

South African
NATIONAL PARKS

South African National Parks

Annual Report 2005/2006



South African National Parks

Annual Report 2005/2006

NATIONAL PARKS MAP

VISION

National parks will be the pride and joy of all South Africans.

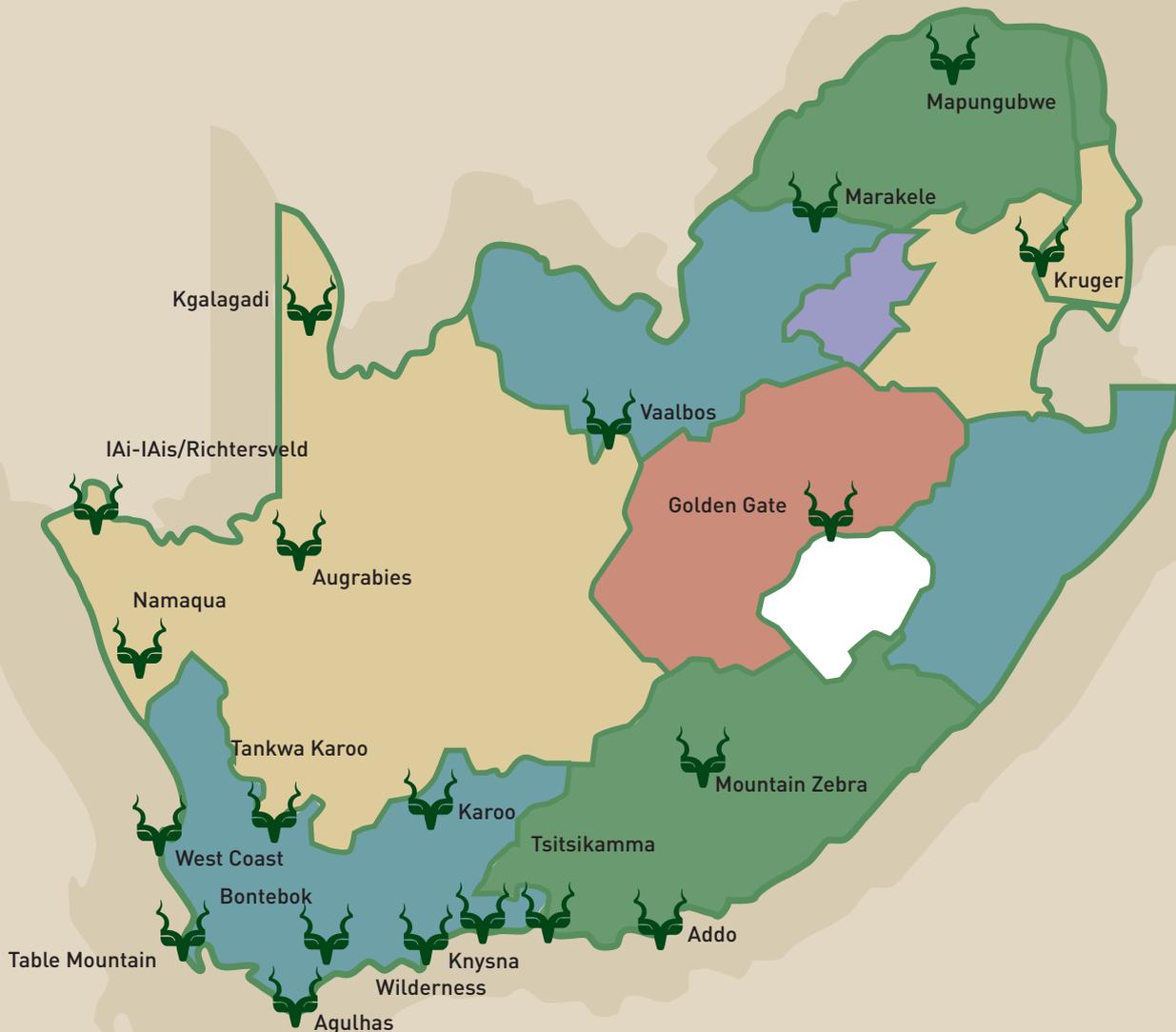
MISSION

To develop and manage a system of national parks that represents the biodiversity, landscapes and associated heritage assets of South Africa for the sustainable use and benefit of all.

CORPORATE VALUES

In all we do, we shall:

- demonstrate leadership
- embrace, and be guided by environmental ethics
- promote transformation within, and outside of the organisation
- strive for scientific and service excellence
- act with professionalism
- adopt, and encourage initiative and innovation by all
- treat all our stakeholders with equity and justice
- exercise discipline
- show respect to all
- act with honesty and integrity
- strive for transparency and open communication - at all times



THE NATIONAL PARKS MAP

|Ai-|Ais/Richtersveld • Addo Elephant • Agulhas • Augrabies Falls National Park • Bontebok • Camdeboo • Golden Gate Highlands • Karoo • Kgalagadi Transfrontier • Knysna Lake Area • Kruger • Mapungubwe • Marakele • Mountain Zebra • Namaqua • Table Mountain • Tankwa Karoo • Tsitsikamma • Vaalbos • West Coast • Wilderness

CONTENTS

ANNUAL REPORT

1. Executive Management	2	c. Bontebok	52
2. Chairperson's Report	4	d. West Coast	54
3. Chief Executive's Report	6	e. Tankwa-Karoo	55
4. Corporate Strategy 2005/2006	8	17. Garden Route Cluster	
5. Conservation Services	10	a. Tsitsikamma	56
a. Managing Biodiversity	10	b. Wilderness	57
b. Land Acquisition	11	c. Knysna Protected Natural Environment	60
c. Transfrontier Conservation Areas	11	d. Forestry Section	61
6. Tourism Development and Marketing	14	18. Frontier Parks Cluster	
a. Business Development	16	a. Addo Elephant	62
b. Tourism Statistics	20	b. Karoo	64
7. People and Conservation	28	c. Mountain Zebra	66
8. Human Resources	30	d. Camdeboo	67
a. Employee Assistance Programm (EAP)	30	19. Arid Cluster	
9. Corporate Communications	34	a. Kgalagadi	70
10. Corporate Support Services	36	b. Augrabies Falls	71
11. Legal Services	38	c. Namaqua	73
12. Special Projects	40	d. Ai- Ais/Richtersveld	74
a. Park Access for persons with disabilities	40	e. Vaalbos	76
b. Honorary Rangers	40	20. Grassland/Northern Cluster	
13. Expanded Public Works Programme	42	a. Golden Gate Highlands	78
14. NATIONAL PARKS REPORT		b. Marakele	81
15. Kruger National Park	44	c. Mapungubwe	82
16. Cape Parks Cluster		21. Performance Against Pre-determined Objectives for 2005/2006	84
a. Table Mountain	48	22. Annual Financial Statements	91
b. Agulhas	50		

EXECUTIVE MANAGEMENT



Front Row: (Left to right) **Mr Paul Daphne** - Executive Director Parks, **Mr Sydney Soundy** - Chief Operating Officer, **Dr David Mabunda** - Chief Executive, **Dr Bandile Mkhize** - Executive Director Kruger National Park, **Dr Razeena Wagjet** - Executive Director People and Conservation

Back Row: (Left to right) **Ms Wanda Mkutshulwa** - Head Corporate Communications, **Ms Nombulelo Mkhumane** - Chief Financial Officer, **Mr Josias Chabani** - Head Human Resources, **Dr Hector Magome** - Executive Director Conservation Services, **Ms Pauline van der Spuy** - Executive Manager Office of the CE, **Mr Glenn Phillips** - Executive Director Tourism Development

BOARD MEMBERS

Ms Cheryl Carolus

Dr Tanya Abrahamse

Ms Charmaine Klein

Mr Bernard Kwaaiman (*passed away during his term of office*)

Ms Vuyokazi Mbelani

Mr Mduduzi Mchunu

Mr Mogomotsi Mokgatle

Mr Gabriel Mokgoko

Mr Meshack Nkosi

Ms Phindile Nzimande

Dr Zarina Patel

Mr John Samuel

Mr Zakhele Sithole

Mr Tamsanqa Sokutu

Prof Willem van Riet

Ms Sheila Vrahimis

Mr Clive Walker

**“SANParks, the custodian of
choice for protected areas
within South Africa!”**



CHAIRPERSON'S REPORT



I present this year's annual report with a mixture of joy and sadness. December 2005 marked the official end of term for the previous Board. However, the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, extended the term for a further three months. Their contributions will be sorely missed. With the new National Environment Management Act (NEMA): Protected Areas Act number 57 of 2003, as amended, the 18 member Board has been reduced to a minimum of 9 and a maximum of 12 members.

The outgoing Board has provided the leadership for a substantially improved governance framework for SANParks. Under their stewardship, we have seen a record of three unqualified audit reports. This could only be achieved because of the high level of professionalism and diligence by the Executive Management and the staff at South African National Parks (SANParks). I continue to believe that this team of hard workers should serve as a benchmark for public service. We as the Board say congratulations and thank you to the Chief Executive for his leadership of this great public asset.

The South African government and the people of South Africa continue to show their trust and belief in SANParks as the custodian of choice for protected areas. This was further confirmed when a new national park was added under the management of SANParks. The Camdeboo National Park, near Graaff-Reinet in the Eastern Cape, was officially proclaimed in October 2005. This piece of land, spanning over 14 500ha, was donated by World Wildlife Fund (WWF) South Africa and forms a nucleus for a further expansion that will link up with already existing Mountain Zebra National Park. This will give us an opportunity to create a unique African Karoo wildlife experience, linking up the towns of Graaf-Reinet and Cradock. The mega-conservation area will span over 120km in length, comprising of over 520 000ha of conserved land.

A significant element of SANParks ecotourism pillar is the Commercialisation Strategy (which through the implementation of Public Private Partnerships) aims to reduce the cost of delivery, improving service levels by focusing on core business and leveraging private capital and expertise as well as the objective of expansion of tourism products and the generation of additional revenue for the funding of conservation and constituency building. As a result of the successful implementation and excellent contract management, the Strategic Plan for Commercialisation of the organisation is one that continues to give us a sense of comfort as it continues to yield expected results.

Declining and aging infrastructure has dogged our operations and the tourism experience. This will soon be corrected through a very generous lump sum investment by government over a period of three years. This, together with continued financial support for our very well run, Poverty Relief programmes (now the Extended Public Works Programme) should greatly enhance the tourism experience and modernise our infrastructure.

Despite these challenges, the organisation has been making concerted efforts to grow the tourism business, through introduction of several marketing strategies whilst also implementing a tourism growth strategy. I am proud to announce that this strategy yielded a growth in black tourism statistics from 3% in 2003 to approximately 19% at the end of the reporting period. Overall tourism accommodation in growth to national parks is showing an overall average growth, recording a growth in occupancies from 64,7% to 66% in the last reporting period.

The new NEMA: Protected Areas Act 57 of 2003 comes with a number of changes to the management of national parks and will pose a number of challenges to the organisation in the new financial year. Some of the requirements of the Act will have specific financial and other resource implications. SANParks continues to work closely with the Minister in trying to find a lasting solution to the challenge of managing elephants in national parks for biodiversity. Neighbouring communities have become key stakeholders in the process. We hope for a solution soon.

It is with pride and joy that I present you the 2005/2006 annual report of South African National Parks. The theme for the new financial year is "Know Your National Parks", let the country take us up on this challenge and show us just how much they know and take pride in their natural heritage. To the Chief Executive, Executive Management and the staff I would like to encourage you to continue providing the excellent service to our country and to thank you for the first class work done so far.



Cheryl Carolus
CHAIRPERSON

CHIEF EXECUTIVE REPORT



With the national park system being the highest form of conservation status a country can accord its natural and cultural heritage for present and future generations, it is against this backdrop that South African National Parks (SANParks) remains proud to retain its status as "custodian of choice for protected areas within South Africa."

National Parks subscribe to very stringent standards of ecological integrity and, whilst providing public benefits through sustainable eco-tourism opportunities, the national park systems also aim to guard against overdevelopment. This reason alone informs the rationale behind the establishment of national, provincial and community/local authority parks to accommodate different resource utilization regimes. This is a difficult balancing act to achieve and it is with pride that SANParks has succeeded in providing public enjoyment without eroding the ecological integrity of our national parks.

The period under review saw the Department of Environmental Affairs and Tourism (DEAT) taking the environmental law to greater heights by promulgating the Protected Areas Act (57 of 2003 with its amendment, 31 of 2004), which is going to prove to be a big challenge to the organisation in the new financial year as we gear ourselves to fall in line with the provisions of this new Act. The organisation will have to oversee the implementation of provisions of the Protected Areas Act through the re-drafting of the Park Management Plans for all 22 national parks. This process will not only involve an analysis of existing management plans of the various national parks, but will also incorporate extensive consultation with stakeholders. The Park Management Plans will lead to the establishment of the State of the Parks reporting system as supported by the organisation's Balanced Scored Card.

We continue to grow the national parks estate through new acquisitions of land and in the period under review the organisation managed to acquire a total of 27,329ha for R48,3 million of the budgeted R58 million. The balance of R9,7 million will be carried over into the new financial year. Of the R48.3 million used, R41.3 million was accounted for through the DEAT Land Grant annual allocation and the balance from SANParks allocation or other donor contributions.

As an organisation that strives to be the 'employer of choice', SANParks established an important business unit, the Employee Assistance Programme (EAP). This is considered in line with the organisation's obligation to its staff and a way to display commitment to their total well being. With world industries and social norms currently under the threat of HIV & AIDS, SANParks is putting in place innovative measures aimed at alleviating the situation through the establishment of the EAP which is a proven strategy for assisting 'troubled employees', and addressing and managing the effects of HIV & AIDS is core to the unit's operation. Of particular note was the launch of the 'Know Your Status Campaign' on World Aids Day which aimed to factually ascertain the impact of HIV & AIDS as exerted upon SANParks as an organisation.

Further to this, SANParks, an organisation that has been in existence for 80 years and manages both biodiversity and eco-tourism, sees the importance of establishing a high legal competence within the organisation to deal with its wide range of mandates. The organisation has over the years managed to successfully infuse cutting-edge, good corporate governance in pursuance of its mandate as a public entity and, this has been further cemented by the establishment of the Legal division, which as at the end of the financial year was handling over 400 matters, and has developed proper understanding of the overall legal requirement of SANParks, built a higher level of experience and expertise within and, established credibility and profile throughout SANParks and its external stakeholders.

In September 1998, DEAT articulated the need for SANParks to prepare for a lesser dependence on state funding, which would increasingly be aimed at funding the essential conservation requirements. This formed the basis of the Commercialisation Strategy as adopted by SANParks in 2000. SANParks' irrefragable ability to manage the arduous post-award phase of Public Private Partnerships (PPPs) has further confirmed its leadership in conservation, a point that is not only acknowledged by both public and private conservation bodies in the country but by international bodies as well. As a result, SANParks is developing a Strategic Plan for Commercialisation for the period 2006 to 2011 in line with National Treasury requirements. The focus will be on a more responsible approach to tourism and commercialisation where the strategy will be used to enhance rather than replace state funding for conservation.

Effective management of such contracts have proven that SANParks has the ability to provide solutions for challenges faced by the private sector and to make necessary interventions, in the event of private parties failing to meet contractual requirements. A key intervention was the successful removal of the restaurant operator at the Kruger National Park in order to improve service levels. The removal and appointment of an alternative service provider was seamless, and resulted in no job losses or disruption to customer service. The lodge concession's occupancy rates have increased by approximately 9%, having improved from an average 34% in March 2005 to 43% in March 2006.

Over and above the diligent execution of our mandate and the harnessing of our key business pillars (Conservation, People-Centred Conservation

and Eco-Tourism), SANParks has, during the period under review, poised itself as more than just an authority within conservation circles but also as one of the country's leading brands.

Once again Mapungubwe National Park continued to make us proud, with increased occupation levels, far beyond what would be expected of a new product. But the most notable success of this beautiful park is the whopping 60.5% average black visitor component, the highest in the country, of all national parks. Tsitsikamma, Au-grabies and Kruger National Park also displayed significant increases in black visitor numbers and this speaks to our corporate strategy of transforming the domestic guest profile, through growth, to be representative of South African society. We believe that the growth in Mapungubwe, specifically, can probably be mostly attributed to the running media campaign with the Isidingo soap opera of SABC 3, which featured the park, exposing its most exciting attributes, along with the rising iconic cultural status that this park is enjoying. The demographic research will in the future focus on more than the number of black people coming to the parks, but will probe the reasons behind these visits.

As reported in last year's annual report SANParks continues to work with relevant stakeholders for the settlement of legitimate land claims in our national parks. We remain committed to supporting the national process to ensure that justice prevails in this regard. We work closely with the Land Claims Commission, the Department of Land Affairs and DEAT in developing a template for speedily resolving land claims in national protected areas. It is hoped that this will be signed by the respective Ministers in the new financial year.

With a signing of a Memorandum of Understanding (MOU) with Small Enterprise Development Agency (SEDA) of the Department of Trade and Industry which is aimed at building capacity in SMME's working with SANParks, we continue to move closer to our ideals as held by the People and Conservation divisional goals. This initiative will ensure that we continue to build support and economic growth in our neighbouring communities. We are really proud of the work done by our People and Conservation unit which is aimed at introducing communities to our parks and making the parks an integral part of their livelihoods. Some of the initiatives of the unit include Kids in Parks, Junior Honorary Rangers and 'Take Kruger to Kasie', to mention but a few.

In general, the 2005/2006 Financial Year was another feather to SANParks' cap and, I not only thank the SANParks family for making it possible but as well, I look forward to yet another 'WILD' year ahead.



Dr. David Mabunda
Chief Executive

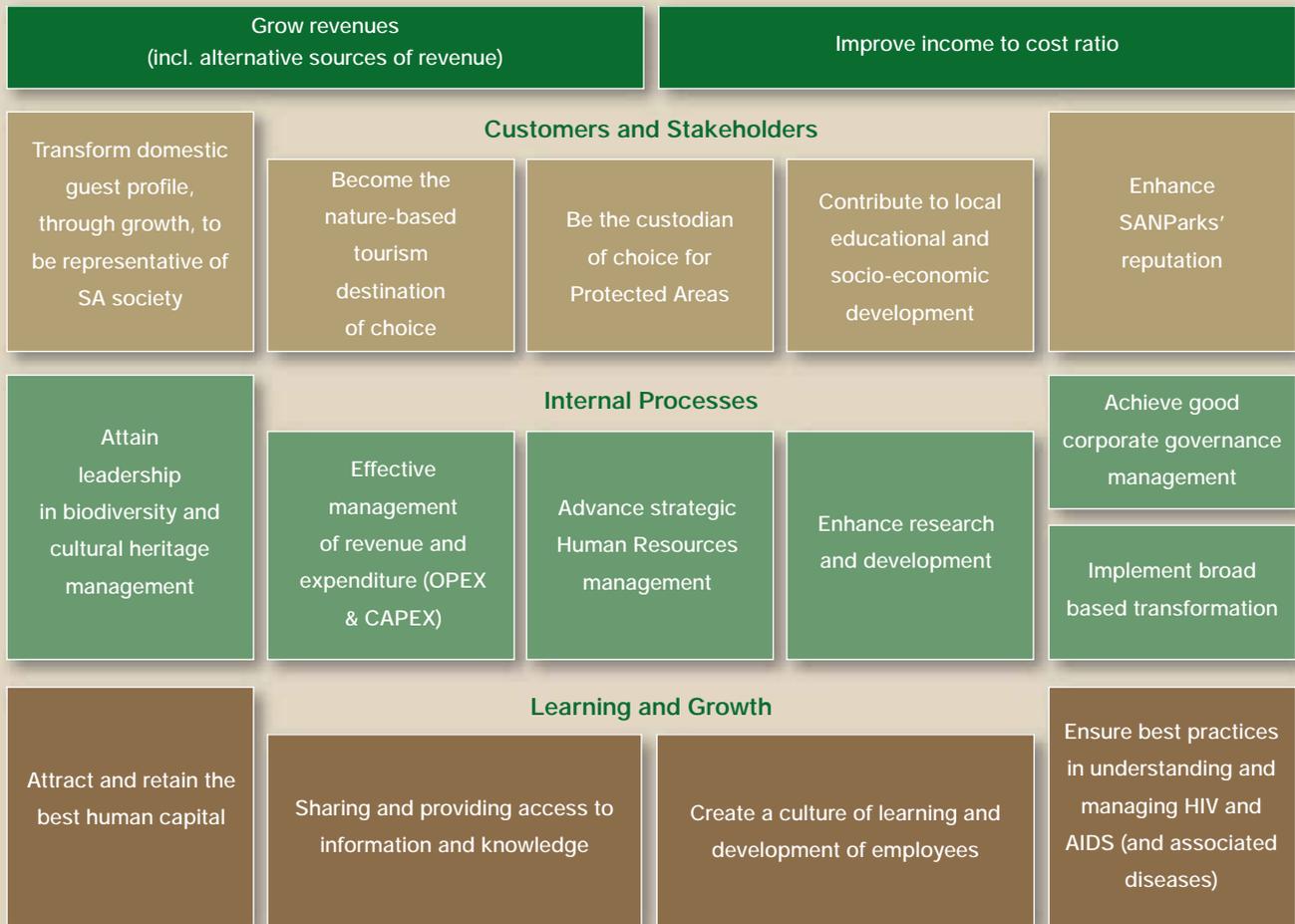
CORPORATE STRATEGY

Following the review of the organisation's corporate strategic plan as reported in the previous Annual Report, SANParks has developed a set of seventeen (17) Key Strategic Objectives that form the core of the organisation's strategic plan.

In order to ensure appropriate measurement of the achievement of these key strategic objectives the organisation has adopted the Balanced Scorecard (BSC) approach as the business performance measurement system.

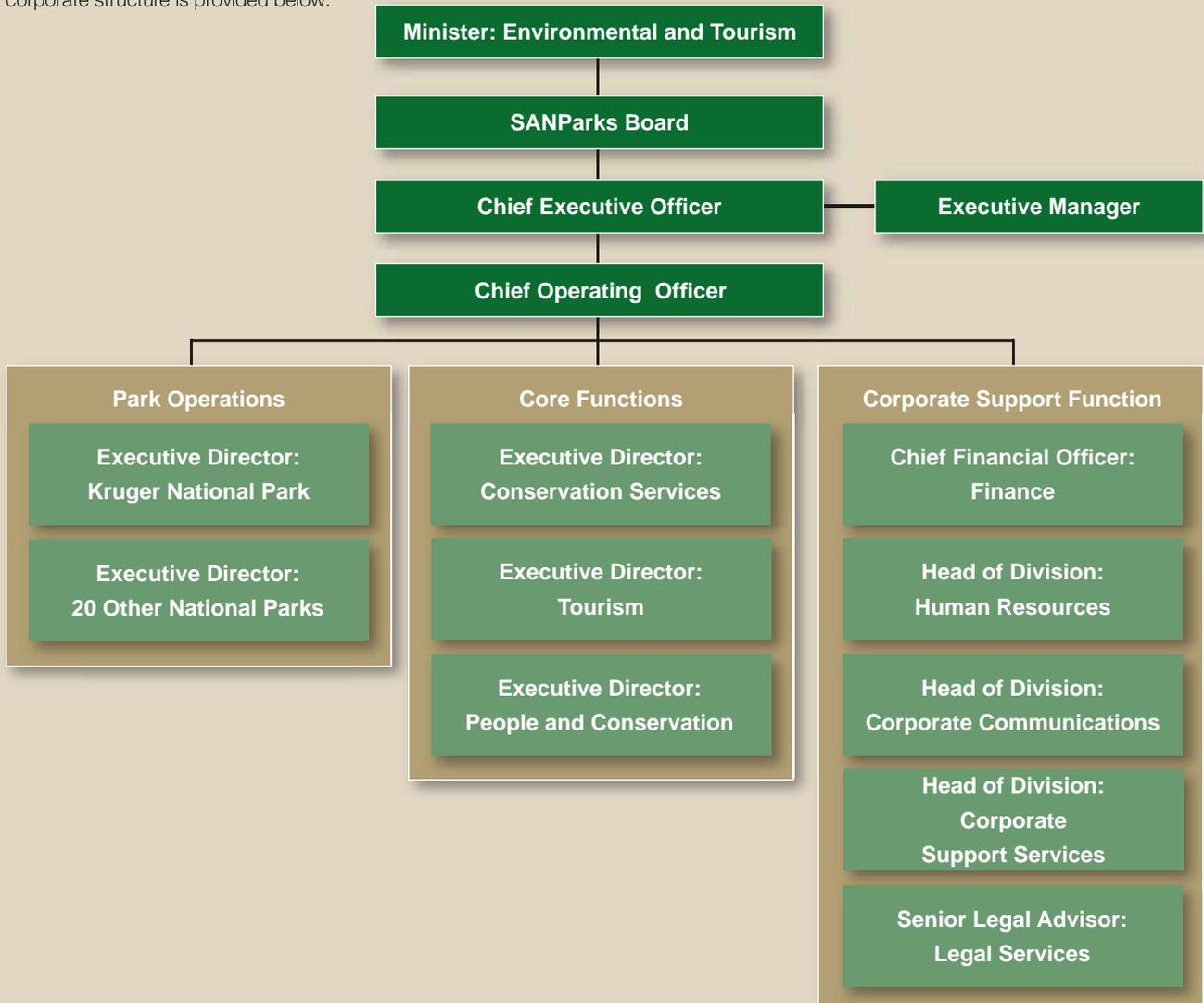
Accordingly, these objectives are classified into the four quadrants of the BSC as provided below:

Financial



HIGH-LEVEL CORPORATE STRUCTURE

The organisational structure was enhanced and embedded accordingly to ensure appropriate focus on the corporate strategy. The high-level corporate structure is provided below:



BALANCED SCORECARD BUSINESS PERFORMANCE MANAGEMENT SYSTEM

During the year under review, SANParks implemented the Balanced Scorecard Business Performance Management System as a tool through which the corporate business plan is measured.

The performance management and appraisal of Executive Directors and Heads of Divisions was done in accordance with an appraisal system that is founded on the Balanced Scorecard.

The rest of the (non-bargaining council affiliated) employees in the organisation will be measured on a similar basis starting from the beginning of the next financial year when a new Performance Appraisal System will be implemented in line with the Balanced Scorecard approach.



CONSERVATION SERVICES

LEGAL FRAMEWORK FOR BIODIVERSITY CONSERVATION

After a decade of transformation with its debates concerning the most appropriate way to go, biodiversity conservation is now accepted by SANParks as the bedrock of the organisation's activities against which other core functions such as tourism and people and conservation are anchored. SANParks has welcomed the refocus, and is now rolling out a corporate conservation leadership strategy.

In September 2005, Department of Environmental Affairs and Tourism (DEAT) took environmental law reform a step further by bringing into force the Protected Areas Act (57 of 2003 with its amendment, 31 of 2004). In line with the 2003 Protected Areas Act, SANParks must within twelve months, based on sections 20, 40 and 41 of the Act, submit revised management plans for all 22 National Parks to the Minister.

With its heavy emphasis on stakeholder participation, the 2003 Protected Areas Act ushers in a new look at how management plans are drawn up. While this is welcome in the era of democracy and participative management, a twelve months deadline for such an inclusive process is a daunting task.

The 2003 Protected Areas Act is one of a plethora of legislative acts that now govern the *modus operandi* of SANParks. Of these Acts, the Biodiversity Act (10 of 2004) requires the production of management plans for certain key species. As indicated in the 2005 Annual Report, the elephant management strategy is going through extended public consultation process and to date, SANParks has spent over R3 million since the 2004 Great Elephant Management Indaba.

The consultation has covered national and internal stakeholders including local people adjacent to KNP, 'elephant and non-elephant scientists', and various NGOs. The process is perhaps the most consultative environmental issue that South Africa has ever embarked on. While the SANParks Report to the Minister proposed a comprehensive management tool for dealing with the country's rapidly increasing population of over 18,000 elephants, the debate has been largely swayed towards a narrow focus on culling vs not culling.

Consequently, the elephant consultative process is now being handled by DEAT, and the Minister has personally handled most of the international discussions. DEAT will, as a result of the consultative process, produce norms and standards for management of elephant populations in South Africa.

MANAGING FOR BIODIVERSITY CONSERVATION

In line with the strategic objectives of managing for biodiversity, and associated cultural heritage, SANParks worked on the following:

- *State of biodiversity management reporting system.* The methodology for annual assessment of the state of the biodiversity and cultural heritage management system in national parks is complete and ready for implementation.
- *Reintroduction of indigenous wildlife species in Table Mountain NP (TMNP).* Eleven klipspringers, provided by Cape Nature from the Waterval Nature Reserve near Tulbagh, were translocated to TMNP as part of re-establishing klipspringers on Table Mountain, which was made possible by the removal of the alien Himalayan tahrs.
- *Disease management and research in Kruger National Park (KNP).* Another case of advanced Bovine TB was found in a buffalo in the far north of the KNP. Also of concern is that in some sections of the western boundary of the KNP buffalo are frequently moving out of the park and cattle are also entering the park, largely as a result of elephant-caused fence breaks. Mixing between rural livestock and buffalo poses serious disease risks.
- *State of Kruger National Park Rivers.* During October 2005 the Olifants and the Letaba Rivers stopped flowing. High concentration of hippo in the deeper pools of the Letaba river resulted in severe eutrophic conditions of the water and in the killing of most of the fish species and other river biota. SANParks has engaged with the Department of Water Affairs to ensure adequate release of water from upriver dams during dry periods. These rivers started flowing again as a result of good rains in November 2005.

LAND ACQUISITION

SANParks with assistance from DEAT, donors and its own resources has provided funds for the expansion and consolidation of our national parks. This has been primarily aimed at enhancing the conservation of our under-conserved biodiversity, towards the creation of ecologically sustainable national parks and providing the catalyst to enhance both economic and social opportunities. This is in line with sustainable development ideals.

Land available for purchase often far exceeds available funds and, accordingly, purchases were split to avoid forfeiting the opportunity to acquire land. Hence, while in 2005/06 SANParks spent a total of R58 million on land acquisition, only 27,329 hectares were acquired in 12 new properties for R48.3 million.

The balance of R9.7 million was carried over from the previous financial year, 2004/05. Of the R48.3 million, some R41.3 million was accounted for using DEAT land grant sources and the balance from donor contributions. However, R25.7 million from DEAT grant was used to repay the Industrial Development Corporation loan as part

of acquiring land for the Addo Elephant National Park in early 2000. The bulk of the land acquired was in under-conserved biomes: about 22 hectares for Fynbos; 18,380 hectares for Succulent Karoo; 8,885 hectares for Nama-Karoo; and 40 hectares for Savanna. Details of specific national parks expanded included:

1. Agulhas: The inclusion of untransformed lowland Fynbos near Cape Agulhas, potentially under threat of development.
2. Karoo: The inclusion of the single most important property that had effectively divided the western plains into two difficult management sections. This will allow SANParks to now use the greater area of the park.
3. Tankwa-Karoo: Two properties were purchased, extending 5590 hectares to consolidate the park and its holdings in the Roggeveld foothills. This is all moving towards the greater plan of further expanding into the biologically important Roggeveld Mountains.
4. Namaqua: Through the help of Conservation International, the park has further consolidated the important wilderness corridor as part of the plan to link the current mountains sections and planned coastal contractual park to create a mountains-to-sea conservation area.
5. Marakele: The acquisition of isolated private land that was totally surrounded by SANParks in order to form a contiguous management unit.

TRANSFRONTIER CONSERVATION AREAS

Good progress was made in the further implementation of the transfrontier conservation areas (TFCA) projects in South Africa during 2005. SANParks is the sole South African implementing agent for four of these areas, namely the Great Limpopo Transfrontier Park, the |Ai-|Ais/Richtersveld Transfrontier Conservation Park, the Kgalagadi Transfrontier Park, and the proposed Limpopo/Shashe Transfrontier Conservation Area. In addition to these, SANParks is also closely involved through the Greater Golden Gate National Park as one of the four South African implementing agents in the establishment of the Maloti-Drakensberg Transfrontier Project.

In developing TFCAs, SANParks works closely with DEAT, which is the lead national department for the development of TFCAs in South Africa. The Department plays a critical role in maintaining the momentum needed for the successful planning, development and implementation of transfrontier projects.

Support from other partners and role players including government departments, relevant governments and implementing agencies of partner countries, the private sector, donors and NGOs such as the Peace Parks Foundation, are greatly acknowledged and appreciated.



CONSERVATION SERVICES

Given the growing interest in TFCAs as regional conservation-based socio-economic development initiatives, and in particular the drive by the Minister to realise the potential benefits associated with these projects by 2010, it has become evident that there is a definite need to establish a more permanent structure at SANParks. In so doing, SANParks has initiated the necessary processes in order to facilitate the establishment of a permanent TFCA Unit at its Head Office in Pretoria.

In addition to the above, key activities and milestones reached in 2005/6 included the following:

|Ai-|Ais/Richtersveld Transfrontier Park (ARTP)

Good progress has been made in the development of the South African component of the Sendelingsdrift Border Post, and the process towards the reopening of the pontoon. SANParks has acquired funds for these developments as part of the Poverty Relief Programme currently being implemented.

Namibia also obtained approval for the development of its component of the Border Post towards the end of 2005, while construction will commence in 2006. It is anticipated that this facility, will be officially opened in March 2007.

Good progress was also made with the development of the Joint Management Plan and Integrated Tourism Development Plan for the ARTP. In addition, both Namibia and South Africa have initiated a process to facilitate the development of their components of the Ai-Ais / Richtersveld Transfrontier Conservation Area.

Great Limpopo Transfrontier Park (GLTP)

South Africa continued with the translocation of animals from the Kruger National Park to the Limpopo National Park (LNP) in 2005. The Wildlife Translocation Programme, which is funded by the Peace Parks Foundation, is an important component of the development process of the GLTP in order to facilitate the establishment of wildlife in the recently proclaimed LNP in Mozambique.

In 2005 a total of 736 animals were translocated to the LNP in Mozambique. In addition, an additional 30km of the KNP eastern boundary fence was dropped in 2005 to facilitate the re-establishment of wildlife migration routes. In total, approximately 45km of the KNP eastern boundary fence has now been dropped.

The Giriyyondo Access Facility became operational on 7 December 2005 and, during the first week of operation, approximately 100 tourists made use of the facility. Since then and up until 1 April 2006 a total of 3, 558 tourists (1, 041 vehicles) have made use of the facility.

Kgalagadi Transfrontier Park (KTP)

A process to facilitate the development of an Integrated Tourism Development Plan for the KTP was initiated in 2005. This exciting project, which is funded by the Peace Parks Foundation (PPF), should be completed towards the third quarter of 2006.

Following a proposal by South Africa that the Mata-Mata Entrance Gate be re-opened, the necessary official processes were initiated to get Cabinet approval for the re-opening of the border post on the Namibian side. In so doing, Namibia approved the re-opening of the Mata-Mata Border Post in December 2005. It is estimated that Namibia will commence with the construction of the relevant infrastructure on their side of the international border in 2006. As in the case of the Sendelingsdrift Border Post, it is anticipated that this facility will be officially opened towards the end of March 2007.

Limpopo/Shashe Transfrontier Conservation Area

As at the end of financial the year, South Africa was still awaiting confirmation of final approval of the Limpopo/Shashe TFCA Memorandum of Understanding (MoU) from Zimbabwe. Botswana approved the MoU earlier in 2005 but was awaiting the final approval by Cabinet of the Agreement between the Northern Tuli Game Reserve Land Owners Association and the Government of Botswana.

