussion
	Yes / No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	BBBEE and Preferential Procurement Policy Framework and its regulations are integral part of evaluating any bid, PPP etc.



Camdeboo Hiking Cotrekkers hiking - (Photo credit: Rudolph de Girardier)





PART D:
Human Capital
MANAGEMENT



1. INTRODUCTION

During the financial year under review, SANParks experienced leadership challenges following the CEO's extended special leave that caused inconsistent leadership due to constant changes in the appointment of acting CEOs. We acknowledge and appreciate that the difficult part of the pandemic is behind us all and we appreciate the contribution of our employees.

During the period under review, the Human Capital Management (HCM) division played a major role in supporting the employees of SANParks through a difficult financial period leading to HCM cost curtailments that affected employee morale. HCM collaborated with all divisions in initiating wellness programmes and occupational health and safety practices to support employees and organisational leadership in ensuring performance management and productivity to support organisational sustainability. Human Capital Management supported leadership with policies and procedures for managing working from home initiatives.

To deal with the COVID-19 pandemic SANParks required significant unplanned resources and support. All HCM operations and functional support continued, as well as continued improvement of processes through the implementation of a review of the HCM strategy.

As we look to the future, and how Human Capital Management will support the organisation, we are encouraged by the progress and improvements made over the past year. The HCM team has prioritised supporting employees' well-being and contributing to improved productivity at SANParks. The continued focus on a transformation of HCM processes and support will bring positive change to the entire employee life cycle.



Hospitality Leadership Development Programme – Wilderness Cohort

HCM Focus Areas



Improve internal controls and compliance



Data integrity improvement



Implementation of HCM strategy and operations plan



Improving performance management culture



Leadership development (coaching)



Review job priorities and ensure jobs are evaluated



Implement talent management and succession planning initiatives



Finalisation of HCM skills audit and implement organisation-wide skills audit



Stakeholder engagements with labour and other external collaborators on learning and development



Employee wellness initiatives

Human capital management challenges

- Managing the data integrity relating to the HC Information Management System.
- Managing human capital in a turbulent tourism environment.
- The unprecedented times of managing the workplace during the COVID-19 pandemic and dealing with remote/virtual office dynamics.
- Conservation and scientific skills are in global demand, and there is a need for long-term capacity development, which requires resources, including funding, infrastructure, and a conducive environment for growth.
- Lack of succession planning interventions while a proportion of experienced and skilled employees are approaching retirement.
- Managing the high cost of human capital, high vacancy rate, employee motivation and retention in a difficult financial situation.

2. HUMAN CAPITAL MANAGEMENT OVERSIGHT STATISTICS

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

Total personnel expenditure

Personnel Cost	Total Expenditure for the entity	Personnel Expenditure %	No. of employees	Average personnel cost per employee
	R1,159,732,458.81	100.00%	4 213	R275,274.74

**This employee cost was calculated based on permanent employees only.*

Personnel cost by salary band

The figures in the following table are the financial amounts processed through the organisation's Sage 300 people payroll system and include subsistence and travel and kilometres travelled claims.

It has emerged that the previous financial year's annual expenditure was based on 12 months of expenditure plus an additional one month on salaries. We realised it after comparing the previous expenditure reports with the current financial year's expenditure.

Personnel cost by salary band

Occupational Level	Number of Employees	Additional Month Financial Implications
F - Top Management	7	R1,011,188.42
E - Senior Management	55	R4,413,126.43
D - Middle Management	318	R14,243,762.62
C - Junior Management	589	R12,316,072.67
B - Semi Skilled	1 807	R20,062,339.97
A - Unskilled	1 477	R14,234,064.07
Grand Total	4 253	R66,280,554.18

The HCM department changed the payroll system from Sage premier payroll to Sage 300 people. The table below depicts the additional monthly expenditure that was added to the previous financial year 2020/21.

The total expenditure disclosed in the 2020/21 financial year was R1,194,290,287.45 which was inclusive of the aforementioned additional one-month expenditure on salaries which was mistakenly added to the report from Sage Premier Payroll. The actual expenditure for the 2020/21 financial year after subtracting the additional monthly expenditure was R1,128,009,733.27.

Therefore the total expenditure for the financial year in review is R31,722,725.54 more than that of the 2020/21 financial year (R1,128,009,733.27). Reasons for variance are as follows:



Cost of living salaries adjustments, **4%** adjustment for employees on Paterson band A1 to D5 and **2%** adjustment for employee on Paterson E lower to F upper.



4% increase on tool of trade allowance.



4% increase on danger allowance.



Payment of uniform allowance – maintenance.



The increase of UIF limit from R14,872.00 per month (R148.72 which is **1%**) to R17,712.00 per month (R177.12 which is **1%**).



Medical aid annual increase.



Personnel expenditure

Occupational Level	Personnel Expenditure	% of Personnel Expenditure To Total Personnel Costs	Number of Employees	Average Personnel Cost Per Employee
F - Top Management	R16,377,736.03	1.41%	7	R2,339,676.58
E - Senior Management	R64,314,522.92	5.55%	52	R1,236,817.75
D - Middle Management	R215,933,321.24	18.62%	313	R689,882.82
C - Junior Management	R192,538,353.48	16.60%	584	R329,688.96
B - Semi Skilled	R398,162,066.85	34.33%	1 786	R222,935.09
A - Unskilled	R272,406,458.29	23.49%	1 471	R185,184.54
Grand Total	R1,159,732,458.81	100.00%	4 213	R275,274.74

Employment and vacancies 2021/22

SANParks introduced a moratorium on staff movements and filling vacancies due to cost curtailment. Only prioritised positions were filled.

Employment and vacancies during 2021/22

Occupational Level	No. of Employees (Warm Bodies)	Approved Posts	No. of Employees (Filled posts)	(Vacancies)	% of Vacancies
F - Top Management	7	9	7	2	22.22%
E - Senior Management	49	67	49	18	26.87%
D - Middle Management	290	373	290	83	22.25%
C - Junior Management	554	686	554	132	19.24%

Occupational Level	No. of Employees (Warm Bodies)	Approved Posts	No. of Employees (Filled posts)	(Vacancies)	% of Vacancies
B - Semi Skilled	1 714	1 976	1 714	262	13.26%
A - Unskilled	1 391	1 548	1 391	157	10.14%
Grand Total	4 005	4 659	4 005	654	113.98%

Employment changes 2021/22

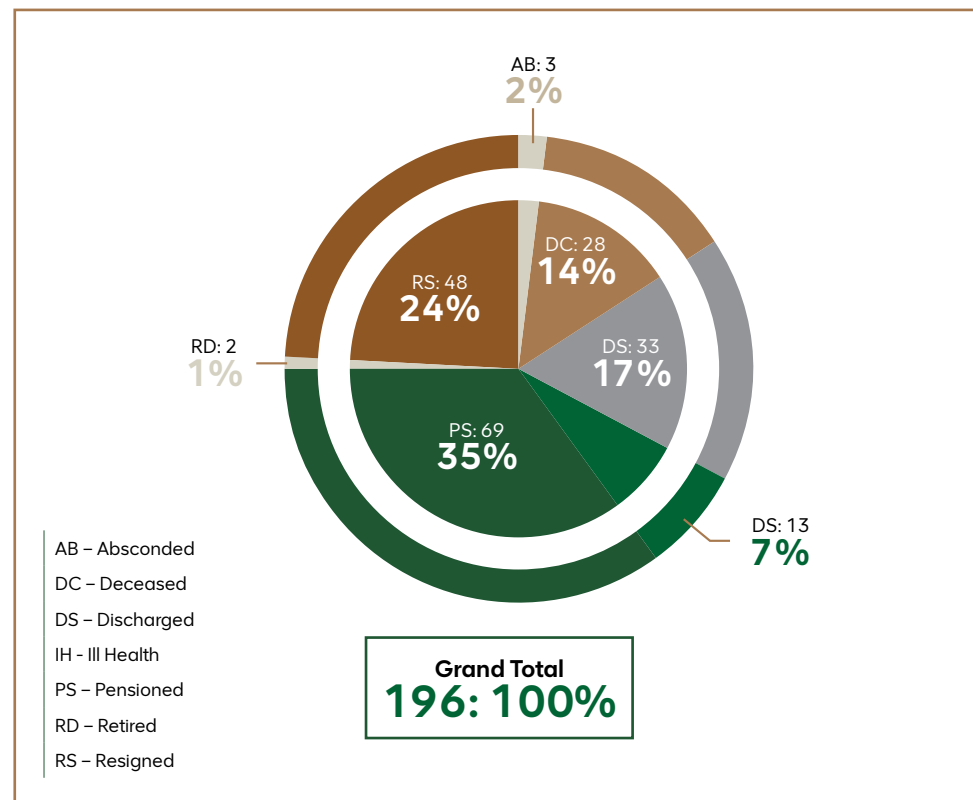
SANParks lost 196 (4.89%) employees during the reporting period (see figure on next page for the various reasons that employees exited) and only filled 119 of the vacant positions. The staff turnover is 4.89%, which is low but concerning for the organisation due to the loss of critical skills within the junior and management levels. However, the highest staff turnover is within the semi-skilled and unskilled levels of staff.

Employment changes 2021/22

Occupational Level	Employment at beginning of period (31 March 2021)	Appointments	Terminations	Employment at beginning of period (31 March 2021)
F - Top Management	7	0	0	7
E - Senior Management	49	2	5	49
D - Middle Management	300	11	27	290
C - Junior Management	570	3	26	554
B - Semi Skilled	1 743	39	74	1 714
A - Unskilled	1 404	64	64	1 391
Grand Total	4 073	119	196	4 005

Reasons for staff leaving 2021/22

Reasons for staff exiting the organisation





Equity Target and Employment Equity Status

MALE								
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	4	0	1	0	0	1	0
Senior Management	21	21	6	4	2	1	15	12
Professional qualified	97	109	24	26	5	6	83	71
Skilled	259	254	71	71	2	6	33	41
Semi-skilled	1107	1065	276	260	1	9	14	42
Unskilled	1260	1085	195	143	2	4	6	15
TOTAL	2748	2539	572	505	12	26	152	181

FEMALE								
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	1	1
Senior Management	14	16	2	2	1	1	8	8
Professional qualified	64	86	22	25	2	3	52	51
Skilled	245	271	53	63	2	5	42	47
Semi-skilled	584	543	165	151	4	7	19	30
Unskilled	1317	1024	224	172	1	1	4	10
TOTAL	2225	1942	466	413	10	17	126	147



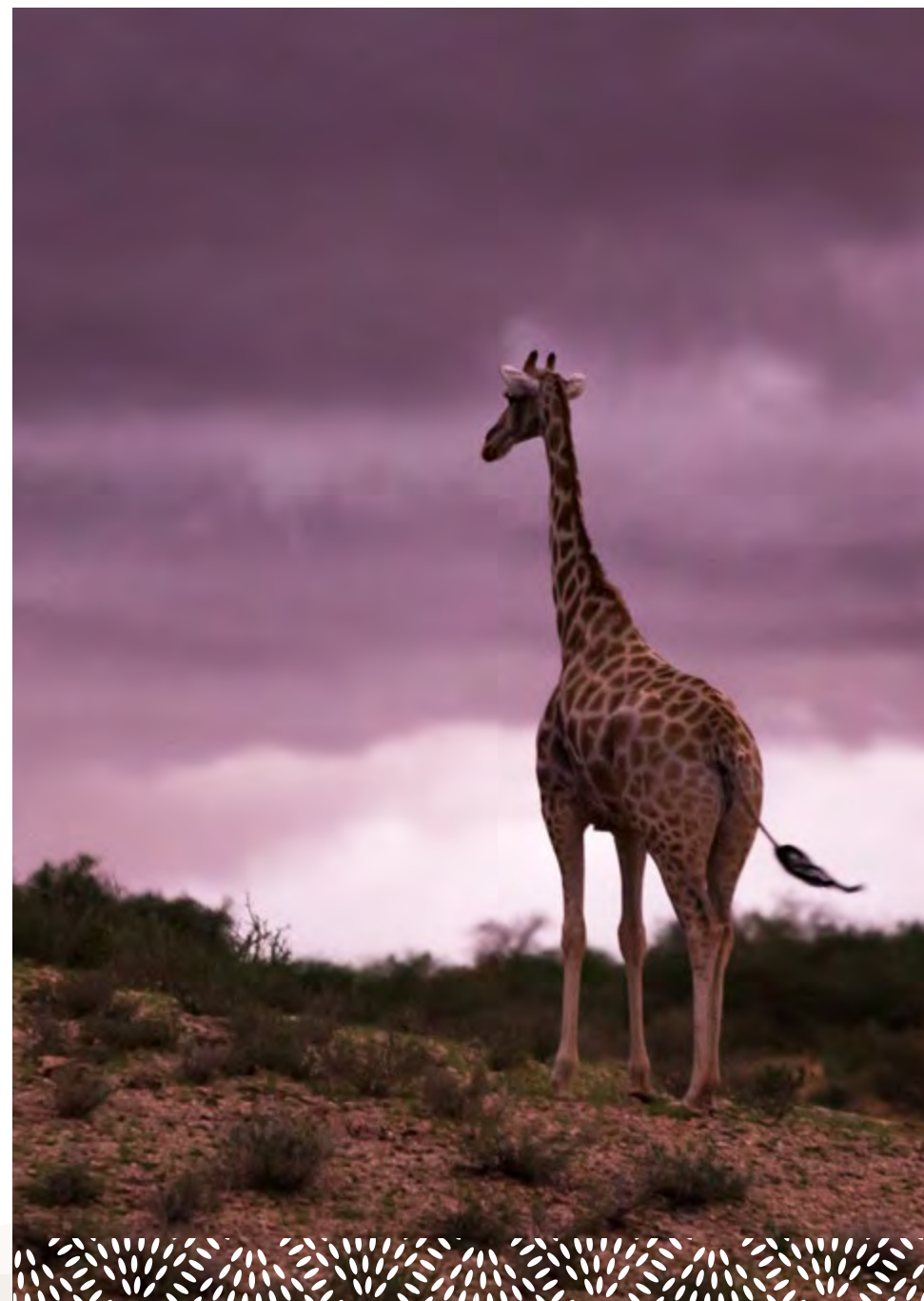
SANParks' employment equity plan focuses on eliminating discrimination and implementing affirmative action measures to redress the past's disadvantages and remove systemic barriers faced by designated groups. To ensure SANParks achieves equitable representation in all occupational categories, strict adherence to the employment equity plan (January 2020 to December 2022). However, given the outbreak of the COVID-19 pandemic and the hard lockdown regulations and protocols imposed on the country during 2020, this delayed the implementation of Employment Equity plan.

SANParks is committed to promoting equal opportunities for and fair treatment of all employees regardless of gender, race, sexual orientation, religion, language or age.

Levels	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	5	5	2	3
Senior Management	44	38	25	27
Professional qualified	209	212	140	165
Skilled	365	372	342	386
Semi-skilled	1398	1376	772	731
Unskilled	1463	1247	1546	1207
TOTAL	3484	3250	2827	2519

The table below explains the variances in achieving the gender statistics.

