

South African
NATIONAL PARKS



Annual Report 2006/07



Vision, Mission, Corporate Values and National Parks Map

VISION

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

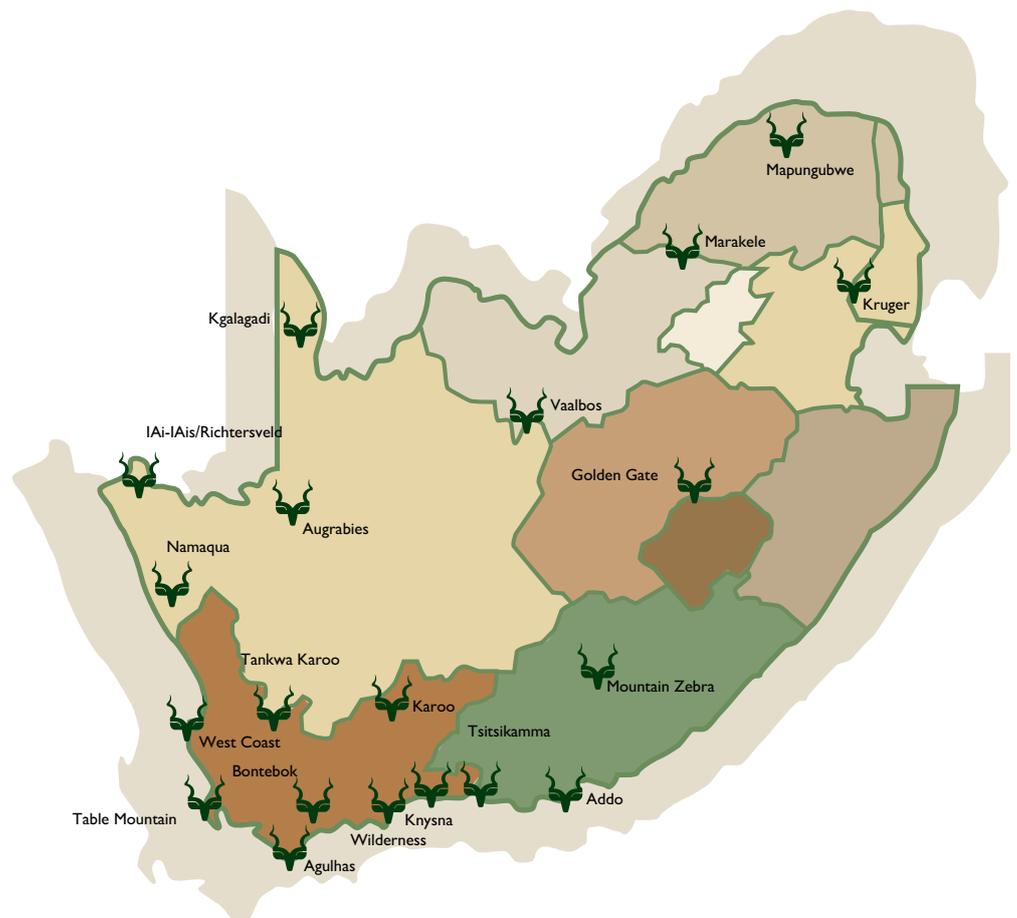
MISSION

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 (now changed to Mokala) • West Coast • Wilderness

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SENIOR MANAGEMENT

EXECUTIVE MANAGEMENT

Dr David Mabunda – *Chief Executive*

Mr Sydney Soundy – *Chief Operating Officer*

Mr Themba Mabilane – *Chief Financial Officer*

Dr Hector Magome – *Executive Director: Conservation Services*

Mr Glenn Phillips – *Executive Director: Tourism Development*

Dr Razeena Wagiet – *Executive Director: People and Conservation*

Mr Paul Daphne – *Executive Director: Parks Division*

Dr Bandile Mkhize – *Executive Director: Kruger National Park*

Ms Wanda Mkutshulwa – *Head of Communications*

Ms Goitsewang Huma – *Head of Human Resources (resigned 01 April 2007)*

Ms Pauline van der Spuy – *Executive Manager in the CE's Office*

BOARD MEMBERS:

Ms C Carolus – *Board Chairperson & Chairperson of Chairperson's Committee*

Ms M Maisela – *Chairperson of Human Capital & Communications Committee*

Ms Y Makhasi

Mr F Mketeni

Mr M Morobe

Ms L Sangweni - Siddo

Dr R Scholes

Mr Z Sithole – *Chairperson of Audit Committee*

Dr N Tsengwa

Prof W Van Riet – *Chairperson of Conservation and Tourism Committee*



CHAIRPERSON'S REPORT

This year we are proud to present the annual report having reached a number of achievements in all the key areas of our operation, i.e. Conservation, People and Conservation and Tourism.

In Conservation the most important achievement of this reporting period has been the completion of the Park Management Plans in line with the provisions of the NEMA: Protected Areas Act 57 of 2003. However the reports will still undergo editing after the Minister of Environmental Affairs and Tourism shall have reviewed them and made comments. In line with our commitment to build constituencies in support of our conservation efforts, we engaged in an extensive stakeholder participation process in the development of Park Management Plans involving close to 3 000 people through our various park forums.

The system of national parks was expanded by 24 321 ha, exceeding the target of 20 000 ha. The purchased land was for inclusion in various national parks (i.e. Namaqua, Tankwa-Karoo, West Coast, Camdeboo and Addo Elephant) and was acquired with funds received through the Land Grant from the Department of Environmental Affairs and Tourism (DEAT) and the donor funding from the National Parks Trust and Global Conservation Fund.

SANParks continues to be a player in global conservation and in recognition of this the Minister took the discussion on elephant management to forums in Africa, Australia, Germany and the UK. Our discussions with these countries informed us of the different challenges that conservation agencies internationally are facing in management of parks in a changing global climate. SANParks works hand in hand with DEAT in making contributions to Convention on International Trade in Endangered Species (CITES), especially on matters pertaining to the management of elephants. A final decision on the sale of the ivory stockpile will be reached in a CITES meeting scheduled for June 2007 in the Hague. SANParks is looking to sell a 50-ton ivory stockpile residing in the Kruger National park (KNP).

A number of firsts were achieved in the area of constituency building. For the first time in its history SANParks introduced the SANParks Week (held 18-24 September 2006) with the aim of encouraging South Africans to know more and be proud of their natural and cultural heritage. The campaign, which involves a number of open access days for all South Africans, will be held annually in perpetuity. A system to manage and report on the state of our Cultural Heritage was also introduced for the first time in five of our national parks, and will be rolled out to all parks over the next financial year. In the area of environmental education we aimed to accommodate only 80 000 learners at our Parks, but exceeded the 100 000 mark. We are also proud to report that the Executive Director for People and Conservation was appointed to co-chair the Earth Charter International Council.

There has been good progress in respectful and sustainable settlement of land claims. The understanding between us and the Land Claims

Commission on the best ways to speed up the settlement of land claims on protected land has continuously improved for the better. In previous reports we had highlighted the imminent de-proclamation of the Vaalbos National Park in order to restore the rights in land and land to the Sydney-on-Vaal community. However, we did not reduce or compromise the national parks estate because the Northern Cape Land Claims Commission assisted us to purchase a piece of land that is far more suitable for biodiversity conservation than the de-proclaimed Vaalbos National Park. The new piece of land will provide a far better service in hosting the number of rare species that are specially bred, and has greater potential for expansion than the restituted land.