This Agreement was finally approved in December 2005 and, the MoU is due to be signed in 2006, after which the various technical committees will be established to facilitate the planning and development process for establishment of this transfrontier conservation area.

On the South Africa side of the Limpopo/Shashe TFCA, the further consolidation of the core area of the Mapungubwe National Park is ongoing. Good progress has also been made with the implementation of the Poverty Relief Programme in 2005. These include a R14m interpretative centre project, the rehabilitation of archaeological sites, restoring the unique wetland system in the Limpopo River floodplain, and the rehabilitation of old farmlands.

Maloti-Drakensberg Transfrontier Project

Good progress has been made in activities relating to the planning and establishment of the Maloti Drakensberg Transfrontier Project (MDTP) between Lesotho and South Africa. SANParks continued its participation in MDTP activities in 2005 with the key activities centered on the integration of the SANParks planning process with the broader MDTP objectives. As SANParks is one of four implementing agents for the MDTP in South Africa, it is represented on the SA Project Coordination Committee (PCC), which has been constituted to oversee the activities of the Project Coordinating Unit (PCU). In addition, the South African PCC members also serve on a Bi-Lateral Steering Committee between Lesotho and South Africa.

SANParks is also adding value to the project with the development of Poverty Relief funded tourism facilities in the Golden Gate Highlands National Park which were opened to the public in 2005. One of the key outstanding issues however is the proposed incorporation of the Owa-Qwa Nature Reserve/National Park land as part of Golden Gate Highlands National Park.



TOURISM DEVELOPMENT AND MARKETING

OVERVIEW

It has been a very exiting year for Tourism in SANParks. Average Unit Occupancies once again showed growth ending on 66.00%, growing by 1.3% on the previous year's results. Unit nights sold grew by 10,364. Tourism income grew from the previous year's result of R248 million to end on a result of R307 million, a growth of 19.22%.

This is a clear indication that the Reservation and Property management system that was rolled out in mid 2004 has begun to show positive results in terms of better management control. Notably, concession income grew from the previous years income of R24 million to achieve a final result of R36 million. This result is also a clear indication that the interventions that were implemented in this area in the previous year have shown the desired results.

This year also saw positive growth in the area of black visitor demographics with results showing a growth from 11.7% to 18.8%. Marketing efforts such as Sho't Left and the Isidingo Project, aimed at key domestic growth markets are beginning to bear fruit. In terms of our International visitor base, Germany, the United Kingdom, the Netherlands, France and the United States proved to be our "Big Five." Of our total visitor base, the domestic market constitutes 75% of all visits to SANParks.

The Wild card continued to show growth with an additional 9,533 new card sales ending on a total of over 81,000 cards sold generating over R10 million. Lastly, towards the end of 2005 SANParks had no option but to terminate the concession contract of the KNP restaurant operator. The handover to an interim operator was a seamless one with all facilities continuing to operate as usual. The tender process for a replacement operator will begin towards the end of the next financial year.

TOURISM SALES AND MARKETING

The year under review has been yet another thrilling year for South African National Parks (SANParks) Marketing Department. With the department's limited resources, innovative measures have been made in achieving the overall organizational objectives.

These accomplishments were made possible by concentrating all marketing efforts on strategic focus areas linked to the organisation's business plan and – some of these are outlined below:

- Creation of tourism packages and designing promotions around these packages to make our product offering attractive and relevant to the identified target audiences.
- Focusing on growing the awareness of activities.
- Launching and promoting new products.
- Re-alignment of SANParks marketing programme with to Provincial Tourism Authorities activities.

- Growing Wild Card sales through the identification of effective marketing communication tools to create awareness and extend distribution of this product.

Due to the unique nature of our product offering, a conscious decision was taken to move away from the conventional marketing approach to a new-age marketing approach. We believe this will benefit our product through making our communication fresh and relevant with an aim of ultimately appealing to the needs and desires of our target audience. This is part of a strategic decision to ensure that we are able to appeal to various audiences without alienating others, therefore making our product to have a much broader appeal.

The unit's mandate is to ensure that we continually make our product more appealing to Previously Disadvantaged Individuals (PDI) and thus, we have moved towards an unconventional but innovative approach to marketing.

The following campaigns geared at this initiative which were conducted during this fiscal year under review include:

Wilderness Bush Bash (WBB)

The WBB campaign offered kids from various communities an opportunity to experience KNP.

Product Placement

This project was conducted through partnership with Isidingo, the popular SABC3 Soap Opera and, through this initiative, the Tourism Division managed to infuse, feature and 'place' certain parks within the TV show's storyline.

Proudly South African

SANParks also became part of the Proudly South African campaign in September 2005. This offers SANParks a whole range of opportunities, which will be explored further in the 2006/2007 financial year.

Sho't Left campaign

SANParks sponsored various prizes as part of the South African Sho't Left Campaign. Our name was mentioned on Metro FM, YFM, and Ukhozi FM radio stations as one of the co-sponsors of this reputable national campaign.

Lawrence Dube Afternoon Drive show

Continued partnerships with Gauteng-based Adult Content Radio (ACR) Kaya FM saw SANParks actively participating in the Lawrence Dube Afternoon Drive Show in a form of sponsored Talk Shows. Through this partnership, various senior members of the organisation were interviewed and focused mainly on the following topics:



TOURISM DEVELOPMENT AND MARKETING

- o Conservation and its relevance to South Africa;
- o People-centred Conservation; and
- o Tourism and its contribution to South Africa's economy and the role SANParks plays within this industry.

In efforts to attract the emerging market, SANParks participated in the Ekasi Travel and Tourism Expo, exhibited in the Oprah Show staged at the Sandton Convention Centre and took part in the Soccer Expo held at Nasrec Johannesburg. These initiatives proved very successful as part of the process of making in-roads into the emerging market.

In executing our maintenance strategy aimed at the current audiences, SANParks also participated in the following exhibitions:

- o Tourism Indaba 2005 in Durban
- o Outdoor Adventure Expo in Kyalami
- o The Star Getaway Show in Johannesburg
- o Holiday Makers Expo in Johannesburg
- o Cape Expo in Cape Town
- o Meeting Africa held at the Sandton Convention Centre
- o Eco-Tourism Confex held at Indaba Hotel in Fourways

Due to the importance of these initiatives, much effort is applied in pre-planning and designing our stands and ensuring the efficient running of these shows and this resulted in SANParks winning the following awards:

- o Premier Best Stand Award during the Cape Outdoor Expo
- o Overall Best Stand during the Holiday Maker's Expo
- o Overall Premier Best Stand during the Cape Expo

In execution of our international marketing that mainly aims at creating and maintaining presence in major markets, SANParks participated in the following International Exhibitions:

- o Vakansie Beurs in Holland
- o World Travel Market in London
- o ITB in Germany

All these initiatives led to numerous achievements which include:

- o The overall Tourism statistics in relation to black visitors increased to 19.4%, with Mapungubwe National Park achieving over 60% of black visitors.
- o Tsitsikamma, Kruger National Park and Au-grabies National Park also started showing a steady increase in the number of black visitors.

Business Development

Five years have elapsed since SANParks embarked on its Commercialisation Strategy and awarded 12 concession sites and 19 shops, 17 restaurants and 4 picnic sites to private operators.

In addition, SANParks has concluded a few smaller activity-based Public Private Partnerships (PPPs). The organisation outsourced the Langebaan Houseboats in the West Coast National Park and also manages two significant PPPs at Table Mountain and Cape Point.

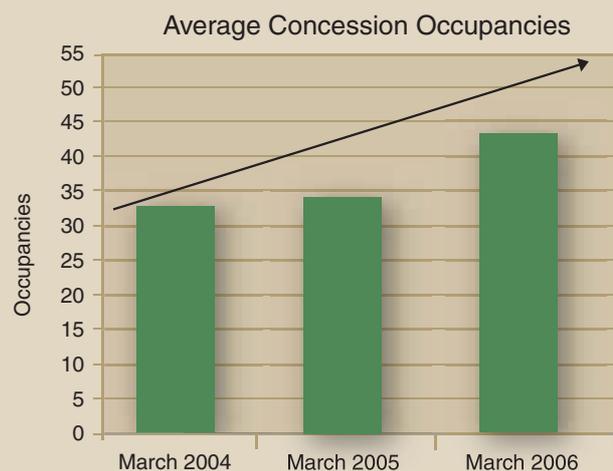
SANParks has since proved its ability to successfully manage the challenging post-award phase of PPPs including the variation management thereof. The extensive experience acquired by SANParks with the implementation of PPPs, the subsequent lessons learnt, skills acquired and the vital involvement in the National Treasury Tourism PPP Toolkit have resulted in SANParks being considered as a recognised leader in eco-tourism PPPs.

During this financial year, the most notable variation management involved the intervention in the restaurant operating agreement in the KNP. Due to unsatisfactory service delivery by the operator, SANParks was confronted with no alternative but to terminate the agreement.

In cognisance of all stakeholders, SANParks ensured a seamless handover to an interim operator with no disruption of service or job losses. SANParks will follow an appropriate and transparent process as per the guidelines of the National Treasury Regulations to appoint a replacement operator before the end of the next financial year.

Of the twelve concession sites, ten are fully operational whilst the two concessions in TMNP are busy with their environmental impact analysis. The intervention to the concession financial model in the previous financial year to allow the concessionaires increased flexibility with regard to their pricing resulted in an overall increase in their occupancy levels.

The monthly average concession occupancies have improved from 33% in April 2004 to well over 52% in March 2006. Annual average occupancies have increased by 10% over this period.



Note: The table above shows the growth in concession occupancies for the past three financial years

Table: Average Concession Occupancies for 3 (Three) Years

Notable increases in occupancies are from the Jock Safari Lodge and Singita Lebombo where occupancies rose from 44.59% and 34.71% for the financial year ending 2005 to 60.37% and 47.75% respectively for the 2006 financial year.

Following the implementation of the Commercialisation Strategy 2000, there has been significant development in SANParks' approach to PPP initiatives.

SANParks has thus developed a new Strategic Plan for Commercialisation which accommodates key lessons learnt from the previous strategy and therefore the thrust being a fundamental shift from using commercialisation as an alternative source of funding to a shift towards "Responsible Tourism and Commercialisation".

With the new Strategic Plan for Commercialisation SANParks can accommodate and benefit from:

- The experience and specialist skills acquired;
- The lessons learnt from the implementation and management of PPPs;

- The legislative requirements in terms of the Public Finance Management Act and the National Treasury Tourism PPP Toolkit; and
- The extended scope of projects identified to enable SANParks to improve its infrastructure towards 2010, generate revenues, promote BBBEE and create employment.

The objective of the Strategic Plan for Commercialisation is thus to ensure that SANParks has the fundamentals in place for managing the existing PPPs and for entering into new PPPs successfully. This 5-year strategy will follow a phase approach with project implementation between 2006 and 2011.

The following schedule summarises the income received from the various PPPs in SANParks:

Concession Lodges	Mar-05	Mar-06
Tinga Private Game Lodge - Kruger	1 139 093	1 358 607
Jock Safari Lodge - Kruger	574 373	622 082
Lukimbi Safari Lodge - Kruger	359 109	371 938
Imbali Safari Lodge - Kruger	629 429	741 977
Rhino Walking Safaris - Kruger	189 541	158 494
Singita Lebombo - Kruger	1 813 080	3 632 946
Shishangeni Lodge - Kruger	1 348 011	1 483 954
Brandwag Hotel - Golden Gate	927 555	703 526
Gorah Elephant Camp - Addo	405 652	493 550
Nguni River Safari Lodge - Addo	560 596	613 265
Roundhouse Concession - Table Mountain	155 868	92 776
Koeel Bay Concession - Table Mountain	0	0
Tender Fees Received	450 943	0
Sub-Total	8 553 250	10 273 115
Other PPPs	Mar-05	Mar-06
Eden Adventures Canoe Trails - Wilderness	39 223	44 211
Canoe Trails - Augrabies	16 582	11 032
Kingfisher Camp - Marakele	0	19 480
Langebaan Houseboats - West Coast	0	162 846
Cape Point Lease and TMACC - TMNP	7 824 089	8 419 005
Sub-Total	7 879 894	8 656 574
TOTAL	16 433 144	18 929 690
Facilities Rentals	Mar-05	Mar-06
Additional Income Shops and Restaurants	9 275 095	7 692 802
TOTAL PPP NET INCOME	25 708 239	26 622 492

Note: Table: PPP income breakdown - Financial year 2005, 2006

PRODUCT	TOTAL INCOME
Concessions	R 41,104,792
Other	R 16,536,468
Restaurant and Retail Facility Rentals	R 37,002,267
TOTAL	R 94,643,528
Commercialisation Expenses to Date	-R 12,339,555
NET Income Commercialisation	R 82,303,973

Table: Nett PPP benefit to date

TOURISM DEVELOPMENT AND MARKETING

TOURISM OPERATIONS

Sales Administration

On 14 June 2005, RoomSeeker celebrated one year in operation and, the half-a-million reservations mark was passed on 9 December 2005. The one-millionth receipt was issued through the system on 5 January 2006 and there are currently 520 registered active users on the RoomSeeker system in SANParks.

The replacement of RAFOS with a real time reservations and property management system (RoomSeeker) has broadened the scope and placed a large responsibility on the clipboard. Due to the integration of functionalities of, both, the reservation and front offices, the intent and commitment of management from a RoomSeeker and Hospitality perspective is a joint opportunity to achieve a better system of control of inventory as well as revenue control.

Workshops and training were thus conducted throughout the parks to explain RoomSeeker functionalities, policies, procedures and how operations within the system should be managed. In addition user support/assistance has been provided 24/7 to ensure efficient completion of daily tasks.

Statistics show a decrease in shortages / surpluses and timely reconciliation of cash drawers which is an indication that business units have started to perform their responsibilities and understand the consequences of non-compliance to procedures.

Universal Access

This year saw the establishment of a baseline that will ensure that minimum standards are set in delivering improved universal access to Tourism facilities in national parks. Currently 4.48% of all accommodation units comply with the minimum requirements.

Grading

In line with SANParks policy, the grading of facilities progressed well during the year and by 31 March 2006 52% of all overnight accommodation and camping units had been assessed. Many of the units and camps were also pre-graded.



GRADING OF SANPARKS TOURISM FACILITIES - PROGRESS AS AT 31 MARCH 2006

PARKS	GRADING PROGRESS
ARID	44%
AUGRABIES	40%
KGALAGADI	22%
Bitterpan	100%
Gharagab	100%
Grootkolk	100%
Kalahari Tented	100%
Kieliekrankie	100%
Mata Mata	0%
Nossob	0%
Twee Rivieren	0%
Urikaruus	100%
RICHTERSVELD	100%
De Hoop	100%
Ganakouriep	100%
Hakkiesdoring	100%
Kokerboomkloof	100%
Potjiespram	100%
Richtersberg	100%
Sendelingsdrif	100%
Tatasberg	100%
VAALBOS	0%
CAPE	0%
WEST COAST	0%
BONTEBOK	0%
TABLE MOUNTAIN	0%
FRONTIER	89%
ADDO	99%
Mathyolweni	100%
Narina	0%
Main	100%
KAROO	100%
MOUNTAIN ZEBRA	50%
GARDEN ROUTE	88%
TSITSIKAMMA	100%
Natures Valley	100%
Storms River	100%
WILDERNESS	70%
NORTHERN	98%
GOLDEN GATE	100%
Glen Reenen	100%
Mountain Retreat	100%
MARAKELE	100%
Tlopi	100%
Bontle	100%
MAPUNGUBWE	100%
Leokwe	100%
Limpopo Forest	100%
Tshugulu	100%
Vhembe	0%
SUBTOTAL PARKS	73%

PARKS	GRADING PROGRESS
KNP - NYAKENI	33%
BALULE	71%
MAROELA	100%
ORPEN	0%
ROODEWAL	0%
SATARA	31%
TALAMATI	0%
TAMBOTI	0%
KNP - NXANATSENI	38%
BATELEUR	0%
BOULDERS	0%
LETABA	22%
MOPANI	100%
OLIFANTS	2%
PUNDA MARIA	62%
SHIMUWINI	0%
SHINGWEDZI	40%
SIRHENI	0%
KNP - MARULA	43%
BERG-EN-DAL	100%
BIYAMITI	0%
CROCODILE BRIDGE	30%
LOWER SABIE	22%
MALELANE	75%
PRETORIUSKOP	23%
SKUKUZA	38%
SUBTOTAL KNP	40%

TOURISM DEVELOPMENT AND MARKETING STATISTICS

1. SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2006 : ALL PARKS

ACCOMMODATION (EXCL CAMPING)							
Park	Unit Nights Sold	% Of Total	Unit Occupancy	Bed Nights Sold	% Of Total	Bed Occupancy	
ADDO	21399	4.8%	80.1%	49842	4.6%	59.7%	
Previous year	19331	4.4%	79.5%	46138	4.3%	59.4%	
AGULHAS							
Previous year							
AUGRABIES	11449	2.6%	53.6%	24174	2.2%	45.7%	
Previous year	11195	2.6%	49.9%	24537	2.3%	39.1%	
BONTEBOK	671	0.1%	62.3%	1833	0.2%	28.4%	
Previous year	751	0.2%	68.0%	2261	0.2%	34.1%	
GOLDEN GATE	6345	1.4%	45.9%	17454	1.6%	35.3%	
Previous year	4941	1.1%	43.5%	16228	1.5%	26.4%	
KAROO	9161	2.0%	66.1%	21314	1.9%	42.1%	
Previous year	8913	2.0%	64.1%	21728	2.0%	43.1%	
KGALAGADI	18724	4.2%	62.4%	46831	4.3%	50.9%	
Previous year	17856	4.1%	58.0%	42945	4.0%	39.3%	
KRUGER	337874	75.3%	68.9%	825554	75.4%	54.1%	
Previous year	333982	76.2%	66.5%	820922	75.9%	52.9%	
MARAKELE	2431	0.5%	49.9%	4910	0.4%	67.5%	
Previous year	2204	0.5%	52.7%	5227	0.5%	42.7%	
MAPUNGBUWE	3299	0.7%	25.9%	7607	0.7%	24.3%	
Previous year	1410	0.3%	23.8%	4777	0.4%	19.0%	
MOUNTAIN ZEBRA	4018	0.9%	63.6%	10774	1.0%	41.5%	
Previous year	4728	1.1%	69.6%	13813	1.3%	49.1%	
NAMAQUA							
Previous year							
RICHTERSVELD	367	0.1%	6.5%	781	0.1%	5.3%	
Previous year	0	0.0%	0.0%	0	0.0%	0.0%	
TABLE MOUNTAIN	485	0.1%	45.1%	2534	0.2%	31.0%	
Previous year	428	0.1%	37.3%	1668	0.2%	18.2%	
TANKWA-KAROO							
TSITSIKAMMA	23038	5.1%	69.2%	56374	5.1%	52.8%	
Previous year	22655	5.2%	67.3%	55988	5.2%	52.6%	
VAALBOS	532	0.1%	48.6%	1549	0.1%	23.6%	
Previous year	667	0.2%	48.0%	2186	0.2%	22.2%	
WEST COAST	576	0.1%	52.6%	1836	0.2%	21.0%	
Previous year	431	0.1%	52.8%	1412	0.1%	21.8%	
WILDERNESS	8591	1.9%	49.5%	21460	2.0%	41.9%	
Previous year	9084	2.1%	51.7%	22292	2.1%	42.9%	
SANPARKS TOTAL	448960	100.0%	66.0%	1094827	100.0%	51.6%	
PREVIOUS YEAR	438576	100.0%	64.7%	1082122	100.0%	49.9%	
DIFFERENCE	2.4%		1.3%	1.2%		1.7%	

	CAMPING - PERSON NIGHTS SOLD	% Of Total	GUESTS TO PARK	% Of Total	Total Activities	% Of Total
	22059	4.5%	140179	4.1%	27546	14.3%
	18033	3.8%	132734	3.9%	26979	14.5%
			23480	0.7%		
			27022	0.8%		
	13250	2.7%	61746	1.8%	259	0.1%
	15916	3.3%	58209	1.7%	904	0.5%
	5738	1.2%	8724	0.3%		
	7587	1.6%	15074	0.4%		
	11905	2.4%	25101	0.7%	3658	1.9%
	12478	2.6%	21870	0.6%	573	0.3%
	10716	2.2%	27568	0.8%	1505	0.8%
	12742	2.7%	28037	0.8%	775	0.4%
	32896	6.7%	21811	0.6%	3685	1.9%
	31242	6.5%	23709	0.7%	2424	1.3%
	312383	63.9%	1243467	36.5%	139909	72.5%
	287753	60.0%	1285232	37.5%	132951	71.7%
	11611	2.4%	19143	0.6%	409	0.2%
	10499	2.2%	18626	0.5%	597	0.3%
	0	0.0%	20370	0.6%	1621	0.8%
	0	0.0%	10659	0.3%	458	0.2%
	4269	0.9%	14147	0.4%	87	0.0%
	4222	0.9%	16554	0.5%	491	0.3%
			2804	0.1%		
			3902	0.1%		
	5122	1.0%	725	0.0%		
	9591	2.0%	3331	0.1%		
		0.0%	1479308	43.4%	1002	0.5%
		0.0%	1494263	43.5%	1176	0.6%
			0	0.0%		
			0	0.0%		
	38890	8.0%	162549	4.8%	13285	6.9%
	50876	10.6%	180231	5.3%	17729	9.6%
	840	0.2%	1606	0.0%	10	0.0%
	1229	0.3%	4461	0.1%	109	0.1%
		0.0%	140664	4.1%		
		0.0%	85798	2.5%		
	19076	3.9%	16042	0.5%	21	0.0%
	17060	3.6%	21471	0.6%	371	0.2%
	488755	100.0%	3409434	100.0%	192997	100.0%
	479228	100.0%	3431183	100.0%	185537	100.0%
	2.0%		-1.0%		4.0%	

TOURISM DEVELOPMENT AND MARKETING STATISTICS

2. SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2006 FOR THE KRUGER NATIONAL PARK

ACCOMMODATION (EXCL CAMPING)						
	Unit Nights Sold	Previous Year	Unit Occupancy	Previous Year	Bed Nights Sold	Previous Year
KNP - CENTRAL	1.4%		2.4%		0.4%	
BALULE	1747	1662	79.8%	66.9%	3961	3439
MARULA						
ORPEN	3229	3417	61.1%	62.5%	8205	8523
ROODEWAL	200	565	57.1%	67.4%	1801	2228
SATARA	45665	43836	76.4%	72.8%	104600	102491
TALAMATI	4247	4291	80.0%	79.8%	16470	16667
TAMBOTI	10154	10563	69.9%	71.9%	24621	25616
REGIONAL TOTAL	65242	64334	74.6%	72.2%	159658	158964
KNP - NORTH	-0.8%		0.3%		-1.5%	
BATELEUR	1215	1345	47.6%	52.0%	4343	4577
PUNDA MARIA	6419	5352	60.0%	56.2%	12731	11610
SHINGWEDZI	12230	13877	48.0%	47.7%	32088	34991
SIRHENI	2103	2050	38.4%	37.5%	7381	7194
BOULDERS	99	180	27.1%	49.0%	787	1240
LETABA	31257	30018	70.5%	66.0%	78072	78000
MOPANI	14644	14922	38.7%	39.3%	50208	50769
OLIFANTS	28349	29730	63.1%	68.0%	64249	66892
SHIMUWINI	2924	2678	53.8%	48.8%	10246	9278
PHALABORWA						
SABLE DAM	149	59	44.6%	65.6%	592	224
REGIONAL TOTAL	99389	100211	56.0%	55.7%	260697	264775
MARULA	2.2%		4.2%		2.0%	
BERG-EN-DAL	26234	24696	78.9%	71.4%	70904	66906
MBIYAMITI	4750	4877	89.7%	87.9%	16662	16778
CROCODILE BRIDGE	7325	6736	72.8%	65.0%	15539	14582
LOWER SABIE	33900	35646	86.0%	83.8%	71845	75766
MALELANE	787	895	43.1%	48.4%	2168	2462
PRETORIUSKOP	31012	30387	63.1%	60.8%	70632	69244
SKUKUZA	69235	66200	80.2%	75.1%	157449	151445
REGIONAL TOTAL	173243	169437	76.9%	72.7%	405199	397183
TOTAL 2005/6	337874	333982	68.9%	66.5%	825554	820922
DIFFERENCE	1.2%		2.4%		0.6%	

	Bed Occupancy	Previous Year	Camping - Person Nights Sold	Previous Year	Total guest entries into Park	Previous Year	Total Activities	Previous Year
	-0.0%		14.4%				-4.5%	
	42.3%	54.3%	9750	7696				
			14734	14862				
	52.6%	53.4%	0	49			5501	5816
	27.1%	36.1%						
	65.7%	64.1%	54708	46646			20347	21453
	56.9%	56.9%					1518	1382
	56.5%	57.9%						
	60.7%	60.7%	79192	69253			27366	28651
	-0.2%		1.5%				-10.7%	
	35.0%	36.4%					0	210
	53.9%	53.4%	13217	11982			1327	1672
	36.1%	34.8%	25465	26250			3616	4419
	25.3%	24.7%					521	870
	18.0%	28.1%						
	57.4%	56.4%	32364	31347			11585	14004
	27.0%	27.2%	0	403			4898	5191
	59.2%	63.9%					16094	16205
	39.8%	35.7%					40	391
							1591	1467
	19.6%	27.7%						
	42.2%	42.4%	71046	69982			39672	44429
	3.2%		9.2%				21.7%	
	55.9%	50.0%	42360	40228			11306	14530
	67.5%	64.8%					2245	1515
	58.5%	53.3%	8733	9027			3741	4918
	80.2%	78.5%	26505	30462			11549	13010
	29.7%	33.6%	3727	3961			5152	1150
	54.3%	52.3%	25611	22556			11064	8478
	66.0%	62.6%	55209	42284			27814	16270
	63.0%	59.7%	162145	148518			72871	59871
	54.1%	52.9%	312383	287753	1243467	1285232	139909	132951
	1.2%		8.6%		-3.2%		5.2%	

TOURISM DEVELOPMENT AND MARKETING STATISTICS

3. SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2006 FOR PARKS (DIVISION)

ACCOMMODATION (EXCL CAMPING)						
	Unit Nights Sold	Previous Year	Unit Occupancy	Previous Year	Bed Nights Sold	Previous Year
ARID	4.6%		-1.0%		5.3%	
AUGRABIES	11449	11195	53.6%	49.9%	24174	24537
KGALAGADI	18724	17856	62.4%	58.0%	46831	42945
Bitterpan	919	886	65.5%	60.5%	1783	1732
Grootkolk	994	927	68.5%	63.8%	1956	1817
Mata Mata	1618	1440	55.4%	49.2%	4290	3789
Mata tented	2663	2659	49.9%	48.8%	6248	6068
Nossob	4599	4268	71.6%	64.8%	11738	10731
Twee Rivieren	6985	7300	64.6%	64.7%	19068	18045
Kieliekrankie	978	104	70.5%	24.6%	1909	201
Gharagab	503	78	36.5%	13.4%	1006	153
Urikaruus	1149	194	82.1%	32.1%	2047	409
NAMAQUA						
RICHTERSVELD	367	0	6.5%	0.0%	781	0
VAALBOS	532	667	48.6%	48.0%	1549	2186
CLUSTER TOTAL	31072	29718	53.4%	54.4%	73335	69668
CAPE	7.6%		0.8%		16.1%	
AGULHAS						
BONTEBOK	671	751	62.3%	68.0%	1833	2261
TABLE MOUNTAIN	485	428	45.1%	37.3%	2534	1668
TANKWA KAROO						
WEST COAST	576	431	52.6%	52.8%	1836	1412
CLUSTER TOTAL	1732	1610	53.3%	52.5%	6203	5341
FRONTIER	4.9%		0.5%		0.3%	
ADDO	21399	19331	80.1%	79.5%	49842	46138
Addo	20088	18800	90.9%	86.1%	46604	44449
Narina	194	231	53.2%	79.4%	988	1083
Mathyolweni	1117	300	25.6%	0.0%	2250	606
KAROO	9161	8913	66.2%	64.1%	21314	21728
MOUNTAIN ZEBRA	4018	4728	63.6%	69.6%	10774	13813
CLUSTER TOTAL	34578	32972	73.8%	73.3%	81930	81679
GARDEN ROUTE	-0.3%		0.6%		-0.6%	
TSITSIKAMMA	23038	22655	69.2%	67.3%	56374	55988
Storms River	21155	20675	73.1%	70.2%	52159	51491
Natures Valley	1883	1980	43.3%	46.7%	4215	4497
WILDERNESS	8591	9084	49.5%	51.7%	21460	22292
CLUSTER TOTAL	31629	31739	62.5%	61.9%	77834	78280

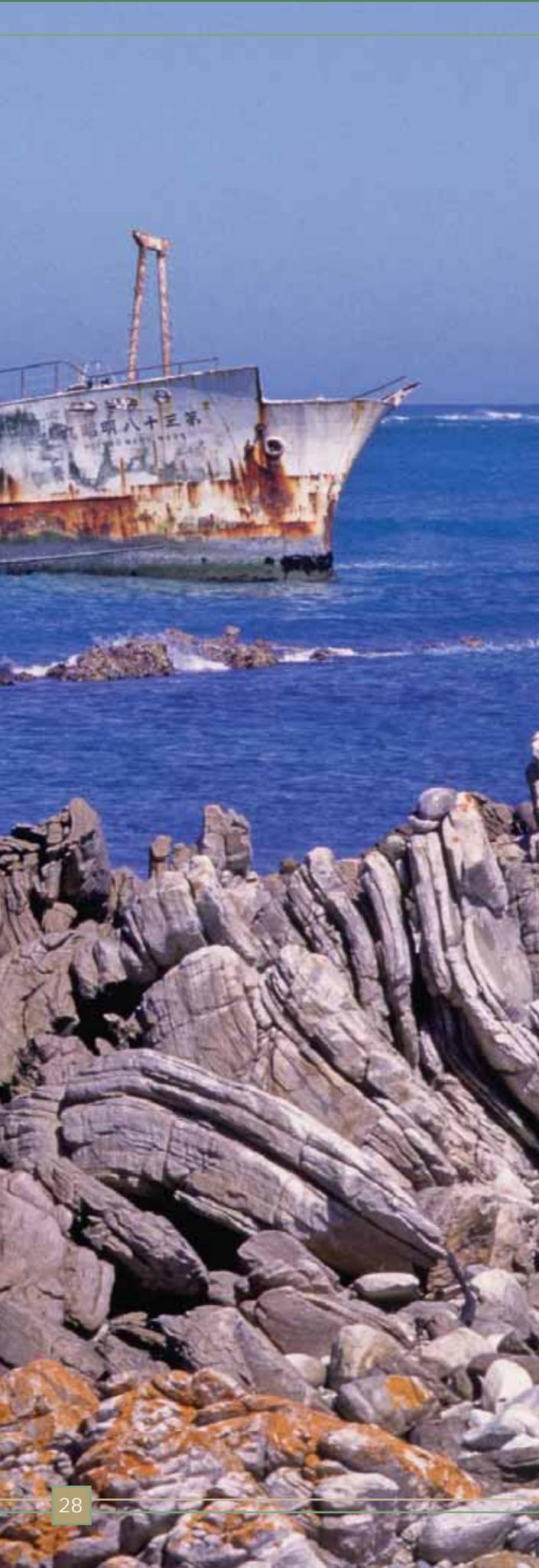
	Bed Occupancy	Previous Year	Camping - Person Nights Sold	Previous Year	Guests To Park/ Cluster	Previous Year	Total Activities	Previous Year
	6.2%		-10.1%		-5.3%		15.0%	
	45.7%	39.1%	13250	15916	61746	58209	259	904
	50.9%	39.3%	32896	31242	21811	23709	3685	2424
	63.5%	59.2%						
	67.4%	62.6%						
	40.6%	35.7%	7415	6967				
	46.3%	43.9%						
	64.6%	55.7%	13288	12725				
	46.5%	32.0%	12193	11550				
	68.8%	23.8%						
	39.0%	13.1%						
	80.0%	33.9%						
					2804	3902		
	5.3%	0.0%	5122	9591	725	3331		
	23.6%	22.2%	840	1229	1606	4461	10	109
	44.1%	37.9%	52108	57978	88692	93612	3954	3437
	2.5%		-24.4%		1.9%		-14.8%	
					23480	27022		
	28.4%	34.1%	5738	7587	8724	15074		
	31.0%	18.2%			1479308	1494263	1002	1176
	21.0%	21.8%			140664	85798		
	26.5%	24.0%	5738	7587	1652176	1622157	1002	1176
	-1.1%		5.8%		2.6%		3.2%	
	59.7%	59.4%	22059	18033	140179	132734	27546	26979
	65.8%	63.2%						
	33.8%	46.5%						
	23.0%	0.0%						
	42.1%	43.1%	10716	12742	23111	28037	1505	775
	41.5%	49.1%	4269	4222	13044	16554	87	491
	51.2%	52.3%	37044	34997	181294	177325	29138	28245
	-0.2%		-14.7%		-11.5%		-26.5%	
	52.8%	52.6%	38890	50876	162549	180231	13285	17729
	59.5%	57.3%	31404	38069	158279	173133		
	21.9%	27.1%	7486	12807	4270	7098		
	41.9%	42.9%	19076	17060	16042	21471	21	371
	49.2%	49.4%	57966	67936	178591	201702	13306	18100

TOURISM DEVELOPMENT AND MARKETING STATISTICS

3. SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2006 FOR PARKS (DIVISION) CONTINUED

ACCOMMODATION (EXCL CAMPING)						
	Unit Nights Sold	Previous Year	Unit Occupancy	Previous Year	Bed Nights Sold	Previous Year
NORTHERN	41.1%		-1.5%		14.3%	
GOLDEN GATE	6345	4941	45.9%	43.5%	17454	16228
Glen Reenen	5679	4941	38.3%	43.5%	15813	16228
Highlands Retreat	666	0	27.7%	0.0%	1641	0
MARAKELE	2431	2204	49.9%	52.7%	4910	5227
MAPUNGUBWE	3299	1410	25.9%	23.8%	7607	4777
Leokwe	2226	239	33.9%	23.6%	5019	486
Limpopo Forest tent	860	148	29.5%	31.4%	1669	293
Tshugulu	110	20	30.6%	33.9%	749	181
Vhembe	103	4	3.5%	0.8%	170	7
CLUSTER TOTAL	12075	8555	38.4%	39.8%	29971	26232
TOTAL 2005/6	111086	104594	58.4%	59.6%	269273	261200
DIFFERENCE	6.2%		-1.3%		3.1%	

	Bed Occupancy	Previous Year	Camping - Person Nights Sold	Previous Year	Guests To Park/ Cluster	Previous Year	Total Activities	Previous Year
	7.5%		0.4%		26.3%		252.5%	
	35.3%	26.4%	11905	12478	25101	21870	3658	573
	29.8%	26.4%						
	21.6%	0.0%						
	67.5%	42.7%	11611	10499	19143	18626	409	597
	24.3%	19.0%	0	447	20370	10659	1671	458
	34.4%	21.5%						
	28.6%	31.0%						
	14.9%	21.9%						
	2.9%	0.7%						
	34.1%	26.5%	23516	23424	64614	51155	5738	1628
	45.2%	42.1%	176372	191922	2165967	2145951	53138	52586
	3.0%		-8.1%		0.9%		1.0%	



PEOPLE AND CONSERVATION

Elevating cultural heritage as a corporate strategic objective in SANParks' business plan has been a significant step for the organisation and this has resulted in the development of a State of Cultural Heritage Reporting system that will highlight park-based reporting and implementation.