Occupational Level	Male	Female
Top Management	Target Met	Target not met due to scarcity and intense competition for talent at this level
Senior Management	Target exceeded	Target not met due to scarcity and intense competition for talent at this level and non-retention of black females
Professionally Qualified	Target not met due non-retention of black staff	Target not met due to slow turnover of staff as well as non-retention of black female
Skilled	Target not met due to slow turnover of staff as well as non-retention of black staff	Target not met due to slow turnover of staff as well as non-retention of black female staff –
Semi-Skilled	Target exceeded	Target exceeded
Unskilled	Target exceeded	Target exceeded





SUMMARY OF THE EMPLOYMENT EQUITY PROGRESS REPORT TO BE INCLUDED IN THE ANNUAL REPORT

Every designated employer is required in terms of Section 22 of the Act to publish a summary of their employment equity report in that employer's annual report. Every employer who is required to comply with Section 22 must follow the format below.

Occupational levels

Please report the total number of **employees (including employees with disabilities)** in each of the following **occupational levels**. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	0	0	1	1	0	0	1	0	0	7
Senior management	21	6	2	15	14	2	1	8	0	0	69
Professionally qualified and experienced specialists and mid-management	97	24	5	83	64	22	2	52	3	0	352
Skilled technical and academically qualified workers, junior management, supervisors and superintendents	259	71	2	33	245	53	2	42	0	1	708
Semi-skilled and discretionary decision making	1107	276	1	14	584	165	4	19	0	2	2172
Unskilled and defined decision making	1260	195	2	6	1317	224	1	4	1	0	3010
TOTAL PERMANENT	2748	572	12	152	2225	466	10	126	4	3	6318
Temporary employees	16	4	0	0	31	7	0	0	0	0	58
GRAND TOTAL	2764	576	12	152	2256	473	10	126	4	3	6376

Please report the total number of **employees for people with disabilities ONLY** in each of the following **occupational levels**. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	0	1	2	0	0	0	1	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors and superintendents	1	1	0	1	1	1	0	2	0	0	7
Semi-skilled and discretionary decision making	5	8	0	0	4	2	0	1	0	1	21
Unskilled and defined decision making	2	3	0	0	4	0	0	0	0	0	9
TOTAL PERMANENT	10	12	1	4	9	3	0	4	0	1	44
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	10	12	1	4	9	3	0	4	0	1	44

Learning and development

SANParks' people enable the organisation to implement its strategy and deliver on its mandate. For this, they need appropriate skills and competencies. These are developed through training and development. In the 2021/22 financial year, R13.8 million or 1.19% of payroll was spent on skills development and training.

A total of 1 532 staff members took part in short learning programmes, workshops and on-the-job training. Twenty dependants of staff members were provided with financial assistance to further their studies at institutions of higher learning, and 30 staff members received bursaries to enable them to study further.

Training costs

Programme/ activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of personnel cost.	No. of employees trained	Avg. training cost per employee
Skills Programme	R1 159 732 458 81	R13 801 597 80	1.19%	1 532	R9 008 87

Hospitality leadership development programme

The Tourism and Development division introduced a hospitality improvement plan to improve hospitality standards in parks. As one of the key interventions identified was training of hospitality staff, the division launched the SANParks Hospitality Leadership Development Programme in August 2020. The programme focuses on building strong technical skills in hospitality.

The need to train hospitality and duty managers on the Higher Certificate in Hospitality Management at NQF Level 5 is part of the effort by SANParks to re-enforce certain good practices, change behaviours, increase productivity, increase competency, provide formal education, and ultimately heighten customer excellence and experience.

In addition to the training intervention, a corresponding impact assessment was commissioned to assess and, where applicable, quantify the impact of the Hospitality Training Leadership Development programme on the participating individuals, their respective roles in the organisation, their departments or divisions, the cumulative effect on their respective national parks, as well as on SANParks as a whole.

The Hospitality Leadership Development Programme adopted a blended learning approach that includes virtual classes as well as face-to-face classes. The programme will end in November 2022.

“

The course has improved my confidence and creative thinking, I have developed a belief that I will make the park a sustainable destination of choice.

My ultimate goal is to influence the employees positively, create learning and growth, and to make them understand the vision of the organisation.

- Vuyani Dial

Hospitality Service Manager, Mountain Zebra Park

”

Learner pipeline

During the reporting period, 1.5% of the total organisation (60) were involved in graduate internships and work-integrated-learning programmes. These programmes aim to provide experiential training to unemployed youth. SANParks was voted and awarded by Gradstar as the Top Graduate Employer in Leisure, Travel and Hospitality.

Our partners in skills development

SANParks has a strong culture of collaboration with universities, universities of technology, colleges and government departments for training of young conservationist and scientists. Formal partnerships have been finalised through memorandum of agreements and protocols. In the year under review, we strengthened our partnerships and signed memoranda of understanding with WWF South Africa's Graduate Internship and the Department of Fisheries, Forestry and Environment.



PART E:
Financial
REPORT

CFO FINANCIAL OVERVIEW

Financial Results

In the period under review South Africa experienced two major resurgences of COVID-19 mass infections (referred to as the 3rd and 4th waves) which invariably led to movement restrictions that had a direct and immediate impact on the travel and tourism industry.

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

Two years after the COVID-19 pandemic, which led to severe travel restrictions and the periodic interruption of commercial tourism activity, SANParks stands at 50% of its traditional tourism volumes. This is an organic recovery driven by the domestic market and investment into aggressive marketing. Logic thus dictates that an increase in marketing activity may hasten recovery, which as matters stand, is anticipated to occur perhaps, from 2025 onwards. The organisation faces a dilemma, on the one hand, the delay of tourism recovery has major and adverse implications for the organisation; and on the other recovery is heavily dependent on investment within an environment of extreme austerity.

The lifting of lockdown regulations by the government resulted in a slight increase in revenue when compared to the previous financial year, even though it was not enough to cover the operational needs of SANParks hence the increase in net deficit when compared to the previous financial year.

The net deficit increased from R62 million in the 2020/21 financial year to a deficit of R223 million in the current financial year.

SANParks is pleased to have welcomed a total of 3 481 600 guests to our National Parks which is 6.8% above the target of 3 258 590. This is a significant improvement from the 1 996 667 guests recorded in 2020/21 financial year.

Total revenue for the year is R2.7 billion (R2.5 billion – 2020/21) and indicates a 6% increase from the previous year. Revenue from exchange transactions for the current year totals R1.7 billion (R944 million – 2020/21) and is 82% more than the previous year due to the

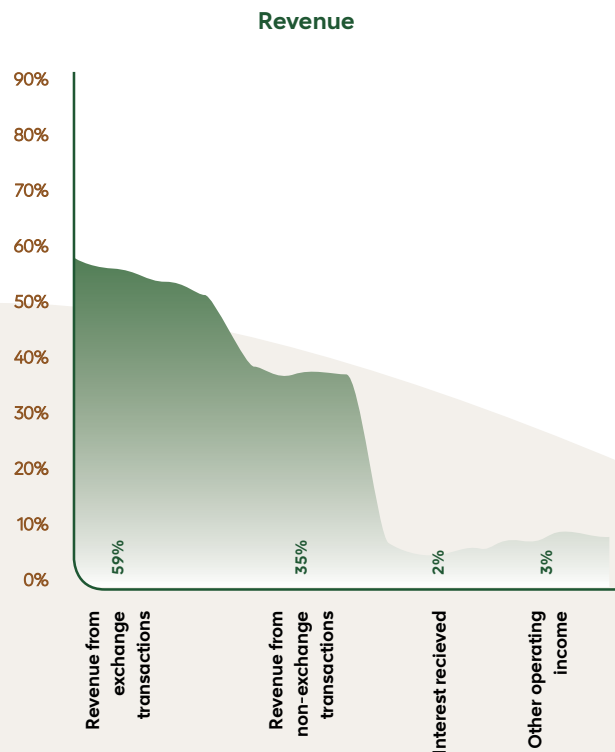


lifting of lockdown restrictions including opening of borders, and the removal of South Africa from the red list.

Revenue from non-exchange transactions amounts to R943 million (R1.5 billion – 2020/21) and is 39% less than the previous year, due to the once-off COVID-19 relief fund received in the 2020/21 financial year, which was not available in the 2021/22 financial year.

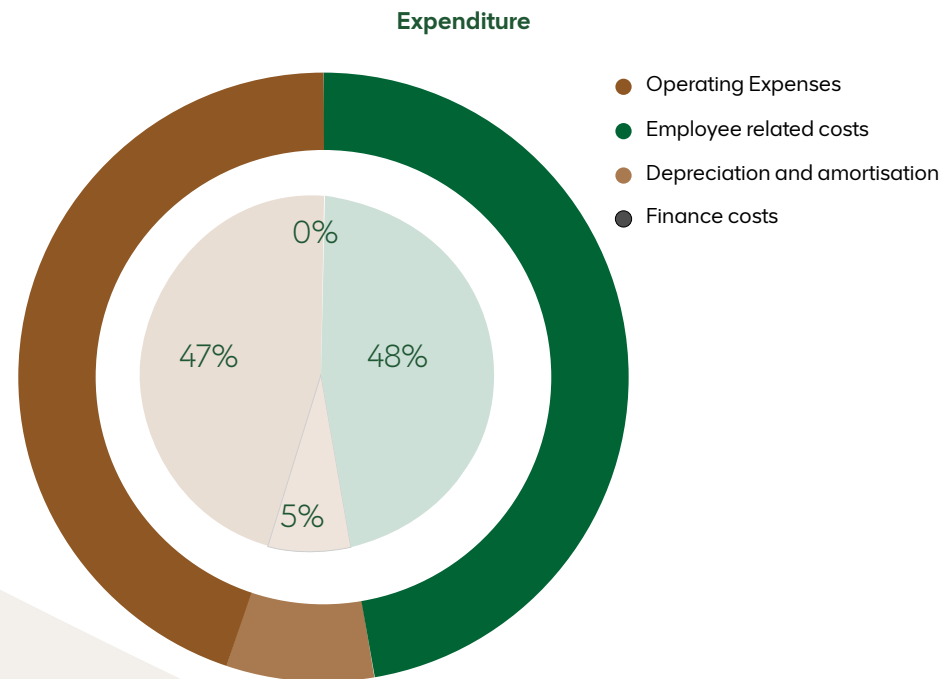


CFO FINANCIAL OVERVIEW



Graph 1: Key Revenue components

Total expenditure increased by 13% YoY while employee-related costs increased by 5% compared to the previous financial year. The increase in expenditure is mainly due to increase in operational activities after COVID-19 restrictions were lifted as compared to previous financial year.



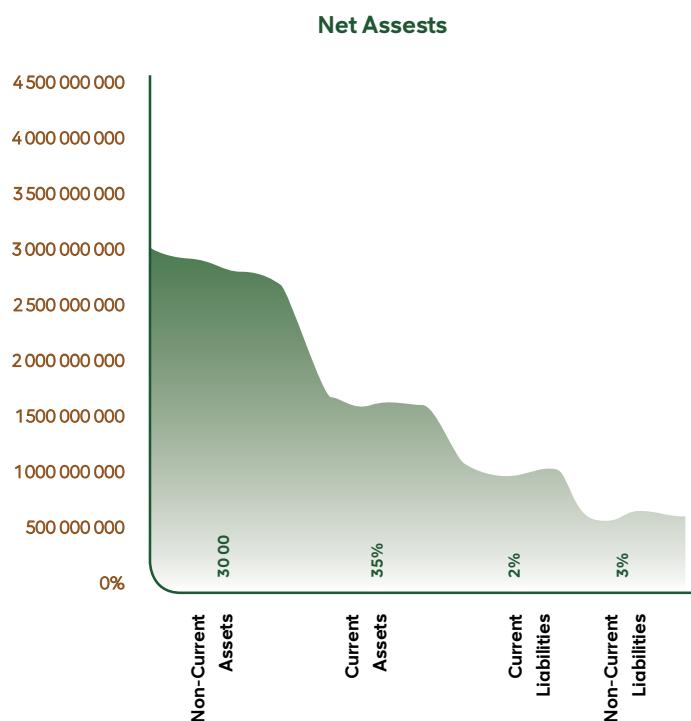
Graph 2: Key Expenditure components

SANParks' main expenses are human resources and operations. The income to cost ratio is 0.92: 1, which results in a net deficit margin of only 8%. This means that SANParks' total revenue is not sufficient to cover its operational needs.

Financial Analysis

During the reporting period, the value of total assets declined from R5.5 billion to R5.1 billion, while total liabilities decreased from R2.3 billion to R2.2 billion, in 2021/22 and 2020/21 financial years respectively. The decline is as a result of the cost curtailment measures implemented during the 2020/21 financial year, which are still applicable to the year under audit, to accommodate for the decline in revenue. The decrease in net asset value is as a result of the decline in cash and cash equivalents, and an increase in employee benefit obligation as well as concession provision.

CFO FINANCIAL OVERVIEW



Graph 3: Statement of Financial Position Analysis

Non-current assets represent PPE, Intangible and Heritage Assets used in the organisation's operations. Total non-current assets amount to R3.2 billion compared to the previous year's R3.1 billion. The capital budget was decreased in line with the cost containment measures due to the limited funds available.

Included in current assets is cash and cash equivalents total of R1.7 billion (R2.2 billion – 2020/21), which indicates a 22% decline year on year. Cash reserves available are committed and set aside for capital and special projects. The debtors' collection period has declined from 61 to 67 days. This is mainly due to concessionaires who were not able to meet their obligations due to the negative impact of COVID-19 and this was after concessionaires were granted a second relief.

Non-current liabilities amount to R943 million (R888 million – 2020/21). The increase is mainly due to the increase in employee benefit obligation, and concession provision.

Current liabilities are R1.3 billion (R1.4 billion – 2020/21) and are 11% less than the previous year, mainly due to a decrease in unspent conditional grants. It takes on average 13 days to settle trade accounts payable. This complies with the PFMA and National Treasury Regulations, requiring invoices to be paid within 30 days.

As indicated by the working capital ratio of 1.50: 1, SANParks' current assets exceed its current liabilities, which means that SANParks current assets are sufficient to pay-off its current liabilities. The acid test ratio is 1.40: 1; which indicates SANParks ability to meet its current obligations using its liquid assets. The debt to equity ratio, which measures the degree to which the organisation's operations are funded by debt, is 0.75: 1. This is an indication that the organisation is not borrowing more than it can reasonably pay back.

We witnessed substantial growth in corporate giving, international donations as well as individual trusts giving this past financial year. We are appreciative of the generosity of all our donors and funders. SANParks received R13,318,077,831 which positively contributes to the management of the conservation estate including anti-poaching activities.

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

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



CFO FINANCIAL OVERVIEW

In Conclusion

- Even though the organisation's statement of financial performance reflects slow financial recovery, the organisation remains liquid to meet its financial obligations as and when they become due. SANParks will continue applying the cost containment measures until its revenue improves to an extent that it covers its operational and capital expenditure. Even with the cost curtailment initiatives that are in place, these would not provide sufficient savings and the impact thereof will continue to negatively affect SANParks' operational performance. Government intervention, and a solution on improving tourism revenue would be sought.
- Financial sustainability is at the core of the leadership of the organisation and the vision 2040 project, initiated by the Board, paves a way to build a future of conservation and tourism that we can all be proud of.

Mr Dumisani Dlamini

Chief Financial Officer
31 August 2022

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African National Parks set out on pages 180 to 280, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African National Parks as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Context for the opinion

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

Emphasis of matters

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

Material deficit for the year

7. As disclosed in the statement of financial performance, a material deficit of R223 116 000 was incurred for the 2021-22 financial year as a result of the entity not generating sufficient revenue. This was due to travel restrictions and the lockdown imposed by the government during the financial year and the increase in operating expenses.