As reported in the previous reporting period, declining and aging infrastructure has negatively affected our operations and the tourism experience for a number of years due to limited resources for any lasting or large scale overhaul of the plant. The announcement by the Minister at the end of the previous financial year of a substantial cash injection into this initiative was received with a great sigh of relief. The Minister committed R575 million funding which will be focused on the upgrade of existing tourism, support infrastructure and staff living quarters in national parks over a four-year period. In this reporting period implementation started on the Infrastructure Development Programme 2006/07 – 2009/10. The first year allocation of R35,5 million was mostly spent on planning for the roll-out of the whole programme, but implementation of smaller projects was also started.

Once again the Board is happy to present an unqualified report on the financial statements of the organisation.

I would like to thank the members of the Board for their passion and commitment, the Chief Executive, Executive Management and every single member of staff for continuing to manage our heritage in the manner that makes us proud to be South Africans.



Cheryl Carolus
CHAIRPERSON



CHIEF EXECUTIVE'S REPORT

South African National Parks (SANParks) is the country's custodian of areas that have been accorded the highest state of protection that can be provided by the State. We never forget this big responsibility; hence we continue to strive "to be the custodian of choice for all national parks".

In the period under review, SANParks submitted management plans for all national parks under its management to the Department of Environmental Affairs and Tourism (DEAT) for approval by the Minister as required by the Protected Areas Act (57 of 2003 with its amendment 31 of 2004). Though we note that most stakeholders gave useful input and generally agreed with the proposed desired state for most of the parks, it is important to highlight that matching biodiversity needs with expectations of stakeholders will continue to pose a challenge in the drafting of Park Management Plans.

The system of national parks was expanded by 24 321 ha, exceeding the target of 20 000 ha. The purchased land was for inclusion in various national parks (i.e. Namaqua, Tankwa Karoo, West Coast, Camdeboo and Addo Elephant) and was acquired with funds received through the Land Grant from DEAT and the donor funding from the National Parks Trust and Global Conservation Fund.

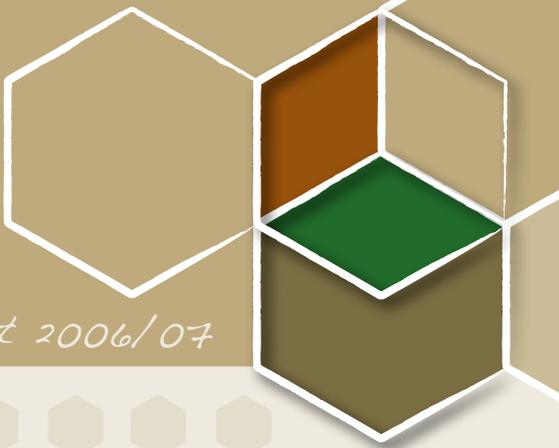
In consolidating the national parks system for better resilience, SANParks decided to develop a strategy of combining the three national parks situated in the Garden Route after an allocation of some indigenous forests. Some existing pine plantations from Department of Water Affairs and Forestry (DWAFF) made this possible. The envisaged Garden Route National Park will have the single largest contiguous indigenous forest in the whole country and will also cover marine resources off the Tsitsikamma National Park coast. The new mandate acquired from DWAFF stated that SANParks would gradually phase out those areas that are still plantations in order to give room for indigenous vegetation to regenerate. This project looks set to yield unexpected successes as a recent study in the Wilderness National Park showed a surprisingly high potential for dune fynbos vegetation to regenerate naturally after the removal of alien vegetation. In six years after the removal of a 40-year-old pine plantation the fynbos vegetation regenerated without management intervention, and reached a level of species diversity that was representative of undisturbed dune fynbos.

The organisation continues to work with the Land Claims Commission on bringing about a speedy and mutually beneficial resolution to land claims on protected areas. Land claims against Kruger National Park alone extend between a third (650 000 ha) and half (one million ha) of the area of the park, and involve some nineteen claimant groups. The SANParks' Board continues to support the restitution process and has endorsed the restitution process in its policies and strategies. The claimed section of Vaalbos National Park was de-proclaimed and restored to the claimants.

At the time of reporting an alternative park, Mokala National Park, had been acquired and was ready for proclamation.

In a bid to develop better co-operation and co-ordination amongst conservation authorities in Africa SANParks initiated the Leadership for Conservation in Africa (LCA). The LCA has been established as an independent association of conservation agencies by fourteen affiliated African countries. The primary objective of the LCA is to provide a platform for conservation agencies and state departments to exchange and share technical information and experiences in matters of mutual interest. It is also to harness collective will and capacity of conservation and private sector leadership for sustainable conservation-led socio-economic development in Africa, by actively advocating, promoting and initiating the involvement of





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the business community and selected business leaders (nationally and internationally). While the African partners also stand to gain from SANParks' experience in a number of areas, we also stand to gain from experiences of our African counterparts. The LCA is viewed as a way of enhancing strategic capacity and support for improved models of African protected areas to operate sustainably and to contribute to NEPAD's environmental agenda.

The year under review represents the first year of our four-year, R575 million funded Infrastructure Development Programme, which is aimed at addressing the ageing infrastructure in our national parks. This is a major programme, which requires us to create sufficient capacity both in-house and externally in order to successfully implement all projects within the given time frames. In this regard, we used most of the year to improve the management structure of the programme, and appointed qualified professionals in the critical positions. We also established a panel of specialist external service providers in order to ensure fast turnaround times for procurement processes.

SANParks has shown tremendous progress in the transformation of the staff representation to move towards embodying the demographics of the country. In top management the representation of previously disadvantaged individuals is at 81% and female employees at 27%. There are still some areas that require attention like the employment of black females at middle and senior management levels, as well as people with disabilities.

Statistics show that there has been a growth in the number of black people that visited national parks in the period under review, however, because numbers of visitors to parks had grown across the board the percentage of domestic visitors remained the same at 18% of the domestic visitor base. On the international front SANParks developed a marketing strategy that looked at specifically targeting those countries where the majority of the international visitors come from. We identified our top seven markets as France, Italy, United Kingdom, United States of America, Germany, the Netherlands and Belgium.

As reported in the last financial year that as a result of the success of the Commercialisation Strategy (2000), there has been a significant increase in the demand for Public Private Partnership initiatives.

This led to us developing the Strategic Plan for Commercialisation (2006 to 2011). The lessons learned from the previous strategy and compliance to the Eco-Tourism Toolkit (2006) developed by the National Treasury guided the development of the revised medium term plan.

SANParks is happy to report that lodge concessionaire occupancies increased from 40.64% to 47.76% during the reporting period. After two years, the model is yielding good results where lodge concession occupancies have increased significantly. The highest occupancy by an operator was 45% in 2004. In 2006 the highest occupancy level was 64%. All lodges have shown relatively similar increases. Following lower occupancies being experienced by lodge concessionaires in the Kruger National Park since they came into operation, SANParks had discussions with the concessionaires, which led to a suggestion for a key adjustment to the financial model. The aim was to increase their ability to be more flexible with the lodge prices without affecting SANParks' income.

SANParks held the first SANParks Week on 18-24 September 2006. The week is aimed at broadly achieving the objective of encouraging a sense of pride in South Africa's natural and cultural heritage in all the people of South Africa. The programme is to be an annual event held in the month of September, heritage month, because of its strong focus on heritage. The biggest highlight for the programme was the open access provided to all South Africans during the week in a number of the national parks under SANParks' management.

In general, we are satisfied that we have achieved our annual objectives for the 2006/07 Financial Year amid attendant constraints.



Dr David Mabunda
CHIEF EXECUTIVE

CHIEF OPERATING OFFICER'S REPORT

The year under review forms part of a transformation phase that is focused on the improvement of the overall performance of the organisation. A number of crucial interventions aimed at establishing and enhancing the fundamentals for building efficiencies in SANParks were undertaken. Prime among these interventions, was the continued implementation of the balanced scorecard (BSC) as a management approach for the execution and management of SANParks' strategy.