Cultural Heritage Resources Management implemented a number of programmes and initiatives during the year and, of particular note was:

- The mapping and documentation of cultural heritage resources in Bontebok, Agulhas and Tsitsikamma National Parks.
- Surveying San Rock Art sites in the KNP.
- A two-week international Rock Art Management course held in Mapungubwe, which benefited relevant People and Conservation personnel and park-based staff.
- Participation in the 29th session of the UNESCO World Heritage Committee - the first held in Africa.

Outcomes from this session included placing the Richtersveld, which includes the Richtersveld National Park, on the tentative list of world heritage sites. Further involvement included participating in the process to discuss the nominations of new World Heritage Sites in sub-Saharan Africa, including possibilities of trans-boundary conservation areas, held in Malawi.

In an effort to establish meaningful partnerships in cultural heritage management, during the period under review, SANParks has affiliated to the South African Museum Association (SAMA) and the International Council on Monuments and Sites (ICOMOS).

At Mapungubwe National Park, one of South Africa's seven World Heritage Sites, the development of the interpretive framework and exhibition storyline has been started.

The process of negotiating with the University of Pretoria with regards to the repatriation and restitution of heritage objects and human remains is well underway and a letter of intent has since been signed by SANParks and the University.

SANParks' People and Conservation staff in various parks have continuously been involved in the management and implementation of 21 community-based conservation initiatives and economic empowerment projects and provided active support to a further 40 community projects.

Highlights for the year include:

- The consultations with communities on Elephant Management Strategies in Kruger, Addo and other affected National Parks.
- In addition, the Community Water Efficiency Project (COWEP), a partnership between the Department of Water Affairs and Forestry (DWAF) and SANParks that involved the creation of awareness, training and capacity building, research and evaluation within the affected communities.

- The signing of an MOU with SEDA (Small Enterprise Development Agency), a statutory body under the Department of Trade and Industry focuses on the needs of SMME's with respect to product development, funding and capacity building. This initiative is geared at stimulating projects around eight national parks.
- The Morula Kids Art Competition, that promotes the usage of creative skills in learners to interpret conservation issues and to attract and build interest to the work of SANParks, was also concluded.
- The Kids in Parks initiative is a partnership venture, which enjoys the cooperation of DEAT, Department of Education, SANParks and retail organisation Pick 'n Pay. This initiative plays a vital role in providing meaningful environmental learning.

A strategic collaboration with the North-West Province resulted in obtaining co-funding for a number of camps and events that took place in the Southern District of the Province and these included:

- The Environmental Day Celebrations
- The Camping Seminar staged at Vaalbos National Park
- The Kruger-Imbewu programme
- The THETA Training results for potential Imbewu Field Guides which has been finalised.
- The representation of South African Youth at the 8th World Wilderness Congress in Alaska USA by an Imbewu volunteer.

The Junior Honorary Rangers (JHR) Programme is another initiative within the area of youth development and highlights included:

- The registration of 989 JHR.
- The finalisation of a code of conduct for participants.
- The inclusion of two JHRs into the National Editorial Team that drafted the youth version of the State of the Environment Report.

The Social Science Research Unit appointed a research committee comprising academic specialists from a wide range of Universities to promote quality research in SANParks and, a total of 22 Social Science Research projects, approved for implementation by University researchers in Agulhas, Bontebok, Golden Gate, Kruger, Kgalagadi, Mapungubwe, Namaqua, Tsitsikamma, West Coast and Wilderness National Parks were completed.

The Global Vision International and SANParks partnership has continued to provide top quality volunteers to the People and Conservation Units in Parks and, the number of volunteers has doubled during the period under review.

Furthermore, a total of R21 million for a three-year period, was secured from the Lottery Board for Environmental Education, Social Science Research and Cultural Heritage Management.



EMPLOYMENT EQUITY PROFILE

Comparison of Groenkloof, Parks Department and Kruger National Park by Race and Gender

RACE	KRUGER NATIONAL PARK		
	Male	Female	TOTAL
African	1 580	614	2194
	52.2%	20.3%	72.5%
Coloured	344	144	488
	11.3%	4.7%	16%
Indian	9	9	18
	0.3%	0.3%	0.6%
White	174	150	324
	6%	5%	11%
TOTAL	2 107	917	3 024
	70 %	30%	100%

EMPLOYEE ASSISTANCE PROGRAMME

The recently established business unit: Employee Assistance Programme (EAP) is a proven strategy for assisting “troubled employees” and their families with personal and work-related problems which may negate optimum performance and the efficient execution of their duties.

Amongst others, the EAP strives to address the following employee-related challenges, like HIV and AIDS, Disability, Stress, Trauma, and Addiction.

Since its inception, two policies [the EAP and HIV and AIDS policies] were developed and ratified by SANParks’ Executive Management. Also implemented during the period under review was the EAP Referral Form and the HIV and AIDS Programme.

HIV and AIDS Co-coordinators and Committees have been nominated for each park to action and coordinate all EAP and HIV and AIDS-related activities. An anonymous and unlinked HIV Prevalence Survey has been conducted at both KNP and the Parks Division to ascertain the exact percentage of SANParks employees infected with HIV. The HIV Prevalence Survey aims to provide Management with reliable baseline information on which to base future interventions.

This is to be followed throughout the next years by other initiatives aimed at the training of managers and supervisors, the rollout of the Know-Your-Status Campaign, training of Peer Educators and the implementation of Lifestyle Management and Treatment Care Programmes.

On 1 December 2005, SANParks commemorated World AIDS Day (WAD) and during the occasion, SANParks Executive Management led by example when they became the first group to undergo Voluntary

Counselling and Testing and this further cemented SANParks’ unwavering and urgent need to ensure their employees’ wellbeing.

Transfer of Employees

Transfer of Employees to SANParks in Terms of Section 197 of the Labour Relations Act 66 of 1995: Knysna and Tsitsikamma Indigenous Forests

After years of negotiations between the Department of Water Affairs and Forestry (DWAF) and SANParks on the transfer of the Knysna and Tsitsikamma Indigenous Forests, an MoU was signed between the parties.

According to this MoU, a total of 134 employees were transferred to SANParks with effect from 1 April 2005. A total of 22 employees lodged an appeal as it was perceived that they would be worse off in pension benefits as a result of the transfer from the Government Pension Fund to the SANParks’ Joint Pension and Provident Fund and DEAT conceded that they would stand in for any financial short-fall as calculated by an actuary. The 22 seconded employees accepted the outcome of the actuarial report and transferred to SANParks with effect from 1 March 2006.

Karoo Nature Reserve

DEAT requested SANParks to coordinate a meeting with the Eastern Cape Department of Economic Affairs, Environment and Tourism (DEAET) and representative unions in order to obtain an in-principal agreement on the transfer of employees in the Karoo Nature Reserve, Graaff-Reinet, to SANParks.

Following extensive consultations between DEAET, Eastern Cape Province, SANParks and the unions, all parties signed an MoU relating to the transfer of 14 employees from DEAET, employed in the Karoo Nature Reserve (Camdeboo National Parks) to SANParks with effect from 1 November 2005.

Restructuring of Remuneration Packages

To a large extent, SANParks’ basic salaries are not competitive in comparison to the broader labour market and this poses serious challenges to the retention of competent employees and has led to the development of a Remuneration Strategy aimed at attracting and retaining the appropriate talent for SANParks.

In order to achieve the strategy, the following action steps were identified, an analysis of the internal pay equity, implementation design of the total cost-to-employer remuneration approach for employees in Paterson Band C to F, pay scale design and pay modelling and bench marking.

- (a) The total cost to employer remuneration restructuring will be implemented with effect from April 2006. The implementation of the total cost-to-employer remuneration system within Paterson Bands C to F will allow employees to optimally structure their own remuneration packages and the organisation will be in a far better position to manage the total human resources expenditure. SANParks, as an employer of choice, will be able to competitively position itself in the market over the next five to ten years and reward key employees closer to the general market.
- (b) Pay scales were designed that are far more structured with a spread of a -17% as an entry point and +17% exit point of the median salary per sub-band.
- (c) SANParks is to participate in bi-annual salary and benefits market surveys so as to position itself and to align the total cost-to-employer remuneration packages closer to the market trends.

LABOUR RELATIONS

Union Activities

The following Unions played an active role within SANParks as displayed by their representivity (see table below - Union membership: February 2006)

TRADE UNION	TOTAL MEMBERSHIP
South African Commercial Catering and Allied Works Union (SACCAWU)	1 165
Health and Other Services Personnel Trade Union of South Africa (HOSPERSA)	888

COLLECTIVE BARGAINING

SACCAWU and SANParks concluded an agreement on conditions of employment for the period under review which included the following:

- All employees in the Bargaining Unit (Paterson A1 to B5 bands) received an across the board increase of 6.5%.
- The 13th cheque of each employee within the Bargaining Unit will be pre-taxed and paid on pro-rata basis when employment is terminated, excluding dismissals.
- Management agreed to accept Ingwe Medical Aid Scheme in addition to the existing Medical Aid Scheme.
- Shop Stewards to participate in interview panels as co-members in the A and B bands.
- A progressive Parental Rights Agreement was also concluded which covers Maternity leave, Paternity and Family Responsibility leave, Adoption/ Guardianship leave, Miscarriages, Abortion and stillbirths leave and Ante-natal and Post-natal care leave.

HOSPERSA and SANParks signed an Organisational Rights agreement covering the KNP.



HUMAN RESOURCES

Discipline

Comparison of disciplinary statistics for the past three financial years are displayed below:

SANCTIONS	2003-2004	2004-2005	2005-2006
Warnings	148	173	91
Dismissals	68	41	15

For the period under review, the number of disciplinary actions declined as compared to the previous year and this decline is largely attributed to the relevant labour-related training courses which have contributed to an improved knowledge of labour relations matters by managers and supervisors.

Management of Labour Litigation

During the period under review, 16 cases were referred to CCMA and 1 to the Labour Court (LC):

- 15 cases - disputes over alleged unfair dismissals
- 2 cases - alleged unfair labour practice

Of the 17 cases, 13 were amicably resolved whilst 4 are still pending. The number of cases referred to the CCMA and LC has decreased considerably as compared to the previous year and, this is partly attributed to the training of Supervisors on chairing disciplinary enquiries.

HUMAN CAPITAL DEVELOPMENT

Several Labour Relations training courses were presented on the following:

- Charing Disciplinary Enquiries
- Rights and Responsibilities of Employees

Abridged Human Resource Annual Report April 2005 to March 2006

DESCRIPTION	TOTAL
New appointments	114
Resignations	30
Dismissals	15
Disability	3
Retirement	10
Deaths	25

ORGANISATIONAL DEVELOPMENT (OD)

The Organisational Development Unit was established in July 2005 and, among other generic HR-related deliverables, the unit was established to focus on the following: Induction programme, internship programme, career management, succession planning, organisational

competencies, leadership and business skills development, coaching & mentoring and performance management.

Induction Programme

After extensive research, the induction programme was approved by SANParks' Executive Management and introduced to the organisation. Implementation by all business units is expected to continue during the next financial year.

An organisational induction booklet was produced and is available to all employees. The booklet provides a holistic overview of the organisation and includes information on organisational terms and conditions of employment. Additionally, the programme has been posted on the intranet with clear 'user friendly' instructions on how to implement it.

Internship Programme

In efforts to assess the status of interns/internships within the organisation, a questionnaire was developed and presented to SANParks' Executive Management. The information is to be used in formulating guidelines and procedures on the rolling out of the programme within the organisation.

As part of the Balanced Scorecard (BSC) initiatives, the following projects were incorporated to the OD unit:

Individual Development Plans (IDP's)

A concept document was put together for ratification by SANParks Executive Management. The IDP's will enable individuals to outline their development within a period of five years or shorter. It will allow for a systematic approach to achieving development goals. It gives an organisation a sense of what type of development is required and its associated budget requirements. During the period under review, the document was accepted for implementation in the new financial year.

Performance management

Due to the implementation of the Balanced Score Card (BSC) and the roll out thereof, a dual performance management system had to be considered for the period under review. To ensure performance management continuation, a manual performance management system was implemented for the 2005/2006 performance appraisals. This manual system, which was designed in collaboration with all Human Resources Managers and relevant Human Resource staff, was aimed to specifically accommodate the BSC. The newly designed manual system was implemented by all Patterson C- to F-Band Supervisors and Managers. In addition the specifications for the implementation of a new electronic system, which will be aligned with the BSC process,

was agreed upon and relevant electronic systems are presently being investigated and scheduled to be completed in the next financial year.

Assessment Centre

An Assessment Centre has been implemented for SANParks. In line with the Business Plan for SANParks, the purpose of the assessment centre is to assess employees for managerial development purpose. In addition, the aim is to assess candidates for appointments at the Patterson Band D- to F-level. At year end 86 employees and candidates had been assessed.

Coaching and Mentoring

A South African National Parks Leadership Development Initiative (SLDI) was started in December 2005 targeting specific employees on supervisory and management levels. A significant intervention aimed at the development of leadership in the organisation is the initiation of a process to develop guiding and mentorship skills for both the organisation's Executive Management Team and the SLDI participants.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

In June 2005 a Corporate Manager: Occupational Health and Safety was appointed. After several fact-finding visits to the parks, a Five Point Plan was introduced so as to address the basic requirements of the OHS legislation and this plan was rolled out during September to October 2005.

Training on a newly developed Risk Assessment methodology and Accident investigation format took place during November - December 2005. The Legal audit and Medical surveillance is also planned to start during the next financial year. The need for training in terms of Health and Safety matters was noted and training will be conducted as and when the need arises. The need to appoint safety officers in various clusters was also identified and this will ensure continuity.



CORPORATE COMMUNICATIONS

The period under review saw the division continuing to amplify efforts to ensure effective management of SANParks' image and reputation as perceived by the organisation's internal and external stakeholders.

Over and above the various regionally based communicators and departments across the organisation, the Corporate Communications Division comprises the following units:

- Media Liaison and Stakeholder Management
- Public Relations and Publications
- Internal Communications and;
- E-Commerce

Notably, SANParks Management continues to render its unwavering support for initiatives and projects navigated by the Division and this has better placed the Corporate Communications Division as a key support function, not only for the various other business units but also the organisation at large.

Based on the organisation's strategy and, much in line with the Balanced Scorecard (BSC) business process, the division has performed well in promoting the sharing and provision of access to information and knowledge as well as enhancing SANParks' overall reputation.

The self generated (proactive), positive media coverage worth an estimated R10 million which was amassed during the period under review attests to the fact that SANParks' Communications Division is effectively managing the organisation's reputation.

In addition, a number of articles and academic publications on People and Conservation focal areas within SANParks and surrounding communities have promoted awareness and interest at both the local and international level. This included publishing eleven articles in the Mail and Guardian's "The Teacher" and a number of articles in accredited scientific journals.

Another seminal initiative which was incepted during this fiscal year was the launch of the Kudu Awards. Placing SANParks as a leader within conservation circles (and enhancing the organisation's image), the initiative aims at recognising and awarding persons and entities that have made a significant contribution to conservation in South Africa. Further to this, the Kudu Awards aim to communicate to the outside world SANParks' key successes and milestones and thus, affirming leadership in its area of operation.

The SANParks website continues to be an effective (and cost-effective) tool of optimally disseminating information through to the public domain and it has also been used to market various SANParks products which has led to a sustained increase in visitor numbers and ease of reference



with regards to services that the organisation offers. The period under review saw the website visits growing from 86,356 to 397,507 and the hits from 9,884,920 to 25,381,248. What has been of immense interest to us has been the growing SANParks web community, which at the time of reporting was sitting at 5,420 and had posted 51,695 active articles on the organisation's web blog which has been viewed 1,035,540 times.

The organisation continues to seek ways of reclaiming key web domain names that have been under the control of external tour operators for their own development processes. Of concern to the organisation is the impact to the organisation's public reputation when would-be visitors and stakeholders are rerouted to unofficial 'SANParks' websites, with the potential risk of obtaining wrong information. There is the added actual risk of reduction in visitors to the official SANParks website and future loss of business as we embark on an ambitious process of introducing bookings on-line. SANParks will be further pursuing the following domain addresses, sanparks.com, sanparks.co.za, krugerpark.com, krugerpark.co.za and krugerpark.org through various means of engagement.

The Public Relations and Publications Department continued with the use of Go WILD (Internal Newsletter) as the main medium of informing staff at large, a total of 48 000 copies of the publication were printed and distributed during the period under review - across all regions. It is anticipated that a process to fully transform the publication including a name change will be completed during the next financial year. In direct response to demand, plans are afoot to start the commercialisation of the publication through selling advertising space and the establishment of a 'paying-subscriber database' during the 2006/2007 financial cycle.

The division has themed the next financial year as being "Know Your National Parks." Efforts to promote this worthy initiative such as the placing of monthly information bullets within the Internal Newsletter started in earnest during the period under review and we plan to incorporate promotional efforts in all the organisation's PR and business campaigns in the new financial year.



CORPORATE SUPPORT SERVICES DIVISION

Structure

The core focus areas of Corporate Support Services are the following:

- Information & Communications Technology Services (ICT)
- Risk Management Coordination
- Internal and External Auditing Services Coordination
- Records Management Coordination
- Corporate Project Management Administration Office Coordination (CPMO)
- Corporate Management Information Services (MIS)
- Corporate Geographic Information System Coordination (GIS)

As from 1 April 2006 the focus area of Forensic Auditing will be added to the Division.

Information and Communications Technology (ICT)

SANParks outsourced the full ICT function since 1 June 2000 to GijimaAst (Previously known as AST) and this outsource arrangement was renewed on 1 June 2003 and expired on 31 March 2006. During 2005, SANParks embarked on a comprehensive tendering process to identify a partner for the next three years to manage the ICT environment of South African National Parks. In November 2005 SANParks awarded the contract to Datacentrix, effective from 1 April 2006.

Risk Management

SANParks has established a comprehensive Risk Management Framework and maintains Risk Registers on organisational and divisional levels. The risk registers are continuously reviewed. During the coming financial year, there will be a process to implement Risk Registers on business unit level and to maintain all risks on a central repository. During the period under review the existing risk registers have been aligned with the South African National Parks Balanced Scorecard Performance Management system.

The Risk Management section also focused extensively on the implications and implementation of the Firearms Control Act in South African National Parks.

Internal and External Auditing Services

SANParks is audited by the Auditor General and/or his nominee. During the period under review, the interim audit was performed by Ernst & Young with the final audit conducted by the office of the Auditor General.

The SANParks Board extended the Internal Auditing services which have been outsourced for a period of three years with an auditing consortium consisting of the auditing firms, Deloitte & Touche and Nkonki, for a further year. In the next year SANParks will embark on a process to procure Internal Auditing services for the next three years as per the requirements of the Supply Management Act.

Records Management Services

In the period under review the focus was on the formulation of policy and implementation for South African National Parks to accurately and effectively file all its correspondence and documents according to an approved file plan. This is in compliance with the National Archives Act and other relevant legislation.

The current file plan has been approved by the National Archivist and changes to the file plan are submitted on a regular basis to the National Archivist for approval. A virtual library for the South African National Parks has also been established for internal use.

Project Management Office Administration

SANParks is in the fortunate position to receive grants and sponsorships that greatly assists in funding the needs of the organisation for many of its mandated functions. Some of these grants also contribute to SANParks' national objectives such as:

- the poverty relief programme;
- alien plant clearing;
- water catchments area management; and
- infrastructure development.

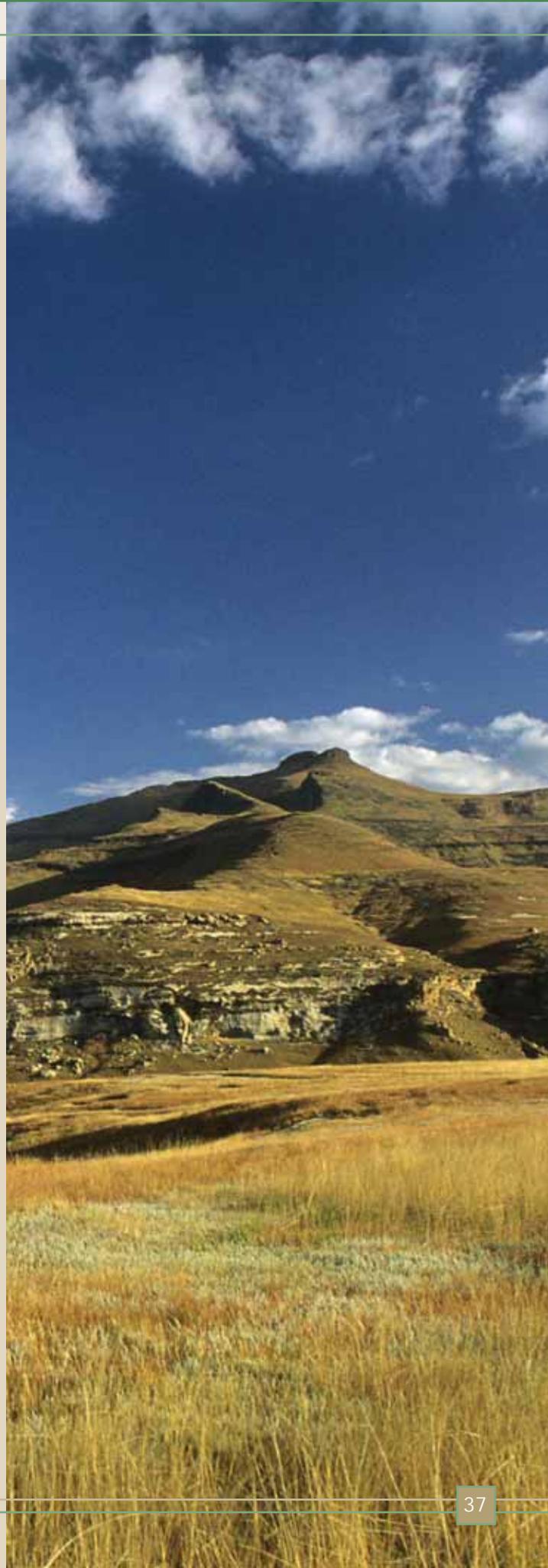
The effective governance of these projects are of the utmost importance to SANParks and therefore the executive management of SANParks has in the period under review approved the creation of a unit that can coordinate and quality assure the effective management of all projects within the organisation.

This unit's mandate is also to create a central administration portal where all projects and their progress will be visible to the whole of SANParks, set policies, methodologies and standards for project management in the organisation.

This unit has commenced this function during the year by auditing current projects and ensuring good governance on these projects. The function will be further expanded in the coming financial year with formal methodology adoption and the registering of all projects on the central administration system.

Corporate Geographic Information Systems

The use and requirements for Geographic Information Systems (GIS) in SANParks was developed over several years, initially primarily as a tool for the scientists in the KNP but later also to monitor and manage infrastructure, plan and monitor park development and expansion and map cultural heritage sites within the South African National Parks.



LEGAL SERVICES DIVISION

During the year under review, the Legal Services Division has focused on high value legal services support throughout SANParks.

The main focus areas for the year were as follows:

- systematically working towards establishing credibility for the Legal Services Division;
- building capacity and expertise within the Division;
- implementing an effective matter management and legal review system;
- opening lines for regular communication on legal matters throughout the entire organisation;
- providing strategic legal guidance and advice throughout SANParks;
- forging sustainable relationships both within and outside of SANParks; and
- building profile with our major stakeholders and providing legal guidance and support to some of these stakeholders.

Many commercial contracts and other relationship arrangements have come under the spotlight and much time and effort has been spent on reviewing, negotiating and renegotiating all contracts and relationships with a view to taking these forward on a basis which fairly balances the interests of all parties concerned and adequately protects and promotes the interests of SANParks. The focus in this regard has not only been driven by the need to ensure acceptable financial returns, but also by the need to build relationships with our stakeholders based on true partnership principles.

The Legal Services Division has shown initiative and leadership in terms of understanding and implementing the legal frameworks that apply to the business of SANParks, providing strategic guidance on this, as well as anticipating and adequately providing for any changes in these legal frameworks as well as our business environment.

As at the end of the financial year the division was handling about 400 matters on behalf of the organisation.



SPECIAL PROJECTS

PARK ACCESS FOR PEOPLE WITH DISABILITIES

In recent times, Universal Access has become the appropriate term applied to facilities that are accessible to everyone. In particular they enable people with mobility difficulties to utilise the facilities.

SANParks added universally accessible accommodation in the Golden Gate (Mountain Retreat), Richtersveld (Tatasberg and Ganakouriep) and West Coast (Duinepos) national parks. At Twee Rivieren in Kgalagadi, universally accessible ablutions were added to the camping site. Augrabies National Park renovated its two accessible units to a more acceptable standard.

In September SANParks staff member Chris Patton was awarded the prestigious Rob and Julie Filmer Award for contribution to access for people with disabilities into the natural environment. SANParks as an organisation won this award in 2003. Mr Chris Patton, who is himself a T6 paraplegic, has worked in the SANParks' tourism division for 8 years.

During this time he has done much to enhance the parks' facilities, activities, access information and booking systems available to visitors with disabilities and has been involved in several special camps in the parks for groups of children with disabilities.

The SANParks' connection with Eco-Access was further strengthened by three twinning camps held in KNP during 2005. Such camps twin able bodied and disabled children in a unique bonding experience that is inspirational for all involved.

HONORARY RANGERS

The Honorary Rangers Corps are SANParks formalised volunteer force and they operate in 24 regions nationwide. Their members are private individuals who give of their time, knowledge, energy and fundraising in support of SANParks.

They are not the only private individuals or groups who contribute to SANParks, but with over four decades of existence they are an effective and committed body and a vital support structure to the parks.

At the end of 2005, the Honorary Rangers had over R2 million worth of funds in their collective bank accounts, with approximately R1.7 million committed to defined SANParks' projects.

During the year more funds were spent on projects in SANParks. Additionally, the collective value of their self-funded travel and park duties equated to R4 million.

Although they operate in geographic regions, the HRs have several universal national projects that focus on supporting certain areas of

SANParks. These include Ranger Support Services, Veterinary Wildlife Support Services and the Alien Invader Task Group as three of the conservation orientated projects.

Ranger Support was particularly impressive during 2005, raising R1.6 million worth of value in cash, equipment and performed duties.

Another highlight of the Honorary Ranger effort in 2005 were the public exhibitions and displays. Members of the three Johannesburg regions (Johannesburg, East Rand and West Rand) have formed an effective exhibition team that exhibits at Shopping Centres and Public Shows, displaying tourism and conservation elements.

There is a large focus on wildlife artefacts particularly those that raise awareness of and funds for the counter poaching efforts. The attending HRs also hand out corporate brochures thus spreading awareness about SANParks' products. Those regions who are closer to parks (e.g. Lowveld) focus on displays in the camps, aimed at enlightening the resident tourists.

Extending from the public exhibitions has been a squad that undertakes educational interventions at schools. Teaching the youth, particularly those who have not been exposed to national parks, about wildlife and conservation challenges is seen as critical in establishing a conservation and park visitor constituency for the future.

Also commendable during the past financial year was the success of park birding fundraising/census weekends. The West Rand HRs have been staging a fundraising/census session in the KNP for the past eight years and in Marakele for three years and, this has now been mirrored by the West Coast HRs. More regions and parks will host birding events in the next financial year.

The Honorary Ranger Indaba (AGM) was held at the Addo Elephant National Park (AENP). The park provided impressive hospitality and an exciting itinerary. The Chairperson of the SANParks Board, Dr Cheryl Carolus and Dr Mike Knight were guest speakers, with the former encouraging the Corps to involve more black people within their ranks.

In terms of transformation, the Honorary Rangers continue to be predominantly white with an estimated 88% at adult level, however at junior level 87.23% of 1 083 junior members and applicants are black. This is forging a constituency for future volunteer support. When added to the environmental education efforts, and with several community empowerment initiatives, and sponsored trips for educators and learners, the Corps is making more far-reaching contributions to transformation.



EXPANDED PUBLIC WORKS PROGRAMME

OVERVIEW

Over and above numerous DEAT Social Responsibility projects, SANParks is implementing various other projects residing under the Expanded Public Works Programme of Government, including:

- Working for Water
- Working on Wetlands
- Coast Care

The annual allocation programmes: Working for Water and Working on Wetlands were concluded during March 2006, while the three-year Coast Care and DEAT Social Responsibility programmes were in the second year of implementation.

The implementation of the DEAT Social Responsibility programme, which represents the bulk of the EPWP funding and focuses mostly on

infrastructure upgrade and development gained significant momentum after the completion of the planning phase.

Most of the construction work has gone out on tender, and 80% of the total contract values awarded went to black owned companies, totalling R62 million. An additional R27 million was added to DEAT Social Responsibility Programme in 2005/6 for additional projects with R6 million availed for roads and office accommodation projects in the newly proclaimed Camdeboo National Park.

The Working for Water projects surpassed all expectations and exceeded the planned number of initial and follow-up hectares for the year. Heavy rains necessitated the extension of the Working on Wetlands projects up to April 2006, while the Coast Care projects are on target to complete all projects by 31 March 2007.

Table 1: Deliverables targets and achievement of the SANParks Expanded Public Works Programme

Deliverable	Target	Achievement
DEAT Social Responsibility Programme	Total target – 31 September 2007	Achieved (April 2004 - March 2006)
Expenditure	R307 million	R106 million
Person Days	1 298 122	343 378
Number of People Employed	4 787	4 081
SMME's Created	98	80
SMME's Used	264	330
Amount paid to SMME's	R134 million	R50 million
Training Days	110 862	29 292
Removal of alien vegetation	400ha	2 207ha
Upgrade & construct perimeter fences	334km	109km
Upgrade & construct roads	334km	52km
New tourism beds created	212 beds	76 beds
Construct new entrance gates	5	In progress
Upgrade & construct new staff accommodation	65 units	17 units
Coast Care	Total target – 31 March 2007	Achieved (April 2004 - March 2006)
Expenditure	R234 million	R108 million
Person days	231 261	114 210
Training days	22 495	13 554
Working for Water	Total Target – 31 March 2006	Achieved
Expenditure	R31 million	R31 million
Initial hectares cleared	10 755ha	23 164ha
Follow up hectares cleared	112 311ha	113 448ha
Person days	178 190	171 851
Working for Wetlands	Total Target – 31 March 2006	Achieved
Expenditure	R3,8 million	R3,2 million
Person days	21 729	21 684
Training days	2 251	2 076
Cubic meters	15 513	15 564





KRUGER NATIONAL PARK (KNP)

OVERVIEW

As per the norm, KNP carried out its conservation mandate with distinction during the period under review and numerous new initiatives were developed and executed with emphasis on nature-based activities.

Programmes such as Take Kruger to Kassie were launched in an effort to address local communities' needs while exposing and amplifying the parks' benefits to the affected communities. Overall, KNP has performed well within the parameters of the Vision and Mission of SANParks.

PUBLIC RELATIONS AND COMMUNICATION

A total of 11 groups of high profile local, national and international guests, including delegations from Malaysia, Munich, Tanzania, Angola and USA Congressmen were hosted during the period under review, as well as the organising of 17 functions which were staged in the park. The period under review saw no fewer than 39 media releases on key and pertinent issues sent out and this generated a huge amount of publicity for the KNP.

Eight shows and exhibitions were attended during this period. A very good working relationship with the SABC was established during the period under review. As a result four outside broadcasts by local SABC radio stations were hosted in the park. A total number of 6,114 guests were served by the Kruger Mpumalanga International Airport (KMIA) office during the period under review.

The internal news bulletin, Lesedi, has continued to be an effective tool to disseminate corporate news and announcements throughout the park.

SCIENTIFIC SERVICES

During this period, there were 160 active research projects in the KNP, of which 70% were conducted by South African scientists while a total of 26 local and 30 international research and academic institutions were active in the KNP. Their activities resulted in 26 scientific publications and six internal reports being produced.

A very successful 4th annual Scientific Networking Meeting in Skukuza during the month of March 2006. A total of 204 international scientists and students attended the meeting and 80 presentations were made on research currently being conducted in or around the KNP.

Population estimates of some of the larger mammals in the Kruger National Park according to the census conducted in September and October 2005 are depicted in the table on the next page:

Species	2005 Census
Impala	100947
Giraffe	6692
Wildebeest	12018
Kudu	6705
White rhino	6942
Waterbuck	3213
Warthog	2283
Zebra	21102
Elephant	12500
Buffalo	30000

PEOPLE AND CONSERVATION

The People and Conservation Department of the KNP has continued its efforts to build a purposeful relationship with neighbouring communities. Collaboration between the Development Bank of Southern Africa (DBSA), the KNP and the Hlanganani Forum, culminated in the construction of a community arts sales outlet at the Punda Maria Entrance Gate.

In an effort to support a culture of learning, 800 boxes of books donated by the Book Smart Foundation were distributed to 150 schools within seven community forum areas on the western boundary of the KNP.

Two busses were donated by Shell South Africa through the assistance of the Honorary Rangers and one of the busses is currently being used effectively for the community awareness programme which is called Take Kruger to Kassie.

The Punda Maria Environmental centre was completed and will be opened in the new financial year while the Letaba Elephant Hall has been re-opened following an extensive upgrade.

Other park-based economic opportunities yielded R308 108 for the local communities. The project of identifying rock art in the KNP was completed with the identification of over 150 rock art sites.

TOURISM AND MARKETING

A total number of 1 243 467 tourists visited the KNP during the period under review. There was a 16.2% increase in the number of black visitors. A Standards Manual was developed and implemented and as a result there was a 32% decline in complaints from visitors.

CONSERVATION SERVICES

There has been considerable progress with regard to the inclusion of neighbouring areas into the Greater Kruger National Park. Some reserves which are part of the Associated Private Nature Reserves group have applied to become contractual parks. These applications are currently receiving attention in line with the relevant legislation.

Cooperation between the KNP and the Makuleke community is growing and the relationship is improving. Two new lodges and a training camp were completed in the Makuleke area during the period under review.

The last of the huge alien trees (*Tipuana* species) in Skukuza was felled with the help of "People for Wildlife" volunteers. Other alien clearing continued very well and a total of 27 Roan and seven Lichtenstein's Hartebeest were captured and removed from the Nwawitsumbe enclosure and translocated to the Limpopo National Park in Mozambique.

Good rain fall characterised the period under review and has since restored the grazing conditions in the KNP. The dry conditions during the winter and some early dry thunderstorms as well as the patch burns set by Section Rangers in the KNP contributed to reducing high fuel loads which resulted from the above average rain in the southern region of the park. A total of 25% of the park burnt during this season.

The removal of 30km of fence along the eastern border with Limpopo National Park was completed during August. Cross border movement of animals seems to be on the increase in these areas.

All law enforcement officials in the KNP received their designations as Environmental Management Inspectors (EMI's) during November and successfully completed a specially designed EMI training course aimed at equipping them with the necessary background to effectively conduct law enforcement under the new legislation.

TECHNICAL SERVICES

The third group of trainee contractors in the Contractor Development Programme completed their NQF level 2 labour intensive training modules and successfully completed the first two practical training projects that were funded by the Development Bank of Southern Africa.

All glass and tin waste from the park is currently recycled. The KNP successfully negotiated an agreement with the Plastic Federation of South Africa for the supply of a bailer to recycle all plastic waste from the park. A total of 58km of tar roads was resurfaced and the re-gravelling programme is earmarked for 2006 after the appropriate soil stabilizer was determined.