Restatement of corresponding figures

8. As disclosed in notes 42 and 43 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2022

Responsibilities of the accounting authority for the financial statements

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



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

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

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

Report on the audit of the annual performance report

Introduction and scope

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected outcome goal presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public 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 do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected outcome goal presented in the public entity's annual performance report for the year ended 31 March 2022:

Outcome goal	Pages in the annual performance report
Outcome goal 1 – sustainable biodiversity and cultural heritage across land and sea delivers benefits for the people of SA and the world, now and in the future	33 – 74

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

Percentage of METT corrective actions implemented.

18. The method of calculation for measuring the planned indicator was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievement of 73.3% progress against identified METT corrective action against target reported against target ≥ 70 per cent progress against identified METT in the annual performance report.

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

National parks and Marine Protected Areas (MPA) assessed.

19. I was unable to obtain sufficient appropriate audit evidence for the achievement of 20 national parks assessed (85% of parks with a score of > 67% threshold score) and 6 MPAs assessed (33% of MPA with a score of > 67% threshold score) reported against target 20 national parks (80% of National parks with a score of > 67% threshold score) and 6 MPAs assessed (33% of MPA with a score of > 67% threshold score) in the annual performance report, due to the lack of accurate and complete records. 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

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 26 to 154 for information on the achievement of planned targets for the year and management's explanations provided for the under-/overachievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs [13 to 19] of this report.

Report on the audit of compliance with legislation

Introduction and scope

22. 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.

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

Annual financial statement and annual report

24. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements of statement of comparison of budget and actual amounts and disclosure items identified by the auditors in the submitted financial statement were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Revenue management

25. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

Expenditure management

26. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R36 825 000 as disclosed in note 29 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA.

Procurement and contract management

27. Some of the invitations for competitive bidding were not advertised for a required minimum period, as required by treasury regulation 16A6.3(c).
28. Some of the bid documentation/invitation to tender for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by the 2017 procurement regulation 8(2).



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

29. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulation 8.2.1 and 8.2.2.

Consequence management

30. Disciplinary steps were not taken against some of the officials who had incurred or permitted irregular expenditure, as required by section 51(1)(e)(iii) of the PFMA.
31. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information

32. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected outcome goal presented in the annual performance report that has been specifically reported in this auditor's report.
33. 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 on it.
34. 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 outcome goal presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings in the annual performance report and the findings on compliance with legislation included in this report.
37. The financial statements contained material misstatements due to inadequate review of financial statements against the supporting schedules, resulting in material adjustments being made to the financial statements submitted for auditing.
38. Management did not ensure that consequence management was fully implemented for the irregular and fruitless and wasteful expenditure incurred in the previous financial years, due to expiry of the term of the loss control committee and delays in reappointing members for the committee and also not implementing recommendations of the loss control committee.
39. Management did not ensure that adequate oversight controls were in place to prevent irregular expenditure.
40. The control deficiencies on the METT, a system of the department that the controls the entity, resulted in limitations in confirming the reliability of the reported achievements on the METT scores for the current financial year, as there were no other reliable alternative methods of calculating the scores.

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

41. Management did not ensure that the planned target of METT corrective actions clearly identified the nature and required level of performance and was measurable.

Auditor General

Pretoria
29 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



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

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 outcome goal and on the public entity's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority

- conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the South African National Parks to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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 provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

GENERAL INFORMATION

Country of incorporation and domicile	South Africa	Auditors Auditor-General Africa (AGSA)	4 Davenport Street Lynnwood Manor Pretoria 0081
Legal form of entity	PFMA Schedule 3A entity		
Nature of business and principal activities	In terms of the National Environmental Management: Protected Areas Act, 57 of 2003, SANParks mandate is to conserve, protect, control, and manage national parks and other pre-defined protected areas and their biological diversity (biodiversity).	Secretary	Ms M Mathabathe
Registered office	643 Leyds Street Muckleneuk Pretoria South Africa 0002		
Business address	643 Leyds Street Muckleneuk Pretoria South Africa 0002		
Postal address	PO Box 787 Pretoria 0001		
Controlling entity	Department of Forestry, Fisheries and the Environment (DFFE) 473 Steve Biko Road Arcadia Pretoria 0083		
Bankers	First National Bank 1 First Place 7th Floor Bank City Johannesburg 2000		



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

To the best of the Boards' knowledge and belief, the following can be confirmed:

- All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements audited by the AGSA. The report is complete, accurate and free of omissions,
- The Annual Report has been prepared in accordance with the guidelines issued by National Treasury and Annual Financial Statements were prepared in accordance with the PFMA, and Generally Recognised Accounting Practice (GRAP),
- The going concern basis has been adopted in preparing the Financial Statements. The Board, after having reviewed management's assessment of 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 audit 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 effective, efficient and transparent systems of financial, risk management and internal controls;
- safe-guarding of assets and the management of the revenue, expenditure and liabilities of SANParks;

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

In the Board's opinion, the Annual Financial Statements fairly presents in all material respects, the state of affairs of SANParks, its business, its financial results, its performance against predetermined objectives for the year ended 31 March 2022 and its financial position as at 31 March 2022.

Ms Hapiloe Sello
Acting Chief Executive Officer

Pretoria
31 August 2022

Ms Pam Yako
Chairperson

Pretoria
31 August 2022

1. INTRODUCTION

1.1 Composition

The Committee initially consisted of six members until 30 September 2021. With effect from October 2021, the Committee consists of five independent non-executive members as well as a representative of the Department of Forestry, Fisheries and the Environment. Members of management as well as internal and external audit representatives are permanent invitees to Audit and Risk Committee meetings.

The Committee reviewed SANParks' financial sustainability model as well as reports by internal and external auditors. The Chairperson of the Committee reported to the Board every quarter on how the Audit and Risk Committee discharged responsibilities contained in its charter.

2. INTERNAL AUDIT AND THE EFFECTIVENESS OF INTERNAL CONTROLS

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

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

Internal challenges led to delays in finalising the appointment of co-sourced internal audit service provider. The Chief Audit Executive was also appointed in November 2021. Despite

these challenges, 90% of planned audits were conducted while some of the remaining audits were deferred to the 2022/23 financial year. Based on the results of the audits performed, the overall opinion on the adequacy and effectiveness of internal controls was determined as adequate but ineffective in ensuring achievement of SANParks' objectives.

Areas which require some improvement include Human Capital Management and Parks management processes, so as to ensure that the designed controls are continuously working as intended. In addition to current monitoring measures, SANParks should, among other measures, improve accountability by relevant senior officials in implementation of internal and external audit recommendations. The Committee constantly monitors progress on how management resolves issues raised by Internal Audit.

2.1 Governance of risk

The Committee is responsible for overseeing the risk management process, and it considered the risk register every quarter during the financial year. The position of General Manager: Risk Management was filled. SANParks has a Code of Ethics and Business Conduct as well as Code of Ethical Conduct. Breaches of the Codes are regarded as breaches of SANParks' Disciplinary Policy and are dealt with in accordance with that policy.

Although there was some marked improvement in the third and fourth quarter, the decline in international tourist numbers as a result of the COVID-19 pandemic negatively affected SANParks' revenue. The Committee monitored the implementation of risk mitigation measures and noted that some mitigation measures had limited effect, as most of the residual ratings remained unchanged even after the related mitigations were implemented, especially those relating to risks associated with budgetary constraints. The Committee will continue to monitor risk management and effectiveness of mitigation measures in these areas.

Some improvement is required to ensure effectiveness of SANParks' risk management and mitigation processes, and to ensure that risk management is fully embedded within the organisation.



AUDIT & RISK COMMITTEE REPORT (CONTINUED)

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

The Committee is satisfied:

- With the content and quality of management and quarterly reports prepared and issued by SANParks during the year under review.
- That the finance function is adequately skilled and experienced.
- That the Chief Financial Officer, and the person who acted as Chief Financial Officer for the last four months of the financial year, have/had the appropriate skill, competence, and experience to discharge their responsibilities.

3.1 Quality of budgets submitted in terms of the PFMA

Notwithstanding the negative impact of COVID-19 on SANParks' finances, the Committee is satisfied that budgets were carefully and diligently considered and managed by SANParks during the financial year.

4. EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

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

- Significant financial reporting judgments and estimates contained in the annual financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;

- Quality and acceptability of, and any changes in, accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Significant adjustments and/or unadjusted differences resulting from the audit;
- Reflection of unusual circumstances or events and transactions and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Asset valuations and revaluations;
- Calculation and levels of general and specific provisions;
- Write-offs and reserve transfers; and
- The basis for the going concern assumption.

4.1 Auditor-General's Report

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

The Committee concurs with and accepts the conclusions of the Auditor-General of South Africa 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 of South Africa. The Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Mr J Mashele

Chairperson of the Audit Committee

Date: 31 August 2022

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The reports and statements set out below comprise the annual financial statements to be presented to Parliament:

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022 R'000	2021 Restated R'000
Assets			
Current Assets			
Inventories	2	66 162	49 952
Receivables from exchange transactions	3	97 779	90 012
Cash and cash equivalents	4	1 749 154	2 232 490
		1 913 095	2 372 454
Non-Current Assets			
Property, plant and equipment	5	2 111 909	2 087 532
Intangible assets	6	8 743	9 852
Heritage assets	7	813 953	761 554
Receivables from exchange transactions	3	341 730	287 580
		3 276 335	3 146 518
Total Assets		5 189 430	5 518 972
Liabilities			
Current Liabilities			
Finance lease obligation	10	42 741	49 683
Payables from exchange transactions	11	333 094	228 957
Accrued Leave		41 045	32 873
Unspent conditional grants and receipts	13	475 290	739 080
Reservation Deposits	15	390 473	392 628
		1 282 643	1 443 221

STATEMENT OF FINANCIALS POSITION AS AT 31 MARCH 2022 (CONTINUED)

	Notes	2022 R'000	2021 Restated R'000
Non-Current Liabilities			
Finance lease obligation	10	13 126	52 278
Employee benefit obligation	12	587 713	548 559
Provisions	14	341 730	287 580
		942 569	888 417
Total Liabilities		2 225 212	2 331 638
Net Assets		2 964 218	3 187 334



STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2022 R'000	2021 Restated R'000
Revenue			
Revenue from exchange transactions			
Tourism, Retail, Concession and Other	16	1 569 480	834 792
Sales - fauna and flora	17	9 693	4 753
Other operating income	18	90 044	55 563
Interest income	19	45 277	49 075
Total revenue from exchange transactions		1 714 494	944 183
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and other funding	20	935 691	1 515 235
Donations	21	7 436	36 850
Total revenue from non-exchange transactions		943 127	1 552 085
Total revenue		2 657 621	2 496 268
Expenditure			
Employee related costs	22	(1 384 456)	(1 323 909)
Depreciation and amortisation	23	(145 481)	(146 220)
Finance costs	24	(5 189)	(7 806)
Operating lease payments	25	(45 204)	(40 389)
Loss on disposal of assets	26	(714)	(14 621)
Operating expenses	27	(1 299 693)	(1 025 639)
Total expenditure		(2 880 737)	(2 558 584)
Deficit for the year		(223 116)	(62 316)

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus	Total net assets
Balance at 1 April 2020	3 249 650	3 249 650
Changes in net assets		
Surplus for the year	(62 316)	(62 316)
Total changes	(62 316)	(62 316)
Balance at 1 April 2021	3 187 334	3 187 334
Changes in net assets		
Deficit for the year	(223 116)	(223 116)
Total changes	(223 116)	(223 116)
Balance at 31 March 2022	2 964 218	2 964 218



CASH FLOW STATEMENT

		2022 R'000	2021 Restated R'000
Cash flows from operating activities			
Receipts			
Cash receipts from exchange transactions		1 593 520	878 955
Cash receipts from non-exchange transactions		679 337	1 132 126
Interest received		41 832	47 894
		<u>2 314 689</u>	<u>2 058 975</u>
Payments			
Employee costs		(1 328 772)	(1 223 564)
Suppliers		(1 201 296)	(947 739)
		<u>(2 530 068)</u>	<u>(2 171 303)</u>
Net cash flows from operating activities	31	<u>(215 379)</u>	<u>(112 328)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(168 247)	(141 059)
Proceeds from sale of property, plant and equipment	5	622	-
Purchase of intangible assets	6	(1 839)	(1 070)
Purchase of heritage assets	7	(52 399)	(6 936)
Net cash flows from investing activities		<u>(221 863)</u>	<u>(149 065)</u>
Cash flows from financing activities			
Finance lease payments		(41 209)	(40 955)
Finance costs		(4 885)	(7 762)
Net cash flows from financing activities		<u>(46 094)</u>	<u>(48 717)</u>

CASH FLOW STATEMENT (CONTINUED)

		2022 R'000	2021 Restated R'000
Net increase/(decrease) in cash and cash equivalents		(483 336)	(310 110)
Cash and cash equivalents at the beginning of the year		2 232 490	2 542 600
Cash and cash equivalents at the end of the year	4	1 749 154	2 232 490



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on accrual basis

Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
R'000	R'000	R'000	R'000	R'000

Statement of Financial Performance Revenue

Revenue from exchange transactions

Tourism, Retail, Concession and Other	1 367 011	156 368	1 523 379	1 569 480	46 101
Sales - fauna and flora	8 000	-	8 000	9 693	1 693
Other operating income	30 232	2 809	33 041	90 044	57 003
Interest received	46 980	-	46 980	45 277	(1 703)
Total revenue from exchange transactions	1 452 223	159 177	1 611 400	1 714 494	103 094

Revenue from non-exchange transactions

Transfer revenue

Government grants and other funding	946 819	(90 716)	856 103	935 691	79 588
Donations	75 000	(56 000)	19 000	7 436	(11 564)
Total revenue from non-exchange transactions	1 021 819	(146 716)	875 103	943 127	68 024

Total revenue	2 474 042	12 461	2 486 503	2 657 621	171 118
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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

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
Expenditure					
Employee related costs	(1 398 155)	7 169	(1 390 986)	(1 384 456)	6 530
Depreciation and amortisation	(178 334)	26 040	(152 294)	(145 481)	6 813
Finance Costs	(13 628)	(22)	(13 650)	(5 189)	8 461
Operating lease payments	(17 209)	11 316	(5 893)	(45 204)	(39 311)
Operating expenses	(1 355 260)	431 757	(923 503)	(1 299 693)	(376 190)
Total expenditure	(2 962 586)	476 260	(2 486 326)	(2 880 023)	(393 697)
Operating (deficit)/surplus	(488 544)	488 722	177	(222 402)	(222 579)
Loss on disposal of assets	(178)	-	(178)	(714)	(536)
Deficit for the year before extraordinary items	(488 722)	488 722	-	(223 116)	(223 116)
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(488 722)	488 722	-	(223 116)	(223 116)



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

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
Basis difference					223 116
Deficit as per the statement of financial performance					
Revenue from exchange transactions is more than budget as a result of revenue from tourism related activities doing better than expected emanating from higher number of visitors to parks, than anticipated. The concessions second relief has also been taken into consideration.					103 094
Revenue from non-exchange transactions variance					
The positive variance is due to Infrastructure grant income that is more than budget due to the realisation of income emanating from completed projects. Also included in the infrastructure grants, are grants relating to the EPWP projects.					79 588
Donations received are below the budget. Due to the current economic environment, SANParks received less donations than the projected amounts.					(11 564)
Total expenditure variance					
Employee related costs reflect an underspending. The main reason for this positive variance is a lower annual salary increment for bands E-F than budgeted, and vacant posts not yet filled. Overtime is also contributed to the saving as management recommended time off instead of monetary pay-out as part of the cost curtailment measures.					6 530
Depreciation and amortisation underspending emanates from assets not yet realised, but were expected to have materialised by the end of the financial year.					6 813
Finance costs reflect an underspending, as a result of a reduction in finance lease repayments as the majority of vehicles are not replaced with new vehicles.					8 461
Operating leases are over the budget as a result of the drastic budget cuts that were made on operational expenditure in order for SANParks to be in compliance with section 53(3) of the PFMA.					(39 311)



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

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

Operating expenses are higher than budgeted. SANParks collected less revenue in current financial year whilst contractual commitments and other operational expenses remained the same.