We have now gone through the second year of the implementation process of the BSC, and have been able to develop a strategy map that guides our business management focus and activities. This strategy map will be revised in the next year given the lessons we have gathered in the early part of the implementation programme. Specific positive outcomes of the implementation process include the introduction of the performance management approach emanating from the principles of the BSC. This has provided a solid basis for the development and improvement of a performance driven culture in the organisation.

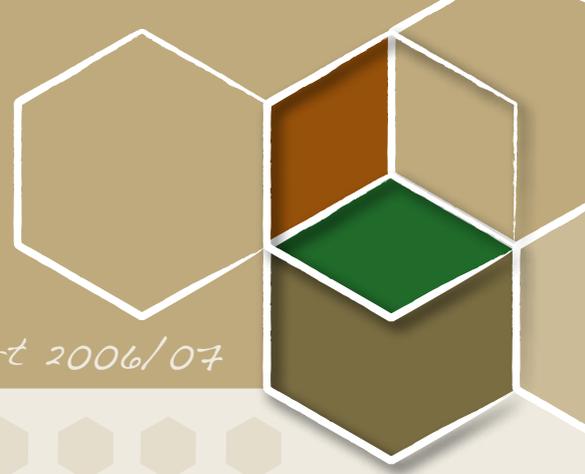
Another positive outcome of the BSC is the development and implementation of a reporting system for crucial areas of our operation. The areas of reporting that were initiated during the year are focused on monitoring the state of our national parks in regard to some core fundamental management areas. These include the State of Biodiversity Management, the State of Cultural Heritage Management and the State of Infrastructure Management. An enhanced change management plan will be unfolded in the next year to continue to entrench the BSC in the organisation.

In the last quarter of the previous year we conceptualised and initiated the SANParks' Leadership Development Initiative (SLDI), which is focused on the development of leadership competencies in the organisation. The first intervention undertaken this year was the building of a competency of mentoring and coaching for the executive and senior management in the organisation. Through this specific intervention we intend to build capacity for a supportive leadership approach to enable employees to perform at their optimum. Additional participants will be involved in this development programme in the next year.

In order to effectively implement the Infrastructure Development Programme, a process to develop project management capability through the introduction of a project management approach that includes a policy and a simplified methodology and supporting system was given impetus with the setting up of a corporate project office. This office consists of a senior manager at a corporate level, who provides a co-ordination and support function for the rest of the organisation's business units. In order to enhance governance of projects in the organisation, all corporate-level projects will be registered in the next year and then continuously monitored for their progress in order to identify early signs for required management interventions, where necessary.

SANParks improved its attention to overall risk management by adopting, and paying special attention to an enterprise-wide risk management approach. This has resulted in each division developing its own formal risk register that highlights specific risk mitigation plans. Risk management is also entrenched as a key performance area for all the heads of division in the organisation. Some of the areas that have received special attention during the year have been the constant monitoring of internal controls to ensure that the matters raised by the Auditor-General's report for the previous year do not





recur. Whereas each national park had its own plans to deal with the potential criminal incidents, as part of the enterprise risk management process SANParks has embarked on a formal corporate-led planning process to improve the Safety and Security Programme in all our national parks. Most of the additional interventions in this regard will be undertaken in the next two years. The focus placed on improving the state of our occupational health compliance is also a result of the attention to all types of risks in the organisation.

Information and Communications Technology (ICT) provides an important support mechanism for the delivery of effective and efficient organisational performance. In order to ensure that we continue to receive the appropriate support at a comparatively competitive price, we initiated a tender process last year to find the most appropriate ICT service provider. This process led to the appointment of a new service provider that started its contract with the organisation in the year under review. The transition to a new service provider happened with no major interruption to our ICT services. We were also able, together with the new service provider, to develop an ICT disaster recovery plan. Our focus for the next year will be to review the strategy for our ICT application systems. The aim of the strategy is to ensure that all the core business processes in the organisation receive the required enabling information management support.

The focus we placed on the effective management of commercial contracts entered into by the organisation yielded positive results where we received a re-imbusement that had resulted from underpayment from one of our main partners. Similar actions will continue as appropriate. As part of this process, and due to unsatisfactory service delivery, we terminated the services of the concessionaire operator of the Kruger National Park restaurants, and appointed an interim operator for the period under review. A new operator was selected through due tender process, and will begin operation in the next year. We have started to give special attention to ensuring sound and equitable contractual arrangements with our business partners. In the next year, we will attempt to regularise those contracts that are unfavourable to the organisation.

The appointment of a General Manager for our Marketing and Sales Department within the Tourism Division was a significant milestone

for rejuvenating our marketing programme. This has enabled us to pay attention to the revision of our marketing and sales strategy towards a target-focused approach. Our relationship management capacity was improved towards ensuring that we can deal effectively with our tour operator business partners.

Towards the end of the year, we introduced a function aimed at developing and ensuring tourism related product and service standards across the organisation. This initiative, together with the Grading Programme for all our tourism facilities, will provide a basis from which we can further enhance service delivery for our customers.

As part of our focus to improve the performance of the organisation we need to ensure sound relationships with the labour unions that are representative of our employees, and directly with all our employees. SANParks has maintained and enjoyed good relationships and co-operation with its employees. Our aim is to continue treating all these critical stakeholders as partners in the success of the organisation. Our process to start building an Employee Wellness Programme from modest beginnings is an important strategic intervention that is essential to support our employees as meaningfully as possible.

We believe that most of the fundamentals we have embarked upon in the year under review will provide a platform from which we can start focusing on the effective performance and improvement of the efficiencies of SANParks' core business processes.

For the next few years, we will continue with the programmes we have started, and look for new opportunities and interventions aimed at the continuous improvement of effective and efficient delivery of the organisation's core mandate.

S C E (Sydney) Soundy
CHIEF OPERATING OFFICER



CONSERVATION SERVICE REPORT

EXECUTIVE SUMMARY

The 2005/06 Annual Report introduced a refocused approach that places a high premium on biodiversity conservation as the bedrock against which SANParks garners support from all visitors and various constituencies, particularly the broader South African public. This refocus is steadily becoming entrenched in the organisation, and progress is measured against implementing the outcomes of adaptive management.

The three key objectives for the Conservation Services Division are as follows:

1. To improve the state of conservation assets
2. To make an acknowledged contribution to conservation nationally and globally.
3. To continuously improve knowledge/evidence on which management is based.

Highlights for this year were the following:

- As already stated in the Chief Executive's report, submission of management plans for all the national parks to the Minister within 12 months as prescribed by the Protected Areas Act (57 of 2003).
- Produced a Biodiversity Conservation Framework to provide guidance for decision-making in all national parks.
- Produced a framework for State of Biodiversity reporting for national parks.

CONSERVATION SERVICES

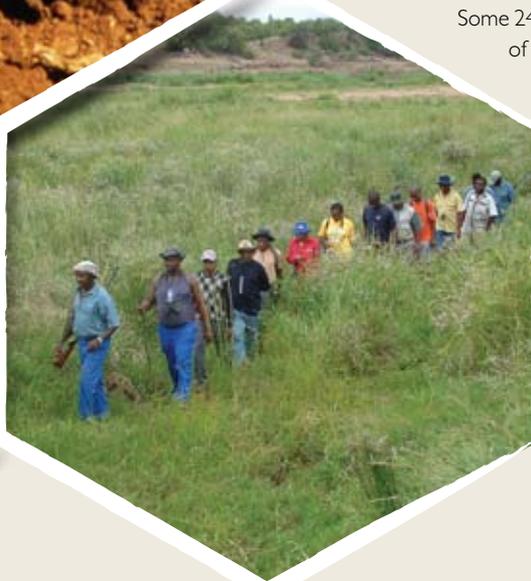
Legal Framework for Biodiversity Conservation

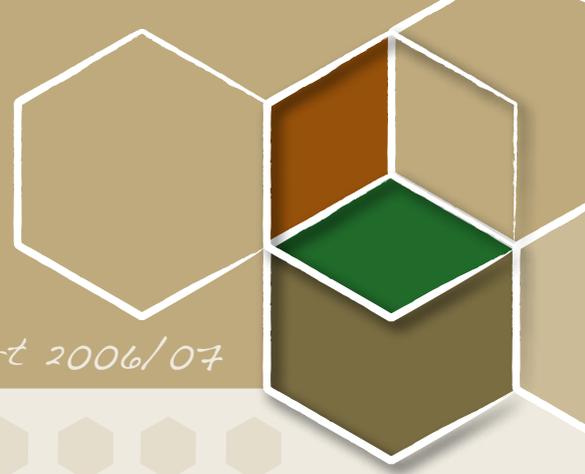
The Environmental Law Reform Programme is finally going through the implementation phase.