KRUGER NATIONAL PARK (KNP)

KNP REGIONAL REPORTS:

Nxanatseni Region:

Over and above the normal maintenance and upkeep of existing infrastructure, the period under review saw the Northern region, recently named 'Nxanatseni' undergoing major renovations. Some of the completed renovations within this region include:

- two family cottages;
- two a-circle huts at Letaba;
- four cottages at Shingwedzi;
- three huts at Punda Maria;
- two huts at Olifants camp;
- replacement and bat-proofing of thatched roofs of four units;
- the collapsed terrace retaining wall at Olifants Camp was replaced;
- safety balustrades were erected;
- Shimuwini camp received new kitchen units in three cottages;
- Mopani Restaurant's wooden deck was replaced;
- Personnel quarters at the TEBA facility at Pafuri were renovated;
- a walk-in safe was constructed at Woodlands Section;
- huts and furnaces at the Masorini Archeological site were replaced;
- the Letaba Elephant Hall was renovated with the introduction of a full elephant skeleton (sponsored by Bushveld Region Honorary Rangers); and
- at Punda Maria Gate, a cattle grid was installed at the outer gate to keep cattle from neighbouring communities out of the park.

Completed new visitor infrastructure includes the Punda Maria Day Visitor site and Environmental Education (EE) centre as well as the Letaba Day Visitor site with a swimming pool. Another new project in process is the SAEON and park administration offices at Phalaborwa Gate.

Nkayeni Region:

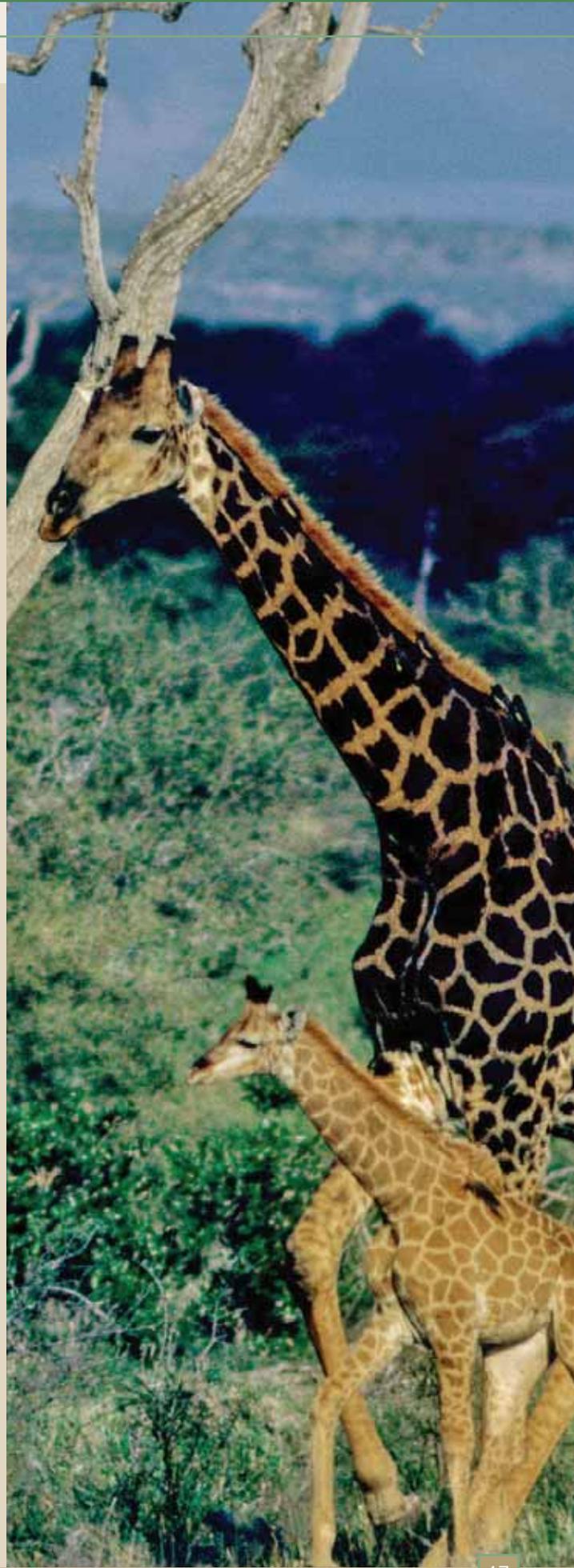
In its endeavour to contribute towards the broader strategy of the KNP and SANParks as whole, the Central Region of the KNP implemented numerous tourism projects. This was done in order to increase occupancy levels and as a result tourism in general has improved within the region as compared to the previous year.

There were several poaching incidents that were reported in the region, which resulted in 11 arrests. Some poachers were tried in court and those who were found guilty were fined or jailed. Some 66 illegal immigrants were arrested and 172 human tracks were spotted. Several patch burns were made in the region with some of the fires being started by illegal immigrants.

In the period under review, 4,285 learners and 285 educators visited the Central Region through Orpen Gate to learn more about the park and its inhabitants. A total of 731 people attended film shows in the region.

Marula Region:

Instances of snare poaching and illegal fishing peaked during the winter months and a number of poachers were apprehended. The Crocodile River experienced over-extraction by the cane farmers during winter, but flooded for three weeks in the rainy season leading to the closure of the Crocodile Bridge Gate.





CAPE PARKS CLUSTER

TABLE MOUNTAIN

OVERVIEW

During the period under review, an array of exciting events and projects took place at the Table Mountain National Park (TMNP).

Boasting the status of being one of South Africa's World Heritage Sites, SANParks' only urban-bound park staged the launch of the Hoerikwaggo Table Mountain Trail on 24 November 2005. The function also celebrated the first Xhosa and Afrikaans Maps of TMNP, coupled with the handing over of the first cadastral maps of the Western Cape to the Park Manager by the Surveyor-General.

The period under review also saw a most successful Visitor Safety Program being staged and this led to an 85% reduction of crime incidents over the past financial year's festive season.

Other events which were staged at the park include two successful Jazz Festivals on the Day of Reconciliation during and Family Day as well as three theatre productions which were held at the Old Zoo Site.

CONSERVATION

Afromontane Forest rehabilitation progressed well. This involved the continued collection and propagation of indigenous seeds, the clearing of 8,53ha by the Weed Control team, and the restoration of 154ha by the Forest Rehabilitation team. Mountain to Ocean continued their harvesting program of pines in the Cecilia and Tokai plantations under controlled conditions. The training of Traditional Healers and Rastafarians that aims to both educate users in the sustainable use of local plants as well as to capture indigenous knowledge commenced in the Medicinal Plant Garden in Newlands. The 158 Volunteer Fire fighters contributed a total of 1,278 hours of fire fighting time and have developed into an impressively efficient and well-resourced team.

PEOPLE AND CONSERVATION

The annual Park Forum Plenary was held and a new chair for the Steering Committee was appointed. Interaction with the Development Forums of the seven communities on the boundary of the park took the form of quarterly meetings. The TMNP's 1st Annual Volunteer Expo was held. The EE container at Newlands Forest was renovated as a venue for forest ecology lessons presented by volunteers. The park is also investigating the integration of Learnerships into the Volunteer Development Programme. TMNP has received funds for 70 learnerships for Tour Guiding, Visitor Safety and Horticulture.

	Number of permits	Adults	Children
Educational Permits	703	6 565	22 932
Outreach Permits	131	2 957	2 574
Bus Permits	228	9 664	
Sun Bird Centre Permits	25	167	581
People's Trail	23	92	346

PARK EXPANSION AND CONSOLIDATION

Various private properties were purchased and included into the park. Negotiations for the consolidation of the outstanding City of Cape Town and other State land continued.

Local area spatial planning for the following visitor sites in the TMNP continued: Tafelberg Road, Wash House Precinct, Grootte Schuur Estate, Constantia Nek, East Fort; Tokai/ Cecilia Plantations, Tokai Manor. EIA's were initiated for the Round House and Koel Bay concessions. The Heritage Management Plan for Grootte Schuur Estate terraces was completed and the final draft of the Tourism and Leisure study, funded by the Development Bank of South Africa, was submitted for comment.

CLIMATIC CONDITIONS

Although rain fell throughout October and November 2005, the summer was very hot and dry. The Cape experienced the highest frequency of south-easterly winds in decades making the season very conducive to runaway fires.



CAPE PARKS CLUSTER

AGULHAS

OVERVIEW

Key pockets of land still need to be incorporated into the Agulhas National Park (ANP) for biodiversity and strategic reasons. This will consolidate the park into a fully operational national park.

Negotiations in the Rattel River and Quoin Point area with the purpose of expanding the park to the western section of the park will continue in the next fiscal year and talks were initiated with land owners in the Elim and Geelrug area. The Conservation planner of ABI projects has

initiated talks with land owners in the Sandberg and Elim area regarding contractual agreements. Talks with the Albertyn Family Trust regarding contractual incorporating into the ANP were concluded towards the last quarter of the period under review.

The approaching of landowners with the view of consolidating the northern section of the park including the Geelkop area have also begun in earnest. SANParks also made two formal purchasing offers to landowners in attempts to consolidate land around most of the Southern Point area and this process will be finalised during the next fiscal year.

CLIMATIC CONDITIONS

Month 05	Rainfall in mm	L. T.A	Ave Max Temp	Ave wind speed
April	143.5mm	56.0mm	28.8	3.9m/s (8 knots)
May	46.8mm	46.0mm	19.4	4.5m/s (9 knots)
June	59,1mm	60.0mm	18.4	3.8m/s (8 knots)
July	14.5mm	50.0mm	19.2	4.5m/s (9 knots)
August	32.2mm	55.0mm	17.2	4.7m/s (9knots)
September	15.5mm	31.0mm	18.0	4.7m/s (9 knots)
October	11.1mm	34.0mm	19.4	4.7m/s (9 knots)
November	6.7mm	25.0mm	21.1	4.3m/s (9 knots)
December	2.2mm	23.0mm	22.5	4.1m/s (8 knots)
January	0.6mm	22.0mm	23.0	4.3m/s (9 knots)
February	0.5mm	25.0mm	21.5	4.2m/s (8 knots)
March	0.4mm	26.0mm	22.2	3,7m/s (8 knots)
Tot/Ave (9 months)	333.1mm	453.0mm	20.9	4.35m/s (8.7 knots)

A cool, wet windy winter was experienced with the highest rainfall of 57mm recorded being recorded on 11/4/05 in Agulhas. The Overberg area it received the highest rainfall since 1940, which caused widespread floods and damage over the Agulhas plains. Over the Napier area, an amount of 42,5mm fell within a day and half on 10-11 April 2005.

In general, cool and windy conditions prevailed during mid-winter with normal cold fronts passing through the area. Strong westerly winds blew on occasion with some light damage to vegetation and infrastructure (thatched roofs). There was a remarkable change in climatic conditions in the last six months with hot windy and dry conditions manifesting, and only 14% of the normal rainfall for the summer period being recorded.

CONSERVATION

Since the park has no labour staff, the Coast Care and Working for Water (WfW) teams assisted in road reserves maintenance, closure of tracks, flood damage and coastal clean-up. No game counting figures exist due to the fact that there is no formal wildlife census programme. However, continued observations are made of local wildlife gravitating back to the park area that was formerly farmland.

Several young animals were observed, an indication that population of the local wildlife is increasing naturally. Fire management was taken one step closer to integration with the formation of the Agulhas Fire Protection Association (FPA). It was later decided that the FPA should incorporate a bigger area, comprising the Haasvlakte precinct of

the Agulhas plain. This was done in conjunction with the local regional disaster management authority. Steps have now been taken towards the registering of the Agulhas/Haasvlakte with the DWAF. During early February 2005 a severe veld fire started in the Elim area driven by strong south-easterly winds burning about a total of 120 000ha including some 80 000ha of natural fynbos.

The park personnel assisted in preventing the fire from spreading to park areas. This incident has severely impacted on the sustainable wildflower harvesting activities in the area, an activity that falls under the Sustainable Harvesting of the ABI project.

The Working for Water project (WfW) proceeded with alien eradication which was done by WfW project clearing contractors. Only 6,098ha of 6,561ha could be cleaned. The backlog was due to the flood in April, forcing workers out of field for two months. Clearing of dense stands of alien vegetation on the urban edge of the L'Agulhas area also took place.

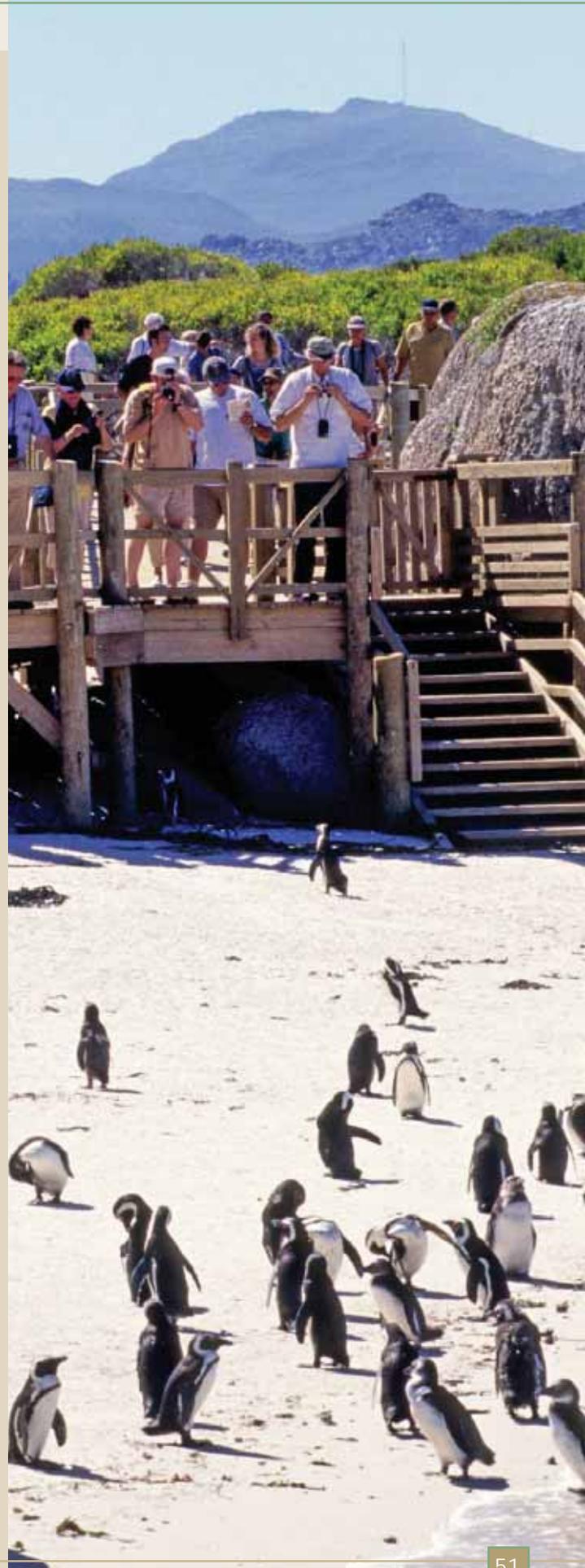
The Working on Wetland project (WoW) involving wetland rehabilitation was carried out by WoW project contractors in the Bergplaas and Rietfontein area. Work mainly consists of plugging manmade drainage ditches and restoring natural flow patterns in the area. A total of R476,531 of the original R500,000 allocated, was spent. Work was delayed by 2 months during the beginning of the project due to floods.

The Coast Care project (CC) performed well in the period under review. The original operational budget was R 2,500,000 and R 2,194,475 was spent with 634km of the original 590km planned, being cleaned. Ongoing removal of old farm fences and redundant farming infrastructure by Coast Care teams as well as day to day coastal operational aspects has been progressing according to schedule.

Infrastructure Development

With the Medium Term Expenditure Fund (MTEF) allocation to SANParks the park will now be able to address the urgent infrastructure refurbishment of some cultural and historical entities. This is the single most significant event that will ensure the establishment of basic infrastructure needs of this newly established and expanding park.

Discussions on repairs of the Rietfontein Langhuis which burnt down, are at an advanced stage and the final negotiations on insurers claims were held on site early in 2006. On the negative side, inspection and survey of the Rhenosterkop cultural site was done. It showed major problems with the existing roofing that will now have to be totally re-done. A tender process has to be embarked on for this project.





CAPE PARKS CLUSTER

PEOPLE AND CONSERVATION

The Kids in Parks programme was initiated in the park with the preferred site being the Bosheuwel area.

Work still has to be done on the necessary ablution and sleeping facilities dependent on an approved budget. Examples of similar facilities have been obtained from Kgalagadi and can be used with minor adjustments to suit the area's climat conditions.

BONTEBOK NATIONAL PARK

OVERVIEW

The Bontebok National Park remains the smallest park within the SANParks' custodianship and only covers an area of 3, 475ha No. land was acquired during the period under review.

Through the Expanded Public Works Programme (EPWP), rehabilitation work including the demolition of old staff accommodation and the removal of dangerous and/or redundant material such as wires and droppers from the field was conducted in the park during the period under review.

During this period, an amount of R374,797,55 was spent on wages for the contractors - this was part of SANParks mandate as informed by DEAT. Through this programme, the Park has created over five SMMEs ranging from labour consultants to small building contractors. So far, through the EPWP alone, over R1,3Million has been spent on SMMEs. Moreover, about a fifth of that has been spent on small and emerging contractors.

Tender processes for the construction of a link road, installation of bulk services (water and electricity) and the rest camp re-construction were conducted during January and March 2006, but the tender was not awarded during that period due to tender prices being over the projects budget. However, planning of such projects, including environmental impact assessment studies and other professional work prior to the commencement of the above-mentioned projects, were conducted during the 2005/2006 financial year.

CONSERVATION

Wildlife Management

The "sarcoïd" virus in the Cape Mountain Zebra continued to be evident, but progress in addressing this challenge was attained. Some 40 Bontebok were captured and released on different farms within the Western Cape Region in 2005.

The park also received three Cape Mountain Zebra stallions from the Karoo National Park, but one had to be put down due to unforeseen illnesses. There have been mortalities of some game due to old age and predation by caracals during the period under review.

Field and Fire Management

At least five plant species were collected and identified as species not previously recorded in the park during the 2005/2006 financial year. However, during the last financial year, there were many species that have been collected since 2003, which were only recently identified and have also not been recorded previously in the park.

STATISTICAL INFORMATION ON FAUNA

Table 5. Showing BNP Game Statistics in approximate numbers

Species	2004/2005	2005/2006	Increase/ Decrease %
Bontebok	203	169	-20.1%
Red Hartebeest	23	28	18%
Cape Mountain Zebra	19	26	27%
Grey Rhebok	47	65	28%
Cape Grysbok	01	05	80%
Steenbok	02	06	67%

CLIMATIC CONDITIONS

The park experienced a negative fluctuation in rainfall during the period under review as compared with the previous years. The low rainfall experienced during this period resulted in a notable difference in the water level of the Breede River. Apart from the small fluctuations in temperature during the past year and in comparison with last year, temperatures remain normal.

TOURISM

Compared with the previous financial year, it is clear that there has been a slight decrease in person nights sold during the period under review. Furthermore, there is a 50% increase in day visitors in 2005/2006 as compared with the previous financial year. However, during the same period, the number of camp sites sold remained the same. Antiquated accommodation and poor road infrastructure (due for upgrades through EPWP funding during the next financial year) are suspected to be critical to this decline.





CAPE PARKS CLUSTER

WEST COAST NATIONAL PARK

OVERVIEW

The park continued to carry out its mandate and generally performed well when compared to previous years. Notably, as of 28 October 2005, portions of the farm Langefontein were proclaimed and now fall within SANParks' custodianship.

CONSERVATION ISSUES

All roads throughout the park were graded and many of the access/tributary roads in Stofbergfontein and the road from Kraalbaai to Tsaarsbank were also upgraded. No re-introduction of any game species took place during the period under review.

CLIMATIC CONDITIONS

Rainfall (mm)

MONTH	POSTBERG	LANGEBAAN	GEELBEK
April	63.0	34.5	19.6
May	55.5	38	31.2
June	48.0	49.3	59.2
July	14.0	4.5	6.6
August	27.0	54.5	63.2
September	16.0	16.0	20.4
October	5.0	3.5	5.2
November	6.0	8.2	7.2
December	-	0	0
January	-	0.5	0.2
February	-	6.5	3.6
March	-	2.5	0

Due to the good rainfall experienced between April and June 2005, the veld responded well resulting in flowers being more abundant than in previous years.

A total of 77 angling permit patrols were carried out, to check the compliance of the people using the Lagoon. A total of 1,645 people were recorded, with an increase during the months of October, November, December and January. The majority of the people were recorded at the main beach and Visklip, which offers a good spot for fishing. Like bait collection there was also a decrease in fishing during May, June, July and August. Of all the people checked, 81 written warnings were issued and two fines were issued.

In the same period, a total of 80 boat permits patrols were carried out, to check the compliance of boat users at the Yacht club and the Alabama

Slipway. A total of 1,215 boats were checked, with an increase being recorded during the months of September, October, November, December, January and February. A decrease during the months of

May, June and July was also noted. Of all the people checked, 171 were given warnings for not being in possession of a SANParks boat permit and no fines were issued.

PEOPLE AND CONSERVATION ANNUAL REPORT

Environmental Education

	2005 - 2006			2004 - 2005		
	Learners	Adults	Total	Learners	Adults	Total
Educational Overnight	3 902	803	4 705	4 270	623	4 893
Non-Educational Overnight	0	738	738	0	566	566
Day Outings	467	146	613	522	92	614
Kids in parks programme						
Totals	4 369	1 687	6 056	4 792	1 281	6 073

Youth Outreach

The educational outings conducted with the Junior Honorary Rangers covered rocky and sandy beach ecology, and wetlands, and included camping at Kleinmooimaak and Geelbek. The after-care kids at the Multipurpose community centre were taken out for a visit to the Fossil Park. They also painted the banner for World Aids Day.

The park had an open day to celebrate its birthday. It was a huge success with schools visiting the park from Wednesday to paint banners, t-shirts, entertain each other VIP's visited on the Friday. Free entrance was available on the Saturday and many attractions were on offer. The park provided transport for the community to visit Geelbek.

TOURISM

Visitor numbers includes free entries (property owners in the park), Wild Card holders and overnight visitors.

Improved facilities at Abrahamskraal, Joanne's Beach Cottage, and in the Houseboats have led to a growth in visitor numbers, which has been further boosted by the fact that larger animals are starting to be seen. The restaurant is also a major draw-card hosting events like weddings, corporate functions, etc. It is good to report that the park experienced a good flower season compared to the previous year.

TANKWA-KAROO NATIONAL PARK

OVERVIEW

Of particular note for the period under review was the signing of a contract for the farm Gannaga which incorporated 1,499ha into the SANParks estate. Another contract, one for the farm Roodewerf (4,129ha) was also signed.

Negotiations on the acquisition of the farms De Cyfer, Rooiwerf and Langkloof within the centre of Tankwa's core area (7200ha) begun and will be finalised during the next financial year. Land evaluators will also be sent to evaluate the area in efforts to determine a suitable purchase price.

CONSERVATION ISSUES

Eight Cape Mountain Zebra, 42 Gemsbok, 58 Springbok and 16 Red Hartebeest were introduced in the same area as the previous year's introductions. Losses of seven Red Hartebeest occurred due to *Pteronia palensis* poisoning. This plant usually causes illness to newly introduced animals that are not used to it, especially during dry periods.

The existing Springbok population is in healthy condition and vegetation in the western section is under serious stress due to the dry conditions while the eastern side of the park is in relatively good condition, taking environmental conditions in to consideration. A long-term research project by the University of Pretoria on vegetation description, mapping and spatial distribution of vegetation is ongoing.

CLIMATIC CONDITIONS

The park still continued to experience dry conditions with rainfall for the period indicating 43,5mm as compared to the previous year's 107mm. This marks the park's driest period since 1932.

PEOPLE AND CONSERVATION

Cooperation with the Local Councils of Sutherland and Calvinia as well as the Greater Cederberg biodiversity Corridor continued on a regular basis and relations are still healthy. The park is a standing item on the Farmers Union Agenda.



GARDEN ROUTE CLUSTER

TSITSIKAMMA NATIONAL PARK

OVERVIEW

The demand for fishing rights by the Tsitsikamma Angling Forum marked the start of the financial year. A protest march to the park was held on 27 April 2005 where a memorandum was handed to SANParks officials demanding the opening of the Tsitsikamma Marine Protected Area for fishing. This issue is currently being addressed by SANParks, Marine and Coastal Management (MCM) and the DEAT.

Two major natural disasters affected the park. In May 2005 high seas occurred in the area resulting in the flooding of some of the tourism facilities. The damaged units were withdrawn from the reservation system while repairs were being effected, which resulted in a loss of income during the period. On 15 October 2005 four lightning fires took place in the Tsitsikamma area (including Soetkraal). The fires proceeded to burn for weeks in a south-westerly direction and on 2 November the fires were fanned by a northerly wind and then spread out of control. The fires lasted till 6 November 2005, when rains extinguished the last of the fires. A total of ± 30 000ha of mountain catchment area were burnt during the fire. During the fire the Otter Trail hikers had to be evacuated.

The Storms River suspension bridge structure had to be replaced due to the fact that the bridge became a safety hazard. The harsh sea conditions took its toll on the bridge to such an extent that maintenance was no longer an option. Maintenance was done on roads and chalets; however the access road to the park remains a problem as it is a provincial road and efforts are being made to highlight the situation with the provincial authorities.

CONSERVATION IN THE PARK

The rainfall for this period was generally lower than the 50-year average. July, August and October were particularly dry months. Good rains were received during the month of November, which was over 55% higher than the long-term average for this month.

The total rainfall for the reporting period was 782mm for Bloukrans. The 50-year average for this same period was 904mm. This shows a 13.5% reduction on the 50-year average. This can be described as one of the lowest rainfall recorded during a calendar year for the past 21 years.

After the flooding caused by high seas in Storms River, an alarm system was installed and the emergency plan was also revised. This was mainly to ensure that visitors to the park are safe should another incident occur in the future. A number of Paper Nautilus shells, *Argonauta argo*, washed up on the Nature's Valley beach during the months of June and July. This could be ascribed to the rough seas experienced during this period. A

path was extended over a sensitive dune area on erf 444 in Nature's Valley to ensure that no further "blow-outs" occur in this area.

Alien clearing through the Working for Water (WfW) Programme is still operational. The budget for the 2005-06 financial year has increased to R1.6 million (an increase of R300 000) during the reporting period as allocated. Some 483,56 hectares were cleared.

The CoastCare program came to an end at the end of May 2004. New budgets were submitted and were approved in March 2005. The budget comprises of R5 million, over a period of two years. A total of 10 teams comprising of 12 people per team are presently employed by the project. All deliverables are being met timeously and the programme is running ahead of schedule.

An infrared camera was set up in Natures Valley, close to the Salt River, as part of a leopard monitoring project by the University of Pretoria. Due to problems experienced with the camera there are no records to date. The camera has been sent for repairs.

TOURISM

There was a decline of 7% of visitors to the park compared to the previous year, however this was due to various circumstances including, N2 road works, the break in the operation of the boat Spirit of Tsitsikamma previously operated by Storms River Adventures which will now be operated by the park, and an overall decline of tourism visitors to the Garden Route Region.

The December/January peak season was up by 2,000 more visitors than the previous year; this was due to the boat being operated again and extensive marketing to locals. The 50% off discount offered during August and September proved to be effective. The campaign increased occupancy by more than 2% compared to the previous year.

It seems that the Natures Valley restcamp performance was down compared to last year; however there was a slump in caravan and camping in the region and Natures Valley is predominately a caravan and camping destination.

The Otter and Dolphin Trails operated according to plan. The Dolphin Trail continues to do well, recording high occupancy levels compared with the previous year and the Otter Trail is fully booked a year in advance.

A highlight for the year was the fact that the park's guest cottage received a four star-rating for self catering accommodation.

PEOPLE AND CONSERVATION

Community Relations

The Park Forum has been established and has been welcomed by the local communities.

Environmental Education

More than 3,000 kids from various schools were involved in various educational programmes, such as beach cleanups and youth programmes. The Kids in Parks programme was launched during the year.

PUBLIC RELATIONS

The park shared a stand with the Addo Elephant National Park at the Eastern Cape Stand during the Tourism Indaba in May. Relationships were fostered with the local tourism bureaus. Advertising was also undertaken in various publications and many editorials were done by travel journalists who visited the park. A successful 50% off Campaign was run during the months of August and September.

The park together with the other parks in the region won a Best Stand Award at the Cape Outdoor Expo. The park was also nominated as one of the Top 20 caravan and camping resorts in South Africa by the readers of the *Caravan and Outdoor* magazine.

A *Sho't Left* advertisement as well as a BBC cooking programme were recorded in the park. Educational programmes held various tour operators and tourism bureaus. Two international journalists were hosted in the park. There were more than 50 articles published during the year and of the articles published, 5 were negative while the rest were positive.

WILDERNESS NATIONAL PARK

OVERVIEW

The current size of the park is 3,500ha. The surveys of Erven 20,227,281 and 396, which includes the Ebb & Flow (north) campsite were completed. The diagrams from the surveyor are outstanding and as soon it is received, the registration and transfer of the properties to SANParks will be effected.

The mouth of the Swartvlei estuary closed on 20 June 2005 after being breached in April 2004. This is one of the longest periods that the mouth has stayed open in recent years.

The Working for Water programme in the park has exceeded its initial targets with the result that additional funding was received for the new financial year.

GARDEN ROUTE CLUSTER

CONSERVATION IN THE PARK

Rainfall for the area was significantly down on the long term average and water restrictions have been in place in both the Knysna and George municipal areas due to the extremely low levels of the supply dams in the area. Both the mouths of the Swartvlei estuary and the Touw River are closed berm construction has taken place at both mouths.

The Protected Areas Amendment Act has been in effect since 1 November 2006 and a list of approved fines and regulations has been submitted to the George and Knysna magistrates for approval. The new Act has also withdrawn all regulations pertaining to the Wilderness Lake Area, which leaves park officials with no regulations to use and enforce in the adjacent areas of the park.

The park staff assisted the Municipality in extinguishing a fire burning in adjoining land on the upper plateau near Hoekwil. This was one of many fires occurring simultaneously in the Garden Route in November 2005. A wild fire that is believed to have been started by an overhead power line broke out on an adjoining property on the 23 December 2005 and spread into the park on 25th December 2005. Personnel spent several days fighting the fire and were assisted by the District Municipality and the George Municipality. The extent of the fire still has to be determined.

The Coast Care project is on course to meet its targets with four teams working in the area. One of the teams is being managed jointly by the park and the adjoining Cape Nature Reserve of Goukamma.

TOURISM

The park has experienced a consistent growth in occupancy. This is the result of a good marketing campaign aimed at raising awareness of the park. The profile of the visitors is still not representative of the broader society; however measures are being put in place to rectify this. All the major maintenance and planned infrastructure upgrades of the tourist accommodation units were done.

The 50% off discount offered during August and September proved to be effective as it had a significant impact on increasing the occupancy figures in the park. The camping facilities of the park were awarded a three star grading.

PEOPLE AND CONSERVATION

Community Relations

The establishment of a Park Forum was postponed pending the integration of DWAF areas. The Kransvlei community resource centre is up and running and has been well attended by at least 40 children and adults from both the Kransvlei and Kleinkrans areas.



The Eden Athletics Club has been recently established and is using the Ebb & Flow Rest camp as its base with time trials taking place every Wednesday evening in the camp.

Environmental Education

People and Conservation was mainly involved with the Kids in Parks programme. Schools were identified in George, Wilderness and the Sedgefield area. The Kids in Parks film was recorded in the park on 2 March 2005. There were more than 2,330 kids hosted in the park. Several programmes were successfully planned and implemented for schools around the national environmental theme days. All significant cultural heritage resources in and around the park were audited and recorded.

Public Relations

The park shared a stand with George Tourism during the Tourism Indaba in May. Relationships were fostered with the local tourism bureaus and the park's Regional Marketing Manager is a member of the Executive Committee of the George and Wilderness Tourism. Advertising was done in various publications and many editorials were done by travel journalists who visited the park.

A successful 50% off campaign was run during the months of August and September. The park together with the other parks in the region won a Best Stand Award at the Cape Outdoor Expo. The park was also nominated as one of the Top 100 caravan and camping resorts in South Africa by the readers of *Caravan and Outdoor* magazine.

Educational programmes were held for various tour operators and tourism bureaus. A national media tour to the park was hosted in conjunction with Knysna Tourism. The park also hosted journalists from the *Getaway*, *Country Life*, and *Out There* magazines and various other publications as well. The annual Island Lake Sports Festival took place in December 2005 and was a great success.

A photograph of the park was chosen to be on the front cover of the annual *Great Outdoor Guide*. More than 40 articles were published during the year under review. Of the articles published there were, two negative and the rest were positive.





GARDEN ROUTE CLUSTER

THE KNYSNA PROTECTED NATURAL ENVIRONMENT

OVERVIEW

Since the promulgation of the new Protected Areas Act, the Lake Area changed its designation to that of a Protected Natural Environment. A major cause of concern resulting from this, is that all the regulatory provisions under the previous Act have been withdrawn, leaving the Knysna protected natural environment in a legal vacuum.

Planning of the Thesen Island state land is ongoing. An engineering firm has been appointed to investigate the integrity of Thesens Jetty.

Regular maintenance was done to infrastructure and initial repairs had to be done to the toilet blocks at the Knysna Heads due to winter storm damage. A community footpath project, run in conjunction with the Rastafarian community has been extremely successful. The project was awarded a C.A.P.E Certificate of Merit.

CONSERVATION IN THE PARK

There was no major deviation from the long term rainfall average for the area. Water restrictions have been in place in the Knysna municipal area due to the extremely low levels of the area's supply dams.

A joint SANParks and Municipal alien clearing project, which involved the cutting of a 50m-wide fire belt along the top of Mount Pleasant, was undertaken. Several large sewerage spills took place and this is a cause for concern, however, a workshop was held with the Municipality to identify protocols to handle land-based and marine pollution.

Recent aerial inspections showed a reduction in the number of digging scars on the Salt Marshes. It seems that the presence of rangers is finally showing results; however there has been an increase of human habitation along the lagoon area, which could have a further negative impact on the protected area.

There has been pressure from the local community to create more subsistence fishing opportunities in Knysna, however MCM scientists have indicated that the fish stock is already in dire straits in the Knysna area. A highlight during the period under review was the rare sighting of Flamingoes in the Knysna area.

TOURISM

The Knysna Protected Natural Environment does not have a tourism infrastructure. The annual Knysna Oyster Festival took place and the SA Naval ships moored along side the Thesens Jetty. This generated interest from the influx of Festival visitors.

PEOPLE AND CONSERVATION

Community Relations

The establishment of a Park Forum is pending. Various talks regarding the park and the Garden Route Initiative, took place at various clubs in the area.

Environmental Education

There are ongoing programmes with the local schools. A total of 281 kids were hosted during the period under review. A group of girls from Afrikaans Meisies Hoërskool visited the area for an intensive "nature experience". The group had to produce projects for a national competition sponsored by the National Youth Development Foundation. A number of gold and silver awards were won for projects generated during their visit to Knysna.

Marketing Initiatives

Relationships were fostered with the local tourism bureau and joint initiatives were undertaken to market the area with the idea of hosting overnight visitors in the Wilderness National Park.