(376 190)

Loss on disposal of assets not budgeted for

(536)

Net surplus/(deficit) per approved budget

-



ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

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

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the SANParks. Amounts in the financial statements have been rounded to the nearest thousand Rand.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the SANParks will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The effect of changes in estimates are accounted for on a prospective basis. Significant judgements include:

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

SANParks determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, SANParks considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 12.

ACCOUNTING POLICIES (CONTINUED)

1.3 Significant judgements and sources of estimation uncertainty (continued)

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Accounting for adjustments to revenue

Determining whether an adjustment to revenue charged in terms of legislation or similar means is a correction of an error or a change in an accounting estimate requires the application of judgement by management. When adjustments to revenue already recognised arise from new information that becomes known to the SANParks, the following considerations are applied to determine whether the adjustment to revenue already recognised is a correction of an error or a change in an accounting estimate:

- (a) If information becomes known to SANParks, and SANParks could reasonably have been expected to know of the information and/or the information used was incorrect, the adjustment to revenue is likely to be a correction of an error.
- (b) If information becomes known to SANParks, but SANParks could not reasonably have been expected to know of this information when the revenue was charged, the adjustment to revenue is likely to be a change in an accounting estimate.

Definition of an asset not being met for living resources or a group of living resources

Key judgements made and assumptions applied to conclude that the definition of an asset is not met are disclosed in note 9.

Impairment of receivables

In determining whether an impairment loss should be recognised, judgement is made as to whether there were observable data indicating a measurable decrease in the estimated future cash flows from receivables. Where there is objective evidence of impairment loss, the present value of the future cash flows discounted at the original effective interest rate is determined and compared to the carrying value of receivables.

Heritage assets

Management has used judgement in applying the initial recognition criteria of GRAP 103 to land obtained from non-exchange transactions and other heritage assets which originate from national parks and derive their significance from their association with a national park.

The heritage value of national parks is derived from the NEMPA (National Environmental Management Protected Areas) Act which is primarily to protect these areas; prevent exploitation or occupation inconsistent with the protection of the ecological integrity of the these areas; provide spiritual, scientific, educational, recreational and tourism opportunities which are environmentally compatible and contribute to economic development, where feasible. This land is an inalienable item (withdrawal as a national park and protected area in terms of the NEMPA Act is only by resolution of the National Assembly and/or the Minister depending on the circumstances), therefore none of national parks have been disposed. Also due to the size and magnitude of national parks, SANParks and the Office of the Valuer General (under the Department of Rural Development and Land Reform) is not aware of any market to buy and sell national parks or any other valuation method or technique that is available to measure national parks. Therefore based on these judgements made, SANParks' land acquired from non-exchange transactions could not be recognised in the Annual Financial Statements.

Impairment of cash generating assets

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash generating assets, are as follows:

The designation of assets as cash and non-cash generating assets is based on how the assets are used, as required by the standards of impairment. For the majority of the assets held by SANParks, the objective of using these assets is for service delivery purposes, rather than for a commercial return.

The assessment of buildings used for rental accommodation (including tented and timber structures), restaurant buildings, shop buildings, buildings that are tented and timber structures is park and demand driven. In line with SANParks Responsible Tourism Strategy, there is rental accommodation that is used to generate cash flows, which are significantly higher than the cost of the asset. Their use is to maximise commercialisation.



ACCOUNTING POLICIES (CONTINUED)

1.3 Significant judgements and sources of estimation uncertainty (continued)

SANParks assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, SANParks estimates the recoverable amount of the asset. The recoverable amount of cash generating assets or a cash-generating unit is determined on the higher of its fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions. When estimating the value in use of an asset, 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 an appropriate discount rate to those future cash flows.

Impairment of non-cash generating assets

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. These calculations require the use of estimates and assumptions.

1.4 Inventories

SANParks inventories include consumables, retail goods, fuel and military inventory.

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for:

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

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

Current replacement cost is the cost the 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.

SANParks recognises the unused cutlery, crockery and linen as inventory in the statement of financial position, once items are brought into use they are then expensed in the statement of financial performance.

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

1.5 Financial instruments

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

A 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 SANParks.

ACCOUNTING POLICIES (CONTINUED)

1.5 Financial instruments (continued)

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 SANParks.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

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

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

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

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, SANParks shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the SANParks shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

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

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

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

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



ACCOUNTING POLICIES (CONTINUED)

1.5 Financial instruments (continued)

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

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

Classification

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

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

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

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

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.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

ACCOUNTING POLICIES (CONTINUED)

1.5 Financial instruments (continued)

Derecognition

Financial assets

SANParks' derecognises a financial asset only when:

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

SANParks' derecognises 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).

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Recognition

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

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

Initial Measurement

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.



ACCOUNTING POLICIES (CONTINUED)

1.6 Property, plant and equipment (continued)

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent Measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

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

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

SANParks' assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, SANParks revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

ACCOUNTING POLICIES (CONTINUED)

1.6 Property, plant and equipment (continued)

SANParks separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 5).

SANParks' discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 5).

1.7 Intangible assets

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

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

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

Recognition

An intangible asset is recognised when:

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Initial Measurement

An intangible asset is measured initially at cost. 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.

After initial recognition, an intangible asset is measured at its cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation on software is calculated on a straight line basis, and the useful life varies between 3 and 5 years and is reviewed annually.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is calculated on a straight line basis over their useful life.



ACCOUNTING POLICIES (CONTINUED)

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

Impairment of Intangible Asset

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

SANParks assesses at each reporting date whether there is any indication that intangible assets may be impaired.

Derecognition

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

1.8 Heritage assets

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

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

SANParks' classes of Heritage Assets include:

- Conservation areas such as National Parks
- Archeological sites
- Collections
- Geological sites
- Graves of cultural significance
- Historical buildings
- Historical sites
- Landscapes and natural features of cultural significance
- Monuments
- Palaeontology sites
- Sacred sites (sites of spiritual or religious significance)

Characteristics often displayed by heritage assets include the following:

- Their value in cultural, environmental, educational and historical terms is unlikely to be fully reflected in monetary terms.
- Ethical, legal and/or statutory obligations may impose prohibitions or severe stipulations on disposal by sale.
- They are often irreplaceable.
- Their value may increase over time even if their physical condition deteriorates.
- They have an indefinite life and their value appreciates over time due to their cultural, environmental, educational, natural scientific, technological, artistic or historical significance.
- They are protected, kept unencumbered, cared for and preserved.

ACCOUNTING POLICIES (CONTINUED)

1.8 Heritage assets (continued)

Recognition

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

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

SANParks will assess the following in determining the degree of certainty attached to the flow of future service potential or economic benefits:

- If the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.

For recognition of heritage assets, the asset needs to be controlled by SANParks as a result of past events. Such events may include: Purchase, donation, bequeath, loan or transfer.

Particularly for archaeology, material is often retrieved in a fragmentary state – finding a completely articulated specimen is the exception rather than the rule. A great deal of knowledge is thus required to identify and systematise the collections. The research required to identify, analyse and classify heritage items is often a collaborative effort between local and international experts that span several months, even years. These items cannot be recognised in the financial statements, but will be recorded and controlled in the register. Relevant and useful information about them shall be disclosed in the notes to the financial statements.

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

Initial Measurement

A heritage asset that qualifies for recognition as an asset shall be measured at its cost, and where it is acquired through a non- exchange transaction, at its fair value as at the date of acquisition.

For collections, values have been assigned to the heritage assets, which are considered to be appreciating in value, and which values are to be reviewed from time to time. Wherever possible, the appraisers have adopted the discipline of 'Open Market' principles in determining value, however values derived are largely determined by the skill and experience applied by the appraiser at the date of valuation.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

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

Transfers

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

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

Derecognition

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

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.



ACCOUNTING POLICIES (CONTINUED)

1.8 Heritage assets (continued)

Recognition and derecognition of land

Assessment of control of land

Control of land is assessed by the following criteria:

- legal ownership, and/or
- the right to direct access to land, and to restrict or deny the access of others to land.

Legal ownership

Legal ownership refers to the owner being the registered title deed holder of the land. Legal ownership also arises where the land is transferred from the legal owner to another entity or party, through legislation or similar means.

The right to direct access to land, and to restrict or deny the access of others to land

Where an entity has the right to direct access to, and restrict or deny the access of others to land while another is the legal owner of land, substance over form determines that the land is controlled by the entity that has the right to direct access to land, and to restrict or deny the access of others to land.

All state land that is declared national parks as per the National Environmental Management: Protected Areas (NEMPA) Act (2003), the ownership of such parks resides with the Department of Public Works (DPW). SANParks is assigned the Management Authority for the land (once declared as a national park) in terms of section 38 of the NEMPA. SANParks as the management authority for national parks is declared to protect these areas; prevent exploitation or occupation inconsistent with the protection of the ecological integrity of the these areas; provide spiritual, scientific, educational, recreational and tourism opportunities which are environmentally compatible and contribute to economic development, where feasible. Once the national park is declared and the management is assigned to SANParks, any withdrawal of national park status is done in accordance to section 21 of the NEMPA by resolution of the National Assembly. Therefore SANParks as the management authority has rights or access to the service potential of land declared as national parks.

Where the criteria for assessment of control land is met, the land is recognised as an asset in accordance with the applicable Standard of GRAP. National Parks are classified as Heritage Assets and therefore SANParks applies principles of GRAP 103 for accounting for the land.

1.9 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

ACCOUNTING POLICIES (CONTINUED)

1.9 Impairment of cash-generating assets (continued)

Designation

At initial recognition, SANParks designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of SANParks' objective of using the asset.

SANParks designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

Identification

When the carrying amount of a 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, the entity estimates the recoverable amount of the asset.

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

Value in use

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

When estimating the value in use of an asset, SANParks estimates the future cash inflows and outflows to be derived from continuing use of the asset in its current condition 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 the entity:

- 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 exclude any estimated future cash inflows or outflows expected to arise from future restructurings 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.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.



ACCOUNTING POLICIES (CONTINUED)

1.9 Impairment of cash-generating assets (continued)

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, 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.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, SANParks determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

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

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

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

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

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

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

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

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

ACCOUNTING POLICIES (CONTINUED)

1.9 Impairment of cash-generating assets (continued)

Redesignation

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

1.10 Impairment of non-cash-generating assets

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

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

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by SANParks; or
- the number of production or similar units expected to be obtained from the asset by SANParks.

Designation

At initial recognition, SANParks designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of SANParks's objective of using the asset.

SANParks designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

Identification

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

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.

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

Value in use of non-cash-generating assets is the present value of the non-cash-generating asset's remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

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 current 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 entity 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



ACCOUNTING POLICIES (CONTINUED)

1.10 Impairment of non-cash-generating assets (continued)

the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, 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.

Reversal of an impairment loss

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

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

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

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

Redesignation

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

1.11 Leases

A lease is 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.

ACCOUNTING POLICIES (CONTINUED)

1.11 Leases (continued)

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, SANParks recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. SANParks measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when 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.



ACCOUNTING POLICIES (CONTINUED)

1.12 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which 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 SANParks pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, 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, SANParks recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability SANParks recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). SANParks measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

SANParks determines the present value of defined benefit obligations with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

ACCOUNTING POLICIES (CONTINUED)

1.12 Employee benefits (continued)

SANParks recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- 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).

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - 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.

Termination benefits

SANParks recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:



ACCOUNTING POLICIES (CONTINUED)

- 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 entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.13 Provisions and contingencies

A provision is a liability of uncertain timing or amount.

Recognition

Provisions are recognised when:

- 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 SANParks settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

Contingent Assets

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent Liabilities

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:

ACCOUNTING POLICIES (CONTINUED)

1.13 Provisions and contingencies (continued)

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37

1.14 Service concession arrangements: Entity as grantor Identification

Identification

Service concession arrangements arise from the service concession agreements that SANParks has with different Public Private Partnerships (PPP). These arrangements give the operator the right to build and operate an infrastructure asset within the National Park. The operator also has to pay SANParks a concession fee as agreed upon in the specific PPP agreement. These transactions give rise to assets (infrastructure and other movable assets), liabilities and revenues that are accounted for in the manner outlined below:

Recognition of asset and liability

The entity recognises an asset provided by the operator and an upgrade to an existing asset of the entity, as a service concession asset if the entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the entity controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a "whole-of-life" asset).

If one, or both of the recognition criteria above are not met, the grantor considers the principles in the Interpretation of the Standards of GRAP on determining whether an arrangement contains a lease (IGRAP 3), Standard of GRAP on Leases (GRAP 13), Interpretation of the Standards of GRAP on service concession arrangements where the grantor controls a significant residual interest in an asset (IGRAP 17) to account for the service concession arrangement.

SANParks only controls the right to receive service concession assets at the end of each of the service concession arrangements. This right to receive assets is the residual interest in the concessionaire assets at the end of the service concession arrangements. SANParks is liable to compensate the concessionaire, a consideration equal to the residual value of the asset at the date of transfer.

In a service concession arrangement where the grantor controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the grantor recognises its right to receive the residual interest (i.e. a receivable) in the service concession asset at the commencement of the arrangement.

When the grantor recognises the right to receive a residual interest in the service concession asset, the grantor shall also recognise its performance obligation for granting the operator access to the service concession asset in accordance with the substance of the arrangement. The value of the performance obligation shall be the same as the receivable interest recognised at the commencement of the service concession arrangement.

The residual value, as per concessionaire contracts, is defined as the depreciated value of immovable concession assets, revalued for changes in the consumer price index (calculated from inception date to termination date). The depreciated value of the immovable concession asset is calculated at a depreciation rate of 5%.

The performance obligation shall be reduced and revenue shall be recognised based on the substance of the arrangement.

Other revenues

The entity accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the Standard of GRAP on Revenue from exchange transactions.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.



ACCOUNTING POLICIES (CONTINUED)

1.15 Revenue from exchange transactions (continued)

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; and

Interest - from investment income.

Rendering of services

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to SANParks;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

- Accommodation income is accrued on a daily basis.
- Conservation levies are recognised on a daily basis and other tourist related activities are recognised upon commencement of the activity.
- Wild Card sales are amortised over the validity period of the Wild Card.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- SANParks has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- SANParks retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to SANParks; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Interest received

Revenue arising from the use by others of SANParks assets yielding interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the amount of revenue can be measured reliably.

Interest is recognised using the effective interest rate method on a time proportion basis.

Measurement of revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

ACCOUNTING POLICIES (CONTINUED)

1.15 Revenue from exchange transactions (continued)

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.

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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 entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.