The draft norms and standards (DNS) for managing the elephant population were gazetted for public comments. Once finalised, the DNS will provide the much-needed framework for managing elephants on both state and privately owned land.

Park Expansion and Land Issues

Some 24 321 hectares (ha) of private land was acquired for inclusion into the network of national parks, exceeding the target of 20 000 ha. This was achieved through the Land Grant of R41 million from the DEAT, of which R 5.04 million was paid back to the state as value added tax, and R5.6 million was used for the management of newly acquired land and developing national parks. The balance was spent on land acquisition to add 7 040 ha to Tankwa Karoo and Addo Elephant National Parks and the unspent funds will be carried forward and will be used to include the Minike and the Waterford properties in Table Mountain and Agulhas National Parks respectively. The Waterford property has just become available, and remains one of the largest and single most important ecological properties identified by SANParks for inclusion into the Table Mountain National Park.





Through the Park Development Fund, R7.29 million was allocated to finalise the second payment for the farm Samaria into Mapungubwe National Park. In addition, acquisition of half a hectare provided an alternative entrance gate for Bontebok National Park.

Donors (National Parks Trust, Global Conservation Fund) donated R 14.643 million, which was used to acquire 17 281 ha of land in Namaqua, Tankwa-Karoo, West Coast and Camdeboo National Parks.

National parks face numerous land claims lodged with the Commission for Restitution of Land Rights (the Commission) in terms of the Restitution of Land Rights Act of 1994. Land claims against Kruger National Park extend between a third (650 000 ha) and half (one million ha) of the area of the park, and it includes some nineteen claimant groups.

The SANParks Board has endorsed the land restitution process in its policies and strategies and supports the government in the quest to correct past land rights imbalances. Indeed, during the reporting period SANParks co-operated with the Commission on progress with claims in the Kruger National Park, Au-grabies, Mapungubwe, Tsitsikamma, Vaalbos and West Coast National Parks. The claimed section of Vaalbos National Park was de-proclaimed and restored to the claimants. An alternative park has been acquired and is ready for proclamation in the next financial year.

Management Plans for Protected Areas

Documents submitted in support of the Park Management Plans were:

1. South African National Parks Business Plan 2006/07;
2. Management plan for corporate direction and support to the national park system (Corporate Management Plan);
3. Co-ordinated Policy Framework; and
4. Executive Summary of the Stakeholder Participation Report.

In the case of most national parks the stakeholder inputs were useful and constructive and no major issues of dissension emerged. SANParks revised the management plans to take stakeholder inputs into account, and there appeared to be a firm base of public support to proceed towards the desired state agreed for each park. However, for two national parks, Agulhas and Mapungubwe, mutual understanding was not reached with some of the major stakeholders. As a result, stakeholder engagement for these parks continues.

In his letter of acknowledgment of the submission of the plans, the Minister noted that they were being reviewed for compliance with

the Act and its related legislation. The letter further indicated that the Minister might submit a selection of the plans for peer review. After the submission of the plans, work has continued on developing certain priority operational (known as lower level) plans, and on compiling detailed records of the consultation process.

Invasive and Alien Species Management

Research projects and collaboration with SANParks on aspects of alien invasives has increased substantially, there being nine research projects now registered in the Kruger National Park compared with only one in 1997. In the Wilderness National Park, research showed a surprisingly high potential for dune fynbos vegetation to regenerate naturally after the removal of alien vegetation. In six years after the removal of a 40-year-old pine plantation the fynbos vegetation regrew without the aid of management measures, and reached a level of species richness that was representative of undisturbed dune fynbos. This finding challenges the widely held assumption that alien-infested fynbos never regenerates to its natural state, and shows promise that removal of pine plantations in the future Garden Route National Park will reap handsome rewards for biodiversity conservation.

Monitoring of the alien disease, Bovine Tuberculosis, continued in the Kruger National Park. Bovine Tuberculosis is now present throughout Kruger National Park, although the incidence is only about 2% in the extreme north. It is unlikely to be present in Limpopo National Park (Mozambique) according to results of two surveys conducted in 2006.

Monitoring of the alien Mediterranean mussel continues in coastal national parks. The increase in the abundance of mussels, especially this alien mussel, was expected to benefit the African black oystercatcher, a major predator of mussels on this coast. However, the indigenous mussel was still the most common mussel species taken by the oystercatchers.

Risk Management

1. Biodiversity Research and Monitoring

External scientists, academics and students, do the bulk of biodiversity research in national parks. SANParks' scientists act as research co-ordinators, facilitators and integrators of knowledge generated. During the reporting period between 450 and 500 registered research projects were active across all national parks, involving numerous local and international research institutions. The research and science networking programs included the following highlights:

- Science Networking Meeting: In the Kruger National Park fruitful partnerships between SANParks and external researchers have



given rise to an annual science-networking meeting. The most recent meeting attracted 204 delegates, and 80 scientific papers were presented.

- Aquatic Biodiversity KNP: Owing to the high demand for water, the rivers flowing through national parks face acute biodiversity risks. Three rivers in the Kruger National Park, the Crocodile, the Olifants and the Letaba, stopped flowing temporarily during March 2007. The flow was restored by the release of water from upriver dams, but nevertheless the fact that these rivers stopped flowing during the wet season gives warning of the over-allocation of water. An international symposium on freshwater protected areas, held in Skukuza in October 2006, is believed to be the first of its kind in the world. The symposium gave recognition to the worldwide threat to freshwater systems, which arises from the fact that the universal human need for water makes it impossible to fully protect such systems. The output of this symposium is aimed at sensitising policy-makers.
- Marine Biodiversity Research: Recently published research conducted by Marine and Coastal Management on Malgas Island in West Coast National Park draws attention to the unsustainable level of predation on the red-listed Cape gannet by Cape fur seals. Evidence suggests that this threat to the Cape gannet has resulted from human disturbance of the marine ecosystem. Malgas Island is the second largest of only six extant Cape gannet breeding colonies, and the fact that there has been a 25% reduction in the size of this colony over the past four years is a source of concern.
- Partnerships with the Department of Science & Technology through the National Research Foundation (NRF): This partnership resulted in the establishment of the first SAEON node (South African Environmental Observation Network) at Phalaborwa inside the Kruger National Park, and continues to make good use of the long history of research and monitoring in the park. During the reporting period SAEON negotiated with SANParks to host an arid node at the SANParks' research unit in Kimberley.
- Compliance with the Ramsar Convention in partnership with the Avian Demography Unit: Twice yearly counts of water birds at SANParks' two Ramsar sites (Wilderness Lakes in Wilderness National Park and Langebaan Lagoon in West Coast National Park) date back to 1992, and have developed a substantial body of information that can be interpreted in light of related monitoring programs that are co-ordinated by SANParks.