PUBLIC RELATIONS AND COMMUNICATIONS

A national media tour to the area was done in conjunction with Knysna Tourism. An exhibition stand with a forestry theme was erected at the office on Thesens Jetty during the Knysna Oyster Festival. Competitions were held and many visitors who came to see the SA Naval ships visited the stand.

The exhibition was a success as visitors were made aware of the fact that the Knysna Protected Natural Environment and the Forestry Section in the area forms part of SANParks.

THE FORESTRY SECTION

OVERVIEW

On 1 April 2005 the Department of Water Affairs and Forestry (DWAF) Area office in Knysna and three forestry estates, namely Farleigh, Diepwalle and Tsitsikamma, as well as the adjacent mountain catchment area, totalling more than 100 000ha, were transferred to SANParks on a delegation basis.

A total of 126 personnel from the (DWAF) were transferred. Twenty-one of these officials were temporarily seconded to the Department of Environmental Affairs and Tourism until their pension benefits could be resolved. The seconded personnel received their appointment letters on 1 March 2006, after the pension benefit, totalling R6.2 million, was transferred to the SANParks provident fund.

Two successful timber auctions were held during the 2005/06 financial year. The demand for Australian Blackwood and Yellowwood was very high and good prices were realised for these species. The demand for the lesser species is generally very poor and the financial viability of harvesting of these species will be investigated. The three Forestry estates are FSC certified and the annual audit in August 2005 went exceptionally well.

The Tsitsikamma mountain catchment areas burnt during November 2005, totalling almost 40 000ha. The senescent fynbos was ignited by lightning.

FRONTIER PARKS CLUSTER

ADDO ELEPHANT NATIONAL PARK

OVERVIEW

The size of the Addo Elephant National Park (AENP) increased to 164 136 hectares. Negotiations to purchase two farms, Ingleside and Zietsmanshoop are underway, with the aim of consolidating the Nyati and Colchester sections of the park.

Rainfall for the year was very sporadic with a total of 381.6mm received. If it were not for the high rainfall experienced during November 2005 the figure for the year would be well below the long-term average of 408.8mm. Ground water throughout the main Addo section has declined.

The World Bank Project continued in its second year of six years. Numerous works took place, goods were procured and consultancies financed during the period under review. These included the purchase of a wildlife recovery truck, the funding of research on marine and coastal birds and marine resources and rehabilitation of roads and areas.

The DEAT Poverty Relief Programme concentrated on the construction of predator-proof fencing around the Darlington area as well as the completion of the southern access road joining Camp Matyholweni on the N2 to the main game area of the park.

Several tourism developments took place during the period under review. The ablution block in the caravan park was enlarged and ablutions for disabled people were built on. Upgrading of accommodation facilities took place, including the repainting of certain facilities, maintenance of thatch roofs, replacing of signs at the forest huts and the replacing of the sewerage pipe system at the ablution block.

The project to upgrade the internal roads in the game area was completed. All outstanding faults in the cottages were rectified by the contractor. Old linen was replaced with new. A major improvement was the building of a thatch roof and wooden deck in front of the restaurant.

CONSERVATION

Numerous translocations of wildlife took place during the period under review. A herd of thirteen elephants were translocated from the KNP to the Kuzuko Contractual Area of the AENP. This is the first time that elephants have been in the Karoo area of the park for over 150 years.

Ten Addo Elephant bulls were captured and sold to private game reserves to relieve bull pressure in the park. Red Hartebeest, Buffalo, Burchell's Zebra and Eland were translocated to the Langvlakte Contractual Area of the park.

The annual Kirkwood auction was held on the 25th of June 2005. Above average prices were achieved for most of the game on sale at the annual Kirkwood Auction. The highest price achieved for Buffalo was R130 000 per animal for a lot of six animals. The total amount received for SANParks game was R2 521 725.

The first three Lion cubs were born to one of the Lionesses in the park and successfully reared, the first since the release of Lions into the park in 2003. One Spotted Hyena cub was confirmed, while it is suspected but unconfirmed that there is at least one other cub.

The Black Rhino (*Diceros bicornis bicornis*) population in the park is doing well. Three calves were born during the year. One bull was killed by the dominant bull in the Darlington section of the park. A Black Rhino bull from the KNP was released into a 400ha camp after a successful rehabilitation program was followed. It successfully joined up with the two existing hand-reared Rhinos in this camp.

The Working for Water programme in the AENP and the Woody Cape section employed 19 teams. A total of 190 people were employed. These teams all completed their initial training and were fully operational in the Zuurberg and Woody Cape sections.

The Coast Care Programme is well underway with 13648kg's of waste collected off the Woody Cape beaches alone for this period. This project also completed the upgrading of the Alexandria Hiking Trail's overnight hut.

A total of 73 Cape Fur Seal pups washed up onto the Woody Cape beaches over a one week period. This was ascribed to severe swells out at sea especially in the vicinity of the Bird Island group. All the animals were taken to the Bayworld rehabilitation centre for treatment and were released around Bird Island in the vicinity of Black Rocks.

PEOPLE AND CONSERVATION

A total of 9,586 learners and 1,244 adults from 208 schools/organisations visited the park for educational outings. The Imbewu camps, a partnership with the Wilderness Foundation – involved 201 learners from local schools in 26 wilderness camps, held in two locations in the park, one inland and one coastal.

The 34-seater bus was utilised to transport a total of 2,318 learners from local disadvantaged schools to the Park for environmental education on game drives. Nineteen learners were hosted as part of Take a girl child to work day, experiencing the wealth of career opportunities open to them in national parks. Arbour Week, Coastal Cleanup Day, Heritage

Day and National Marine Week were celebrated with local schools. Planning for an Interpretive Centre in the park commenced.

SMME development was pursued as part of the World Bank and Poverty Relief projects. Some 48 SMMEs from the neighbouring communities are registered on the database, with 40 of these being formal SMMEs. In total, 166 previously unemployed people are employed in this programme and R4 565 967-20 has been awarded to these SMMEs to date.

The Mayibuye Ndlovu Development programme was successfully transformed into a fully-fledged legal entity known as Mayibuye Ndlovu Development Trust and it held its first formal meetings. The Trust was approached by certain concessionaires for partnerships, as well as enjoying a successful partnership with SANParks.

The Resettlement Action Plan was rolled out and the Resettlement Working Group met regularly to monitor progress. The Resettlement Database was verified in terms of employment and housing for affected farm workers.

Thetha learnerships involved six unemployed and five employed people in the Conservation, Hospitality Reception and Tour Guiding fields. One of the unemployed members was employed by the park, while a further two found employment with the Eyethu hop-on guides. A graduate was enrolled in an internship in the environmental education field.

TOURISM

Visitor numbers in Addo increased by 1.0%, while revenue from the conservation levy increased by 9.5%. The increase in conservation levy is a lot lower than the previous year and can be attributed to an increase in Wild Card sales.

PUBLIC RELATIONS

A highlight for the AENP was the launch of Camp Matyholweni and the SANParks partnership agreement with the Mayibuye Ndlovu Development Trust by Minister Marthinus van Schalkwyk in April 2005. The Minister also took this opportunity to announce the proclamation of Bird and St. Croix Islands as part of the national protected areas.

The park received excellent media coverage - in both print and broadcast media - during the year on events including elephant translocation, the advent of lion cubs, rehabilitation of Cape Fur Seals, developments in the marine area of the park and the Addo Elephant Trail Runs. Episodes for three tourism programmes were filmed in the park. Various freelance journalists and media representatives visited the park.

FRONTIER PARKS CLUSTER

After extensive research, new marketing and advertising material has been designed, repositioning the park in the tourism market where visitors can "Experience a World of Diversity in One Park".

The park was represented at four shows during the year, including the Tourism Indaba, and monthly electronic newsletters were sent out to over 300 stakeholders, tourism operators and visitors.

KAROO NATIONAL PARK

OVERVIEW

The size of the park increased to 90 000 hectares, with the acquisition of Aalwynsghat (420ha), Dansterfontein South (457ha), Dansterfontein North (416ha) and Paardefontein (1 380ha). The fencing of this consolidated section commenced in September 2005 and should be completed by March 2007.

Tenders for the construction of 40km of tourist roads were received at the end of March 2005 and construction should start early in the new financial year.

The process of drafting a new Park Management Plan in compliance with the new Protected Areas Act commenced in January 2005 and should be completed by end October 2006.

Construction of a new swimming pool at the Bulkraal day visitor's facility commenced in March and should be completed in the first quarter of the new financial year. The addition of the new infrastructure will allow management to develop this facility to its full potential.

CONSERVATION

The year started with very good rains, with resultant improvement in veld conditions throughout the park. Winter was very dry, however, and cold temperatures manifested quite late, leading to very dry veld conditions which only recovered during the last quarter.

Despite the fact that the rainfall for the 12 month period was well below the long term average, the veld remains in good condition thanks to the good November and January rains and the cool weather during late summer. The last quarter was characterised by severe temperature fluctuations.

One Black Rhino bull (*Diceros bicornis bicornis*) was reintroduced, bringing the number of Black Rhino in the park to two. Both animals are doing well and remained in the Stolzhoeck area throughout the year. Grazers



and mixed feeders are in good condition as the grass component of the veld is still good in most sections of the park.

A total of 11 Cape Mountain Zebra and 20 Gemsbok were captured and translocated to the Tankwa-Karoo National Park. Three Cape Mountain Zebra were translocated to the Bontebok National Park during the winter.

Brown locusts (*Locustana pardalina*) were seen in large numbers in the park and surrounding areas during the last quarter. However, no swarm irruptions occurred and no spraying was done by the Department of Agriculture in the Beaufort West district by the end of the year.

Follow-up clearing operations of alien invasive plants were carried out by two Working for Water contractors, as well as initial clearing of 80ha of Old Man Saltbush (*Atriplex nummularia*) in the Grantham area.

PEOPLE AND CONSERVATION

The Park Forum has been established and approved by Executive Management. A Steering Committee for the Poverty Relief project (EPWP 2004/2007) has been established as a sub-committee of the Park Forum.

Regular meetings are held with local government and other stakeholders. The park is represented on the Integrated Sustainable Rural Development Planning Forum and other planning forums in the district.

Several local SMMEs were used to do maintenance and construction work in the park. The EPWP is currently employing 190 people and six SMMEs from the local community. This figure should increase by 40% with the implementation of the road project in the new year.

The number of learners visiting the park has increased tremendously since the SAPS availed its vehicle for the transport of learners to the park. A total of 3 537 learners and 704 adults visited the park during this year. The park facilitated environmental education programs for inmates at the local Correctional Services facility.

The Interpretive Centre proved to be a hit amongst visitors and a total of 6 000 guests visited the centre during the year. World Environment Day was celebrated by involving two schools (190 learners) in a procession to the municipal offices culminating with the hand-over of a memorandum to local government and a clean-up session afterwards. Arbour Day was celebrated in collaboration with other departments including GCIS, local government and the Department of Education. National Water Week was celebrated during March with daily outreach programmes targeting four schools.

The Theta Learnership program involving six staff members and twelve unemployed youth from the local community was successfully implemented and completed. Four permanent staff members, enrolled for Adult Basic Education and Training (ABET), passed their exams and proceeded to the next level.

The Fossil Trail has been upgraded with new information panels and additional fossil specimens. Dr J Almond from Natura Viva assisted with the project.

The research project: Sustainable Ecotourism Management in the Karoo National Park undertaken by students from Natal University and the Cape Town University of Technology was completed in December 2005 and the final report was submitted to the park.

The privately-operated shop in the park is selling the artwork of local community projects and locally produced herbs from the Hydroponics project are being used in the preparation of dishes in the restaurant.

TOURISM

The year under review saw an increase of 1.60% in visitor numbers. There was an increase of 24.7% in accommodation revenue compared to the previous financial year. Camping showed a 2.46% decrease in occupancy and game drive revenue increased by 35.22% for the year.

The decrease of 7.19% in conservation fees could be the result of an increase in Wild Card sales. There was a definite increase in tourism activity in the park and feedback from visitors is positive.

The change of management of the restaurant and shop facilities has improved the delivery and quality of service.

A major maintenance programme was started during the year under review. The six-bed family cottages were retiled, the interiors repainted, new furniture acquired for the kitchen/lounge and blinds installed during the third quarter of the financial year.

Ten of the three-bed chalets' air conditioners were replaced as part of the asset replacement program.

The park accommodation and camping facilities were graded in March 2005 and interim reports indicate that it will retain its three and four star grading of the previous year. A new swimming pool and cloakrooms are being constructed at the Bulkraal day visitor's site to cater for the needs of the local community.

FRONTIER PARKS CLUSTER

PUBLIC RELATIONS

The park achieved excellent exposure through Octagon CSI Production Company (for SABC 2), who broadcasted their Superstar Summer Show live from the park in December 2005, as well as through 'Groen' who showcased the park on Kyknet during the third quarter.

The park gained marketing exposure in a number of travel magazines with advertisements and editorials. Several freelance journalists visited the park and wrote editorials which were published in four magazines.

The annual Karoo National Park Cycle Tour took place in September as part of the Heritage Day and Tourism Month celebrations. Entry into the park was free for day visitors during the month of September as a means of celebrating Tourism Month.

The park took part in the annual Learning Cape Central Karoo Festival which promotes career opportunities in the participating organisations to the youth. 900 scholars visited the festival. The Annual Golf Day, coordinated by the Karoo Honorary Rangers, was once again a huge success amongst local golfers. The park also hosted the Karoo National Park Half Marathon in conjunction with the Beaufort West 'Drawwers'.

The park exhibited at the annual Beaufort West Agricultural Show from 23 - 25 March. The park's exhibition stall was once again a favourite amongst the public.

MOUNTAIN ZEBRA NATIONAL PARK

OVERVIEW

Mountain Zebra National Park covers an area of 28 412 hectares. The farms Sonnendal, Jurisdam and Zeekoeigat are being fenced into the main section of the park due to the fact that the grazing rights of the previous owners has expired.

Average rainfall received over the year was 458.2mm which was slightly higher than the long-term average of 440.5mm. However, above-average rainfall occurred only in the months of May, October, November, January and February, while all other months had below-average rainfall. The average veld condition was very good and no problems were experienced regarding grazing and water provision to game.

A further R1m for the tarring of the entrance road has been budgeted for by the Chris Hani District Municipality, reflecting on their IDP projects to be implemented during the 2006/7 financial year.

A total of R6.75m was received from DEAT for poverty relief projects relating to predator-proof fencing and the upgrading of chalets. By the end of the reporting period, 26 kilometres of the predator-proof fencing had been erected. R1m was allocated towards wetlands conservation by SANBI via DEAT. Working for Water allocated R600 000 for invasive alien plant clearing.

CONSERVATION

The results of the annual aerial census indicated an increase in Cape Buffalo and Cape Mountain Zebra populations, as well as other populations such as Burchell's Zebra, Gemsbok and Klipspringer.

Sarcoid tumours are still prevalent amongst the Mountain Zebra population and at least two stallions had to be destroyed due to excessive tumours. Less than 5% of the population is infected. The occurrence of sarcoid tumours is a growing concern for Mountain Zebra conservation nationally.

Unfortunately the first Black Rhino calf in the park died of unknown causes. Black Rhino monitoring in the park continues. Bushbuck were introduced into the Berghof area of the park.

A Working for Wetlands project was established to combat donga erosion in the De Rust section of the park. The project is already ahead of schedule with 514 m of gabions completed. A lightning fire occurred on Rooiplaat, damaging only three hectares of veld. Herbage yield monitoring was done on this area.

PEOPLE AND CONSERVATION

A total of 459 learners and educators were addressed during environmental education programmes. Target groups included local school and schools beyond the municipal area.

Arbour Week celebrations took place in the park and World Heritage Day was celebrated at JA Calata Secondary School. Parks staff, Working for Water, Working for Wetlands and DEAT projects celebrated World AIDS Day in the park. 200 local people were employed in poverty relief/SPWP projects for the reporting period. At least nine SMMES were involved in these projects.

TOURISM

A total of 13,044 visitors entered the Mountain Zebra National Park during this period. Chalet occupancy was at 63.63%. Camping occupancy showed an increase of 1.8% from 20.8% to 22.63%.

By the end of the period under review, 45% of the chalets had been upgraded through the Poverty Relief programme. Feedback from visitors on the chalet upgrades was very positive. The completion of the upgrade in the camping area is bearing positive fruits from campers. Visitors are generally impressed with park facilities.

Upgrades were done on the ablution facilities at one of the picnic sites and a general cleanup of unused structures in the staff village was carried out. A fence was completed around the staff village. The administration complex at the old workshop was completed. A VSAT satellite network system was installed, as well as a radio link between the two administration buildings.

CAMDEBOO NATIONAL PARK

OVERVIEW

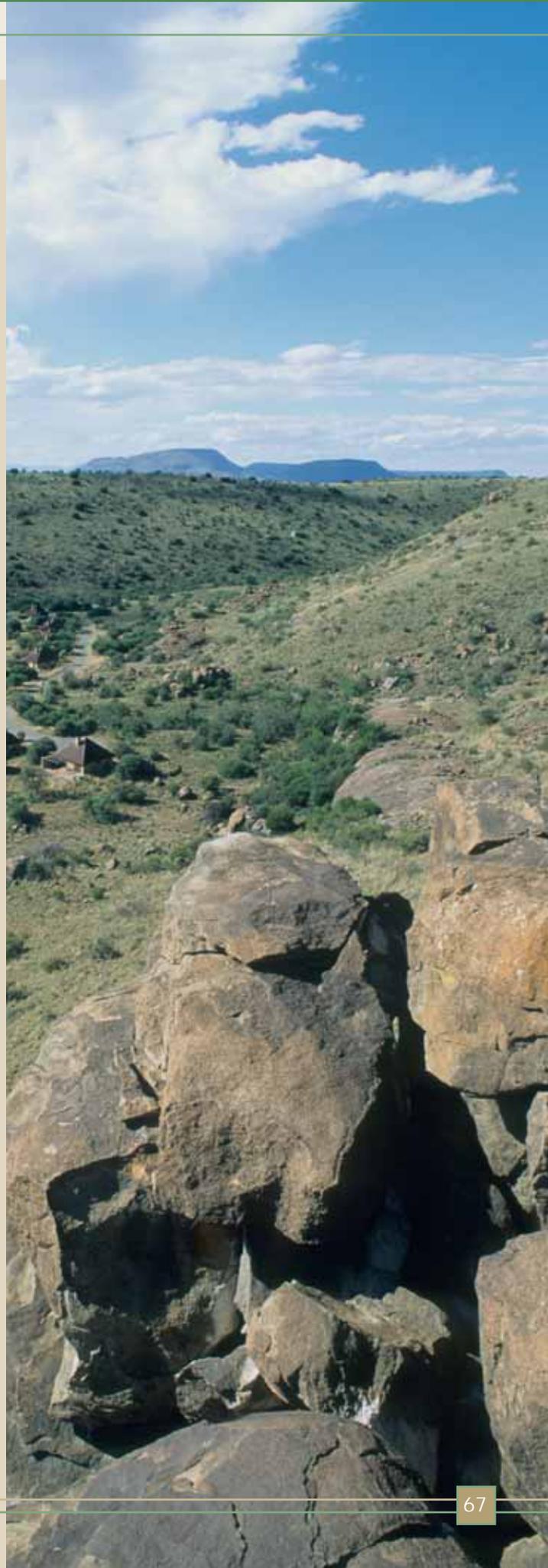
The Camdeboo National Park (CNP) was proclaimed on 31 October 2005 following transfer of the Karoo Nature Reserve (Administered by the Department of Economic Affairs, Environment and Tourism of the Eastern Cape Legislature) and a staff of 13 to SANParks.

A launch for the park was held at the Valley of Desolation where the Minister of Environmental Affairs and Tourism announced a vision to unite the Camdeboo and Mountain Zebra National Parks as a 500,000ha 'megapark' that would span four biomes. The current size of the park is 14,711ha.

Transformation of the park has progressed well, with priority being given to the replacement of signboards compliant with SANParks corporate branding policy. All of the documentation including permits and publicity material has also been transformed.

While park management remains accommodated by means of a lease agreement, in provincial facilities in Graaff-Reinet, a Poverty Relief project to renovate the existing former golf club house in the park, for use as a new office is in the final planning stages.

In addition to this, two Poverty Relief projects: R4.5 million to upgrade the 28km Game Viewing Area road network with a gravel surface and R500,000 for the final phase of rehabilitation of the shoulders of the tar road to the Valley of Desolation, are in progress. Rainfall fluctuated over the period under review with the south-eastern section of the park receiving considerably less than average rainfall. Average rainfall for three sites monitored is 11% lower than the long-term average.





FRONTIER PARKS CLUSTER

Conditions across the park vary considerably due to the very patchy distribution and varying intensity of rainfall. A very hot and dry December followed by a relatively dry last quarter (with the exception of good rains in January) has desiccated the veld in the low-lying dwarf shrubland areas of the park.

CONSERVATION

A wildlife census of the park was undertaken in February 2006 and results are still pending. The following table provides numbers of some prominent species in the park from the wildlife population register of November 2004 to provide an indication of population sizes in the park:

Species	Number
Kudu	693
Buffalo	41
Cape Mountain Zebra	101
Springbok	175
Black Wildebeest	80
Red Hartebeest	115
Gemsbok	61
Eland	25

Copper deficiency in the blesbok population appears to afflict just about all of the animals in the Game Viewing Area of the park.

In the past, this problem has been controlled by annually culling about 30 animals which showed obvious signs of 'swayback' or those most white in colour.

Eighty-two Gifbol (*Boophane disticha*) bulbs were planted in the nursery at Gannaleegte after they were confiscated by local DEAET officials.

Poaching by means of wire snares remains a problem in the park, although it has decreased following a number of arrests during the last quarter of the year. With one conviction, we have one outstanding case pending a decision on whether to prosecute by the Regional Public Prosecutor.

One Cape Mountain Zebra has recently been observed a number of times with a wire snare on its hind-leg. The CNP currently has four operational field rangers while an additional three personnel have been selected and appointed to commence duty in the new financial year. A new fishing permit for the Nqweba Dam was developed and printed.

Work is all but complete on the collection of the information required for the park's Conservation Development Framework which will be used to plan future development within the park.

The Geographic Information System for the park has been consolidated by the collection of spatial data for all existing infrastructure in the park. In addition, information has been added on a regular basis to the park illegal activity database (1 562 records) and the wildlife observation database (16 231 records).

Seven vital attributes of CNP biodiversity were listed with their determinants, threats and constraints as part of a process to determine the biodiversity objectives of the park. A number of biodiversity related surveys were carried out in the park over the period under review. Surveys included collection of fish species in CNP/Sundays River which yielded three indigenous species, five species alien to the system and two exotic species; vegetation surveys in the so-called large herbivore exclusion zone and in the Game Viewing Area, inside and adjacent to a grazing enclosure, veld condition indexes for seven 'grasveld' sites in the wetland area of the dam; and regular CWAC counts of wetland birds for the Nqweba Dam by the Graaff-Reinet Bird Club in association with park staff.

TOURISM

The two main entrance gates to the park off the R63 to Murraysburg were staffed from December 2005 onwards by a local security firm to implement access control. Visitor numbers have been recorded for the first time and projections made from these figures indicate that 32 281 people visit the Game Viewing Area and 51 580 people visit the Valley of Desolation annually.

Proposals on the implementation and adjustment of tariffs for various activities and entry points to the CNP were submitted for approval while staff have been interviewed and appointed with effect from the 1st of April 2005 to commence with the collection of conservation fees at the two above mentioned gates. Gate-specific publicity material supplied to visitors was transformed, updated and reprinted.

PEOPLE AND CONSERVATION

Environmental education programs carried out at the Camdeboo Education Centre since November 2005 include some twenty groups totalling 592 people. The majority of these groups originate from within the Graaff-Reinet district and many of these are return visits by groups that have used the Centre before.

Seven local stakeholder groups that are representative of the broad community were identified and approached with a view towards the establishment of a Park Forum.

These groups nominated candidates and a preliminary meeting was subsequently held to discuss the Terms of Reference of a Park Forum. Park Management will pursue having this forum signed off in the first quarter of 2006/07.

PUBLIC RELATIONS

The Camdeboo National Park was given considerable exposure by the media following the launch of this new national park in November 2005. The TV program *Groen* screened a half hour insert about the CNP on the channel Kyknet.

In addition to this the park was further publicised in the broadcast and print media following the death of Dr Anton Rupert towards the end of January. Press releases have been issued concerning plans for future expansion of the CNP, park developments and the introduction of conservation fees.

The friends of the park (GRENAAT) took part in a snare hunt in the Skuinsveldhoek section of the park and recovered eight snares. Three Blesbok that showed advanced signs of swayback (Cu deficiency) were culled and donated to the Camdeboo Municipality as a contribution towards the local AIDS Day initiative. A fishing competition was organised in partnership with some members of the local angling community. Prizes were sponsored by local business.



ARID CLUSTER

KGALAGADI TRANSFRONTIER PARK

OVERVIEW

Kgalagadi Transfrontier Park (KTP) and the whole region experienced a very good rainy year with rain falling basically non-stop from September 2005 until March 2006. Roads inside and outside the park were closed from time to time due to the heavy rainfalls and inaccessibility. In the early part of 2006 this had a positive spin-off for tourism in the park and camping as well as rest camp accommodation were filled up to capacity.

The previous Poverty Relief cycle was completed successfully and the new cycle started with a project manager being appointed. KTP completed a very successful Kids in Parks programme in which ten local schools participated in and 460 kids benefited.

A Kids in Parks facility consisting of sleeping quarters, ablution facilities and a kitchen were built at the "Old Roads Camp Site" which can sleep 60 people at a time. KTP was recognised by the Minister Pallo Jordan and the Northern Cape Geographical Naming Committee for successfully administrating the first name change in the Northern Cape.

CONSERVATION IN THE PARK

Rainfall (mm)

Month	Twee Rivieren	Nossob	Mata Mata	Long Term Ave
April	92.5	148.0	120.8	27.3
May	2.0	1.6	1.5	8
June	0.0	0.0	0.0	2.2
July	0.0	0.0	0.0	1.6
August	0.0	0.0	0.0	1.1
September	0.0	0.0	0.0	2.6
October	9.5	32.0	15.5	9.5
November	0.0	11.5	21.0	18.3
December	6.0	31.0	10.0	23.1
January	53	97.0	172.2	34.9
February	115	88.0	123.3	43.8
March	16.5	43.5	51.8	31.5
TOTAL	294.5	452.6	347.3	

Well-above average rainfall was received in Kgalagadi. The winter months however, experienced below average rainfall. The number of rain days was lower than the previous year.

Two young male Lions were captured and translocated to the Tswalo Desert Reserve in order to improve the genetic make up of their population. Male Lions previously from the KTP were moved from Tswalo to Marakele National Park for the same reason.

In general, veld conditions were good for the whole of the park. The Nossob region around the camp has good grass cover and also the northern section towards Union End. The veld condition for the Twee Rivieren section in general looks good.

The Auob river in the Mata Mata section was green for most of the year but in the later part of the year the veld condition dropped severely – in some areas there was no grass cover on the dunes but after receiving above average rainfall between January to March, veld conditions improved rapidly.

TOURISM

For the period under review, visitor numbers decreased slightly with a notable increase of overnight visitors which stay more nights in the park. The three new wilderness camps are proving to be very popular.

PUBLIC RELATIONS REPORT

The report on the Cultural name change in Kgalagadi was published in the SANParks' Internal Newsletter (Go Wild) in August and the Honorary Rangers (HRs) visited KTP in August. The HRs constructed a display for Unions End, the most Northern point of the park, where three countries (South Africa, Namibia and Botswana) meet.

RSG radio station interviewed the People and Conservation Officer in September 2005 regarding the interaction and involvement between KTP and the Khomani San community. An SABC production, Focus visited the KTP in September 2005 for interviews and footage with the People and Conservation officer at Klein Skrij lodge.

AUGRABIES FALLS NATIONAL PARK

OVERVIEW

The current size of the park is 48, 000ha and plans are afoot to purchase a small piece of land of about 634ha along the Orange River to complete the current park consolidation process. A strategic small piece of land, about 27ha, in the middle of the park along the Orange River was acquired during the period under review.



CONSERVATION

Due to the good rainfall, spectacular flowering has already been observed and the park’s overall vegetation and animal species are in good condition. The heavy rainfall necessitated maintenance on most roads in certain places where the water run-off was very high.

Progress on the *Aloe dichotoma* research includes a database of nearly 600 individual trees depicting an assessment on population status and impacts. The relocation of game which was conducted during the period under review from Vaalbos, 47 Red Hartebeest and 14 Ostrich were released in the new section of the park. The game relocated last year from the northern section, Giraffe and Hartmann’s Zebra, are doing well.

CLIMATIC CONDITIONS

Rainfall

	Veldt Hut	Boma	Zeekoei steek	Blouputs	Rest Camp	Daberas
April	10mm	23mm	14mm	17mm	18mm	35mm
May	68mm	58mm	77mm	69mm	51mm	59mm
June	0	0	0	0	0	0
July	0	0	0	0	0	0
August	0	0	0	0	0	0
September	0	0	0	0	0	0
October	9.5mm	15mm	25mm	24mm	10mm	26mm
November	9mm	17mm	10.3mm	8.5mm	10mm	11.8mm
December	8mm	5mm	4mm	0mm	5mm	4mm
January	47.5mm	30mm	24mm	47.5mm	64mm	59.5mm
February	51mm	35mm	4.4mm	62mm	35mm	37.5mm
March	3mm	0mm	0.2mm	3.5mm	20.5mm	0.2mm
Long-term						
Average	17.2mm	15.3mm	16.5mm	19.3mm	17.8mm	19.4mm
Total	206mm	183mm	198.5mm	231.5mm	213.5mm	233mm

The rainfall for this period was sporadic (i.e. different sections received different amounts of rainfall) in the park. Accordingly the veld is not in a bad condition due to the good rainfall experienced in the month of May.

PEOPLE AND CONSERVATION

Environmental education activities are ongoing and holiday programmes were implemented. A total of 338 adults and 239 children, 577 persons in total, went through the holiday programmes.

PUBLIC RELATIONS

Episodes of the SABC TV show *Isidingo* were shot in the park with community members filling in as ‘extras’ along with the popular cast. *Octagon CSI* was and continues to be involved with a show called *Destination South Africa* which is produced for SABC Education. This innovative new magazine programme will be targeted at children between the ages of 9 – 15 years and is broadcast weekly on

SABC 2. The main aim is to build in them a sense of pride in the target audience their country, community, family and self - in short: to show each and every child in our country how to be all-round proud of South Africa, particularly as we celebrate our democracy. The scene that was shot in the park was broadcast on SABC 2 in November 2005. Positive response has been received from the community in this regard.

As part of SABC2’s Superstar Summer Tour a group of Park kids were taken on a guided walk by the two Nature Conservation students. The walk was filmed for the SABC2’s Superstar Summer Tour. The People and Conservation Officer, accompanied by one child, was part of the live TV-production shot in Upington on Monday 12 December 2005. The one story involved a story on the park, with Werner Bock, a learner, plus one of our staff members, Field Ranger Mario Titus, while the other story was filmed at one of our community schools in Augrabies.

NAMAQUA NATIONAL PARK

OVERVIEW

The current size of the Namaqua National Park (NNP) is 77 181ha with a projected 150 000ha once the park has been fully consolidated in the next years. The farms Graskom 1 919ha; Vorentoe 2 160ha; Ghaams 2 143ha, Annex Kanoep 973ha, Diknek 1 770ha; Blommedal Boerdery 2 800ha; Riethuis 1 600ha and portion of Graskom and a portion of Taaibosch duin 1 700ha, as part of the Corridor, were purchased.

Negotiations to purchase the remainder of the farms earmarked for the corridor are in an advanced stage and are due to be finalised in the next financial year. Due to the new Protected Areas Act which came in effect on the 1 November 2005, the finalisation of the De Beers property draft was postponed until early 2006. The De Beers property draft is now up for review and finalisation.

CONSERVATION

Game translocation was completed in May 2006 with a total of 53 animals being introduced: 27 Gemsbok and 26 Hartebeest.

The Hartebeest had a very good lambing season and approximately 14 young were counted. Research on the quartz sites continues and field work will be completed in October 2006. ANBI visited the park for collection of plants within low collection data and further data collection for monitoring recovery rate at Skilpad was completed.

The fences require constant attention to prevent animals escaping. This is critical and will need urgent funding. Due to the delayed discussions with De Beers it was decided to withdraw the coast care workers from the coast at the end of November 2005. They were then deployed in the park on the fence line.

Namaqua Wilderness Corridor (NWC)

A planning session was conducted with all stakeholders in the process of establishing the corridor as navigated by Conservation International's SKEP team and Namaqua is a partner along with the Surplus Peoples Project (SPP).

TOURISM

Visitor numbers are dependent on the flower display but have been very low due to heat and drought. Because of the parks' locality it is not yet a popular holiday destination during the hot summer months.



PUBLIC RELATIONS AND PEOPLE AND CONSERVATION

The Park Forum continues to be very active and the park management has engaged local communities with special attention given to cultural holidays (biodiversity and Youth Day).

COWEP: The project officially started with the training of youths from the surrounding communities and the project went into its implementation phase at the start of September 2005. NNP actively promoted and was involved with community tourism. A golf day was held in October and it was a huge success.

| AI- | AIS/RICHTERSVELD TRANSFRONTIER PARK

OVERVIEW

The year under review has been a difficult one for the park. The main issues have been differences between SANParks and community representatives in respect of co-management of the park.

These problems have been exacerbated by problems amongst the community representatives themselves, particularly with respect to the Expanded Public Works Programme and the Management Plan Agreement. These differences are likely to impact significantly on progress with projects in the next phase of the Poverty Relief roll out.

Extreme climatic events in the park and other areas that affect the park, have had marked impacts which has led to financial and operational consequences. A number of flooding events have impacted on infrastructure along the Orange (Gariep) River.

These have been precipitated by high rainfall in the catchment areas of the Orange River as well as exceptionally heavy rain in the Marienthal district of Namibia which caused a rapid rise and flooding of the Fish River. Extremely heavy rains in October caused significant damage to road infrastructure in the park destroying almost all the previous construction work done at a cost of R4 million. The signage in the park also needs to be redone as a result of flood damage, and tourists losing their way in the park remains a problem.

There have also been delays in the filling of key posts and it is hoped that this will be resolved in the new financial year. This has been due, in part, to a lack of sufficient staff accommodation.

The |Ai|Ais/Richtersveld Transfrontier Park initiative has gained momentum during the year. However delays in the opening of the Border Post and the Pont have meant that the process has not yet been

fully implemented. However, joint management plans and institutional arrangements in respect of the management of the Orange River are at an advanced stage.

The Tourist statistics indicate fewer visitors to the park than last year and the expected increase in numbers as a result of the Transfrontier Route has not materialised as a result of the delay in opening the Border Post.

However, the response of visitors to the new facilities has been positive and it is expected that numbers will increase as people become aware of the accommodation options available. The park now has 62 camp sites and 58 beds available.

CONSERVATION

The Richtersveld National Park is a contractual park and this allows for mining and stock farming activities to continue within its boundaries. There has been increased co-operation with the TransHex Mining Company with regard to the rehabilitation of mined areas.

The monitoring of the impacts of stock farming on the park's vegetation continues. This research has been given a new impetus with the fitting of tracking collars to some of the stock which enables researchers to be able to monitor stock movement more accurately.