ACCOUNTING POLICIES (CONTINUED)

1.17 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When SANParks is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether SANParks is a principal or an agent requires SANParks to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

SANParks assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement reassess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

Management assesses whether the SANParks is party to any principle-agent arrangements. Should SANParks be party to such an arrangement, management will assess whether it is a principal or an agent in the arrangement, in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether SANParks is a principal or an agent is based on the following criterion.

- It does not have the power to determine the significant terms and conditions of the transaction;
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit
- It is not exposed to variability in the results of the transaction.

An entity is an agent when, in relation to transactions with third parties, all three of the above criteria are met.

If the above criteria is not met, then the entity is considered to be a principal in the arrangement.

Recognition

SANParks, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

SANParks, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

SANParks recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

ACCOUNTING POLICIES (CONTINUED)

1.18 Statutory receivables Identification

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

SANParks recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

SANParks initially measures statutory receivables at their transaction amount.

Subsequent measurement

SANParks measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Impairment losses

SANParks assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, SANParks considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.



ACCOUNTING POLICIES (CONTINUED)

1.18 Statutory receivables (continued)

In estimating the future cash flows, SANParks considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

SANParks derecognises a statutory receivable, or a part thereof, when:

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised

and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.19 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

SANParks discloses for each class of capital assets (Property plant and equipment, investment properties, intangible assets and heritage assets) the amount of the contractual commitments for the acquisition of a capital asset.

SANParks also discloses the future minimum lease payments under non-cancellable operating leases.

1.20 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines (as applicable).

1.21 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.

ACCOUNTING POLICIES (CONTINUED)

1.21 Irregular expenditure (continued)

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines (as applicable).

1.22 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

1.23 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of SANParks, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with SANParks.

SANParks is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect SANParks to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where SANParks is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.24 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:



ACCOUNTING POLICIES (CONTINUED)

1.24 Events after reporting date (continued)

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

SANParks will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.25 Living and non-living resources

Living resources are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

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

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Recognition

Non-living resources, other than land, are not recognised as assets. Required information are disclosed in the notes to the annual financial statements.

A living resource is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to SANParks, and the cost or fair value of the asset can be measured reliably.

Where SANParks is required in terms of legislation or similar means to manage a living resource, but it does not meet the definition of an asset because control of the resource cannot be demonstrated, relevant information are disclosed in the notes to the annual financial statements.

Where SANParks holds a living resource that meets the definition of an asset, but which does not meet the recognition criteria, relevant information are disclosed in the notes to the annual financial statements.

Measurement at recognition

A living resource that qualifies for recognition as an asset is measured at its cost.

Where a living resource is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

The cost of a living resource comprises its purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the living resource to the location and condition necessary for it to be capable of operating in the manner intended by management.

1.26 New Standards and Interpretations

New standards and interpretations effective and adopted in the current year

There are no new Standards of GRAP or Interpretations that are effective for 2021/22 financial year.

Standards and interpretations issued, but not yet effective

SANParks has not applied the following Standards and interpretations, which have been published and are mandatory for accounting periods beginning on or after 01 April 2021 or later periods:

GRAP 104 amended: Financial Instruments

Following the global financial crisis, a number of concerns were raised about accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision making,

ACCOUNTING POLICIES (CONTINUED)

1.26 New Standards and Interpretations (continued)

(b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules-based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the standard is for financial periods beginning on/after 1 April 2025.

SANParks expects to adopt the standard for the first time in the 2025/2026 annual financial statements. The impact of this standard is currently being assessed.

GRAP 25 Employee Benefits

GRAP 25 on Employee Benefits and the effective date for the reporting periods has not been set. The ASB agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The ASB decisions to depart are explained in the basis for conclusions. The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The Accounting Standards Board Directive 5 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Estimates and Errors.

The effective date of the standard is not yet set by the Minister of Finance.

SANParks expects to adopt the standard for the first time when the Minister sets the effective date for the Standard. The impact of this standard is currently being assessed.

IGRAP 7 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

Employee Benefits (GRAP 25) limits the measurement of a defined benefit asset to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Minimum funding requirements may exist to improve the security of the post-employment benefit promise made to members of an employee benefit plan. Such requirements normally stipulate a minimum amount or level of contributions that must be made to a plan over a given period. Therefore, a minimum funding requirement may limit the ability of the Entity to reduce future contributions.

The Entity shall determine the availability of a refund or a reduction in future contributions in accordance with the terms and conditions of the plan and any statutory requirements.

An economic benefit, in the form of a refund or a reduction in future contributions, is available if the Entity can realise it at some point during the life of the plan or when the plan liabilities are settled.

The economic benefit available does not depend on how the Entity intends to use the surplus. The Entity shall determine the maximum economic benefit that is available from refunds, reductions in future contributions or a combination of both.



ACCOUNTING POLICIES (CONTINUED)

1.26 New Standards and Interpretations (continued)

The Entity shall not recognise economic benefits from a combination of refunds and reductions in future contributions based on mutually exclusive assumptions.

The effective date of the standard is not yet set by the Minister of Finance.

SANParks expects to adopt the standard for the first time when the Minister sets the effective date for the Standard. The impact of this standard is currently being assessed.

IGRAP 21 The Effect of Past Decisions on Materiality

Materiality is assessed and applied during a reporting period and at each reporting date based on all facts and circumstances that exist at the time of assessment.

GRAP 3 allows entities to not apply the accounting policies outlined in the Standards of GRAP when the effect of applying them is immaterial. This means that the application of materiality and alternative accounting treatments are not errors and are not departures from the Standards of GRAP. In applying materiality, it is possible for an error to occur. Where an error has occurred, it is corrected using the principles in GRAP 3.

This interpretation shall be applied prospectively.

The effective date of the interpretation is for financial periods beginning on/after 1 April 2023.

SANParks expects to adopt the interpretation for the first time in the 2023/2024 annual financial statements. The impact of this Interpretation is currently being assessed.

Improvements to the Standards of GRAP 2020 from the 2023/2024 financial year

Improvements were made to the following:

- GRAP 5 Borrowing cost
- GRAP 13 Leases
- GRAP 16 Investment property
- GRAP 17 Property, plant and equipment
- GRAP 20 Related party disclosures
- GRAP 24 Presentation of Budget Information in Financial Statements
- GRAP 31 Intangible assets

- GRAP 32 Service concessions arrangements: Grantor
- GRAP 37 Joint arrangement
- GRAP 106 Transfer of functions between entities not under common control
- Directive 7 The application of Deemed cost

The effective date is for financial periods beginning on/after 1 April 2023. The impact of these improvements is currently being assessed.

Amendments to GRAP 1 Presentation of Financial Statements 2019 from the 2023/2024 financial year

Amendments to this Standard of GRAP, are primarily drawn from the IASB's amendments to the IFRS on Presentation of financial statements.

A summary of the amendments is as follows:

Materiality and aggregation

The amendments clarify that:

- Information should not be obscured by aggregating or by providing immaterial information.
- Materiality considerations apply to all parts of the financial statements.
- Even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in the Standard.

ACCOUNTING POLICIES (CONTINUED)

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

The effective date is for financial periods beginning on/after 1 April 2023. The impact of these amendments is currently being assessed.

Guideline: Guideline on Accounting for Landfill Sites

The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision.

Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

The effective date of the guideline is not yet set by the Minister of Finance.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

1.27 Budget Information

The approved budget is prepared on an accrual basis and classified according to nature of items. The approved budget covers the financial period from 1 April 2021 to 31 March 2022.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

2. INVENTORIES

	2022 R'000	2021 R'000
Consumables	17 103	10 162
Retail goods and fuel	45 084	37 695
Military inventory	3 975	2 095
	66 162	49 952

Inventories recognised as an expense during the year

15 365 18 396

Inventory pledged as security

There is no Inventory pledged as security.

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	80 150	58 882
Prepayments	24 485	30 250
Concession assets	341 730	287 580
Debtors control - other	7 023	7 843
Provision for impairment	(13 879)	(6 963)
	439 509	377 592

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
3. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Non-current assets	341 730	287 580
Current assets	97 779	90 012
	439 509	377 592
Credit quality of trade and other receivables		
Amounts neither past due nor impaired are considered fully recoverable.No credit quality issues are noted.		
Trade and other receivables past due but not impaired		
SANParks has assessed trade and other receivables for objective evidence of impairment,for the following aged balances there was no objective evidence of impairment. At 31 March 2022, R41 896 (31 March 2021: R49 442) were past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	1 636	7 677
2 months past due	6 193	5 721
3 months past due	34 067	36 044



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Trade and other receivables impaired.

As of 31 March 2022, trade and other receivables of R13 879 (31 March 2021: R6 963) were impaired and provided for.

The amount of the provision was R13 879 as of 31 March 2022 (31 March 2021: R6 963).

The ageing of these trade and other receivables is as follows:

Current (0 - 30 days)

31 to 60 days

61 to 90 days

91 to 120 days

Over 120 days

Reconciliation of provision for impairment

Opening balance

Amounts written off

Provision for impairment

2022
R'000

2021
R'000

79

-

596

-

3 128

-

259

-

9 817

6 963

6 963

6 833

(3 607)

-

10 523

130

13 879

6 963

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

The COVID-19 pandemic and subsequent lockdown restrictions resulted in adverse effects on the tourism industry and thus placing certain concessionaires under financial difficulty. These concessionaires have not settled outstanding debts due.

Other debtors impaired have been outstanding for over one year. SANParks has instituted legal action to recover outstanding amounts.

Trade receivables age analysis

	2022 R'000	2021 R'000
Current (0 - 30 days)	31 572	9 420
31 to 60 days	(4 886)	7 697
61 to 90 days	9 321	5 721
91 to 120 days	3 401	3 333
Over 120 days	40 742	32 711
	80 150	58 882

Concession assets represent SANParks' right to receive service concession assets at the end of each of the service concession arrangements. This right to receive assets is the residual interest (i.e. receivable) in the concessionaire assets which is an exchange transaction. The value of the exchange receivable is equal to the provision in note 14 which is the residual value of the asset at the date of transfer.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand

Bank balances

Short term investments

Short term investments

Notice Account : First National Bank

Notice Account : ABSA Bank

Notice Account : Standard Bank

2022
R'000

2021
R'000

274

283

1 156 236

1 667 956

592 644

564 251

1 749 154

2 232 490

280 105

266 968

295 810

281 110

16 729

16 173

592 644

564 251

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Buildings and infrastructure	2 432 405	(584 988)	1 847 417	2 295 911	(527 355)	1 768 556
Vehicles and mechanical equipment	560 957	(393 316)	167 641	550 059	(339 908)	210 151
Furniture and office equipment	266 241	(192 846)	73 395	253 164	(176 283)	76 881
Aircraft	106 754	(83 298)	23 456	106 754	(74 810)	31 944
Total	3 366 357	(1 254 448)	2 111 909	3 205 888	(1 118 356)	2 087 532

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000
Buildings and infrastructure	1 768 556	136 867	(269)	(57 737)	1 847 417
Vehicles and mechanical equipment	210 151	13 186	(257)	(55 439)	167 641
Furniture and office equipment	76 881	18 194	(811)	(20 869)	73 395
Aircraft	31 944	-	-	(8 488)	23 456
Total	2 087 532	168 247	(1 337)	(142 533)	2 111 909



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000
Buildings and infrastructure	1 739 696	91 204	(6 591)	(55 753)	1,768 556
Vehicles and mechanical equipment	235 553	34 884	(5 404)	(54 882)	210 151
Furniture and office equipment	85 558	14 976	(2 717)	(20 936)	76 881
Aircraft	40 632	-	-	(8 688)	31 944
	2 101 439	141 064	(14 712)	(140 259)	2 087 532

Pledged as security

No property plant and equipment was pledged under security.

Assets subject to finance lease (Net carrying amount)

Motor vehicles

Furniture and Office equipment

2022 R'000	2021 R'000
89 501	127 674
251	402
89 752	128 076

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Property, plant and equipment in the process of being constructed or developed		
Cumulative expenditure recognised in the carrying value of property, plant and equipment		
Buildings	290 575	178 804
Furniture and office equipment	-	1 356
Vehicles and mechanical equipment	-	1 140
	290 575	181 300
Expenditure incurred to repair and maintain property, plant and equipment		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Contracted services	5 970	15 633
Infrastructure	78 242	86 364
General expenses	46 537	46 061
	130 749	148 058



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000

6. INTANGIBLE ASSETS

Patents, trademarks and other rights	2 736	-	2 736	2 736	-	2 736
Computer software	55 648	(49 641)	6 007	53 816	(46 700)	7 116
Total	58 384	(49 641)	8 743	56 552	(46 700)	9 852

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Patents, trademarks and other rights	2 736	-	-	2 736
Computer software	7 116	1 839	(2 948)	6 007
Total	9 852	1 839	(2 948)	8 743

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000
Patents, trademarks and other rights	2 736	-	-	-	2 736
Computer software, other	16 515	1 070	(4 508)	(5 961)	7 116
Total	19 251	1 070	(4 508)	(5 961)	9 852

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

6. INTANGIBLE ASSETS (CONTINUED)

Other information

All intangible assets are externally acquired.

Intangible assets with indefinite lives

SANParks owns a trademark for the name Kruger Park. The trademark enables only SANParks to make use of the name Kruger National Park. The trademark relates to the protected land of the Kruger National Park and there is no foreseeable limit to the period over which the land is expected to generate service potential to SANParks.

The carrying amount of the trademark on 31 March 2022 is R2 736 (2021: R2 736).



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000

7. HERITAGE ASSETS

Collections	19 854	-	19 854	19 854	-	19 854
Monuments	174 536	-	174 536	174 536	-	174 536
Conservation areas	619 563	-	619 563	567 164	-	567 164
Total	813 953	-	813 953	761 554	-	761 554

Reconciliation of heritage assets 2022

	Opening balance	Additions	Total
	R'000	R'000	R'000
Collections	19 854	-	19 854
Monuments	174 536	-	174 536
Conservation areas	567 164	52 399	619 563
	761 554	52 399	813 953

Reconciliation of heritage assets 2021

	Opening balance	Additions	Depreciation	Total
	R'000	R'000	R'000	R'000
Collections	19 854	-	-	19 854
Monuments	174 536	-	-	174 536
Conservation areas	560 369	6 936	(141)	567 164
	754 759	6 936	(141)	761 554

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

7. HERITAGE ASSETS (CONTINUED)

Heritage assets whose fair values cannot be reliably measured Land and Other Heritage Assets

A significant number and value of SANParks Heritage assets were obtained through non exchange transactions from various state-owned organisations and these include

- Land
- Archaeological site
- Collections
- Geological sites
- Graves of cultural significance
- Historical Buildings
- Historical sites
- Landscapes and natural features of cultural significance
- Monuments
- Palaeontology sites
- Sacred sites (sites of spiritual or religious significance)

For land obtained from non-exchange transactions, SANParks attempted to establish the value thereof using guidance from GRAP 103 and Directive 7 issued by the Accounting Standards Board. The heritage value (i.e. which is the service potential of the land) of the National Parks is derived from the NEMPA (National Environmental Management Protected Areas) Act which is primarily to protect these areas; prevent exploitation or occupation inconsistent with the protection of the ecological integrity of the these areas; provide spiritual, scientific, educational, recreational and tourism opportunities which are environmentally compatible and contribute to economic development, where feasible.