2. Species Management

The restitution of the land of Vaalbos National Park to lawful claimants made it necessary to relocate the animals to the new national park that was acquired to replace Vaalbos. A total of 1 251 animals were captured and translocated, with a rate of loss of less than one percent.

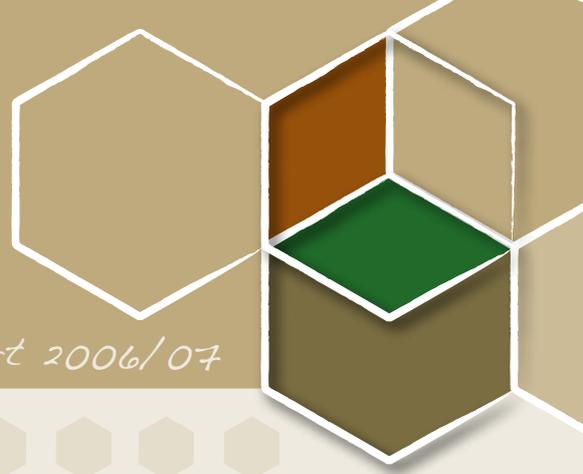
The expansion of the national park system through land acquisition has brought with it the need to re-establish populations of large mammals that occurred in these habitats in historical times. During the reporting period, animals were brought into the expanded Addo, Tankwa, Augrabies and Mapungubwe National Parks.

SANParks also helped to meet conservation needs of neighbouring countries by co-operating with Eastern Cape Province, North West Parks and Tourism Board and Frankfurt Zoological Society to supply ten black rhino to a protected area in Zambia. In addition 54 buffalo were sent to Gorongosa National Park in Mozambique from the Kruger National Park as the first group of animals to be introduced to the newly revitalised flagship park in that country.

The need for stocking the expanded national parks with animals reduced the supply for sale to private game ranchers, but nevertheless R16 million was generated through the sale of surplus game at auctions. In accordance with the provisions of the Protected Areas Act SANParks uses the income so gained for the development of national parks.

The risks posed by elephants to the biodiversity of national parks also require close monitoring; of particular concern is the recent influx of elephants from Botswana into Mapungubwe National Park. The elephants are likely to impact heavily on the gallery forest fringing the Limpopo River. The Department of Agriculture wrote formally to SANParks regarding the escalating elephant damage to the western boundary fence of Kruger National Park, expressing concern that this creates conduits for disease-carrying species such as buffalo.

Three recent outbreaks of foot-and-mouth disease, attributed to buffalo exiting through elephant fence breaks and mingling with cattle, cost the tax payer R20 million, R4 million and R90 million respectively. The letter states that although fence design could be improved regarding its capacity to resist elephants (at a cost of R45 million), it will not be possible to eliminate the disease risk caused by elephant fence breaks. The letter further stresses that the impact of elephants is not just a biodiversity issue but a very real animal health and social issue.



It recommends:

- That serious consideration should be given to creating low-density elephant zones in proximity to the southern and western boundary fences.
- Talks should be held with provincial authorities to authorise SANParks' staff to re-act to breakouts of disease or damage causing animals as quickly as possible.

TRANSFRONTIER CONSERVATION AREAS

Introduction

SANParks is the sole South African implementing agent for four developing Transfrontier Conservation Areas (TFCAs), namely the Great Limpopo Transfrontier Park, the Ai-Ais/Richtersveld Transfrontier 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 transfrontier conservation areas, SANParks works closely with DEAT, and is supported by 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.

In response to the growing impetus in TFCA development, SANParks established a permanent TFCA Unit at its head office in Pretoria on 1 August 2006. This followed more than two years of generous financial support from the Peace Parks Foundation for the position of SANParks TFCA Programme Manager.

Key activities and milestones reached in 2006/07 included the following:

Ai-Ais/Richtersveld Transfrontier Park: South Africa has completed the development of its component of the Sendelingsdrift Border Post, and is working towards reopening the pontoon. Developments on the Namibian side of the border post are in progress and it is anticipated that it will be opened towards October 2007.

Great Limpopo Transfrontier Park (GLTP): The Heads of State of the three countries involved in the GLTP officially opened the border post on 16 August 2006, unveiling plaques on either side of the border. 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 Limpopo National Park in Mozambique. In 2006 a total of 558 animals were translocated to the LNP in Mozambique.

Kgalagadi Transfrontier Park (KTP): An Integrated Tourism Development Plan for the KTP was completed towards the end of 2006. This plan, which is funded by the Peace Parks Foundation (PPF), should be formally approved and adopted by the Bilateral Committee in 2007. The planning and design phase of the proposed development of the joint entrance gate at Twee Rivieren/Two Rivers is in progress and it is estimated that construction will be completed by the beginning of 2008. Following the approval of the reopening of the Mata-Mata entrance gate by Namibia in December 2005, it is anticipated that the gate will be opened towards the end of 2007.

Limpopo/Shashe Transfrontier Conservation Area: The three Ministers of Environment and/or Tourism of Botswana, South Africa and Zimbabwe signed The Limpopo/Shashe MOU on 22 June 2006. This significant milestone in the project now paves the way for the joint planning and management activities to commence. South Africa was elected to co-ordinate the project for the first two years, and appointed an International Co-ordinator in February 2007, a position that is supported by the Peace Parks Foundation (PPF).

Maloti-Drakensberg Transfrontier Project (MDTP): SANParks continued its participation in MDTP activities in 2006 with the key activities centered on the integration of the SANParks' management planning process with the broader MDTP objectives. As one of four implementing agents for the MDTP in South Africa, SANParks also actively participates in the activities of the SA Project Co-ordination Committee (PCC), and the Bilateral Steering Committee between Lesotho and South Africa.



TOURISM DEVELOPMENT AND MARKETING REPORT

EXECUTIVE SUMMARY

The two key objectives for the Tourism, Development and Marketing Division are as follow:

1. To develop and grow a sustainable nature-based tourism business for SANParks.
2. Become South Africa's nature-based tourism destination of choice.

With these objectives being the focus of both the strategic and operational interventions in this division, it has undoubtedly been a successful year for the division. The division is split into three implementation units namely, Sales and Marketing, Business Development and Tourism Operations.

Highlights of this year were the following:

- Significantly improved focus on growing key international and local source markets.
- More focused research projects aimed specifically at growing a black visitor base.
- Better results from joint marketing initiatives.
- Key interventions in support of the organisation's commercialisation strategy, which has seen the replacement of the Kruger National Park restaurant operator, as well as the termination of the Brandwag Hotel concession contract.
- The revised Commercialisation Strategy that will focus on new initiatives in the coming five years.
- The SANParks 2010 strategy is off to a good start, with the signing of a memorandum of co-operation with MATCH, the official FIFA ticketing and accommodation organisation.
- Grading of SANParks accommodation facilities by the TGCSA.
- The launch of the real time web accommodation availability and customer feedback function on the SANParks website.

Both the financial and occupancy results have shown strong growth on the previous years results and this bodes well in the organisation's efforts to provide additional financial support for conservation, the core mandate of SANParks.

MARKETING SECTION

Becoming the "Pride and Joy of all South Africans and the World" was the underlying theme for all marketing activities in the year under review. We commenced the year by going back to basics by defining:

- our target audiences,
- target markets,
- potential areas of growth and
- additional sources of revenue.

This exercise formed part of a process of refining the current marketing strategy and ascertaining that this strategy is aligned to the business plan of the entire organisation. This exercise proved to be very effective as it assisted us in understanding our markets and priorities thus allocating resources to areas which were going to yield sustainable return on investment.