The Park Field Rangers conduct regular foot, vehicle and boat patrols to counter threats against the Park's biodiversity. The illegal netting of fish in the Orange River and the removal of rare succulent plants are the main problem areas. The training of Field Rangers has been identified as a critical area and regular in-house training is conducted. The park scored well in the PARMA audit.

Research by outside agencies in co-operation with SANParks is ongoing. The German government funded BIOTA project has been expanded and the park's staff has contributed by constructing a new exclusion plot on the Koerghab Vlake. The National Botanical Institute has also established two stations in the park to research the effects of climate change on the vegetation.

The communities and stock farmers have agreed to SANParks re-introducing game into the park. This process is underway and counts, including an aerial survey, of the feral Donkey population have shown much lower numbers than anticipated. This has prompted the decision to proceed with game introductions without removing the Donkeys as the interaction between the two will be insignificant. It is planned to introduce Red Hartebeest and Springbok in the next year as an initial step in restoring the park's biodiversity.

No wildlife census was conducted in the year under review. Monitoring by Field Rangers and observations by stock farmers indicate that existing populations of Klipspringer and Kudu are increasing gradually. Leopard spoor has been encountered on a regular basis and it would appear that the presence of Leopards has contributed to the decline in the feral Donkey numbers.

Baboons continue to pose problems in Sendelingsdrift and in the campsites, and they have been responsible for some stock losses in the park due to the fact that they have resorted to killing lambs at some stock posts.

In order to preserve the indigenous flora, management monitors a number of hotspots in the park. The aim is to ensure that these areas are not impacted on by stock farming activities.

At present there is good cooperation with stock farmers in this regard. Some researchers have indicated that there are major problems for the fauna in the region which includes the Namib Desert to the north. These would appear to be as a result of a shift in the climate and a loss of topsoil due to long-term wind erosion which has been exacerbated by grazing in some areas.

No new discoveries of fauna and flora have been reported in the park during the year. An Emergency Response Plan has been put in place and warnings to tourists have been prominently displayed to manage accidents and disasters in the park. Despite this the remote nature of the park and a lack of facilities remain problems. In the year under review park management attended to one serious road accident involving a visitor. Another visitor was seriously injured falling out of a rooftop tent. Both of these incidents resulted in the casualties being flown out of Alexander Bay for further treatment. A visitor and two security guards drowned in separate incidents. One Telkom vehicle was destroyed in a flash flood, but the occupants escaped without injury.

PEOPLE AND CONSERVATION

The Co-management Committee (RGBK) which is made up of senior SANParks management representatives and representatives from the four Richtersveld towns and stock farmers held four meetings during the year. This committee has also been represented at a number of other forums including the Joint Management Board of the Transfrontier Park.

Park management and the People and Parks Division have been actively involved in providing assistance to the Richtersveld Community Conservancy. A learnership programme has been initiated which has resulted in the Conservancy Manager and Administrator doing internships





ARID CLUSTER

with SANParks. The Park Manager is also actively involved as a member of the Richtersveld Conservancy Management Committee. The Conservancy is currently working towards attaining World Heritage Site status.

A number of community-based tourism facilities were built as part of the Poverty Relief programme and the park has been proactive in supporting these. A number of learnerships to empower young women from the communities have been facilitated with the South African Tourism College. These learnerships will hopefully provide both the park and community-based tourism initiatives with a pool of skilled and motivated staff.

The Expanded Public Works Programme created over 160 direct jobs in the park and SANParks employed 11 full-time and 16 part-time staff which contributed to the local economy where work is scarce. Further job creation initiatives are underway to create small business opportunities for the neighbouring communities in the park.

PUBLIC RELATIONS

The park and new facilities have had very positive media coverage in the course of the year. This has been carried in a wide range of publications ranging from in-flight magazines to niche 4X4 magazines. A number of TV productions have also been screened.

A major endurance event, the Bull of Africa race, was also staged in the region with sections being run in the park. As a number of countries entered teams into this event the reporting and TV coverage reached a diverse audience.

An event, Alles wat Dryf, which included sports and music events was held and is set to become an annual event at Sendelingsdrift. This event was a particularly positive one as the full cultural diversity of the region was represented.

Park management has been represented at local tourism forums and has been actively involved with provincial tourism initiatives and the Cape to Namibia Route. The aim of participating in these fora has been to ensure that the park is integrated into the regional tourism structures and that it becomes one of the anchors of the regional tourist economy.

A 35-page information brochure for the park has been completed and will be printed shortly, which will contribute towards the overall tourism product. The park has been represented at a number of industry shows.

VAALBOS NATIONAL PARK

OVERVIEW

On 13 June 2005, after lengthy negotiations, the owners of Wintershoek informed SANParks that they would sell as a going concern to the value of about R110 million. This was not possible from the Regional Commissioners side as the mandate of the Commissioner was to compensate for land and not for the animals on the land as well. Although the owners were initially not pleased with the offer, the meeting proved successful.

The owners of Wintershoek eventually agreed to sell the property to the Department of Land Affairs and the process started. The owners of Wintershoek also acquired 2 new properties and on 20 February they started moving game to these properties.

CONSERVATION ISSUES

Game capture took place at Vaalbos during May 2005 and March 2006. The totals are included below (Table 1). The park also moved 13 Roan Antelope from one camp to the other at Graspan to minimise the fighting that occurred between the males.

No incidents of Anthrax were reported for this period. The breeding of the rare species is going very well. Vaalbos and Graspan currently house just over 320 Buffalo. At present there is no alien-clearing program conducted at Vaalbos. The parks however doing control on species like Datura.

A new Black Rhino bull was introduced from Tswalo. Wildeman, the dominant Black Rhino bull, died after it was noted that his condition was very bad. On 5 October his carcass was found and it was determined that he had acute arthritis in his hips. The White Rhino bull that was caught and sold from Vaalbos was replaced with the bull that the park had at Graspan. In March 2006 the park also started with the internal game moves. Totals are included in the table below (Table 2). No game moves to Wintershoek were undertaken.

Table 1: May 2005

Species	Totals
Black Rhino	3
White Rhino	2
Red Hartebeest	114
Roan	12
Tsessebe	38
Eland	16
Gemsbok	27
Ostrich	14

Table 2: March 2006

Species	Totals
Springbok	58
Zebra	36
Red Hartebeest	47
Gemsbok	65

RAINFALL

MONTH	mm	LONG TERM AVE 1997-2005 (mm)
April 2005	54.5	45.9
May 2005	2	14
June 2005	2.5	3.1
July 2005	0	2.9
August 2005	0	6
September 2005	0	13.5
October 2005	24.5	29.5
November 2005	36.5	38
December 2005	73.5	74.4
January 2006	168.8	64.4
February 2006	81.4	47.4
March 2006	141.7	92.1
TOTAL (12 Months)	585.4	431.2

The Vaal River was at a very low level until 27 February. The water level then increased and covered the low water bridge at the gate. The good rain in Gauteng resulted in the Bloemhof Dam sluices being opened and the 1,200 cubic meters per second was let out.

This caused the low water bridge to the park to be submerged for about six weeks. Guests had to make use of alternative routes and detours to get to the park and this also had a negative impact on tourism for this period.



GRASSLAND/NORTHERN CLUSTER

GOLDEN GATE HIGHLANDS

OVERVIEW

The current size of the Golden Gate Highlands National Park (GGHNP) is 12 000ha with a projected 34 000 ha once the park has been consolidated after the incorporation of the Qwa-Qwa Provincial Reserve. It is envisaged that management of the Qwa-Qwa Provincial Reserve will be transferred to SANParks during the 2006/2007 financial year.

The eight luxury units at the new 24-bed Mountain Retreat rest camp are on the reservation system and have been made available to the public since September 2005.

The 24 economy units at the new Qwa-Qwa Rest Camp are fully furnished and fitted out. It is envisaged that this authentic Basotho style rest camp will become operational shortly after the Qwa-Qwa Provincial Reserve amalgamation is completed. The new Qwa-Qwa rest camp is associated with the well-known living cultural museum, the Basotho Cultural Village.

Both entrance gates to the park are completed and will be managed as control points to the park as soon as the Qwa-Qwa amalgamation is completed. User data is already collected at the two gates.

Good progress has been made in activities relating to the Maloti Drakensberg Transfrontier Project (MDTP) between Lesotho and South Africa, of which GGHNP forms an integral part. SANParks continued its participation in MDTP and, as one of the four implementing agents for the MDTP in South Africa, is also represented on the SA Project Coordination Committee (PCC).

The PCC has been constituted to oversee the various activities of the SA Project Coordination Unit, including those activities associated with the Project Implementation Plan in South Africa. As part of the MDTP, SANParks is also intricately involved in the bio-regional planning process. SANParks is also represented on the Bilateral Steering Committee between Lesotho and South Africa and as such provides direction to the MDTP.

Good progress was made with regards to the development of an Integrated Park Management Plan (IPMP) during a four-day stakeholders workshop that resulted in pinning down the desired state for the park by an average of 60 participants per day. This workshop also initiated a process to establish a representative Park Forum. A Terms of Reference for the Park Forum was adopted and candidates for seven of the nine portfolios were presented for consideration and approval.

A two-day workshop to start the process of formulating Thresholds of Potential Concern (TPCs) for the park's desired state also took place. The

IPMP will be completed for public input and submission to the Minister during the next financial year.

TOURISM

Visitor numbers in general are up by 14.77 % for the year, although the Easter weekend, one of the peak periods in the park, fell outside the financial year. While the entrance gates to the park remain non-operational, it is not possible to determine the number of day visitors to the park as not all day visitors take out day permits at Glen Reenen.

Occupancies are up by 5.89 % and 8.9 % respectively for the year compared to the previous year, all of which indicates that the upgraded and expanded Glen Reenen rest camp and the new Highlands Mountain Retreat are well received and utilised by visitors to the park. As a result the tourism income is up by 44,1% from the previous year due to more beds that are available in the upgraded and expanded Glen Reenen rest camp and the new Highlands Mountain Retreat that has been operational since 1 September 2005.

The camping area at Glen Reenen rest camp is in urgent need of an upgrade and major maintenance. This will be addressed in the new financial year.

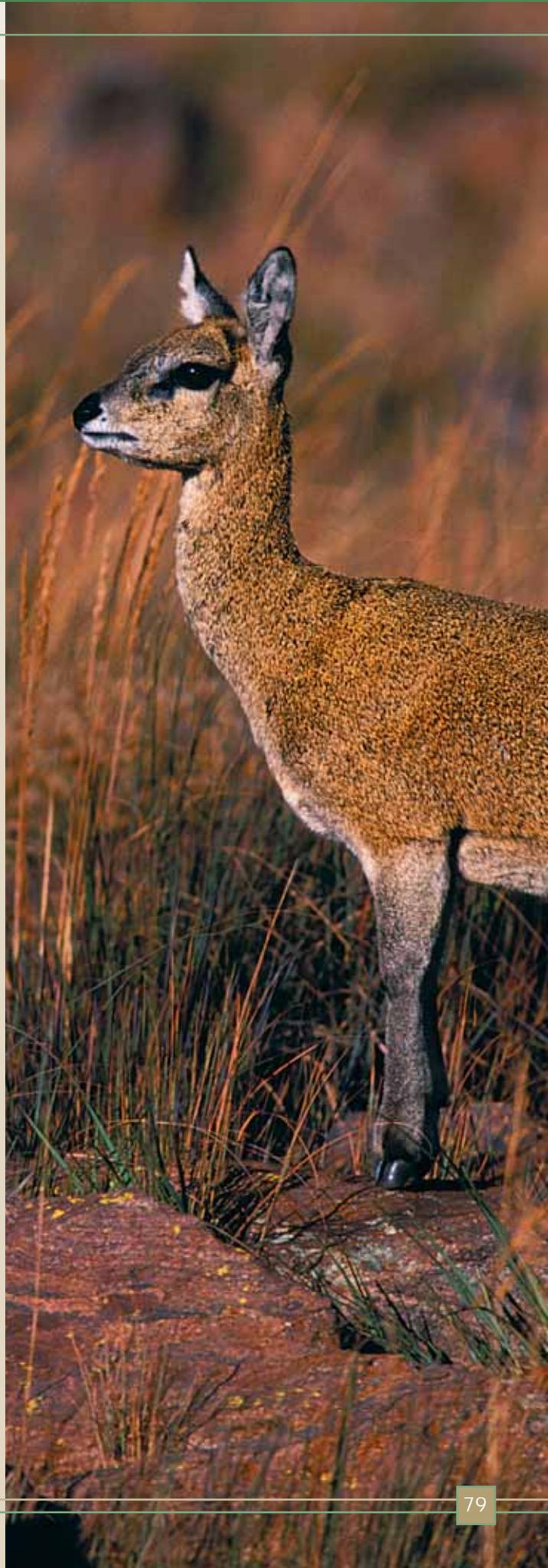
The Protea Hotel Golden Gate is outsourced to Faranani Consortium and managed by the Protea Group of Hotels. The feasibility and sustainability of this lease agreement is been looked at. The shop at Glen Reenen rest camp and the staff shop at Thabong were taken back from the same outsource lease agreement before the December holiday season and is now again managed by SANParks.

CONSERVATION

The 884.3mm rainfall for the year is 17% higher than the long-term average and the condition of veld is very good. Generally the wildlife is also in a very good condition due to the good condition of the veld. The Little Caledon River and Ribbokspruit are flowing, although it was stagnant during December 2005.

The park did not experience the extreme minimum temperatures that the Eastern Free State is so well-known for with an absolute minimum for the year of only -5.5°C that was measured in June 2005. An absolute maximum for the year of 30.1°C was measured in November 2005.

No comparable game count figures exist for the previous year because no aerial game census was conducted. Due to the fact that game capture operations in GGHNP also involves the Qwa-Qwa Provincial Reserve, it was decided to put any game capture operation on hold until the Qwa-Qwa Provincial Reserve amalgamation has been completed.





GRASSLAND/NORTHERN CLUSTER

The Working for Water alien vegetation clearing project had a late start this year, but a catch-up plan was put in place, namely the employment of nine additional workers to accelerate progress. A team of 30 workers that was also been sourced from Clarens to assist for a period of two months.

More hectares than targeted have been cleared with a total of 1 170ha. Rand Water is not working on alien vegetation clearing in the park anymore.

The Working on Wetlands rehabilitation programme picked up very well after a late start when an additional nine workers were sourced to accelerate progress. A total of 353m² was completed.

The Working on Fire firefighters are based in the GGHNP. They consist of two teams of ten well-trained firefighters, each with a team leader. No uncontrolled burning took place during the period under review.

The vulture conservation programme in the park, which forms part of the international vulture conservation programme in Southern Africa, is ongoing, with regular feeding taking place at the so-called vulture restaurant according to a feeding plan. The process to construct a hide at the vulture restaurant is progressing well and the EIA scoping report has been finalised and submitted to DEAT. A Record of Decision to continue with construction has been received.

PUBLIC RELATIONS

The GGHNP formed part of the exhibition of the Free State Honorary Rangers at the Bloemfontein Show during the last week of April 2005.

Red Pepper Pictures and the team of Sho't Left visited Golden Gate on the 18 and 19 April 2005 during which they also filmed material for the programme that formed part of the 13 June 2005 broadcast.

T-Man Productions visited the park on the 22 April 2005 in order to compile a marketing video, by interviewing stakeholders in the Eastern Free State, for a presentation to the Local Organising Committee of the Soccer World Cup 2010.

The very popular DUB from the Tube Programme on SABC 2 visited the Kids in Parks programme. Footage of this visit was screened on various occasions of this television programme.

A Tourism Month launch was conducted in the park on the 27 August 2005 which a large group of media participants attended.

The GGHNP made up a large part of a 50/50 programme that was recorded in and around the Clarens area and the park. This programme was broadcast on 25 September 2005.

MARAKELE NATIONAL PARK

OVERVIEW

The current size of the park is 67 000ha, and will be a projected 100 000ha once the park has been fully consolidated. The farm Kareehoek 274 has been purchased, adding 45,3ha.

The contractual agreement in respect of the 1 000ha Vygeboomfontein property is in its final draft and has been submitted and anticipated to be ratified in the next financial year with the exchange agreement between Mr Ampie Venter and SANParks having been finalised.

A process of negotiation with land owners on the western side of the park was started during the course of March 2006.

CONSERVATION ISSUES

A game census was conducted during the month of September 2005 and eleven Buffalo were darted to draw blood in efforts to test for corridor disease. Further tests are to be conducted in the next financial year.

Poverty Relief project teams removing redundant structures continued with the removal of old farm fences and dilapidated buildings.

	AREA CLEARED (Apr – September)	TARGETS 2004/5
Follow-up clearing	1 980	5 000
New clearing	In progress	-
Total (6 months)	1 980	5 000

CLIMATIC CONDITIONS

Rainfall (mm) Main Gate Station

MONTH	2005/6	LONG TERM AVE
April 05	59.7mm	48.2mm
May 05	No Rainfall	No Rainfall
June 05	No Rainfall	16.3mm
July 05	No Rainfall	1.5mm
August 05	No Rainfall	0.1mm
September 05	No Rainfall	2.0mm
October 05	No Rainfall	No Rainfall
November 05	63,1mm	92,8mm
December 05	81,7mm	105mm
January 06	276mm	No Rainfall
February 06	No Rainfall	No Rainfall
March 06	95,1mm	
Total (6 months)	575.6mm	265.9mm

It has been a hot, dry and very windy winter and therefore the vegetation is very dry and the park is in urgent need of good rains. No problems with boreholes drying up has been experienced yet.

INFRASTRUCTURE DEVELOPMENT

Constructions of the new tourist roads ran a few months behind schedule but are due to be completed by the first quarter of the next financial year. The construction phase started in February 2006, with some delays caused by rains. The construction proceeded smoothly once the rains stopped.

PEOPLE AND CONSERVATION

A meeting aimed at establishing the first Park Forum was staged during March 2006 and the community representatives were content with the seamless progress. Although a large percentage of the farmers concerned were white, a few black people provided representation for that section of the community.

A draft resettlement document was drawn up for the park to try and resolve the two cases in the park and this document will eventually be used as a guideline to handle resettlement issues once finalised.

Environmental Education programme in the park have been running smoothly, with the Kids in Parks programme being the main focus. The number of activities are as indicated below:

Game drives and Educational Activities

Month	School Visits/Kids in Parks	Game drives Total PAX	Guided Walks Total PAX
April 05	-	53	-
May 05	-	51	19
June 05	-	39	15
July 05	16 junior h/ranger	58	35
August 05	209 K/parks	39	12
September 05	124 K/Parks	36	2
October 05	101 K/Parks	-	-
November 05	-	21	9
December 05	-	58	18
January 05	-	-	7
February 05	-	-	-
March 05	-	13	-



GRASSLAND/NORTHERN CLUSTER

MAPUNGUBWE

OVERVIEW

The current size of the Mapungubwe National Park (MaNP) is 19 619ha and it will be a projected 27 702ha once the park has been fully consolidated. Negotiations for the farms Samaria 3 and 4 is well advanced and negotiations have been initiated for the farms Machete and Weipe.

One of the shareholders of the Zita Mine showed interest in exchanging the Zita Mine (now defunct) for a section of Riedel, or selling it. The farm Samaria 0,1 has been acquired by SANParks. The owner still has farming rights until December 2007. SANParks still has to decide what to do with the existing infrastructure and farming operation.

PPF will be selling Rhodesdrift to De Beers. SANParks will continue to manage the land. Funding was approved for acquiring land in MaNP, however it seems as if some of the farms may be beyond our financial means, and different avenues need to be investigated for including critical farms.

CLIMATIC CONDITIONS

TABLE 01. Rainfall (mm)

MONTH	2005	LONG TERM AVE (7 yr)
April	0.0	9.0
May	0.0	9.3
June	1.0	7.8
July	0.0	9.1
August	0.0	2.9
September	0.0	10.6
October	0.0	31.1
November	14.0	44.5
December	42.0	39.7
January	55.0	40.1
February	125.0	26.4
March	63.0	40.7
TOTAL (9 Mths)	300.0	274.9

The park received almost no rains from 01 April 2005 to November 2005. The veld condition was very poor over this time, with locals claiming that this is the worst drought in living memory. Limited game die-offs were reported. The Sashe and Limpopo Rivers started flowing again in December 2005. The park still has numerous active fountains, but they are clearly weakening. Since November 2005 there has been average rainfall, and the veld has recovered well.

CONSERVATION

Impala numbers were reduced during September 2005, with 437 animals removed. Game counts which were conducted during September 2005 still reflect substantial Impala numbers. Combined with high Elephant numbers, this does not bode well.

The Impala numbers might need to be reduced during the next financial year. The Wildebeest, Zebra and Eland numbers are also very high. Wildebeest, in particular, will possibly need to be reduced.

An Elephant Monitoring Project was initiated to establish damage to vegetation by Elephants moving into the park from Botswana. This project is critical for elephant management and the establishment of the TFCA. A project to monitor Baobab trees has also been implemented.

The White Rhinos are regularly tracked to check condition and are still generally doing well. A Sable reintroduction program is also planned for 2006/07 financial year.

An indigenous plant nursery was established for rehabilitation of disturbed areas and concluded. The young plants are being used for the current round of projects. A student from the University of Potchefstroom will be doing his Master's on the rehabilitation project.

Game Counts September 2006 (includes Samaria)

SPECIES	TOTAL	RECOMMENDED NO
Bushbuck	24	64
Eland	202	62
Elephant	42	31
Gemsbok	119	124
Giraffe	42	26
Impala	921	249
Kudu	81	103
Red Hartebeest	7	150
Tsessebe	15	147
Warthog	73	107
Waterbuck	78	70
White Rhino	4	17
Wildebeest	407	139
Zebra	240	88

PEOPLE AND CONSERVATION

A Park Steering Committee exists with the Musina and Alldays Local Councils. This was set up for the Poverty Relief Projects. The People and Conservation post is still vacant, while the Park Forum was officially appointed by EXCO.

TOURISM

Tourism levels are more or less as expected. Percentage differences are meaningless for this year, since this is a newly launched park with a number of new facilities.

A number of marketing initiatives has been started, most notably the Mapungubwe Route, in conjunction with the local lodge operators. Recently De Beers made funds available to develop this further, and the expanded route was launched on 03 March 2006. A number of articles have appeared in a wide range of newspapers and magazines. The percentage of Black day visitors is very high (62%), with the next best park only starting at 19% (Kruger).

However, the Trails Camp has been doing particularly badly, with little or no bookings. Both trails rangers have resigned as a result. The Ivory Route has made an arrangement with the park to use the camp.

PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2005/2006

BALANCED SCORECARD PERSPECTIVE	STRATEGIC OBJECTIVE / GOAL	KEY PERFORMANCE INDICATOR	
FINANCIAL PERSPECTIVE	TO ACHIEVE A BREAK-EVEN BUDGET AS SUBMITTED	Achievement of break-even budget.	
	TO IMPROVE THE ORGANISATION'S INCOME TO COST RATIO	Improvement of organisation's Income to Cost ratio year on year.	
		Implementation of a programme aimed at maximising pricing opportunities with the top 20% service providers (by Rand value).	
		Processes aimed at focusing business operations on the improvement of the ratio.	
	TO GROW REVENUE FOR THE ORGANISATION	Growth in revenue (excluding government grants) year on year as per budget.	
TO ENHANCE ORGANISATIONAL FOCUS ON 'RETURN ON INVESTMENT'	All business development and tourism infrastructure projects to have a 'return on investment' measurement component.		
STAKEHOLDER AND CUSTOMER PERSPECTIVE	TO TRANSFORM THE DOMESTIC GUEST PROFILE THROUGH GROWTH TO BE REPRESENTATIVE OF SOUTH AFRICAN SOCIETY	Black visitors as a percentage of all visitors to National Parks.	
	TO BECOME THE NATURE-BASED TOURISM DESTINATION OF CHOICE	Occupancy percentage levels – accommodation units.	
		Revision of Tourism Business Model.	
		Official grading of all tourism accommodation facilities.	
		Successful raising of funds for the refurbishment of tourism infrastructure refurbishment and development.	
	TO BE THE CUSTODIAN OF CHOICE FOR PROTECTED AREAS	Park Expansion and Consolidation Programme.	
		Revision of Park Management Plans in accordance the Protected Areas Act.	
TO BE THE CUSTODIAN OF CHOICE FOR PROTECTED AREAS	Removal of alien invasive species.		
	Implementation of the Transfrontier Conservation Areas Programme.		

	TARGET	PERFORMANCE RESULT	COMMENTS
	Break-even financial performance.	The organisation achieved a break-even position as per Statement of Financial Performance.	For more details see the Statement of Financial Performance.
	Improvement from last year.	The Income to Cost ratio reduced from 90.77% to 90.11%.	Due to this measure being introduced for the first time in the organisation, no specific percentage (%) improvement target was set – the aim was merely to improve year on year. The next financial year's target will be specific.
	Identification of priority service providers for price renegotiations.	The programme was kick-started with a focus on the organisation's Corporate Bankers.	Programme implementation will continue in the new financial year with a focus on more service providers.
	Introduce Income to Cost ratio measurement at Business Unit level.	Individual National Parks have started measuring their Income to Cost ratio.	The measurement process is aimed at encouraging Business Units to analyse business processes with the view to improve their ratio.
	14%	10%	The underperformance against budget was largely a result of an over-optimistic budget for Conservation Fees.
	Projects to have individual 'return on investment' measure.	All business development and tourism infrastructure projects have had 'return on investment' as a built-in measure of success.	The introduction of a formal process for Project Initiation Approvals will enhance controls even further in the next year.
	To make an improvement on the 2004/5 percentage of 11.7%, and determine a realistic baseline for future targets.	18.8%	The measurement applies to those parks where demographics were measured during the year, and thus excludes the Table Mountain and West Coast National Parks.
	To improve on the 2004/5 percentage of 64.7%, and set a realistic baseline for future targets.	66%	The organisation's occupancy rates compare favourably with industry averages.
	Finalise revised Tourism Model for the organisation.	Draft Revised Tourism Model was completed.	The Tourism Model will be finalised in the next year – delays resulted from the length of consultation time than was planned for. Once finalised, an implementation plan (including costing) will be developed.
	40% of facilities to be graded.	50% of facilities were graded.	The rest of the facilities will be graded in the next financial year, and annually thereafter.
	To motivate for funding of the organisation's infrastructure refurbishment and development plans.	Funding (R396m) has been allocated to the organisation for the next three years.	Implementation of the Infrastructure Development Programme will start in the next financial year.
	Acquisition of an additional 26 265 hectares of land into the National Parks System.	27 328 hectares acquired.	Donor funds assisted to acquire more hectares.
	Initiate the project for development of revised Park Management Plans.	Park Management Plan project was initiated.	Completion of the project is due in the next financial year.
	112 000 hectares of "follow-up" removal to be undertaken.	113 400 hectares of "follow-up" removal undertaken.	Removal of alien invasive species on track against project plan.
	Implementation of TFCA project per project plan.	Delivery in line with project plan.	Project delivery included the opening of the Giriyondo Border post between South Africa and Mozambique as well as species introductions in the Limpopo National Park.

PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2005/2006

BALANCED SCORECARD PERSPECTIVE	STRATEGIC OBJECTIVE / GOAL	KEY PERFORMANCE INDICATOR	
STAKEHOLDER AND CUSTOMER PERSPECTIVE	TO CONTRIBUTE TO LOCAL EDUCATIONAL AND SOCIO-ECONOMIC DEVELOPMENT	Constituency building through the establishment of Park Forums.	
		Delivery of the Expanded Public Works Programme (EPWP) – as per project plan.	
		Number of people going through the organisation's Environmental Education Programme.	
	TO ENHANCE THE ORGANISATION'S REPUTATION	Implement the Brand Enhancement Programme.	
Improvement Plan for Universal Access facilities in National Parks – to cater for the physically disabled.			
INTERNAL PROCESSES PERSPECTIVE	TO ATTAIN LEADERSHIP IN BIODIVERSITY & CULTURAL HERITAGE MANAGEMENT	Development of the State of Biodiversity Management Reporting System.	
		Development of the State of Cultural Heritage and Indigenous Management Reporting System.	
		Elephant Management Strategy.	
		Research programme.	
	TO ADVANCE STRATEGIC HUMAN RESOURCE MANAGEMENT	Achievement of the Employment Equity Plan.	
		Development and Implementation of Assessment Centre.	
		Development and Implementation of the Employee Satisfaction Survey.	
		Introduction of a new Performance Measurement System.	
		Procuring a more functional and information-useful HR Information Technology System.	
	TO ENSURE EFFECTIVE MANAGEMENT OF REVENUE AND EXPENDITURE (OPEX & CAPEX)	Introduction of Project Management & Reporting System.	

	TARGET	PERFORMANCE RESULT	COMMENTS
	To establish Park Forums in 12 National Parks.	11 Park Forums were established.	Extensive consultation process experienced with some Park Forums.
	As per project plan.	Virtually in line with project plan.	The EPWP is funded for the three year period of 2004/5 – 2006/7 and thus progress report is measured on a three year cycle. More details provided in the Annual Report.
	<ul style="list-style-type: none"> o 2 500 learners for Kids in Parks Programme. o 85 000 people for all other awareness and educational programmes. 	<ul style="list-style-type: none"> o 2 600 for Kids in Parks. o 86 000 for all other awareness and educational programmes. 	Targets were exceeded.
	Appoint a service provider to kick-start project.	Service Provider appointed and project plan developed.	Implementation of the programme is planned for the next financial year.
	Establish a baseline and target for next financial year.	Baseline established at 4.48% of accommodation units.	All new facilities developed in the parks are subject to Universal Access standards.
	System to be developed.	System has been developed.	The system was developed to monitor the best practice management of Biodiversity Conservation, and will be implemented in the next financial year.
	System developed.	System has been developed.	The system was developed to monitor the best practice management of cultural heritage and Indigenous Knowledge, and will be implemented in the next financial year.
	Recommendation report for consideration by the Minister of DEAT.	Recommendation report presented to Minister.	The Minister will determine the norms and standards relating to the management of elephants. The organisation will develop action plans in accordance with Ministerial guidelines.
	Increase in the number of research projects undertaken in National Parks.	155 new research projects were undertaken in 2005/6 resulting in an increase of 46% compared to 2004/5.	Focus will be placed on measuring the quality of the research projects in the next financial year.
	EE ratio as a percentage of the total employee base – 89%.	94%	The break-down of performance per category is provided in the Annual Report.
	To set up an assessment centre partnership with a service provider.	Assessment Centre partnership in place.	The assessment centres became operational in June 2005. A total of 96 people were assessed. The Assessment Centre is mainly used for recruitment and selection, career development, talent identification, as well as leadership development purposes.
	Development and Implementation of Survey.	Employee Satisfaction Survey Questionnaire has been developed.	Due to other significant change management related programmes, such as the introduction of the Balance Scorecard, a decision was made to defer the survey to the next financial year.
	Development of a Performance Measurement System.	The manual system was developed for implementation in the new financial year.	The system has been developed and will be implemented and adapted onto an IT Software Programme in the new year.
	Specification and initiation of a procurement system.	Procurement process has been initiated.	Change of the HR System is planned to take place in the next year.
	Introducing of manual processes and disciplines of Project Management and Reporting System.	The introduction of manual processes and systems has advanced sufficiently to be able to introduce a Software system in the next financial year.	An electronic/software system will be implemented in the next year and should bring tighter controls to the management of projects and their associated resources and deliverables.

PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2005/2006

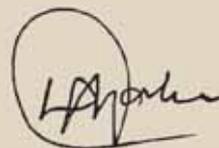
BALANCED SCORECARD PERSPECTIVE	STRATEGIC OBJECTIVE / GOAL	KEY PERFORMANCE INDICATOR	
INTERNAL PROCESSES PERSPECTIVE	TO ENSURE EFFECTIVE MANAGEMENT OF REVENUE AND EXPENDITURE (OPEX & CAPEX)	Quarterly financial performance review against budget.	
	TO ACHIEVE GOOD CORPORATE GOVERNANCE	Implementation of the Balanced Scorecard Business Performance Management System.	
		Implementation of the Record Management and Filing System.	
		Implementation of a Risk Activist Programme – to encourage all employees to be custodians of corporate governance.	
		Implementation of the Occupational Health and Safety Programme.	
LEARNING AND DEVELOPMENT PERSPECTIVE	TO ATTRACT, DEVELOP & RETAIN BEST HUMAN CAPITAL	Development of a Remuneration Strategy to close internal and market related disparities.	
	TO DEVELOP A CULTURE OF LEARNING AND DEVELOPMENT	Individual Learning and Development Plans.	
		Coaching and Mentoring Programme.	
	TO SHARE & PROVIDE ACCESS TO INFORMATION & KNOWLEDGE	Management Information System.	
		Satellite Communication Programme – implementing satellite data communication in identified sites where landlines are erratically available.	
		Consolidation of data for the Geographic Information System.	
	BEST PRACTICE IN MANAGING HIV AND AIDS	Visible Leadership led Prevalence Test Campaign.	
		Development of an Employee Assistance Programme.	

TARGET	PERFORMANCE RESULT	COMMENTS
Quarterly performance reviews.	Quarterly reviews were undertaken at Divisional level.	The quarterly review of financial performance at business unit level will receive focus in the next year.
Development of the Balanced Scorecard for the organisation.	The Balanced Scorecard has been developed.	The implementation of the Balanced Scorecard is meant to provide a framework for business performance governance issues. By the next financial year all employees' KPA's will be derived from the Balanced Scorecard.
Development of a Record Management and Filing Policy.	Record Management Policy in place.	The implementation of the Record Management and Filing System will begin in the next financial year.
Introduce a 'whistle blowing' system.	The specification and procurement process for a 'whistle-blowing' system was started.	The system is due for implementation in the next year.
Assessment of the state of Occupational Health compliance in National Parks.	Assessment of all parks was started, and percentage (%) compliance base-line will be determined for next year.	The assessment results will be used to develop action plans and set compliance targets for next year.
Remuneration Strategy to be developed.	Remuneration Strategy has been developed.	The implementation of the strategy started towards the end of the financial year and will carry on into the next year.
To introduce formal Individual Development Plans for all employees.	The guidelines and processes for developing Individual Development Plans have been completed.	The Individual Development Plans for all employees will be completed in the next year.
Procure and, or Develop a Programme for Coaching and Development.	A process to select the appropriate Service Provider was initiated.	Implementation of Coaching and Mentoring Programme will take place in the new year.
Development of the Balanced Scorecard dashboard.	Dashboard partly developed.	All available data with potential for integration has incorporated into the Balanced Scorecard dashboard – the dashboard will be enhanced with the rest of the information as it becomes available.
14 sites identified for implementation.	All sites have been implemented.	An additional six sites have been identified and will be implemented in the new financial year.
Availability of data at central repository.	Loading of available data has been undertaken.	Geographic Information and changes will be updated continuously in the new year.
100% of Executive Management to undertake Prevalence Survey.	100% of Executive Management tested participated in prevalence survey.	The testing was undertaken on World's AIDS Day as an encouragement and setting of an example for all employees to follow.
75% of employees in to participate in HIV and AIDS Prevalence Survey.	81% of employees participated in HIV and AIDS Prevalence Survey.	The Prevalence Survey will be followed by the "Know Your Status" campaign in the next financial year.
Develop the Programme.	Programme has been developed.	The programme requires appropriate funding – a funding plan will be developed in the next year.