Due to the size and magnitude of National Parks, SANParks and the Office of the Valuer General (under the Department of Rural Development and Land Reform) is not aware of any market to buy and sell National Parks or any other valuation method or technique that is available to measure National Parks. For those reasons SANParks' land acquired from non-exchange transactions could not be recognised in the Annual Financial Statements.

As this land is an inalienable item (withdrawal as a National Park and protected area in terms of the NEMPA Act is only by resolution of the National Assembly and/or the Minister depending on the circumstances), none of National Parks have been disposed of however information pertaining to such land has been disclosed below.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

7. HERITAGE ASSETS (CONTINUED)

Heritage assets per park	Size in Hectares
Kruger National Park	1 905 031
Augrabies Falls National Park	54 643
Kalahari Gemsbok National Park	962 027
Mokala National Park	25 903
Namaqua National Park	189 601
Richtersveld National Park	170 373
Agulhas National Park	20 412
Bontebok National Park	3 390
Table Mountain National Park	178 358
Tankwa Karoo National Park	140 652
West Coast National Park	63 139
Addo Elephant National Park	249 801
Camdeboo National Park	18 946
Karoo National Park	83 337
Mountain Zebra National Park	19 885
Golden Gate Highlands National Park	32 811
Mapungubwe National Park	15 075
Marakele National Park	58 157
Groenkloof National Park	7
Graspan/Vaalbos National Park	4 575
Garden Route National Park	128 014
Meerkat	135 392

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

7. HERITAGE ASSETS (CONTINUED)

In addition SANParks has acquired other heritage assets which originate from other parks and derive their significance from their association with the respective park and have the potential to yield information that enhances the cultural significance of the national park when considering tourism experience and marketing. These are managed within the National Heritage Resources Act (NHRA). Due to the uniqueness of the heritage assets, mandate and nature of SANParks and in addition the limitations of the NHRA, neither the fair value, deemed cost or replacement cost could be determined for these heritage asset. For that reason SANParks could not recognise them in the Annual Financial Statements. None of these heritage assets have been disposed. However see below information pertaining to such heritage assets below:

Other heritage assets per park	Description
Kruger National Park	Archaeological sites, Collections, Geological sites, Graves of cultural significance, Historical buildings, Historical sites, Landscapes and natural features of cultural significance, Monuments, Palaeontology sites, Sacred sites (sites of spiritual or religious significance).
Augrabies Falls National Park	Archaeological sites, Historical sites, Landscapes and natural features of cultural significance.
Kalahari Gemsbok National Park	Archaeological sites
Mokala National Park	Archaeological sites, Collections, Graves of cultural significance, Historical buildings, Historical site.
Namaqua National Park	Archaeological sites, Geological sites, Historical building, Historical sites.
Richtersveld National Park	Graves of cultural significance, Historical sites.
Agulhas National Park	Historical buildings, Historical sites.
Bontebok National Park	Historical sites.
Table Mountain National Park	Archaeological sites, Collections, Geological sites, Historical sites, Historical buildings, Historical sites, Monuments.
Tankwa Karoo National Park	Archaeological sites, Historical buildings, Historical sites.
West Coast National Park	Graves of cultural significance, Historical buildings, Palaeontology sites.
Addo Elephant National Park	Archaeological site, Collections, Geological sites, Graves of cultural significances, Historical building, Historical site, Landscapes and natural features of cultural significance, Monuments, Sacred sites (sites of spiritual or religious significance).
Camdeboo National Park	Archaeological site, Geological site, Historical buildings, Historical site, Monument, Sacred sites (sites of spiritual or religious significance).



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

2022
R'000

2021
R'000

7. HERITAGE ASSETS (CONTINUED)

Other heritage assets per park	Description
Garden Route National Park: Knysna; Tsitsikamma; Wilderness	Archaeological sites, Collections, Graves of cultural significance, Historical buildings, Historical sites, Landscapes and natural features of cultural significance. Archaeological sites, Historical buildings, Monuments
Karoo National Park	Archaeological sites.
Mountain Zebra National Park	Archaeological sites, Graves of cultural significance, Historical sites.
Golden Gate Highlands National Park	Archaeological site, Geological site, Graves of cultural significance, Historical Buildings, Historical site, Palaeontology site.
Mapungubwe National Park	Archaeological sites, Collections, Historical sites.
Marakele National Park	Archaeological sites, Graves of cultural significance, Historical buildings.

Expenditure incurred to repair and maintain heritage assets

Expenditure incurred to repair and maintain heritage assets included in Statement of Financial Performance

Contracted services

45

-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

8. NON-LIVING RESOURCES

Entity as custodian

SANParks exists in terms of the National Environmental Management: Protected Areas Act (NEM:PAA), 57 of 2003, with the mandate to conserve, protect, control and manage national parks and other defined protected areas and their biological diversity (biodiversity).

SANParks executes its mandate in accordance with a management plan as required by section 41 of the NEM: PAA which aims to ensure the protection, conservation and management of the national parks in a manner which is consistent with the objectives of the Act and for the purposes listed in section 17 of the Act. Section 17 of the NEM: PAA provides a list of purposes for the declaration of areas as protected areas, which includes the protection of biological diversity (Section 17(a) (c)), the preservation of ecological integrity (Section 17(b)), and the sustainable use of natural and biological resources (17(h)).

Nature and types of non-living resources for which the entity is responsible

Water

Within national parks, water is found in its natural state in the form of boreholes. SANParks is permitted through the National Water Act, 1998 (Act No 36 of 1998) to abstract water from river flowing through national parks for use within park operations.

9. LIVING RESOURCES

Entity as custodian

SANParks exists in terms of the National Environmental Management: Protected Areas Act (NEM:PAA), 57 of 2003, with the mandate to conserve, protect, control and manage national parks and other defined protected areas and their biological diversity (biodiversity).

SANParks executes its mandate in accordance with a management plan as required by section 41 of the NEM: PAA which aims to ensure the protection, conservation and management of the national parks in a manner which is consistent with the objectives of the Act and for the purposes listed in section 17 of the Act. Section 17 of the NEM: PAA provides a list of purposes for the declaration of areas as protected areas, which includes the protection of biological diversity (Section 17(a) (c)), the preservation of ecological integrity (Section 17(b)), and the sustainable use of natural and biological resources (17(h)).



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

9. LIVING RESOURCES (CONTINUED)

Restrictions on use or capacity to sell

The following information relates to living resources which is subject to restrictions on use or capacity to sell:

Animals in the Kruger National Park

The Kruger National Park falls within the region identified as a high risk area for the disease TB. As a result there is a restriction placed which prevents the trading and donation of animals within this region.

Living resources not recognised

SANParks did not recognise the following living resources, due to the definition of an asset not being met:

Flora and Fauna

The nature and type are as follows:

Fauna

The following types of fauna is found in national parks:

- Mammals
- Reptiles
- Birds

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

9. LIVING RESOURCES (CONTINUED)

- Fish
- Invertebrates
- Amphibians
- Scorpions
- Spiders
- Butterflies
- Insects

Flora

The following types of fauna is found in national parks:

- Terrestrial Vegetation
- Acquatic Vegetation
- Semi Acquatic Vegetation



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

9. LIVING RESOURCES (CONTINUED)

Key judgements and assumptions applied

In terms of the NEM:PAA SANParks' mandate is to conserve, protect manage national parks and other defined protected areas and their biological diversity (biodiversity). SANParks acts as custodian to conserve the resources entrusted to it and thus to manage and conserve the environment as a whole. Therefore SANParks does not manage the physical condition of each individual animal or plant within a national park.

Animals in national parks are left to roam freely and the plants are left in their natural environment or habitat. SANParks only restricts the movement of wild animals by fencing off national parks generally for disease control purposes and limit the exposure of neighbouring landowners and communities to the risks associated with keeping wild animals in a national park. In the bigger parks, fences are very permeable as there are rivers and drainage lines going through the parks and therefore making it impossible to fence certain sections of the park. Therefore animals are able to move in and out through unfenced areas. Furthermore though national parks have fences, animal migration occurs frequently and animals do from time to time jump over, or burrow under fences. Access control is therefore not high and as such SANParks does not have control of the individual animals and plants within the parks.

SANParks is allowed in terms of the NEM: PAA to make use of the resources under its custodianship subject to the conditions that the ecological integrity of the ecological systems of the park is not significantly disrupted and that the survival of any species is not negatively affected. Although legally SANParks is allowed by the NEM: PAA to sell animals, in reality this is applicable to those animals where there is a market for buyers of such animals and also where the costs of disposal are much lower than the market value of the animals. SANParks' ability to sell animals is also dependent on the ability to count them and given the wide variety of the type of animals found in national parks, counting animals is only considered for larger animals and more valuable species. The counts performed by SANParks are not on an annual basis, on certain species SANParks can get an indication of the population every five years. Various methods are used to determine estimates of animal abundances in national parks.

These methods include: registration studies, block counts, total counts, fixed width sample transects, spoor indexing, photographic mark-recapture, call-up surveys or even estimate usually from ranger experience. SANParks' main objective for counting animals is about the trend in animal populations and not necessarily to keep record of exact quantities of animals at any point in time. SANParks cannot guarantee the accuracy and precision of the counting process due to the various methods used and biases involved in the counting process. Furthermore a count of animals is done on a specific day and given the fact that animals roam freely within a park and it is impossible to restrict their movement, the numbers counted on a specific day will certainly change within a day or week especially in the bigger parks. SANParks ability to move or sell animals is based ultimately on ecological needs within parks due to too many animals under certain environmental conditions and thus imperative to manage populations.

In respect of animals sold and thus in terms of paragraph 20 of GRAP 110 SANParks has control, where the presumption on acquisition date is that the acquisition date is the date that animals meet the definition of an asset, SANParks is not able to determine a reliable fair value of the animals. This is due to the variability in prices of animals depending on where an animal is sourced from and the region it is sold in, the same specie of animal will sell at different prices depending on these environmental dynamics. In this respect that SANParks cannot determine a reliable fair value and thus the recognition criteria is not met.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
10. FINANCE LEASE OBLIGATION		
Minimum lease payments due		
- within one year	45 036	54 426
- in second to fifth year inclusive	13 912	54 469
	58 948	108 895
less: future finance charges	(3 081)	(6 934)
Present value of minimum lease payments	55 867	101 961
Present value of minimum lease payments due		
- within one year	42 741	49 683
- in second to fifth year inclusive	13 126	52 278
	55 867	101 961
Non-current liabilities	13 126	52 278
Current liabilities	42 741	49 683
	55 867	101 961

It is SANParks policy to lease certain motor vehicles and equipment under finance leases.

The average lease term was 3-5 years and the average effective borrowing rate was 6% (31 March 2021: 6%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

11. PAYABLES FROM EXCHANGE TRANSACTIONS

	2022 R'000	2021 R'000
Trade payables	65 309	46 769
Payments received in advanced	157 494	94 181
VAT payable	21 064	551
Accrued expenses	71 061	63 194
Deposits received	1 028	1 062
Other payables	17 138	23 200
	333 094	228 957

Trade Payables Age Analysis

Current (0-30 days)	70 133	46 127
31 - 60 days	(5 409)	476
61 - 90 days	5	(146)
91 - 120 days	-	88
120 days and more	580	4 045
	65 309	50 590

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
12. EMPLOYEE BENEFIT OBLIGATION		
Defined benefit plan		
Post retirement medical aid plan		
SANParks offers employees and continuation members the opportunity of belonging to one of several medical schemes. Eligible employees receive a post-employment subsidy of the contribution payable should they be a member of a medical scheme at retirement.		
Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy.		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	548 559	492,373
Interest cost	55 280	53,599
Current service cost	6 942	6,107
Actual employer benefit payment	(30 587)	(29,144)
Actuarial (gain)/loss	7 519	25,624
	587 713	548,559
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	27 227	(28,959)
Benefits paid	(30 587)	(29,144)
Net expense recognised in the statement of financial performance	69 741	85,330
	66 381	27,227



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

12. EMPLOYEE BENEFIT OBLIGATION (CONTINUED)

Net expense recognised in the statement of financial performance

	2022 R'000	2021 R'000
Current service cost	6 942	6 107
Interest cost	55 280	53 599
Actuarial (gains) losses	7 519	25 624
	69 741	85 330

Key assumptions used

Assumptions used at the reporting date

Discount rates used	10.26 %	10.34 %
Medical cost trend rates	7.07 %	7.13 %

The basis on which the discount rate has been determined is as follow:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 10.26% per annum has been used. The corresponding index-linked yield at this term is 3.97%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 31 March 2022.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

12. EMPLOYEE BENEFIT OBLIGATION (CONTINUED)

Assumption

Average retirement age

Continuation of membership at retirement

Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement

Proportion with a spouse dependant at retirement

Mortality during employment

Mortality post-employment

Value

62

100% if subsidy is 100%.

90% if subsidy is 60%

100% if subsidy is 100%.

90% if subsidy is 60%

50%

SA 85-90 ultimate table

adjusted for female lives

adjusted down by one year of age,
and a 1% annual compound mortality
improvement from 2010

Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Effect on the aggregate of the service cost and interest cost

Effect on defined benefit obligation

One percentage point increase

70 123

655 522

One percentage point decrease

55 556

530 064



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

Amounts for the current and previous four years are as follows:

	2022 R'000	2021 R'000	2020 R'000	2019 R'000	2018 R'000
Defined benefit obligation	587 713	548 559	492 373	513 617	552 228
Experience adjustments on plan liabilities	6 308	(32 510)	46 332	(3 226)	-

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants comprises

Unspent conditional grants and receipts

Infrastructure grant
Special projects and Expanded Public Works Programme
Land grant

Movement during the year

Infrastructure Grant

Department of Forestry, Fisheries and the Environment (DFFE)
National Department of Tourism (NDT)

2022 R'000	2021 R'000
239 506	346 816
167 433	293 594
68 351	98 670
475 290	739 080
191 105	299 840
48 402	46 976
239 507	346 816

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS (CONTINUED)

Infrastructure Grant - Department of Forestry, Fisheries and the Environment (DFFE)

	2022 R'000	2021 R'000
Opening balance beginning of the year	299 840	445 429
Opening balance adjustment	-	(2 034)
Transfers	(421)	-
Interest received during the year	5 208	9 524
Funds utilised during the year	(113 522)	(153 079)
	191 105	299 840

Infrastructure Grant - National Department of Tourism (NDT)

Opening balance beginning of the year	46 976	44 614
Opening balance adjustment	-	2 034
Transfers	421	-
Interest received during the year	1 021	1 095
Funds utilised during the year	(16)	(767)
	48 402	46 976

Special Projects and Expanded Public Works Programme (EPWP)

Special Projects	160 698	281 959
Expanded Public Works Programme (EPWP)	6 734	11 635
	167 432	293 594



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

13. UNSPENT CONDITIONAL GRANTS AND RECEIPTS (CONTINUED)

Special Projects

	2022 R'000	2021 R'000
Opening balance beginning of the year	281 959	302 845
Opening balance adjustment	(2 584)	27 882
Funds received during the year	49 306	20 123
Interest received during the year	13 726	6 094
Funds utilised during the year	(181 709)	(74 985)
	160 698	281 959

Expanded Public Works Programme (EPWP)

Opening balance beginning of the year	11 635	-
Opening balance adjustment	-	28 638
Funds received during the year	66 241	67 940
Interest received during the year	276	1 561
Funds utilised during the year	(71 418)	(86 504)
	6 734	11 635

Land Grant

Opening balance beginning of the year	98 670	84 193
Funds received during the year	20 618	19 544
Interest received during the year	1 462	1 859
Funds utilised during the year	(52 399)	(6 926)
	68 351	98 670

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

14. PROVISIONS

Reconciliation of provisions - 2022

	Opening Balance R'000	Remeasurements R'000	Total R'000
Concessionaires provision	287 580	54 150	341 730

Reconciliation of provisions - 2021

	Opening Balance R'000	Remeasurements R'000	Total R'000
Concessionaires provision	291 183	(3 603)	287 580

The lodge concessions entail allowing private operators to build and operate tourism facilities within the National Parks, for contracted defined periods, usually over a 20 year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The contractual mechanism is a concession contract, which enables the private operator to use a defined area of land, plus any building that may already exist on that land, over a specific time period in return for payment of concession fees.