Current Domestic Market

In implementing the 2006/07 strategy within this market, we embarked on the marketing initiatives outlined below. The primary aim was to solidify our position in the domestic tourism market and growing our market share steadily, taking into account that the domestic market contributes 80% of our total revenue. We therefore:

- Placed print adverts in over 20 publications locally throughout the year
- Participated in over eight local exhibitions nationally

Black middle class

The target audience analysis conducted revealed that there is a need for an extensive marketing drive directed at the black middle class. In order to elicit interest from this lucrative segment of the domestic market, we implemented the following marketing activities aiming at increasing awareness and the visits to the National Parks:

- Participated in the Rand Show
- Placed adverts and ran interviews in eight vernacular radio stations
- Continued with product placement through our partnership with Isidingo, the Soap Opera on SABC 3 and managed to feature some of our parks as part of the storyline.
- Placed our adverts on selected print media relevant to this market

These campaign elements proved to be very effective as we managed to increase our black visitors from 218 861 in 2005/06 to 255 829 in 2006/07 and this represents a 16.9% increase. We also commissioned research in order to gain a deeper understanding of this market, the findings of which will be incorporated into the forthcoming financial year's plans.

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International Market

The international market still plays a vital role as it contributes over 20% of our total visitors in measured parks. The strategy refinements exercise mentioned earlier also afforded us an opportunity to investigate more effective ways of reaching this market utilising our limited resources. Through this exercise, we identified our top seven markets where the majority of the visitors come from and these are, France, Italy, United Kingdom, United States of America, Germany, the Netherlands and Belgium.

We made contact with the South African Tourism Offices and Embassies in these countries and collaborated on a number of marketing initiatives. The activities in our core international markets were:

- Conducted roadshows targeting the major operators in these countries
- Participated in major exhibitions taking place in these countries
- Obtained a comprehensive list of Tour Operators driving traffic to South Africa and send them regular email updates
- Distributed promotional material through the SA Tourism Network and SA Embassies

These activities done in conjunction with South African Tourism and Embassies proved to be very effective in terms of maintaining presence and steadily growing these markets. As a result, we plan on continuing to grow and nurture these relationships as they have proven to be very successful in assisting us to extend our marketing initiatives internationally.

Co-sponsorship

The year under review saw an introduction of co-sponsored marketing opportunities. This came as a result of inadequate funding to execute the entire marketing plan for the 2006/07 financial year. We have partnered with Arrive Alive and Hi-Tech on a number of mutually beneficial marketing activities. We are planning to continue nurturing these relationships as they have assisted us in extending our message to markets we wouldn't have been able to reach.

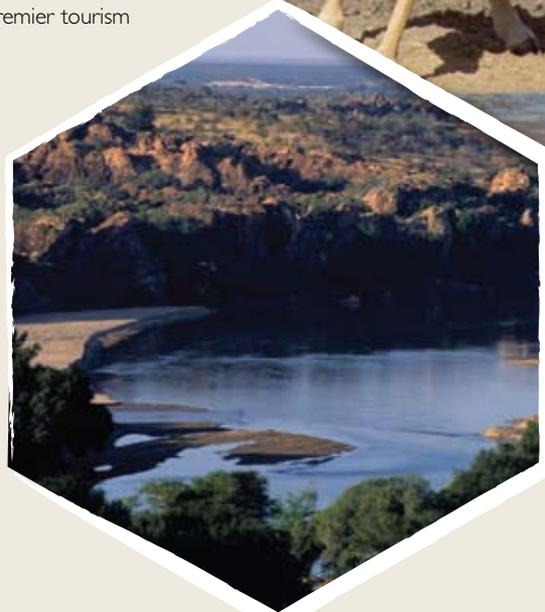
2007/08 Financial year

The focus of the forthcoming financial year will be to consolidate the strategy that emerged and was implemented in the current fiscal. We will also incorporate the research findings into all our marketing plans ensuring that we implement informed strategies as directed by the research findings. We will also closely monitor the target market response to the strategy implemented and we hope this will assist us to make informed decisions in our pursuit to become the premier tourism destination for all South Africans and the world.

BUSINESS DEVELOPMENT AND CONCESSIONAIRES

Strategic Plan For Commercialisation (SPFC) – 2006-2011

As a result of the success of the Commercialisation Strategy (2000), there has been a significant increase in the demand for Public Private Partnership initiatives, both from the private sector and from within SANParks. Thus, in order to extract best value and to set the fundamentals in place to engage and maintain this critical initiative, the Strategic Plan for Commercialisation (2006) was developed. The lessons learned from the previous strategy and compliance to the Eco-Tourism Toolkit (2006) developed by the National Treasury



TOURISM DEVELOPMENT AND MARKETING REPORT

guided the development of the revised medium term plan. While the process of strategy development entailed wide consultation and participation, various provincial bodies and other foreign authorities now consult with SANParks for their respective strategy formulation, thus setting a benchmark for such initiatives.

Some specific highlights for the past year are worth noting:

Summary Net PPP Income

Concession Lodges	Life-to-Date (2002 - 2007)	Mar-2007	Mar-2006
Tinga Private Game Lodge - Kruger	6,080,345	1,414,871	1,358,607
Jock Safari Lodge - Kruger	5,072,492	1,385,810	622,082
Lukimbi Safari Lodge - Kruger	1,810,683	387,744	371,938
Imbali Safari Lodge - Kruger	3,738,293	954,963	741,977
Rhino Walking Safaris - Kruger	684,771	197,872	158,494
Singita Lebombo - Kruger	19,985,323	6,674,954	3,118,872
Shishangeni Lodge - Kruger	6,476,941	1,550,952	1,483,954
Brandwag Hotel - Golden Gate	4,317,280	284,382	703,526
Gorah Elephant Camp - Addo	3,281,813	815,923	493,550
Addo Nyati Concession - Addo	2,124,434	516,984	494,651
River Bend Country Lodge - Addo	297,719	179,105	118,614
Roundhouse Concession - Table Mountain	569,381	0	92,776
Tender Fees Received	514,803	0	0
Sub-Total	54,954,278	14,363,561	9,759,040
Other PPPs	Life-to-Date (2002 - 2007)	Mar-2007	Mar-2006
Eden Adventure Canoe Trails - Wilderness	146,427	62,992	44,211
Canoe Trails - Augrabies	30,016	2,401	11,032
Kingfisher Camp - Marakele	49,378	29,897	19,480
Langebaan Houseboats - West Coast	411,898	249,052	162,846
Cape Point Lease and TMACC - TMNP	29,662,224	13,419,129	8,419,005
Sub-Total	30,299,941	13,763,472	8,656,575
TOTAL	85,254,219	29,168,288	18,415,616
Facilities Rentals	Life-to-Date (2002 - 2007)	Mar-2007	Mar-2006
KNP Shops - Tigers Eye	54,141,451	11,942,093	10,483,352
KNP Restaurants - Natures Group	23,354,609	0 ¹	2,976,123
Addo Shop & Restaurant - Tigers Eye	7,016,933	1,765,639	1,505,178
Tsitsikamma Shop & Restaurant - Tigers Eye	6,609,817	1,453,718	1,269,838
Mountain Zebra Shop & Restaurant - EJ Viljoen	498,150	93,327	90,152
Augrabies Shop & Restaurant - EJ Viljoen	1,335,354	299,195	244,135
Kgalagadi Shops & Restaurants - EJ Viljoen	1,864,111	432,132	327,989
Karoo Shop & Restaurant - Jan Viljoen	517,782	157,475	152,827
KNP Avis Rentals	324,737	146,316	152,105
Sub-Total Facility Rentals	95,750,390	16,289,894	17,201,699
TOTAL PPP INCOME	181,004,609	45,458,182	35,617,315

Lodge Concessionaire Occupancies

SANParks is happy to report that lodge concessionaire occupancies have increased since the previous reporting period. The new financial model and SANParks' approach was closely monitored by the industry. After two years, the model is yielding results where lodge concession occupancies have increased significantly. The highest occupancy by an operator was 45% in 2004. In 2006 the highest occupancy level was 64%. All lodges have shown relatively similar increases.