Signed: _____

Chief Operating Officer, Mr S C E (Sydney) Soundy



Signed: _____

Chief Executive Officer, Dr M D Mabunda



CONTENTS

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

Statement of responsibility by the Board.....	92
Accounting Authority's report.....	94
Corporate governance statement	99
Report of the Audit Committee	102
Report of the Auditor-General	104
Accounting Policies	106
Statement of financial performance.....	112
Statement of financial position	113
Statement of changes in net assets	114
Cash flow statement.....	115
Notes to the annual financial statements.....	116
Appendices to the annual financial statements	136



STATEMENT OF RESPONSIBILITY OF THE BOARD for the year ended 31 March 2006

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

The members of the Board of South African National Parks are ultimately responsible for the preparation, integrity and fair presentation of the annual financial statements of South African National Parks. The Auditor-General is responsible for independently auditing and reporting on the financial statements. The Office of the Auditor-General through the appointment of external auditors, have audited South African National Parks's financial statements and the Auditor-General's report appears on page 104.

The annual financial statements presented on pages 106 to 134 have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice as well as Standards of Generally Recognised Accounting Practise were applicable and include amounts based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates made by management.

The Board has reviewed South African National Parks's budgets and cash flow forecasts for the year ended 31 March 2006. On the basis of this review, and in view of the current financial position, the Board has every reason to believe that the organisation will be a going concern in the year ahead, however this is dependent on continued future funding from Government. The annual financial statements support the viability of South African National Parks. The going concern basis has therefore continued to be adopted in preparing the annual financial statements.

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

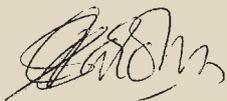
- The safeguarding of assets against unauthorised use or disposition; and
- The maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

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

The Board has reviewed South African National Parks's systems of internal control and risk management for the period from 1 April 2005 to 31 March 2006. The Board is of the opinion that South African National Parks's systems of internal control and risk management were effective for the period under review.

In the opinion of the Board, based on the information available to date, the annual financial statements fairly present the financial position of South African National Parks at 31 March 2006 and the results of its operations and cash flow information for the year and that the Code of Corporate Practices and Conduct has been adhered to.

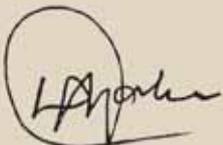
The annual financial statements and appendices for the year ended 31 March 2006, set out on pages 106 to 137, were submitted for auditing on 31 May 2006 and approved by the Board in terms of section 51(1)(f) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, and are signed on its behalf by:



Ms C Carolus

Chairperson

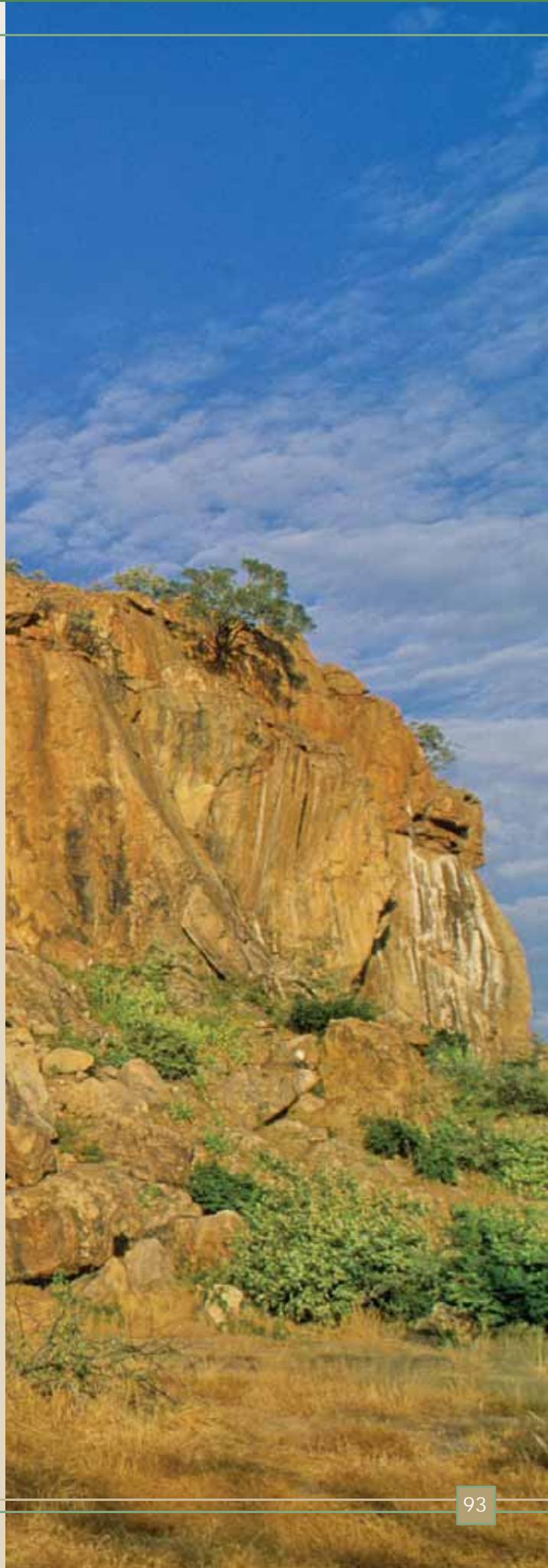
Pretoria, 31 May 2006



Dr M D Mabunda

Chief Executive

Pretoria, 31 May 2006



The Accounting Authority of South African National Parks hereby presents its report for the year ended 31 March 2006.

Nature of Business

South African National Parks is a statutory organisation governed by the National Parks Act, no. 57 of 1976 as amended, primarily engaged in nature conservation as well as the tourism and hospitality industries.

Financial Results

Full detail of the financial results for the year under review are set out on pages 106 to 137.

Revenue

Total revenue from tourism, retail, concessioning and other increased to R486,05 million in 2006 from R441,18 million in 2005. This represents an increase of 10,2%. The increase can be mainly attributed to increased lodge concession fees, retail activities and tourism growth.

Net Income Before Investing Activities

In 2006 South African National Parks' realised income before investing activities amounted to R39,26 million compared to R40,03 million in 2005. The main contributing factors were:

- Improved gross revenue referred to above;
- an increase of R17,09 million in operational grants mainly due to the grant received from Department of Water Affairs and Forestry for the management of the Knysna Forest areas; and
- an increase of R12,12 million in donations.

The improvements above are offset by:

- the effect of inflation on expenditure;
- a decrease of R3,22 million in income from the sale of fauna and flora;
- increased compensation of employees due to normal salary adjustments but mainly due to increased head count as a result of the addition of the Knysna Forest Area and Camdeboo National Park; and
- increased administration expenses primarily due to increased maintenance costs of R6,23 million due to continuous efforts to upgrade and refurbish tourism infrastructure, as well as increased expenses due to the addition of the Knysna Forest Area.

Net Investment Income

The income from investments and interest decreased by R1,19 million from the previous year. The decrease is mainly attributable to the liquidating of all long-term investments and the lower interest rates prevailing in the

market. The finance cost reduction of R1,59 million from the previous year is due to the settlement of one of the IDC loans.

Actual Performance versus Budget

The South African National Parks budgeted for a profit of R50,10 million. A profit of R 41,35 million was achieved in 2006. The deviation with the budget of R8,75 million is mainly due to wild card income not materialising as expected, increased depreciation due to the capitalisation of assets acquired with expanded public works programme funding, increased maintenance due to routine road maintenance in the Kruger National Park that could not be done in 2005 which lead to increased maintenance for 2006. The fires in the Table Mountain National Park during 2006 also contributed to the overspending, however, this was reduced by assistance received from Working on Fire.

Expanded Public Works Programme

The focus of the 2005/6 financial year was to complete the planning of all infrastructure projects, while implementation started from August 2005 on many of the projects. In the financial year under review, motivations for additional funding added another R26 million, bringing the total programme value to R307 million. Expenditure of R91,6 million was achieved for the year, increasing the total expenditure to R106,1 million. The deliverables achieved so far are 343 378 person days worked, 4 081 people employed, 23 127 days of training given, 80 new SMME's created, 330 SMME's used while R50,1 million was paid to SMME's. Contracts to the value of R77 million were awarded of which 80% went to black owned companies and 16% to black empowered companies. Construction of 52km of roads, 109km of fences, creation of 72 new tourist beds and the upgrade of 17 staff accommodation units was completed.

Working-for-Water, Coast Care and Working-on-Wetlands programmes

All WfW projects for the 2005/6 cycle were concluded by 31 March 2006. The available budget of R31 million was increased to R31,8 million to accommodate extra work done. The deliverables achieved include the following: 171 851 person days worked; 23 164ha of initial clearing and 113 448ha of follow-up work done.

The implementation of the Coast Care Programme has progressed well – 50% of all work was completed with a year left for implementation. R10,85 million of the available budget of R23,4 million was spent in 2005/6. During this time, 114 210 persons days and 13 554 training days were achieved.

The Working on Wetlands programme is almost completed, with a month extension granted to April 2006 to complete work on all projects – this is mainly due to work days lost as a result of rain in the Kruger National Park and Golden Gate Highlands National Park. A total expenditure

of R3,2 million was achieved. All planned deliverables will be achieved with the current status of 15 564 cubic meters of rehabilitation done, 21 684 person days worked and 2 072 training days.

Acquisition of Property, Plant and Equipment

During the year South African National Parks acquired land at a cost of R51,47 million (2005 - R40,12 million) for the purpose of expanding land under conservation and the system of national parks.

Recognition of Fauna and Flora

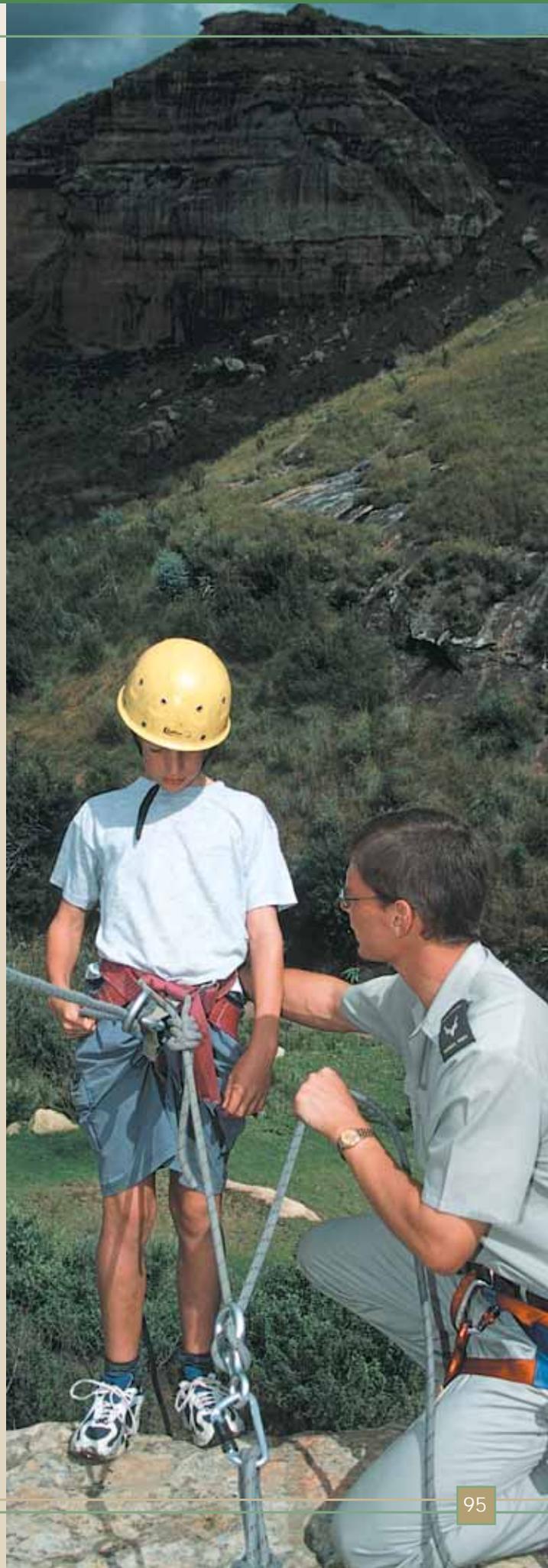
As part of its mission, South African National Parks is responsible for managing a wide range of bio-diversity, encompassing fauna, flora, geological structures and unique scenery. The exact quantity and value of these assets can not be measured with reliable accuracy. South African National Parks, therefore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

Commercialisation

The South African National Parks Commercialisation Strategy (which through the implementation of Public Private Partnerships (PPPs)) has as its objective reducing the cost of delivery, improving service levels by focusing on core business and leveraging private capital and expertise as well as the objective of expansion of tourism products and the generation of additional revenue for the funding of conservation and constituency building.

The Commercialisation Strategy (2000) resulted in the award of 11 (eleven) concession sites to private operators, seven of which are in Kruger National Park, two in the Addo Elephant National Park, and two in the Table Mountain National Park. In addition an agreement has been entered into to manage the one hotel that South African National Parks has in its portfolio - the Brandwag hotel in the Golden Gate National Park. Of the twelve sites, ten are fully operational with the two sites in the Table Mountain National Park busy with their Environmental Impact Analysis.

In addition, 21 shops and 17 restaurants across all national parks were outsourced to private operators. Facilities were upgraded at the operator's expense whilst South African National Parks receives a guaranteed monthly annuity income from these operators. During the current financial year, the contract with the Kruger National Park restaurant operator was terminated due to unacceptable service levels. An interim management agreement was concluded with Compass Group to enable uninterrupted service to the guests of the KNP. A solicited tender process for the procurement of a replacement operator will be concluded towards the end of 2006.



ACCOUNTING AUTHORITY'S REPORT for the year ended 31 March 2006

Since 2002 the Commercialisation Strategy has yielded an additional R94 million for the funding of conservation, resulted in increased market segmentation and product differentiation with 380 additional guest beds, increased infrastructure of R270 million (in 2001 terms) as well as the transfer of significant commercial risk to the private sector. In addition the strategy has resulted in broadening the participation of Black Economic Empowerment (BEE) partners in the tourism industry thereby contributing to the demographic restructuring of the industry and poverty alleviation with 620 new jobs, average BEE equity on the concessions exceeding 54%, 79% of employees recruited from BEE communities adjacent to the parks and a guaranteed spend of R14 million per annum from local community SMME's.

Subsequent to the implementation of the 2000 strategy, there has been significant developments in South African National Parks approach to PPP initiatives. Whilst the 2000 strategy was time-based and needed to be updated in 2006, South African National Parks has identified several new PPP opportunities that will enable the organisation to improve its infrastructure towards 2010. In order to accelerate private participation in the state and improve on efficiencies, the National Treasury has developed the Eco-Tourism Toolkit (2005) which prescribes the processes for entering into PPPs.

Accordingly, South African National Parks has developed a Strategic Plan for Commercialisation (2006 – 2011) that will be submitted to the Board for approval in June 2006. The Strategy will incorporate all requirements as per the Tourism BEE Charter and Scorecard and will result in significant additional revenue for South African National Parks.



Board members attendance at meetings, their remuneration and associated costs

	Board Meetings		Remuneration Committee		Chairperson's Committee		Conservation Committee		Finance Committee		Audit Committee		Tourism Committee		People & Conservation Committee		Total
	No	R	No	R	No	R	No	R	No	R	No	R	No	R	No	R	R
Number of Meetings:	4		2		4		4		3		4		1		3		
Abrahamse, T Dr ⁵	3	-	2	-	3	-							1	-			-
Carolus, C Ms ¹	3	-			4	-											-
Klein, C Ms	2	9,414					3	4,943							3	15,427	29,783
Mbelani, V Ms																	-
Mchunu, M	2	3,469											1	4,125			7,594
Mokgatlhe, ME	3	2,691							2	2,691							5,382
Mokgoko, G	3	3,779											1	921			4,700
Nkosi, MS	4	6,854							3	4,217	2	6,436					17,507
Nzimande, P Ms	2	1,843									2	931			1	-	2,773
Patel, Z Dr ⁶	4	4,258			2	1,989	3	1,989							3	2,846	11,083
Samuel, J	1	-											1	-			-
Sithole, Z ⁴	3	1,552	2	-	2	888					3	1,500					3,941
Sokutu, T ³	3	-	2	-					1	600	1	600					1,200
Van Riet, WF Prof ²	4	9,985					4	7,546									17,531
Vrahimis, S Ms	4	14,126					4	11,335									25,461
Walker, C	4	7,574					4	6,941							2	4,221	18,735

- 1 - Chairperson - Board and Chairperson's Committee
- 2 - Chairperson - Conservation Committee
- 3 - Chairperson - Finance Committee
- 4 - Chairperson - Audit Committee
- 5 - Chairperson - Tourism Committee
- 6 - Chairperson - People & Conservation Committee

The chairperson of the Board is not remunerated but may take up accommodation in any of the parks managed by South African National Parks.

ACCOUNTING AUTHORITY REPORT

for the year ended 31 March 2006

Events subsequent to balance sheet date

No material events occurred subsequent to the balance sheet date and the date of this report.

Executive Management's interest in contracts

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

Executive Management and their remuneration

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

		Basic Remuneration	Allowances	Bonuses and Incentives	Free Accom- modation	Total
		R'000	R'000	R'000	R'000	R'000
Mabunda, MD Dr	Chief Executive	1,020	246	463		1,728
Soundy, SCE	Chief Operating Officer	809	220	282	2	1,313
Daphne, P	Executive Director: Parks	666	208	330	-	1,204
Magome, DT Dr	Executive Director: Conservation Services	661	210	262	-	1,133
Mkhize, I Dr	Executive Director: Kruger National Park	744	165	300	-	1,209
Phillips, G	Executive Director: Tourism	619	212	256	-	1,087
Soma, AK	Chief Financial Officer (Resigned 31 January 2005)	-	-	233	-	233
Mkhumane, NS Ms	Chief Financial Officer (Appointed 1 April 2005)	675	211	-	-	886
Wagiet, R Dr	Executive Director: People and Conservation	661	225	324	-	1,210
		5,855	1,697	2,450	2	10,003

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

Addresses

Registered office: South African National Parks
643 Leyds Street
Muckleneuk
Pretoria
0002

Postal address: P O Box 787
Pretoria
0001

Auditors

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

Approval Authority

The annual financial statements and appendices set out on pages 106 to 137 have been approved by the Accounting Authority.



Ms C Carolus
Chairperson
31 May 2006

CORPORATE GOVERNANCE STATEMENT for the year ended 31 March 2006

South African National Parks subscribes and is committed to complying with the principles and standards of integrity and accountability as contained in the recommendations of the King Report on corporate governance.

The Board is committed to providing timeous and meaningful information.

Board of South African National Parks

The Board of South African National Parks is established by the President by notice in the Government Gazette for the control, management and preservation of national parks and protection of public interest therein. A new Board was established with effect from 1 April 2006 but the under mentioned committees were in existence and operated during the 2005/06 financial year.

The Board consists of 18 members to be appointed by the Minister of Environmental Affairs and Tourism, of whom:

- (i) one member, who is by virtue of his or her knowledge, capable of promoting the objectives of the Board in an unbiased and unprejudiced manner, shall be nominated by each of the Premiers of the respective Provinces; and
- (ii) nine members shall be appointed in consultation with the Cabinet or a Cabinet committee after the Minister has by notice in the Gazette invited all interested persons to submit to him or her, within the period mentioned in the notice, the names of persons, who in the opinion of such interested persons, are suitable to be so appointed, stating the grounds upon which such opinion is based.

The Board meets at least quarterly. The Board monitors the performance of the Executive Management by ensuring that all material matters are subject to Board approval. The Executive Management attend Board meetings by invitation.

The roles of Chairperson and Chief Executive do not vest in the same person and the Chairperson is a non-executive member of the organisation. The Chairperson and Chief Executive provide leadership and guidance to the Board and encourage proper deliberation of all matters requiring the Board's attention, and obtain optimum input from the other members. All committees of the Board are chaired by non-executive members of the Board.

Executive Directorate

The members of the Executive Directorate are appointed by the Board. The Executive Directorate is involved in the day-to-day business activities of the organisation and is responsible for ensuring that decisions, strategies and objectives of the Board are implemented. The Executive Directorate retains full and executive control over the organisation.



CORPORATE GOVERNANCE STATEMENT for the year ended 31 March 2006

Chairperson's and Human Resources Committee

The committee operates at the discretion of the chairperson and handles executive matters including any urgent or sensitive issues that need to be dealt with between scheduled Board meetings.

The committee also reviews all staff matters and provides an important deliberative forum for the Board and Executive Directors on human resource policies and issues. This committee also monitors the progress of human resource-related policies approved by the Board.

Finance Committee

The finance committee is an advisory committee of the Board. In addition to providing an important deliberative forum for the Board and Executive Directors, it advises the Board on all financial matters put forward by the Executive Directors, either as directed by the Board or on the Executive Directors' initiative.

The committee consists of four Board members elected triennially at the Board's last meeting of the year. The committee elects one of its members as Chairperson.

Audit Committee

In keeping with Treasury Regulation 27 of the Public Finance Management Act No. 1 of 1999 the Board has instituted an audit committee which advises the Board directly - not through the office of the Chief Executive - on audit matters, and which assumes on the Board's behalf certain functions, such as the detailed study of the financial statements, the formulation of audit policy and its submission to the Board, and such like.

The audit committee is an independent standing committee of curators which is appointed by the Board and which assists the Board by critical, objective evaluation of the Board's financial control measures, accounting practices, information systems and audit procedures, and which performs this function continuously by way of close liaison with the Executive Management and with the Board's internal and external auditors.

The audit committee consists of two Board members appointed by the finance committee (preferably also serving as members of the finance committee), with the Chief Executive as well as the nominated representative of the Auditor-General attending *ex officio*. The Chief Executive may involve other persons in meetings for specific purposes.

The authority and mandate of the audit committee, its duties and functions, its composition and its *modus operandi* have been approved by the Board in the form of a detailed charter.

Conservation Committee

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

The committee is also responsible for formulating the land claims policy for the South African National Parks. Resolution of valid land claims seeks to redress the injustices of the past without compromising the primary mandate of the South African National Parks which is the protection of biodiversity.

Transfrontier Committee

A transfrontier committee has been established by the Board. Currently all issues pertaining to transfrontier conservation areas are handled by the conservation committee of the Board.

Tourism Committee

The primary functions of this committee are to oversee all matters related to tourism, to assist South African National Parks management to raise the level of tourism in the organisation and to educate all sectors of the organisation as to the importance of the tourism function, which includes professional hospitality management, development of new products, marketing, sales and the identification of target markets, amongst others.

The committee represents the tourism function at the Board and makes recommendations for approval by the Board. The committee provides a monitoring mechanism on behalf of the Board on all tourism-related matters.

Remuneration Committee

This committee is responsible for the quarterly performance appraisal of the Chief Executive and together with the Chief Executive determines the annual salary increases and performance bonuses for the Executive Directors.

Risk Management

In accordance with the requirements of the Public Finance Management Act, a risk assessment was performed by the Internal Auditors.

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

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

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

All buildings are insured. The following, inter alia, are not insured: roads, bridges, fencing (perimeter and other), dam walls and content, driveways, pavements, outdoor recreation surfaces, outdoor parking surfaces, aircraft runways, fauna and flora.

Risks of a possible catastrophic nature are identified and insured while acceptable risks of a non-catastrophic nature are self-insured through a dedicated self insurance fund. These risks are reviewed on an annual basis to ensure that cover is adequate. An amount of R10 million, as a self insurance fund, is allocated to cover these risks. This amount is included in cash and cash equivalents in the Statement of Financial Position. Claims of a general nature are adequately covered.

South African National Parks manages risks associated with financial instruments. These are dealt with in note 23 to the financial statements.

Internal Control Systems

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

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

South African National Parks has appointed the consortium of Deloitte & Touche/Nkonki to provide internal audit services. Internal auditors monitor the operation of the internal control system and report findings and recommendations to management and the Executive Management. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Board, operating through its audit committee, provides oversight of the financial reporting process and internal control system.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets.



REPORT OF THE AUDIT COMMITTEE for the year ended 31 March 2006

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

In performing its responsibilities the audit committee has reviewed the following:

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

The audit committee is also responsible for:

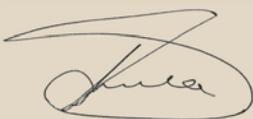
- Reporting to the Board and the Auditor-General where a report implicates any members of the Board in fraud, corruption and gross negligence;
- Communicating any concerns it deems necessary to the Board, the Auditor-General and if appropriate the external auditors;
- Confirming the internal auditors'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

The audit committee is satisfied that internal controls and systems have been put in place and that these controls have functioned effectively during the period under review. The audit committee considers the organisation's internal controls and systems appropriate in all material respects to:

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

The audit committee has evaluated the annual financial statements of South African National Parks for the year ended 31 March 2006 and concluded that they comply, in all material respects, with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended and South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretation of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statements.

The audit committee agrees that the adoption of the going concern premise is appropriate in preparing the annual financial statements. The audit committee has therefore recommended the adoption of the annual financial statements by the Board.



Mr Z Sithole

Chairperson

Pretoria, 31 May 2006



REPORT OF THE AUDITOR-GENERAL ON THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 106 to 134, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; as well as
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

3. BASIS OF ACCOUNTING

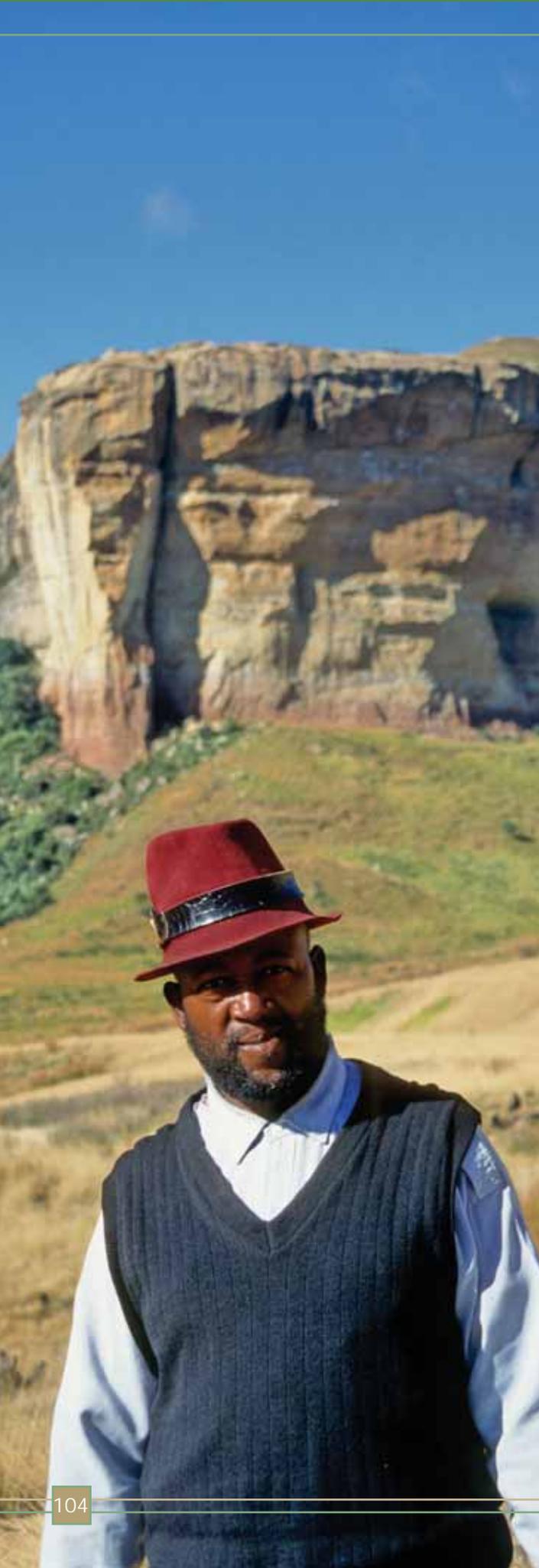
The entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as described in accounting policy 1.1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African National Parks (SANParks) at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury of South Africa, as described in accounting policy 1.1 to the financial statements.

5. EMPHASIS OF MATTER

Without qualifying the audit opinion, attention is drawn to the following matters:



5.1 Internal control

During the financial year, controls were not always operating efficiently and effectively as required by section 51(1)(a)(i) of the PFMA and are highlighted by the following:

- a) Head Office
 - i) With regard to the information systems environment certain aspects of security procedures and a disaster recovery plan were not in place.
 - ii) Controls regarding certain control accounts in use at SANParks during their day- to-day operations were not properly implemented and maintained.

- b) Parks
 - i) Various problems were encountered regarding the bank reconciliation process and certain control accounts at parks.
 - ii) There are inadequate or poor controls regarding daily cash-ups.
 - iii) Controls over fuel to ensure proper safeguarding of assets are inadequate.

5.2 Compliance with Treasury Regulations

SANParks entered into a finance lease without prior approval by the Minister of Finance as required by section 66(3) of the PFMA. At year-end approval for the lease was requested but had not yet been received.

6. APPRECIATION

The assistance rendered by the staff of SANParks during the audit is sincerely appreciated.



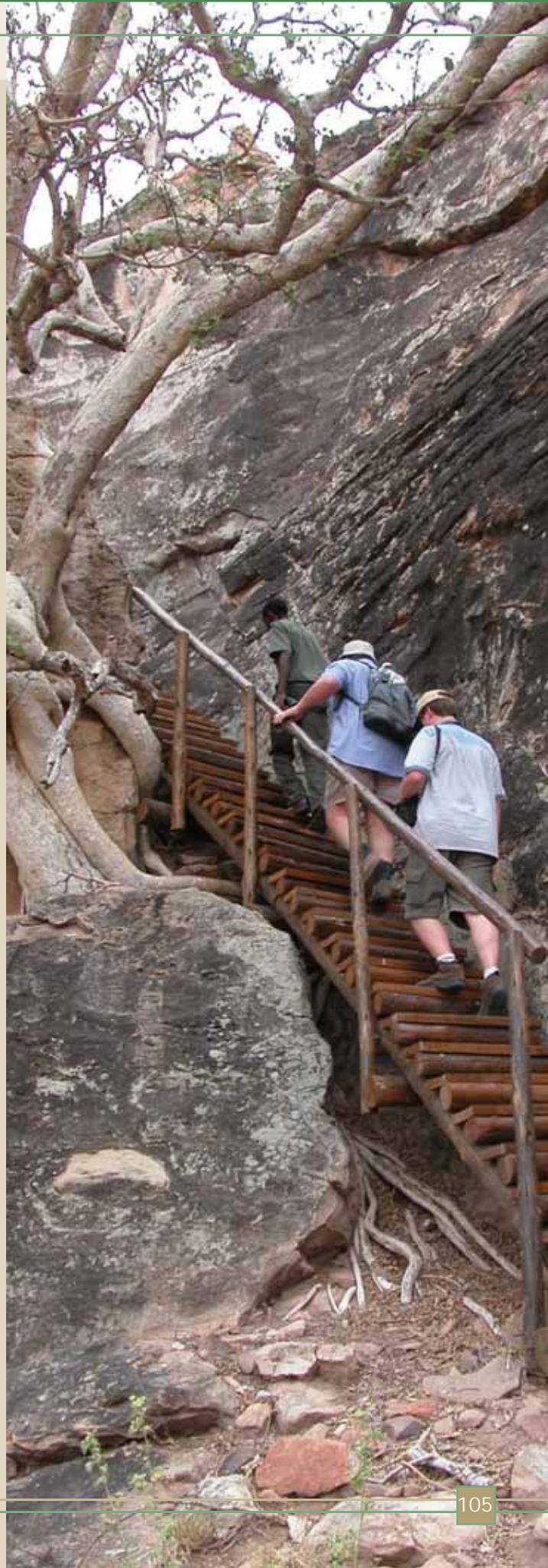
FOR AUDITOR-GENERAL

Pretoria

31 July 2006



A U D I T O R - G E N E R A L



ACCOUNTING POLICIES for the year ended 31 March 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP), and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), including any interpretation of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP	Replaced Statement of GAAP
GRAP 1: Presentation of financial statements	AC101: Presentation of financial statements
GRAP 2: Cash flow statements	AC118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statement. The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

- Terminology differences:

Standard of GRAP	Replaced Statement of GAAP
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit for the period	Profit/loss for the period
Accumulated surplus/deficit	Retained earnings
Reporting date	Balance sheet date

- The cash flow statement can only be prepared in accordance with the direct method.
- Specific information such as:
 - (a) receivables from non-exchange transactions, such as taxes and transfers;
 - (b) taxes and transfers payable;

- (c) trade and other payables from non-exchange transactions;

must be presented separately on the statement of financial position

- The amount and nature of any restriction on cash balances is required to be disclosed.

Paragraph 11-15 of GRAP1 has not been implemented as the budget reporting standard is in the process of being developed by the international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect fair presentation.

The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

The financial statements have been prepared on the historical cost basis, except where indicated to the contrary.

1.2 Underlying concepts and comparative figures

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

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

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

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

1.3 Revenue recognition

Revenue is measured at the amount received or receivable. Value Added Tax (VAT), cash discounts and rebates are excluded from revenue.

Tourism income

- Accommodation income is accrued on a daily basis.
- Conservation levies are recognised on a daily basis and other tourist-related activities are recognised upon commencement of the activity.
- Wild Card sales are amortised over the validity period of the Wild Card.

Sales

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

Concession income

- Income from concessions granted to operators to build, operate and transfer lodges and from rental of facilities to operators is recognised as it accrues over the period of the agreement.

Management fees

- Management fees for managing special projects are recognised on a monthly basis, based on the services performed.

Government grants

- Government grants are recognised in surplus or deficit on a systematic basis over the periods necessary to match them with the related costs. When they are for expenses or losses already incurred, they are recognised in surplus or deficit immediately.
- Government grants related to the acquisition of assets, excluding land, are disclosed as deferred income and amortised as a credit to the depreciation expense over the useful lives of the respective assets.

Donations and special grant funding

- Donations received for the acquisition of land are recognised in surplus and deficit when received, unless the conditions associated with the donations have not yet been met. The unrecognised portion at year end date is presented as deferred income. Ad-hoc donations are recognised in surplus and deficit when received.
- Funding by way of special project grants are disclosed under current liabilities and recognised as income to the extent of expenditure
- Special grant funding utilised for the acquisition of assets, excluding land, are disclosed as deferred income and amortised as a credit to the depreciation expense over the useful lives of the respective assets.

Interest

- Interest is recognised as it accrues unless the collectability is in doubt.

Rent received

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





ACCOUNTING POLICIES for the year ended 31 March 2006

1.4 Irregular and fruitless and wasteful expenditure

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

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

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

1.5 Borrowing costs

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

1.6 Foreign currencies

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

1.7 Retirement benefit costs

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

1.8 Recognition of fauna and flora

As part of its mission, South African National Parks, is responsible for managing a wide range of bio-diversity, encompassing fauna, flora, geological structures and unique scenery. The exact quantity and value of these assets cannot be measured with reliable accuracy. South African National Parks, therefore does not reflect the value of these assets in its financial statements. Produce from any biological assets are also not recognised until sold or shown as inventory.

1.9 Self Insurance

As part of the insurance philosophy of South African National Parks, a certain amount is carried as self insurance costs, hence reducing the

insurance premium. The current amount related to the self insurance fund is R10 million and it is represented by cash funds set aside for this purpose.

In the past, the entity accounted for this self insurance fund by creating a separate insurance reserve and transferring the self insurance costs in the financial year between accumulated surpluses and the insurance reserve in the statement of net assets. The accounting policy has now been changed, reversing the insurance reserve and expensing the self insurance costs directly in the statement of financial performance (Note 21).