Against these rights of occupation and commercial use of facilities, there is a set of obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, underpinned by performance bonds, and finally termination of the contract. The assets will revert to SANParks at a consideration equal to the residual value of the asset at the date of transfer. The provision arose as a result of the liability payable at the termination date of the concessionaire contract. Refer to note 3 for the concession asset.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

15. RESERVATION DEPOSITS

Opening balance
Current year deposits
Deposits utilised during the year

2022
R'000

2021
R'000

392 628

375 276

5 712 811

3,339 621

(5 714 966)

(3 322 269)

390 473

392 628

16. TOURISM, RETAIL, CONCESSION AND OTHER

Retail Activities

Shops and restaurant
Filling station sales

42 848

23 381

212 241

115 107

255 089

138 488

Tourism

Accommodation
Drive fees
Trail fees
Other tourism related activities

751 140

383 667

30 192

12 503

30 255

12 205

39 667

26 960

851 254

435 335

Concession Fees

Facilities rental
Concession fees received

23 863

15 424

37 867

22 856

61 730

38 280

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
16. TOURISM, RETAIL, CONCESSION AND OTHER (CONTINUED)		
Conservation Fees		
Wild card income	77 778	67 667
Conservation fees	204 853	82 125
Entrance fees	10 556	10 220
	<u>293 187</u>	<u>160 012</u>
Other		
Rent received	13 618	11 795
Services rendered	94 602	50 882
	<u>108 220</u>	<u>62 677</u>
	1 569 480	834 792
17. SALES - FAUNA AND FLORA		
Sales - fauna and flora	9 693	4 753

The sale of fauna and flora is used for biodiversity and to improve representative conservation estate.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

18. OTHER OPERATING INCOME

	2022 R'000	2021 R'000
Sales - non-retail	5 297	712
Fines	1 048	470
Course fees	1 056	327
Commission received	8 856	11 416
Water and electricity	16 820	13 565
Location fee for filming rights	3 208	1 183
Other income	53 759	27 890
	90 044	55 563

19. INTEREST RECEIVED

Interest revenue

Interest	45 277	49 075
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
20. GOVERNMENT GRANTS AND OTHER FUNDING		
Operating grants		
Roads	15 140	14 350
Conservation	745 547	1 418 974
Land grant	52 399	6 926
Special projects income	122 605	74 985
	935 691	1 515 235
21. DONATIONS		
Donations	7 436	36 850
22. EMPLOYEE RELATED COSTS		
Salaries and wages	1 065 909	1 013 846
Social contributions	159 713	160 961
Other salary related costs	89 093	63 772
Post-retirement benefits	69 741	85 330
	1 384 456	1 323 909



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

23. DEPRECIATION AND AMORTISATION

Property, plant and equipment
Intangible assets

2022
R'000

2021
R'000

142 533

140 259

2 948

5 961

145 481

146 220

24. FINANCE COSTS

Finance leases
Current borrowings

4 885

7 762

304

44

5 189

7 806

25. LEASE RENTALS ON OPERATING LEASE

Motor vehicles

Contractual amounts

30 030

22 865

Lease rentals on operating lease - Other

Contractual amounts

15 174

17 524

45 204

40 389

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
26. LOSS ON DISPOSAL OF ASSETS		
(Loss)/ Proceeds on disposal of assets	714	14 621
27. OPERATING EXPENSES		
Municipal expenses	81 763	63 147
Auditors remuneration (Note 28)	6 744	6 379
Bank charges	19 259	12 119
Consulting and professional fees	279 704	167 473
Consumables	50 286	51 884
Licence Fees	24 743	32 580
Insurance	54 037	75 121
Information technology expenses	54 314	63 047
Motor vehicle expenses	35 304	27 270
Fuel and oil	61 199	38 502
Marketing	14 675	5 066
Travel and Subsistence	36 412	25,884
Telephone and fax	49 837	19 045
Game capture expenses	7 934	5 084
Other operating expenses	112 022	82 655
Impairment of financial assets	10 519	130
Special projects expenses	51 351	91 119
Cost of retail operations	218 820	118 296
Maintenance expenses	130 770	140 838
	1 299 693	1 025 639



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

28. AUDITORS' REMUNERATION

Internal audit fees
External audit fees

2022
R'000

2021
R'000

897

749

5 847

5 630

6 744

6 379

29. IRREGULAR EXPENDITURE

Opening balance as previously reported

62 133

429 791

Correction of prior period error

(3 348)

-

Opening balance as restated

58 785

429 791

Add: Irregular Expenditure - current

24 128

33 867

Add: Irregular Expenditure - prior period

12 697

9 492

Less: Amount written off - prior period

-

(411 017)

Closing balance

95 610

62 133

The increase in irregular expenditure is a result of an exercise that was taken across all parks to test that all expenditure transactions complied to Supply Chain Management policies, National Treasury Regulations and the relevant instruction notes. SANParks is confident that all irregular expenditure has been accounted for and disclosed accordingly.

Determination tests are in the process of being completed and consequence management will be instituted in line with the HCM policy as per the determination outcomes of the Loss Control Committee.

There is currently an amount of R393 697 million of alleged irregular expenditure under assessment which relates to budget over expenditure on Operating leases and Operating expenses. SANParks submitted the proposed budget with a deficit of R488 723 million for approval by the executive authority. National Treasury did not approve the request to budget for a deficit and advised that SANParks budgets for a breakeven. SANParks revenue had decreased due to the pandemic and was not sufficient to cover running costs of the organisation. For the 2020/21 financial year, there is an amount of R24 million of alleged irregular expenditure under assessment which also relates to budget over expenditure on employee costs.

Please refer to note 42 for the prior period amounting to R3 348 000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
30. FRUITLESS AND WASTEFUL EXPENDITURE		
Opening balance as previously reported	561	370
Opening balance as restated	561	370
Add: Expenditure identified - current	10	191
Closing balance	571	561
31. CASH USED IN OPERATIONS		
Deficit	(223 116)	(62 316)
Adjustments for:		
Depreciation and amortisation	145 481	146 220
Loss on sale of assets	714	14 621
Provision for impairment	10 519	-
Finance costs	-	43
Interest accrued	(3 445)	-
Movements in provisions	54 150	-
Movements in accrued leave	8 172	8 052
Bad debts written off	6 707	6 480
Post retirement benefits	39 154	85 330



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

31. CASH USED IN OPERATIONS (CONTINUED)

Other non-cash items

Changes in working capital:

Inventories

Receivables from exchange transactions

Other receivables from non-exchange transactions

Payables from exchange transactions

Unspent conditional grants and receipts

Reservation deposits

2022
R'000

2021
R'000

-

12 762

(16 210)

1 889

(75 696)

(44 665)

-

10 141

104 136

(131 779)

(263 790)

(176 458)

(2 155)

17 352

(215 379)

(112 328)

32. RISK MANAGEMENT

Financial risk management

SANParks' activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

SANParks' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on SANParks' financial performance. Risk management is carried out under policies approved by the Accounting Authority. The Accounting Authority provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

2022
R'000
2021
R'000

32. RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk of SANParks not having sufficient funds to meet its financial obligations as they fall due. SANParks manages liquidity risk through proper management of working capital, monitoring variances of actual expenditure against budgeted amounts, ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and regularly are monitored.

The table below analyses SANParks' financial liabilities into relevant maturity groupings based on the remaining period from 31 March 2022 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2022

	Within 1 year R'000	Later than 1 year and not later than 5 years R'000
Finance Lease Obligation	13 126	42 741
Trade and Other Payables	65 309	-
Accrued Expenses	71 061	-
Reservation Deposits	390 473	-
Unspent Conditional Grants	475 290	-
Post Retirement Health Benefit Obligation	-	587 713
	1 015 259	630 454



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

2022
R'000

2021
R'000

32. RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk of financial loss to SANParks where counterparties to financial instruments fail to meet their contractual obligations. Credit risk arises mainly from cash deposits, cash and cash equivalents, and trade debtors.

Trade debtors are amounts owing by various types of customers. Credit risk from trade debtors is limited as sales to retail customers are settled in cash or using major credit cards. No credit is allowed unless backed by an agreement whereby risk control assesses the credit worthiness of the customer, taking into account its financial position, past experience and other factors. Where necessary, SANParks obtains appropriate deposits from debtors to mitigate risk. SANParks accounts for an impairment that represents its estimate of incurred losses in respect of trade debtors. Trade debtors are presented net of the allowance for impairment.

SANParks limits its exposure to credit risk on cash and cash equivalents by investing with only reputable financial institutions that have a sound credit rating and within specific guidelines set in SANParks investment policy and cash management procedures. Therefore SANParks does not consider there to be any significant exposure to credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at year was as follows:

Financial instrument		
Cash and cash equivalents	1 749 154	2 232 490
Receivables from exchange transactions	80 150	58 882

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of market factors such as interest rates and foreign exchange rates. SANParks' exposure to market risk is limited to interest rate risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

2022
R'000

2021
R'000

32. RISK MANAGEMENT (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will be negatively affected by the adverse changes in interest rates.

SANParks’ interest rate risk arises from finance leases and investments at variable interest rates.

Interest rate risk on investments is monitored by key management personnel through ensuring that investments are made in accordance with SANParks’ investment policy. Investments are diversified amongst financial institutions selected according to their registered investment grading. The investment portfolio is structured so that securities mature to meet cash requirements for ongoing operations and special projects, and also so that SANParks investments can achieve a rate of return on the surplus funds invested that will outperform the rate of return of such funds at current account rates. Operating funds are invested primarily in short-term securities or similar investment pools.

Interest rate risk on finance leases at variable rates is monitored by key management personnel through cash flow forecasts. Cash flow forecasts are assessed and monitored to ensure that reasonable and appropriate assumptions have been taken into consideration to minimise interest rate risk on future cash flows.

33. RELATED PARTIES

Relationships

Members

Names of key management are listed in the Management Class : Board Members below.

Controlling entity

Department of Forestry, Fisheries and the Environment (DFFE)

Members of key management

Names of key management are listed in the Management Class : Executive Management below.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

2022
R'000

2021
R'000

33. RELATED PARTIES (CONTINUED)

SANParks is not required to disclose the value of transactions with other public sector entities as the transactions were concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person. The grants paid by Department of Forestry, Fisheries and the Environment to SANParks is part of the manner in which government funds organs of state, and such transfers and allocations are within normal operating procedures therefore part of the normal supplier and client relationships.

Related party balances

Unspent Conditional Grants

Department of Forestry, Fisheries and the Environment

191 105

299 840

The unspent conditional grant represents grants received by SANParks which have been accounted for as a liability in terms of GRAP 23 as the conditions pertaining to the grant have not yet been met. Refer note 13.

Key management information

Class	Description	Number
Non-executive board members	Accounting Authority	11
Executive management	Executive Management of SANParks	7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

33. RELATED PARTIES (CONTINUED)

Remuneration of management

Management class: Board members

2022

Board Members as at 31 March 2022

	Fees for services as a member of management R'000	Subsistence and Travel Allowance R'000	Total R'000
Ms P Yako (Chairperson)	118	8	126
Ms N Mayathula-Khoza	89	10	99
Ms Z Ramasia	80	7	87
Ms Y Friedmann	106	9	115
Ms H Mushiane	102	22	124
Chief L Matsila	108	29	137
Mr B Ngobeni	101	11	112
Mr E Neluvhalani	89	7	96
Mr L Mogakane	191	21	212
Mr J Mashele	141	13	154
Ms B Koyana	159	15	174
Mr F Mketeni (CEO)	-	-	-
Ms F Mokgohloa (DFFE Representative)	-	-	-
Ms A Jass (DFFE CFO)	-	-	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

33. RELATED PARTIES (CONTINUED)

2022

Board members for the period 1 April 2021 - 30 September 2021

Ms J Yawitch
Mr T Motsepe
Dr T Abrahamse
Adv T Mphahlane
Ms S Molokoane
Dr U Govender
Prof E Mokotong
Mr F Docrat
Mr Z Fihlani
Mr S Munzhedzi (DFFE Rep)

Fees for services as a member of management R'000	Subsistence and Travel Allowance R'000	Total R'000
70	9	79
72	-	72
49	4	53
88	7	95
82	1	83
-	-	-
72	-	72
89	8	97
50	4	54
-	-	-
1 856	185	2 041

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

33. RELATED PARTIES (CONTINUED)

Management class: Executive management

2022

	Fees for services as a member of management R'000	Subsistence and Travel Allowance R'000	Total R'000
Mr F Mketeni - CEO	2 648	38	2 686
Mr D Dlamini - CFO	2 193	42	2 235
Mr G Coleman - ME KNP	2 335	47	2 382
Ms L McCourt - COO	2 244	30	2 274
Mr L Mokoena - ME Parks	2 067	60	2 127
Ms H Sello - ME Tourism	2 105	33	2 138
Dr L Dziba - ME Conservation Services	2 263	64	2 327
	15 855	314	16 169



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

33. RELATED PARTIES (CONTINUED)

2021

Name

Mr F Mketeni - CEO

Mr D Dlamini - CFO

Mr G Coleman - ME KNP

Ms L McCourt - COO

Mr L Mokoena - ME Parks

Ms H Sello - ME Tourism

Dr L Dziba - ME Conservation Services

Basic salary R'000	Subsistence and other travel allowances R'000	Other benefits received R'000	Total R'000
2 588	37	-	2 625
2 163	36	-	2 199
2 281	57	2	2 340
2 194	33	-	2 227
2 021	55	-	2 076
2 057	32	-	2 089
2 211	44	-	2 255
15 515	294	2	15 811

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
34. COMMITMENTS		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	191 457	203 438
Total capital commitments		
Already contracted for but not provided for	191 457	203 438
Operating leases - as lessee (expense)		
Minimum lease payments due		
• within one year	20 631	21 128
• in second to fifth year inclusive	3 054	23 576
	23 685	44 704

Operating lease payments represent rentals payable by SANParks for certain office properties and photocopier machines. Leases are negotiated for periods ranging between two years to five years. No contingent rent is payable.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

35. CONTINGENCIES

Contingent Liabilities

Ehlanzeni District Municipality Matter

Claim for outstanding property rates over those parts of Kruger National Park falling within the Ehlanzeni District area of jurisdiction. SANParks raised a special plea that Ehlanzeni cannot institute a court action without first having invoked the Intergovernmental Relations Framework Act designed to minimise legal dispute between government agencies.

Estimated liability R100m (2021:R100m)

Swellendam Municipality v/s SANParks (Bontebok National Park)

Nine simple summons were served on SANParks on 26 June 2019 by the Swellendam Municipality for outstanding property rates in respect of various properties in Bontebok National Park. SANParks is uncertain on expected outcome of the case and timing of outflows.