¹ The PPP Income for the KNP Restaurants reflect as zero due to the management agreement concluded for the interim period. The new PPP Operator was appointed effective 1 April 2007 and therefore the Annual Report for March 2008 will reflect PPP Income for the KNP Restaurant Facilities.

2010 Soccer World Cup Preparations

SANParks' strategy on the 2010 Soccer World Cup is based on key principles, which include development of sustainable infrastructure; optimising occupancies during the event without losing the loyal South African customer base; and optimising marketing and brand exposure during the event. Accordingly, SANParks has entered into a co-operative agreement with MATCH. This allows for SANParks to play a significant role in providing for the uniqueness of the event in Africa, due to the nature-based accommodation offering. SANParks is also engaging with other conservation bodies to create a central reservation hub that will benefit conservation in South Africa.

Changes in Management of Key Concession Operations

- *Appointment of a Replacement Restaurant Operator for the Kruger National Park*

In December 2005, SANParks was forced to terminate the agreement of the previous restaurant operator due to their poor service delivery. The termination was managed successfully, without any interruption to guest services while all related risks to SANParks were managed optimally. This was done through the appointment of an interim operator whilst a due tender process for a replacement operator was being put in place. The interim restaurant operation not only avoided disruption to guest services and restaurant employees, but also yielded an operating profit for the period. During the same period, SANParks followed the prescribed processes and have now successfully appointed a replacement restaurant operator with effect from 1st April 2007. The PPP income for the KNP restaurants reflects as zero due to the management agreement concluded for the interim period. The income will be reflected in the next financial year.

- *Regain Operations of the Brandwag Hotel*

As part of the Commercialisation Strategy (2000), a management agreement was awarded for the operation of the Brandwag Hotel at the Golden Gate National Park. SANParks did not have any fully catered operations and thus this facility was outsourced. However, the operator did not have sufficient capacity in hotel management, and hence entered into an agreement with another operating company to manage the hotel on their behalf. This resulted in a limited focus and ability for the operator to yield benefit from the opportunity and hence a sub-standard tourism product was offered to guests. Consequently, SANParks resumed the efficient running of the operation while an appropriate strategy is being developed on the future running of the hotel.

Progress On New and Ongoing Developments

1. *Conclusion Of Tourism Product For The San and Mier Communities*

As part of the land claim settlement in favour of San and Mier communities, funding for the development of a "co-operation lodge" was provided by

DEAT. The lodge was to be developed in the community land that would be retained for conservation purposes and the dividends from the lodge would be shared between the communities and SANParks. As the lodge was envisaged to be a fully catered facility, SANParks was also tasked to source a suitable private operator for the facility. Typically, as with similar supply driven products, limited interest was shown by the private sector. After four years of deliberation SANParks awarded the contract to a private party in an agreement that will result in significant benefit to the communities.

2. *Knysna Infrastructure Development*

SANParks manages the Knysna Lake Area, which includes Thesen Island, which is situated in the Knysna lagoon. SANParks intends developing the state land component of Thesen Island as the area is a disturbed area and therefore has no conservation value, however, has significant commercial value being the focal point of this extremely popular tourist destination. SANParks, therefore, successfully engaged with a professional development-planning agent and was able to develop a tourism master plan centred on restaurant, retail and low-volume/high margin accommodation facilities. Funding made available from the Infrastructure Development Programme is being utilised to provide the bulk infrastructure and adequate parking. Subsequently, SANParks will initiate a public tender process for the appointment of private operators for the commercial opportunities. Feasibilities have indicated that there will be sufficient private party interest. The commercial activities will be outsourced to the private sector on a build, operate and transfer basis, providing SANParks with the opportunity to generate additional revenue and acquire infrastructure with minimal risk, and in doing so promoting tourism.

TOURISM OPERATIONS

Grading of Facilities

Up to 31 March 2007 the organisation has successfully managed to get 94% of the tourism overnight facilities graded; with camping areas achieving 100% and accommodation units 90%. The remaining 6% of the units were not graded due to the fact that they didn't meet the Tourism Grading Council of South Africa's grading requirements. However, following the upgrading and refurbishment programmes that were implemented during the 2006/07 financial year, the outstanding establishments will be graded by the end of October 2007.

Customer Service Programme

In order to better service the public through the exchange of honest feedback, the organisation has decided to develop a Customer Satisfaction Index. In the reporting period, a web version was implemented and the hard copy version will be implemented in the new financial year.



TOURISM DEVELOPMENT AND MARKETING REPORT

Honorary Rangers Report

The SANParks' Honorary Rangers (qualified volunteers) once more performed admirably during the 2006 calendar year. Cumulatively the 24 regions, at the end of the last calendar year, had R2 588 238 available to them of which R2 148 286 was allocated to specific projects. R791 809 was spent during the year on various projects, much of which accrued to SANParks through the donation of equipment and infrastructure. Their additional collateral contribution to SANParks was R9 495 249. The volunteer hours amounted to 554 458 and 41 481,3 kilometres travelled. A focus for the year across all regions was environment education activities like displays, exhibitions, instructions, visits to schools, etc.

Park Access for People with Disabilities

In the main SANParks does well in terms of accessible, mainstream facilities and accommodation. However, the quantity of adapted universally accessible units needs to rise from approximately 3.6% (77 units) of total accommodation units to between 10% and 20% - partly because these are the internationally prescribed targets but also because any visitor, regardless of physical, mental or sensory state can use an universally accessible unit. Some of the older adapted units need to be modified as their designs are out of touch with the needs of people with disabilities.

TOURISM STATISTICS AND SYNOPSIS

EXECUTIVE SUMMARY

For the past financial year, key SANParks tourism statistics are all up on previous year. All indicators for the two operational divisions, namely Kruger and Parks, all also all up on previous year.

The month of March (alone) was overall a very good month compared to previous year with all overall key indicators up firmly on last year. However, Bed and Unit Occupancy from Parks Division do show a decline of 7,8% and 10,5% respectively.

When perusing the data, it must be borne in mind that statistics for Brandwag Hotel are now included, while no previous year figures are reflected. Other supply factors influencing comparisons with previous year are the closure of Bontebok for construction of the new camp, the closure of Vaalbos and the opening of its replacement park at Wintershoek.

Guests to Parks

For the year under review, total Guests to Parks grew by 9,5% from 3 397 807 to 3 720 733 persons through SANParks gates. For Kruger the number increased by 5,6% from 1 243 467 to 1 313 185 and for Parks it increased 11,4% from 2 154 340 to 2 407 548 persons.

Top Five Parks

Position	Park	Guests to Park (12 months)	% of total
1	Table Mountain	1 611 869	43,3%
2	Kruger	1 313 185	35,3%
3	Tsitsikamma	185 116	5,0%
4	Addo	160 810	4,3%
5	West Coast	154 185	4,1%
Total			92,0%

Unit Occupancy

The average unit occupancy for the year increased by 4,9% or 3,2 percentage points from 66,0% to 69,2%. For Parks Division this increased by 5,6% or 3,3 percentage points from 58,4% to 61,6% and for Kruger Division it increased by 5,2% or 3,6 percentage points from 68,9% to 72,5%.