1.10 Property, plant and equipment

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

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

The following methods and rates were used during the year:

- Buildings, roads and infrastructure	Straight line	8 to 50 years
- Vehicles and mechanical equipment	Straight line (approximates km usage)	5 to 20 years
- Aircraft	Straight line (based on expected life)	Varies
- Furniture, office equipment and computer software	Straight line	2 to 15 years

Land is not depreciated.

South African National Parks has acquired the usage of certain land that is registered in the name of the State and which is incorporated as part of its national park system. This land is not reflected as an asset of South African National Parks.

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

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

1.11 Work in progress

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

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

1.12 Inventories

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

1.13 Post-retirement health benefit obligation

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

1.14 Leasing

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

ACCOUNTING POLICIES

for the year ended 31 March 2006

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

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

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

1.15 Financial instruments

Recognition

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

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

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

Measurement

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

Financial Assets

- *Trade receivables*

Trade receivables are measured at original invoice amount less provision made for impairment of these receivables. A provision for impairment of the receivables is established when there is

objective evidence that it will not be possible to collect all amounts due according to the original terms of the receivables.

- *Investments in insurance policies*

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

- *Other investments*

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

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

Financial liabilities

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

- *Trade payables*

Trade and other payables are stated at their nominal value.

1.16 Provisions

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

1.17 Cash and cash equivalents

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

1.18 Non-current assets held for sale

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

Immediately prior to being classified as held for sale, the carrying amount of the item is measured in accordance with the applicable

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

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

1.19 Cost of sales

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



STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2006

	Notes	31 March 2006 R'000	31 March 2005 R'000
Revenue			
Tourism, retail, concessioning and other	2.1	486,048	441,184
Operational grants received	2.2	102,720	85,631
Income from special project grants	20	116,808	52,822
Other operating income	2.3	8,888	10,713
Land acquisition grant	3	41,000	41,000
Sale of fauna and flora for land expansion	4	11,579	14,802
Donations	5	18,698	6,577
		785,741	652,729
Expenses			
		746,482	612,699
Cost of sales of retail operations		71,088	51,113
Operating expenses	6.1	179,847	179,299
Administration expenses	6.2	88,148	72,927
Compensation of employees	6.3	290,591	256,538
Expenses relating to special project grants	20	116,808	52,822
Surplus from operations	6.4	39,259	40,030
Net investment income			
		2,090	1,690
Investment income	7	7,173	7,318
Adjustment to fair value of listed investments		-	1,052
Finance costs	8	(5,083)	(6,680)
Surplus for the year		41,349	41,720

STATEMENT OF FINANCIAL POSITION
at 31 March 2006

	Notes	31 March 2006 R'000	31 March 2005 R'000
ASSETS			
Non-current assets		803,598	742,538
Property, plant and equipment	9	704,287	502,277
Work in progress	10	98,093	239,136
Investments	11	1,218	1,125
Current assets		303,444	335,307
Inventories	12	16,119	11,759
Receivables and prepayments	13	24,653	34,877
Cash and cash equivalents	14	255,030	288,671
Non-current assets classified as held for sale	15	295,802	335,307
		7,643	-
Total assets		1,107,042	1,077,845
LIABILITIES			
Non-current liabilities		466,495	449,611
Post-retirement health benefit obligation	16	137,216	128,997
Long-term borrowings	17	39,189	64,883
Deferred Income - asset grants	18	290,090	255,731
Current liabilities		284,807	313,843
Trade and other payables	19	65,259	76,798
Short-term portion of long-term borrowings	17	6,757	11,403
Reservation deposits held		58,643	42,941
Deferred income - obligation regarding special project grants	20	154,148	182,701
Total liabilities		751,302	763,454
Net assets		355,740	314,391
NET ASSETS			
Accumulated surpluses		355,740	314,391
Total net assets		355,740	314,391

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2006

	Notes	31 March 2006 R'000	31 March 2005 R'000
ACCUMULATED SURPLUS			
Opening accumulated surpluses as previously reported		314,391	262,671
Change in accounting policy with respect to the insurance reserve	21	-	10,000
Balance at 1 April as restated		314,391	272,671
Adjusted surplus for the year		41,349	41,720
Surplus for the year as previously reported		41,349	41,739
Adjustment for insurance reserve	21	-	(19)
Closing accumulated surpluses		355,740	314,391

CASH FLOW STATEMENT
for the year ended 31 March 2006

	Notes	31 March 2006 R'000	31 March 2005 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sales of goods and services		516,738	470,624
Special project grants and donations		147,085	74,202
Government grants		143,720	126,631
		<u>807,544</u>	<u>671,457</u>
Cash paid to suppliers and employees		(749,585)	(527,866)
Net cash generated by operations	22	57,959	143,591
Investment income	7	7,173	7,048
Finance costs	8	(5,083)	(6,680)
Net cash inflow from operating activities		60,049	143,959
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(17,280)	(28,094)
Work in progress - costs incurred	10	(115,973)	(110,304)
Purchase of investments		(92)	(3,153)
Proceeds on disposal of property, plant and equipment		3,851	5,724
Proceeds on disposal of investments		-	12,127
Net cash outflow from investing activities		(129,494)	(123,700)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from finance lease funding		4,696	5,703
Proceeds from special project grants related to assets		73,326	76,151
Repayment of long-term borrowings		(30,701)	(2,148)
Payment of post-retirement health benefits		(7,183)	(7,128)
Repayment of finance lease obligations		(4,334)	(3,930)
Net cash (outflow) / inflow from financing activities		35,804	68,648
Net (decrease) / increase in cash and cash equivalents		(33,641)	88,907
Cash and cash equivalents at the beginning of the year		288,671	199,764
Cash and cash equivalents at the end of the year	14	255,030	288,671

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	31 March 2006 R'000	31 March 2005 R'000
2.1 Revenue - Tourism, retail, concessioning and other		
<i>Retail activities conducted by South African National Parks</i>	79,848	55,256
- Shop and restaurant sales	19,746	10,103
- Filling station sales	60,102	45,153
<i>Tourism</i>	356,375	337,225
- Accommodation	206,241	191,894
- Conservation levies / Entrance fees	112,658	109,031
- Drives	17,014	14,777
- Trails	15,520	12,556
- Other tourism-related activities	4,942	8,967
<i>Concessioning</i>	35,617	26,855
- Facilities rental on retail and restaurant operations (Refer Appendix Note 1)	17,202	18,246
- Lodge concession fees (Refer Appendix Note 2)	18,415	8,609
<i>Other</i>	14,208	21,848
- Rent received	6,558	12,999
- Services rendered (incl. management of special projects, technical services)	7,650	8,849
	486,048	441,184
2.2 Operational grants received		
Department of Environmental Affairs and Tourism		
- Conservation	75,515	73,631
- Road	12,000	12,000
Department of Water Affairs and Forestry	15,205	-
	102,720	85,631
2.3 Other operating income		
Sundry income	4,321	5,819
Income from conservation management	1,293	2,113
Commission received and filming rights	1,686	1,524
Rebates received	1,408	1,132
Water and electricity recoveries	180	125
	8,888	10,713

	31 March 2006 R'000	31 March 2005 R'000
3 Land acquisition grant		
Department of Environmental Affairs and Tourism	<u>41,000</u>	<u>41,000</u>
4 Sale of fauna and flora for land expansion		
The sale of fauna and flora is used for land acquisition and related expenses to expand the national park system.	<u>11,579</u>	<u>14,802</u>
5 Donations		
Donations form a minor part of the funding of conservation and people and conservation programs of the South African National Parks. Due to the varying nature of such funding and the direct allocation thereof to identifiable projects, it is not deemed to be part of normal operations.	<u>18,698</u>	<u>6,577</u>
6.1 Operating expenses		
Operating lease payments (Note 6.4)	40,149	36,926
Depreciation	21,988	24,167
- Charge for the year (Notes 6.4 & 9)	25,314	24,901
- Recognition of deferred income - asset grants (Note 6.4)	(3,326)	(734)
Marketing and promotions	13,238	21,566
Operating costs	25,670	21,124
Consumables	17,718	16,909
Voice communication costs	9,942	11,627
Vehicle and aircraft operating costs	10,727	9,727
Information technology outsourced services	8,561	8,820
Water and electricity costs	10,862	8,813
Bank charges	5,948	5,426
Software assurance costs	4,192	4,381
Data communication costs	4,973	4,006
Losses and net shortages	612	2,963
Self Insurance costs (Note 21)	2,726	19
Net (profit)/loss on sale of property, plant and equipment (Note 6.4)	(165)	1,471
Auditors' remuneration (Note 6.4)	2,706	1,354
	<u>179,847</u>	<u>179,299</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

	31 March 2006 R'000	31 March 2005 R'000
6.2 Administration expenses		
Maintenance, repairs and running costs	49,693	43,459
- Property and buildings	34,410	27,641
- Machinery and equipment	3,674	6,810
- Office and computer equipment	995	472
- Consumables utilised in maintenance programs	10,614	8,536
Subsistence and travelling costs	14,740	11,520
Minor assets not capitalised	7,779	6,909
Consultants, contractors and special services	6,806	5,419
General and administrative expenses	6,297	3,620
Legal costs	2,318	1,555
Interest paid	515	445
	88,148	72,927
6.3 Compensation of employees		
<i>Salaries and wages</i>	221,803	190,114
- Salaries	159,555	131,652
- Performance awards	2,591	3,417
- Periodic payments	8,978	9,026
- Other non-pensionable allowances	50,679	46,019
<i>Social contributions</i>	30,569	27,636
- Pension costs - Defined contribution plans (Note 25)	17,502	15,268
- Medical	9,274	8,472
- UIF	1,691	1,485
- Insurance	2,102	2,411
<i>Other salary-related costs</i>	22,817	17,406
- Staff development costs	4,891	2,980
- Recruitment and placement costs	2,070	864
- Other costs	15,856	13,562
<i>Post-retirement health benefit obligations (Note 16)</i>	15,402	21,382
- Current service costs	2,400	2,833
- Interest costs	10,707	12,807
- Actuarial loss for the year	2,295	5,742
	290,591	256,538

	31 March 2006 R'000	31 March 2005 R'000
6.4 Surplus from operations		
Surplus from operations has been arrived at after taking into account the following:		
Auditors' remuneration (Note 6.1)		
External audit fees	2,508	915
Special audits	198	439
	2,706	1,354
Auditors' remuneration for special audits in 2005 related to an audit conducted on Special Projects as approved by the Auditor-General.		
Write-down of inventories recognised as an expense	479	2,488
Depreciation (Notes 6.1 & 9)		
Buildings and infrastructure	8,206	7,934
Vehicles, Aircraft and Mechanical equipment	6,806	5,716
Furniture, Office equipment and Computer software	10,302	11,251
	25,314	24,901
Net (profit) / loss on sale of property, plant and equipment (Note 6.1)	(165)	1,471
2005 -The net loss on sale of property, plant and equipment relates primarily to a land swap transaction at Addo on which a loss of R1,542 million was realised. The swap transaction was important for South African National Parks insofar a portion of land, although smaller in size, but of larger biological diversity importance was obtained.		
Amortisation of deferred income in respect of depreciable assets acquired with government special grants (Note 6.1)	3,326	734
Operating lease payments (Note 6.1)	40,149	36,926
Total future minimum lease payments		
- Current	16,699	17,837
- Between 1 and 5 years	5,304	21,910
	22,003	39,747

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	31 March 2006 R'000	31 March 2005 R'000
<p>The following represents significant leasing arrangements and the basis on which future minimum lease payments were calculated:</p>		
<p>(i) AXIS Finance Company. The lease was for the rental of digital switchboard equipment at the corporate office and Skukuza support offices. The minimum monthly rental of R45,000 was payable in advance and expired on 1 July 2005. At the termination of the lease, South African National Parks exercised the option to acquire the equipment.</p>		
<p>(ii) South African National Parks rents office space at Westlake for the Table Mountain National Park operations. There are two agreements that govern the right of use. Both rentals are payable monthly in advance and escalate annually with 12%. The first rental expired on 1 August 2005 and the other on 1 March 2006. Both rentals have been extended and will now expire on 31 March 2007. The current monthly rental payment amounts to R65 572 (2005 - R70,000).</p>		
<p>(iii) The rental agreement with VUSWA Fleet Services (Pty) Ltd provides for the provision of a vehicle fleet in the Kruger National Park. The agreement is for a period of five years which terminates on 1 August 2007. The minimum future monthly rental premium amounts to R1,326 million (2005 - R1,326 million).</p>		
<p>Irregular expenditure</p> <p>No material irregular expenditure were incurred during the year ended 31 March 2006.</p>		
<p>Fruitless and wasteful expenditure</p> <p>No material losses through criminal conduct were incurred during the year ended 31 March 2006.</p>		
7 Investment income		
Interest income	7,166	6,813
Marketable securities		
- Dividend income	1	221
- Net surplus on disposal of marketable securities	-	270
	7,167	7,304
Net foreign exchange transaction gain	6	14
	7,173	7,318

	31 March 2006 R'000	31 March 2005 R'000
8 Finance costs		
Borrowings	4,218	5,742
Finance leases	865	938
	5,083	6,680

9 Property, plant and equipment

	Land R'000	Buildings and Infra- structure R'000	Vehicles, Aircraft and Mechanical equipment R'000	Furniture, Office equipment and Computer software R'000	Total R'000
Year ended 31 March 2006					
Opening book value	226,865	227,729	27,902	19,781	502,277
Capitalisation of work in progress (Note 10)	51,230	166,838	510	2,795	221,373
Additions	242	2,091	11,762	3,185	17,280
Disposals	(3,014)	(19)	(571)	(82)	(3,686)
Items classified as held for sale (Note 15)	-	-	(7,643)	-	(7,643)
Depreciation charge	-	(8,206)	(6,806)	(10,302)	(25,314)
Closing book value	275,323	388,433	25,154	15,377	704,287
At 31 March 2006					
Cost	275,323	464,110	70,944	65,177	875,554
Accumulated depreciation	-	(75,677)	(45,790)	(49,800)	(171,267)
Book value	275,323	388,433	25,154	15,377	704,287
Year ended 31 March 2005					
Opening book value	191,042	203,046	26,378	19,055	439,521
Capitalisation of work in progress (Note 10)	38,213	17,248	-	8,506	63,967
Additions	1,902	15,398	7,262	3,532	28,094
Disposals	(4,292)	(29)	(22)	(61)	(4,404)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Land R'000	Buildings and Infra- structure R'000	Vehicles, Aircraft and Mechanical equipment R'000	Furniture, Office equipment and Computer software R'000	Total R'000
Depreciation charge	-	(7,934)	(5,716)	(11,251)	(24,901)
Closing book value	226,865	227,729	27,902	19,781	502,277
At 31 March 2005					
Cost	226,865	295,295	74,569	58,313	655,042
Accumulated depreciation	-	(67,566)	(46,667)	(38,532)	(152,765)
Book value	226,865	227,729	27,902	19,781	502,277

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

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

	31 March 2006 R'000	31 March 2005 R'000
(i) Included in movable assets are assets that serve as security for a notarial bond in favour of IDC as detailed in Note 17 (i) and (ii).		
Cost	115 338	79 098
Accumulated depreciation	(86,417)	(61,765)
Book value	28,921	17,333
(ii) Included in moveable assets are assets that serve as security under finance leases as detailed in Note 17 (iii).		
Cost	8,068	16,990
Accumulated depreciation	(3,939)	(7,444)
Book value	4,129	9,546
10 Work in progress		
Work in progress involves construction work in progress as well as land acquisitions in process.		
Opening balance	239,136	192,799
Cost incurred during the year	115,973	110,304
- Special project grant funds (Note 20)	70,890	58,568
- Other funds	45,083	51,736
Capitalised / transferred during the year (Note 9)	(221,373)	(63,967)
- Land	(51,230)	(38,213)
- Buildings and infrastructure	(166,838)	(17,248)
- Vehicles, Aircraft and mechanical equipment	(510)	-
- Furniture, office equipment and computer software	(2,795)	(8,506)
Adjustment	(35,643)	-
Closing balance	98,093	239,136
11 Investments		
Unlisted investments		
Deferred remuneration policies	1,218	1,125
Total investments	1,218	1,125
Fair value of unlisted investments	1,218	1,125

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	31 March 2006 R'000	31 March 2005 R'000
12 Inventories		
Retail goods and fuel	6,617	5,991
Consumables	9,502	5,768
	16,119	11,759
13 Receivables and prepayments		
Concession debtors	14,930	11,637
Value Added Tax	1,433	8,475
Trade receivables	10,212	12,243
Other receivables	114	4,618
Prepayments	251	195
	26,940	37,168
Provision for doubtful debts	(2,287)	(2,291)
	24,653	34,877
14 Cash and cash equivalents		
Expanded Public Works Programme	113,154	156,602
Special projects	87,619	93,577
Land acquisition	13,606	14,609
Insurance (Note 21)	10,000	10,000
Operational	30,651	13,883
	255,030	288,671
<p>On 31 March 2006 the South African National Parks had short term general banking facilities that amounted to R25 million (2005 – R25 million). The interest rate on overdraft is prime. The facilities are unsecured.</p>		
15 Non-current assets classified as held for sale		
Carrying amount after classification as held for sale:		
Property, plant and equipment (Note 9)	7,643	-
Net carrying amount of non-current assets held for sale	7,643	-

During November 2005, the South African National Parks entered into a sales agreement with Eurocopter Southern Africa (Pty) Ltd to purchase two new helicopters, and for the seller to buy back the two existing helicopters at Euro 1 035 000 (R7 967 844 at reporting date). The delivery of the helicopters will be on or before 31 December 2006.

	31 March 2006 R'000	31 March 2005 R'000
16 Post-retirement health benefit obligation		
Liability provided for at the beginning of the year	128,997	114,743
Expense reflected in statement of financial performance (Note 6.3)	15,402	21,382
Contributions paid	(7,183)	(7,128)
Liability provided for at end of year	137,216	128,997

Principal assumptions of the latest actuarial valuation are:

- (i) An escalation of 6.25% (2005 - 6.5%) per annum in terms of contribution rates.
- (ii) A rate of 8% (2005 - 8.5%) was used for discounting.
- (iii) A decremental rate equal to the published SA 72-77 (2005 - SA 72-77) Mortality Tables for pre-retirement members, discounted by 3 years for females, was used.
- (iv) For post-retirement members the PA(90)-2 (2005 - PA(90)-2) Mortality Tables were used.
- (v) The effect of HIV AIDS has not been taken into account in the calculation as the prevalence of HIV AIDS cannot be estimated.

17 Long-term borrowings		
Secured borrowings	45,946	73,286
(i) Industrial Development Corporation - Land acquisition	-	27,702
(ii) Industrial Development Corporation - Commercial development	35,000	35,000
(iii) Wesbank Limited - Lease Obligations	10,946	10,584
Unsecured borrowings		
(iv) Registered stock loans	-	3,000
Total borrowings	45,946	76,286
Short-term portion transferred to current borrowings	(6,757)	(11,403)
Long-term borrowings	39,189	64,883

The secured loans were used mainly to fund the erection of tourism facilities inside national parks.

- (i) The land acquisition IDC long-term loan was entered into to acquire land to the value of R29,85 million.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

31 March 2006
R'000

31 March 2005
R'000

The loan was repaid with a final payment of R25,740 million on 30 September 2005. (2005 - The loan was repayable in 83 equal monthly instalments of R0,358 million from 1 October 2004 with a final instalment of R0,286 million. The interest rate applicable was prime less 4%, subject to a minimum rate of 7.5%. At 31 March 2005 the interest rate was 7.5%.)

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

The loan is repayable in 119 equal monthly instalments of R0,292 million commencing 1 October 2006 with a final instalment of R0.252 million. The loan bears interest at prime less 2.5% (At 31 March 2006 the interest rate was 8% (2005 - 8.5%)) subject to a minimum rate of 7.5%.

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

- (iii) Lease obligations are secured by moveable assets which revert to the lessor in the event of default as detailed in Note 9 (ii). The lease obligations bear interest varying between 8,2% and 8.5% (2005 - 8.5% and 9.4%) per annum.

- (iv) The unsecured registered stock loan bears interest at 16,90% per annum and the capital was repayable on 31 December 2005. This loan was used to fund the erection of tourism facilities inside national parks.

In terms of section 66(3)(c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, South African National Parks may only through the Minister of Finance borrow money or, in the case of the issue of a guarantee, indemnity or security, only through the Minister of Labour, acting with the concurrence of the Minister of Finance. In terms of section 32.1.1 of the Treasury Regulations, South African National Parks may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions.

Maturity of long-term borrowings

Within 1 year	1,752	10,296
Between 1 and 5 years	14,016	29,448
After 5 years	19,232	25,958
	<u>35,000</u>	<u>65,702</u>

	31 March 2006 R'000	31 March 2005 R'000
<i>The present value of capitalised finance leases are as follows:</i>		
Within 1 year	5,004	4,107
Later than 1 year but not later than 5 years	5,942	6,477
	10,946	10,584
Total value of future minimum lease payments	12,135	11,926
Less: Future finance charges	1,189	1,342
Present value of leases	10,946	10,584
18 Deferred Income - asset grants		
Special project grants relating to property, plant and equipment - recognised over the life of the related assets		
- Property, plant and equipment	217,362	55,240
- Construction work in progress	80,057	204,495
	297,419	259,735
Amortised / Recognised to date	(7,329)	(4,004)
	290,090	255,731
19 Trade and other payables		
Trade payables	12,362	24,316
Accrued expenses	17,135	26,306
Revenue received in advance	21,332	11,583
Leave liability	14,430	14,593
	65,259	76,798

Leave liability

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	31 March 2006 R'000	31 March 2005 R'000
20 Deferred income - obligation regarding special project grants		
South African National Parks periodically manage special projects. These projects are funded by various donors in the form of grants. For most projects the monies are received in advance but in other cases the costs relating to the projects are reimbursed on a regular basis.		
Opening balance	182,701	114,784
Funding received	156,193	193,143
Department of Environmental Affairs and Tourism		
- Expanded Public Works Programme	38,438	119,623
- Coast Care	9,705	700
- Limpopo Transfrontier Park	6,856	4,612
- Kids in Parks	2,400	-
- Marine Coastal Management	1,570	-
Rand Water - Golden Gate	14,721	4,152
French Environmental Management	-	3,029
Global Environmental Facility	9,948	17,664
Working-for-Water	41,724	25,285
Cape Metropolitan Council	12,276	5,759
SAEON	1,326	-
Theta	2,799	-
DBSA	3,813	-
Mellon Foundation	1,712	-
Other	8,905	18,079
Interest earned	8,187	5,579
	347,081	313,506
Expenditure	192,933	130,805
- Operational	116,808	52,822
- Work in progress (<i>Note 10</i>)	70,890	58,568
- Property, plant and equipment	5,235	19,415
Closing balance	154,148	182,701

	31 March 2006 R'000	31 March 2005 R'000
Balances of significant projects at year end		
Poverty relief	133,154	144,951
Limpopo Transfrontier Park	8,364	7,697
Cape Metropolitan Council	4,003	-
Coast Care	(1,332)	(1,226)
Global Environmental Facility	(4,156)	(374)
Theta	2,403	-
Working-for-Water	(2,738)	(11,262)
Other	14,450	42,915
	154,148	182,701

21 Change in accounting policy with respect to the insurance reserve

During the year ended 31 March 2006, the entity changed its accounting policy with respect to the treatment of self insurance costs. The entity has a policy to self insure certain costs. A separate funding account to the amount of R10 million are maintained for this purpose (Note 14). In order to conform to the benchmark treatment in the Standard of Generally Recognised Accounting Practice on Presentation of Financial Statements, the entity has now decided to expense the self insurance costs directly in the statement of financial performance and reversed the insurance reserve previously sustained. This change in accounting policy has been accounted for retrospectively. The comparative statements for 2005 have been restated to conform to the changed policy. The effect of the change is an increase in operating costs of R2 725 988 (2006) and R19 134 (2005) (Note 6.1). Opening accumulated surpluses for 2005 have been reduced by R10 million, which is the amount of the insurance reserve reversal.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	31 March 2006 R'000	31 March 2005 R'000
22 Net cash generated by operations		
Surplus from operations	39,259	40,030
Adjustments for non-cash items:	37,225	47,019
- Net loss / (surplus) on disposal of property, plant and equipment	(165)	1,470
- Depreciation	25,314	24,901
- Recognition/amortisation of deferred income - asset grants	(3,326)	(734)
- Provision for post-retirement health benefit obligations	15,402	21,382
Changes in working capital	(18,525)	56,542
- Inventories	(4,360)	(728)
- Receivables and prepayments	10,224	3,924
- Trade and other payables	(11,538)	(18,580)
- Provisions	-	(1,378)
- Deferred income - obligation regarding special project grants	(28,553)	67,917
- Reservation deposits held	15,702	5,386
Cash generated by operations	57,959	143,591

23 Financial risk management

Liquidity risk

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

Interest rate management

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

Credit risk management

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

South African National Parks limits its counter party exposures from its money market investment operations by only dealing with well-established financial institutions of high quality credit standing. The credit exposure to any one counter party is managed by setting transaction/exposure limits, which are reviewed annually.

Trade debtors comprise a large number of customers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Where appropriate, credit guarantee insurance cover is purchased. Trade debtors are presented net of the allowance for doubtful debt.

Concentration of credit risks

	Exposure R'000	% of Total exposure
Rated agencies		
Government	255,030	90.8%
Other parties	1,811	0.6%
	24,060	8.6%
	280,901	100.0%

24 Fair value of financial instruments

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

Financial instruments traded in an organised financial market

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

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

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

Interest bearing debt

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

25 South African National Parks retirement funds

25.1 South African National Parks joint retirement funds

The South African National Parks joint retirement funds consist of the South African National Parks Joint Provident Fund and the South African National Parks Joint Pension Fund. Both these funds were founded on 1 November 1993.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

Contributions by employees are allocated to the South African National Parks Joint Pension Fund, whilst the employer contributions are allocated to the South African National Parks Joint Provident Fund. The funds are defined contribution plans which are controlled by the Pension Funds Act, 1956 and administered by a financial institution. During the year South African National Parks contributed an amount of R13,94 million (Note 6.3) for 2 081 employees (2005 - R12,66 million for 1 864 employees), to the joint retirement funds. The main reason for the increase is the transfer of employees of the Knysna Forestry and Camdeboo National Park.

25.2 SACCAWU National Provident Fund

The fund is a defined contribution plan, which is controlled by the Pension Funds Act, 1956, and administered by a financial institution. Retirement benefits are based on the accumulated credits as contributed by both employer and employee. During the year South African National Parks contributed an amount of R3,59 million (Note 6.3) for 924 employees (2005 - R3,41 million for 935 employees).

26 Related parties

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

The South African National Parks is a statutory organisation governed by the National Parks Act, no. 57 of 1976 as amended, and a national public entity as listed under Schedule 3 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended. All other public entities or government departments are therefore seen to be related parties. No transactions between related parties occurred, other than that which occurred within a normal supplier or client/recipient relationship, and therefore no further disclosure of transactions is deemed necessary.

Key personnel

Key personnel is viewed to be all members of the Executive management.

		Basic Resume- ration R'000	Allowances R'000	Bonuses and Incentives R'000	Free Accommo- dation R'000	Total R'000
Mabunda, MD Dr	Chief Executive	1,020	246	463		1,728
Soundy, SCE	Chief Operating Officer	809	220	282	2	1,313
Daphne, P	Executive Director: Parks	666	208	330	-	1,204
Magome, DT Dr	Executive Director: Conservation Services	661	210	262	-	1,133
Mkhize, I Dr	Executive Director: Kruger National Park	744	165	300	-	1,209
Phillips, G	Executive Director: Tourism	619	212	256	-	1,087
Soma, AK	Chief Financial Officer (Resigned 31 January 2005)	-	-	233	-	233
Mkhumane, NS Ms	Chief Financial Officer (Appointed 1 April 2005)	675	211	-	-	886
Wagiet, R Dr	Executive Director: People and Conservation	661	225	324	-	1,210
Van Der Spuy, P Ms	Executive Manager: CE's office	650	216	365	-	1,231
Chabani, J	Head: Human Resources	669	226	328	-	1,223
Mkutshulwa, W Ms	Head: Corporate Communications	552	214	275	2	1,042
		7,725	2,353	3,417	4	13,499

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

No loans, outside the policy applied when loans are granted to staff, have been made to key personnel. Dr Mabunda, Dr Magome and Ms van der Spuy qualify for post retirement health benefits and the liability as at 31 March 2006 has been included in the total liability of South African National Parks (Note 16).

27 Capital commitments

Commitments for the acquisition of property, plant and equipment contracted for, but not provided in the financial statements amount to R26,167 million. Included in this amount is the contractual obligation for two helicopters at Euro 2,7 million (refer Note 15 for trade in details).

28 Contingent liabilities

28.1 Legal disputes

South African National Parks is currently involved in legal disputes relating to operational matters. No significant losses are expected to arise as a result thereof.

28.2 Land claims

A number of land claims have been instituted on land owned or managed by South African National Parks. South African National Parks is supportive of the process of returning land to its disenfranchised communities. No significant financial obligations are currently placed on South African National Parks in consequence of this process.

28.3 September 2001 fire disaster in the Kruger National Park

On 4 September 2001 the Kruger National Park experienced a devastating fire in the Pretoriuskop - Napi region. These fires led to the death of 24 persons. A judicial commission of inquiry was ordered by the President. The commission's report has been submitted to Government, but has not as yet been made public. To date no liability claims have been instituted against South African National Parks as regarding this incident.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

		31 March 2005 R'000
29	Reclassifications	
	The comparative figures have been reclassified for the following items:	
	<i>Deferred income - asset grants</i>	
	previously stated as part of equity, was reclassified as non-current liabilities	255,731
	<i>Leave liability</i>	
	previously stated as provisions, was restated as accounts payable	14,593
	<i>Rent received</i>	
	previously stated as other operating income, was restated as revenue	12,999
	<i>Services rendered</i>	
	previously stated as other operating income, was restated as revenue	8,849
	<i>Cost of sales</i>	
	previously separately stated, was restated under expenses	51,113

Land has been shown as a separate category under property, plant and equipment, and the comparative figures have also been restated in this regard. The cash flow statement has also been restated to incorporate all of the above.



APPENDICES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

**1 Facilities rental on retail and restaurant operations
(Refer Note 2.1)**

The concession contracts for retail and restaurant operations entail allowing private operators to operate South African National Parks' existing facilities on the basis of a medium-term operating agreement. Investors manage and upgrade existing retail and restaurant facilities. The agreements enable the operators to use a defined area over a 9 ½ year term in return for payment of concession fees. 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 South African National Parks.

During this Financial Year the contract with the KNP restaurant operator, Natures Group, was terminated as a direct result of poor service delivery. Uninterrupted service delivery to clients and tourists was ensured through an interim solution (1-year contract) that was awarded to Compass Group. This entails a management agreement whereby Compass Group manages the restaurants on SANParks' behalf with profits/losses reverting to SANParks. Compass Group was awarded the management agreement based on their technical expertise. SANParks will initiate a solicited public tender process in June/July 2006 for the

procurement of a replacement operator for the next term of 9 to 11 years.

In order to maximise profits for SANParks during the interim management agreement period, a revenue generation strategy was compiled in partnership with Compass Group. This strategy entails matching the restaurants product offering to the SANParks clients/tourists requirements. In line with the findings, offerings will be focused on the market and might therefore differ by camp and by season. Part of this strategy is a marketing drive that will be initiated and co-funded by the Compass Group in a quest to derive optimal value from the restaurants to SANParks.

The monthly rental payable for the facilities by the contractor to South African National Parks for any given month shall be the higher of the fixed monthly rental as defined by the agreements, escalating on an annual basis; or the rental based on actual gross revenue realised, expressed as a percentage of gross revenue.

The operators have provided South African National Parks with Performance Bonds equivalent to three months fixed rental in the form of Performance Guarantees that secure the operators performance under the Operating Agreement on the basis set out in the Facilities Rental Agreement. The Performance Bonds do not apply to Picnic Site concessions.

The following schedule summarises the potential income receivable from the various operators for the various sites:

Operator	Commissioning Date	Termination Date	Minimum rental	% of Gross Revenue
			R	%
Tigers Eye	15 Oct 2000	31 Mar 2010	1,575,000	6 - 12%
Natures Group	15 Oct 2000	31 Mar 2010	N/A	N/A
EJ Viljoen and Associates	15 Oct 2000	31 Mar 2010	189,600	7%
Salt and Pepper Restaurants	1 Dec 2003	31 Mar 2010	12,000	Fixed Rental

2 Lodge concession fees (Refer Note 2.1)

The lodge concession contracts entail allowing private operators to build and operate tourism facilities within national parks on the basis of long-term concession contracts. Investors either take over and upgrade identified existing lodge facilities or build and operate new lodges. The contracts enable the concessionaires to use defined areas of land including any buildings that may already exist on that land over a 15 to 20 year term in return for payment of concession

fees. 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 South African National Parks.

The annual concession fee payable by the concessionaire to South African National Parks for any given concession year shall be the higher of a minimum rental as determined by the agreement for the concession year or a calculated annual concession fee based on the bid percentage of gross revenue for the concession year.

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 South African National Parks 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 South African National Parks 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 per Concession Area.

The calculated annual concession fee is based on the bid percentage of actual gross revenue for that concession year. The specific obligations per concession are detailed in the schedule below:

National Park - Concession Area	Concession Holder	Commissioning Date	Termination Date	% of Gross Revenue
Addo - Gorah Elephant Camp	Hunter Hotels (Pty) Ltd	1 Jan 2001	31 Dec 2025	5 - 12.5%
Addo - Nyati	Nguni Game Lodge (Pty) Ltd	1 Jan 2002	31 Dec 2021	8 - 12%
Golden Gate - Brandwag Hotel	Brandwag Concession (Pty) Ltd	1 Apr 2004	31 Mar 2019	12 - 15%
Kruger - Mutlumuvi	Rhino Walking Safaris (Pty) Ltd	1 Jul 2002	30 Jun 2022	5 - 8%
Kruger - Mpanamana	Shishangeni Lodge (Pty) Ltd	1 Jan 2002	31 Dec 2021	10 - 20%
Kruger - Jakkalsbessie	Jakkalsbessie Lodge (Pty) Ltd	1 Jan 2002	31 Dec 2021	10 - 15%
Kruger - Jock of the Bushveld	Mitomeni River Lodge (Pty) Ltd	1 Jul 2001	30 Jun 2021	11.5 - 22%
Kruger - Lwakahle	Lukimbi Safari Lodge (Pty) Ltd	1 Nov 2001	31 Oct 2021	5 - 25%
Kruger - Mluwati	Imbali Safari Lodge (Pty) Ltd	1 Jan 2002	31 Dec 2021	10 - 25%
Kruger - Nwanetsi	Singita Lebombo (Pty) Ltd	1 Mar 2002	28 Feb 2022	22.3%
Table Mountain - Roundhouse	Roundhouse Hospitality (Pty) Ltd	1 Aug 2002	31 Jul 2027	4 - 5%
Table Mountain - Koeël Bay	Koeël Bay Hospitality (Pty) Ltd	1 Jan 2004	31 Dec 2023	3.5 - 10%



South African
NATIONAL PARKS

HEAD OFFICE

633 Leyds Street, Muckleneuk, Pretoria • PO Box 787, Pretoria, 0001

Tel: +27 12 426 5000 • Fax: +27 12 343 0155 • www.sanparks.org