Estimated liability R553 100.56 (2021:R553 100.56)

Madyayimile

In July 2020 Madyayimile issued Summons out of the Mbombela High Court whereby they instituted various claims in terms of the Joint Building Contracts Committee (JBCC) agreement entered into between the parties amounting to R11 million. SANParks is uncertain on expected outcome of the case and timing of outflows.

Genex Power Services (Pty) Ltd v/s SANParks

Genex Power Services (Pty) Ltd served summons on SANParks in May 2016 claiming payment of R670 346.90 from SANParks allegedly due for construction work to the Nyalaland trail camp in KNP after flood damage. SANParks is uncertain on expected outcome of the case and timing of outflows.

Moropa Projects CC v/s SANParks

Summons were served on SANParks on 17 March 2021, in terms of which Moropa Projects has applied to the Tshwane Magistrate Court for an order for payment by SANParks in the amount of R100 050.00 (one hundred thousand and fifty rand) (debt amount) in respect of tools and factory equipment allegedly supplied and delivered to SANParks by Moropa Projects following an order placed by SANParks on 15 October 2019. SANParks is uncertain on expected outcome of the case and timing of outflows.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

35. CONTINGENCIES (CONTINUED)

The liability is estimated at costs of R100 050.00

Rescission of Judgment Application: Blue Crane Route Municipality

Combined summons were served on SANParks by the Blue Crane Route Municipality (BCRM) for Addo Elephant National Park for outstanding property rates in respect of various properties in the Park. The claims amount to R4 198 191.09 in total. SANParks is uncertain of the expected outcome of the case and timing of outflows.

The liability is estimated at costs of R4 198 191.09

Urgent court application - Thwala and Mkefe

Notice of Motion was served on SANParks on 17 September 2021, in terms of which relief was sought on an urgent basis to, inter alia, interdict and restrain the Board of SANParks and any other person acting under their instruction from proceeding with the present disciplinary hearing against two employees. The second part of the application deals with records that they require from SANParks in terms of the High Court Rules and this part of the application is not brought on an urgent basis. SANParks is uncertain of the expected outcome of the case and timing of any outflows.

CCMA Cases

Cases lodged to the CCMA for alleged unfair labour practices. SANParks is uncertain of the expected outcome of the case and timing of outflows.

The claims amount to R1 311 623.72 in total should the cases lodged be ruled in favour of the applicants.

Labour Court Cases

Cases lodged to the Labour Court for alleged unfair labour practices. SANParks is uncertain of the expected outcome of the case and timing of outflows.

The possible liability amounts to R821 777 in total should the cases lodged be ruled in favour of the applicants.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

35. CONTINGENCIES (CONTINUED)

Contingent assets

Madyayimile

Madyayimile instituted various claims in terms of a JBCC agreement entered into between the parties amounting to R11 million. The matter was referred to arbitration and the parties agreed to settle after experts of both parties inspected and re-measured the work done. Parties agreed that Madyayimile pays SANParks R360 000 however Madyayimile has defaulted and caused a letter to be transmitted to SANParks giving SANParks notice of intention to institute legal action. SANParks brought an application to make the arbitration award an order of court.

36. EVENTS AFTER THE REPORTING DATE

There are no material facts or circumstances that have arisen after the reporting date.

37. GOING CONCERN

For the 2021/22 financial year SANParks' self-generated revenue increased by 83%. The COVID-19 pandemic remains a risk factor however, SANParks still generated a significant increase across the various tourism revenue streams. SANParks also expects a higher increase in revenue from international markets in future years as more countries ease restrictions on international travel. SANParks continues to monitor expenditure and implementing cost curtailment measures to mitigate financial risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

38. PUBLIC PRIVATE PARTNERSHIP PROGRAMME - PPP FEE INCOME

Lodge Concession PPP Fees

The lodge concessions entail allowing private operators to build and operate tourism facilities within the National Parks, on the basis of a defined period usually over a 20 year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The contractual mechanism is a concession contract, which enables the private operator to use a defined area of land, plus any building that may already exist on that land, over a specific time period in return for payment of concession fees. Against these rights of occupation and commercial use of facilities, there is a set of obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, underpinned by performance bonds, and finally termination of the contract, with the assets reverting to SANParks.

The annual concession fee payable by the concessionaire to SANParks for any given concession year shall be the higher of a minimum rental as determined by the agreement for the concession year or a calculated annual concession fee based on the bid percentage of gross revenue for the concession year.

At the end of the concession period the concessionaires shall hand over the concession area, the camp, all concession assets and its rights or interest in the developments to SANParks free of charges, liens, claims or encumbrances of any kind whatsoever and free of any liabilities in good condition, fair wear and tear excepted. The concessionaire shall not, other than as provided for in respect of the residual value, be entitled to payment of any compensation in connection therewith.

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 three 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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

38. PUBLIC PRIVATE PARTNERSHIP PROGRAMME - PPP FEE INCOME (CONTINUED)

National Park - Concession area	Concession holder	Commissioning date	Termination date
Addo - Gorah Elephant Camp	Hunter Hotels (Pty) Ltd	1 January 2001	30 September 2032
Kruger - Mutlumuvi	Rhino Walking Safaris (Pty) Ltd	1 October 2003	30 June 2024
Kruger - Mpanamana	Shishangeni Lodge (Pty) Ltd	1 January 2002	31 October 2025
Kruger - Jakkalsbessie	Jakkalsbessie Lodge (Pty) Ltd	1 December 2002	30 September 2023
Kruger - Jock of the Bushveld	Mitomeni River Lodge (Pty) Ltd	1 July 2001	31 March 2022
Kruger - Lwakahle	Lukimbi Safari Lodge (Pty) Ltd	1 November 2001	30 June 2023
Kruger - Mluwati	Imbali Safari Lodge (Pty) Ltd	1 January 2002	30 September 2022
Kruger - Nwanetsi	Singita Lebombo (Pty) Ltd	1 January 2013	30 September 2033
Table Mountain - Roundhouse	Roundhouse (Pty) Ltd	1 August 2002	30 April 2031
Table Mountain - Koeel Bay	Koeel Bay Hospitality (Pty) Ltd	1 February 2007	31 July 2028
West Coast - Houseboats	Kraalbaai Houseboats (Pty) Ltd	1 December 2019	31 December 2039
Namaqua - Luxury Beach Camp Mobile Tents	Chief Luxury Mobile Tented Camp	23 August 2018	22 August 2024
Kruger - Shalati Train Skukuza	Thebe Tourism	1 December 2020	31 December 2045

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

38. PUBLIC PRIVATE PARTNERSHIP PROGRAMME - PPP FEE INCOME (CONTINUED)

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 and expressed as a percentage of gross revenue.

The following schedule summarises the potential income receivable from the various operators for the various sites:

Retail and Restaurant	Commissioning date	Termination date
The Park Shop (South) - Tourvest	1 February 2013,	30 September 2023
Cattle Baron Restaurant - Tourvest	1 April 2014	30 November 2024
Daroware t/a Big Tree Café	1 December 2019	30 October 2025
Augrabies Falls Lodge Camp	1 April 2021	1 April 2022
Jobojali cc T/a Salt and Pepper Restaurant	1 December 2013	31 July 2024
The Park Shop (North) - Tourvest	1 February 2013	30 September 2023
Royal Ibhubesi Safari Company - Bush Braai	1 March 2018	31 December 2026
Tindlovu Bush Café	1 June 2016	31 January 2032
Select Events and Venues CC	1 December 2013	31 July 2024
Renvir (Pty) Ltd - Mugg and Bean Lower Sabie	1 March 2014	31 October 2024
Eysbos (Pty) Ltd - Wimpy Pretoriuskop	1 March 2014	31 October 2024
Cattle Baron Restaurant - Tourvest	1 October 2014	31 May 2025
Tourvest Holdings (Pty) Ltd	1 October 2016	31 May 2032
Boulders Penguin Sanctuary	1 December 2019	31 December 2029
Cattle Baron Restaurant - Tourvest	1 January 2014	31 March 2025
Pojie Restaurant (Pty) Ltd	1 May 2018	30 April 2022
Kruger North Restaurant Group (Pty) Ltd	1 February 2022	31 December 2031
Cattle Baron Restaurant - Tourvest	1 December 2021	1 December 2031
Tourvest Holdings (Pty) Ltd	1 April 2021	15 years plus development period



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

38. PUBLIC PRIVATE PARTNERSHIP PROGRAMME - PPP FEE INCOME (CONTINUED)

Activities	Contracting Party	Commissioning Date	Termination Date
Kruger National Park	Skukuza Airport Management Co	1 June 2014	28 February 2025
	AM Spa	22 May 2017	31 January 2028
Cape Point Lease and TMACC	Cape Point - Concor	1 May 1995	22 June 2022
	Table Mountain Aerial Company	26 November 2006	25 November 2025
Garden Route National Park	Knysna Gorge Zip Lines	15 September 2020	14 September 2030
Addo Wellness and Spa	Indlovu Pop up Spa	April 2020	September 2023

National Park	Contracting Party	Commissioning Date	Termination Date
Addo Elephant National Park	Riverbend Country Lodge	1 June 2004	30 September 2079
Marakele National Park	Marakele (Pty) Ltd	2 November 2000	1 December 2030
Kgalagadi National Park	Ixhaus Lodge	1 May 2007	30 April 2026

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

39. SEGMENT INFORMATION

General information

Identification of segments

SANParks' activities are very broad, and are undertaken in a wide range of different geographical areas with different socioeconomic characteristics. To enable efficient and effective delivery on the strategy of SANParks segment structure is subdivided 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 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 are almost identical; or
- the nature of the regulatory environment that applies to the segment (NEMPAA).

The segments were structured such that the totals of revenues, reported segment surplus or deficit, segment assets, segment liabilities and other material segment items correspond to figures recognised in the Annual Financial Statements. Therefore, a reconciliation of the segment figures to the Annual Financial Statements is not necessary.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

39. SEGMENT INFORMATION (CONTINUED)

Segment surplus/(deficit)

2022

Revenue

Revenue from exchange transactions

Retail Activities

Tourism

Conservation Fees

Interest income

Concession Fees

Other Income

Revenue from non-exchange transactions

Total segment revenue

Entity's revenue

Corporate R'000	Kruger R'000	Parks R'000	Total R'000
-	178 074	77 015	255 089
35 595	556 014	259 645	851 254
77 917	94 353	120 917	293 187
45 277	-	-	45 277
92	34 767	26 871	61 730
162 684	31 123	14 150	207 957
933 386	3 093	6 648	943 127
1 254 951	897 424	505 246	2 657 621
			2 657 621

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

39. SEGMENT INFORMATION (CONTINUED)

Expenditure

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Employee Related Costs	480 681	511 118	392 657	1 384 456
Depreciation and Amortisation	23 118	68 611	53 752	145 481
Operating Leases	2 653	28 071	14 480	45,204
Operating Expenses	714 551	343 796	241 346	1 299 693
Loss on Disposal of assets	(66)	384	396	714
Finance Costs	1 519	2 096	1 574	5 189
Total segment expenditure	1 222 456	954 076	704 205	2 880 737
Total segmental surplus/(deficit)				(223 116)

2021 restated**Revenue****Revenue from exchange transactions**

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
Retail Activities	-	94 546	43 942	138 488
Tourism	34 238	255 202	145 895	435 335
Conservation Fees	67 667	49 141	43 204	160 012
Interest income	49 075	-	-	49 075
Concession Fees	87	27 740	10 453	38 280
Other Income	84 568	20 096	18 329	122 993
Revenue from non-exchange transactions	1 544 113	2 788	5 184	1 552 085
Total segment revenue	1 779 748	449 513	267 007	2 496 268
Entity's revenue				2 496 268



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

39. SEGMENT INFORMATION (CONTINUED)

Expenditure

Employee Related Costs

Depreciation and Amortisation

Operating Leases

Operating Expenses

Finance Costs

Loss on disposal of assets

Total segment expenditure

Total segmental surplus/(deficit)

Corporate R'000	Kruger R'000	Parks R'000	Total R'000
453 595	484 293	386 021	1 323 909
25 957	67 111	53 152	146 220
2 740	23 612	14 037	40 389
655 663	207 160	162 816	1 025 639
2 660	2 776	2 370	7 806
4 318	4 604	5 699	14 621
1 144 933	789 556	624 095	2 558 584
			(62 316)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
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40. CHANGES IN ACCOUNTING POLICY

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the change in accounting policy for the disclosure of operating commitments. SANParks has changed its accounting policy on commitments with regards to the disclosure of operating commitments. The change in accounting policy results in the disclosure of only the future minimum lease payments under non-cancellable operating leases rather than aggregating operating leases with other operational contracts. Management is of the view that this disclosure will provide reliable and more relevant information regarding SANParks future commitments on operating leases.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 March 2021 is as follows:

Future minimum lease payments under non-cancellable operating leases	
Payable within one year	4 831
Payable within two to five years	37 032
	41 863

41. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

SANParks does not have any material losses through criminal conduct and as such no criminal or disciplinary steps were required to be taken.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

2022
R'000

2021
R'000

42. PRIOR PERIOD ERRORS

The following prior period errors adjustments occurred:

Irregular Expenditure

The opening balance for irregular expenditure included an amount of R3 424 924.73 which was incorrectly calculated and disclosed. This resulted an error of R 3 348 374.77. The correct amount was confirmed after the determinations test as R76 549.96.

Opening balance	-	62 133
Prior period error	-	(3 348)
	-	58 785

Accrued Leave

Reclassification of leave provision

The balances for leave accrued to employees was incorrectly classified as provision. In accordance with SANParks' leave policy, the timing for settlement of the liability and the amount of settlement is certain. Therefore appropriate classification for the liability is an accrual. The amounts previously disclosed as leave provision have been reclassification and disclosed as Accrued Leave in the Statement of Financial Position.

Incorrect Leave Balances

The provision for leave was incorrectly accounted for in prior years due to a system fault which did not correctly calculate the leave balances for employees. The balances on the system were overstated and as a result the provision for leave was overstated. SANParks undertook to correct the leave balances of prior years and as a result the prior year's leave provision has been corrected.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

	2022 R'000	2021 R'000
Statement of Financial Position		
Decrease in accrued leave	-	15 696
Statement of Financial Performance		
Decrease in employee cost	-	15 696

43. COMPARATIVE FIGURES

Statement of financial performance

Certain comparative figures have been reclassified.

During the year management assessed the materiality based on the materiality guideline issued by the Accounting Standards Board. As a result, management reclassified some expenditures under the operating expenses category in note 27 that lead to more appropriate disclosure.

The effects of the reclassification are as follows:

Statement of Financial Performance	Total as previously reported	Reclassification	Restated Total
Repairs and maintenance	(163 630)	(163 630)	-
Operating Expenses	(862 009)	(163 630)	(1 025 639)
	(1 025 639)	-	(1 025 639)



NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2022 (CONTINUED)

43. COMPARATIVE FIGURES (CONTINUED)

Cash Flow Statement

Certain comparative figures have been reclassified.

During the year management assessed the cash flows resulting from grants and concluded that the cash flows were utilised in the course of ordinary activities. As a result these cash flows were reclassified from investing activities to operating activities in the cash flow statement.

The effects of the reclassification are as follows:

Cash flows as previously reported

Net cash flows from investing activities
Net cash flows from operating activities

Total as previously reported	Reclassification	Restated Total
(336 658)	187 593)	(149 065)
75 265	(187 593)	(112 328)
(261 393)	-	(261 393)

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