Top Five Parks

Position	Park	Occupancy (12 months)
1	Addo	84,9%
2	Tsitsikamma	74,0%
3	Kgalagadi	72,7%
4	Kruger	72,5%
5	Karoo	67,7%

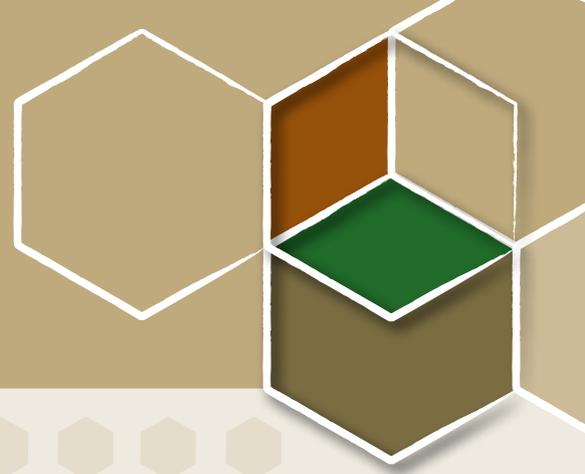
Top Five Camps

Position	Camp	Occupancy (12 months)
1	Addo Main	91,9%
2	Biyamiti	90,2%
3	Satara	84,5%
4	Berg-en-Dal	83,7%
5	Urikaruus	83,1%

Bed Occupancy

Bed occupancy for the year across all national parks increased by 5,9% or 3,0 percentage points from 51,6% to 54,6%. For Parks Division this increased by 5,3% or 2,4 percentage points from 45,2% to 47,6%, while for Kruger Division it increased by 6,4% or 3,5 percentage points from 54,1% to 57,6%.

TOURISM STATISTICS AND SYNOPSIS



Top Five Parks

Position	Park	Occupancy (12 months)
1	Marakele	68,2%
2	Addo	63,8%
3	Kgalagadi	60,1%
4	Kruger	57,6%
5	Tsitsikamma	57,2%

Top Five Camps

Position	Camp	Occupancy (12 months)
1	Urikaruus	81,5%
2	Kieliekrankie	77,4%
3	Satara	75,0%
4	Lower Sabie	73,5%
5	Grootkolk	73,2%

Camping

Over the collective twelve-month term camping is up quite firmly from previous year by 12,9% from 488 711 to 551 745 person-nights. In the case of Parks Division, camping is up by 18,9% from 176 328 to 209 625 person-nights, while Kruger Division increased by 9,5% from 312 383 to 342 120 person-nights. Camping statistics in Parks Division were negatively affected by closure of camp at Bontebok due to construction and the high rainfall and the flooding at Wilderness as well as the closure of Vaalbos.

When March is viewed in isolation, overall camping increased firmly by 23,2% with Parks up by 10,5% and Kruger up strongly by 34,9%.

Activities

For the year under review, the activity statistics show an overall increase of 17,8% from 192 397 to 226 639 activities across SANParks with Kruger showing a growth of 12,6% from 140 664 to 158 334 activities and Parks showing strong growth of 29,9% from 52 592 to 68 307 activities.

For the month of March only, overall activity figures are up by 19,6% compared to previous year. Kruger activities were up 12,5% and Parks up by 35,7%.

When activities are ranked per Park in Activities per 100 Guest Nights, Addo is well ahead at 40,7, followed by Tsitsikamma at 17,6, Kruger at 13,0, Golden Gate at 8,9 and Kgalagadi at 5,5.

Top Five Parks

Position	Park	No. of Activities (persons)	% of Total	Total Guest Nights	Activities per 100 Guest Nights
1	Kruger	158 334	69,9%	1 213 809	13,0
2	Addo	31 138	13,7%	76 519	40,7
3	Tsitsikamma	19 285	8,5%	109 509	17,6
4	Kgalagadi	5 188	2,3%	93 643	5,5
5	Golden Gate	4 244	1,9%	47 768	8,9
Total			96,3%		
Overall average					13,1

When activities are ranked per Camp in Activities per 100 Guest Nights, Addo Main again leads with 40,7, followed by Olifants at 25,9, Storms River at 17,6, Skukuza at 14,0 and Satara at 12,4. Please note that some stations do not have overnight guests and serve guests that do not reside in the park and can therefore not be measured using this tool and may yet perform well. Examples include Table Mountain, Orpen, Phalaborwa and Malelane.

Top Five Camps

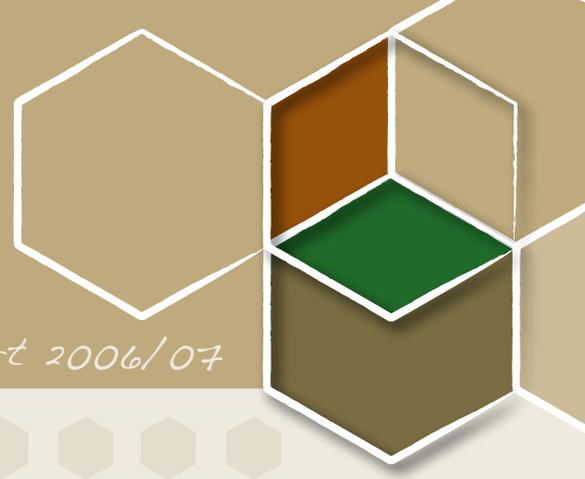
Position (ito total activities)	Camp	No. of Activities (persons)	Total Guest Nights	% of Total Activities	Activities per 100 Guest Nights
1	Addo Main	31 138	76 519	13,7%	40,7
2	Skukuza	30 050	214 200	13,3%	14,0
3	Satara	22 329	180 089	9,9%	12,4
4	Storms River	19 285	109 509	8,5%	17,6
5	Olifants	17 530	67 700	7,7%	25,9
Total				53,7%	
Overall Average					13,1

TOURISM STATISTICS AND SYNOPSIS

SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2007 FOR THE SANPARKS

Park	Accommodation (Excl Camping)					
	Unit Nights Sold	% Of Total	Unit Occupancy	Bed Nights Sold	% Of Total	Bed Occupancy
ADDO	22 879	4.7%	84.9%	53 649	4.6%	63.8%
Previous year	21 399	4.8%	80.1%	49 842	4.6%	59.7%
AGULHAS						
Previous year						
AUGRABIES	13 084	2.7%	61.3%	27 657	2.4%	52.3%
Previous year	11 449	2.6%	53.6%	24 174	2.2%	45.7%
BONTEBOK	98	0.0%	34.4%	282	0.0%	16.5%
Previous year	671	0.1%	62.3%	1 833	0.2%	28.4%
GOLDEN GATE	15 513	3.2%	50.3%	34 826	3.0%	35.1%
Previous year	6 345	1.4%	45.9%	17 454	1.6%	35.3%
KAROO	9 373	1.9%	67.7%	23 584	2.0%	48.0%
Previous year	9 161	2.0%	66.1%	21 314	1.9%	42.1%
KGALAGADI	22 913	4.7%	72.7%	51 314	4.4%	60.1%
Previous year	18 724	4.2%	62.4%	46 831	4.3%	50.9%
KRUGER	354 041	73.2%	72.5%	871 689	74.1%	57.6%
Previous year	337 874	75.3%	68.9%	825 554	75.4%	54.1%
MARAKELE	2 381	0.5%	65.4%	4 965	0.4%	68.2%
Previous year	2 431	0.5%	49.9%	4 910	0.4%	67.5%
MAPUNGBUWE	3 657	0.8%	29.0%	8 387	0.7%	27.3%
Previous year	3 299	0.7%	25.9%	7 607	0.7%	24.3%
MOUNTAIN ZEBRA	4 228	0.9%	58.5%	10 641	0.9%	34.6%
Previous year	4 018	0.9%	63.6%	10 774	1.0%	41.5%
NAMAQUA						
Previous year						

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	Camping - Person Nights Sold	% Of Total	Guests To Park	% Of Total	Total Activities	% Of Total
	22 870	4.1%	160 810	4.3%	31 138	13.7%
	22 059	4.5%	134 112	3.9%	27 546	14.3%
			27 460	0.7%		
			23 480	0.7%		
	17 213	3.1%	83 269	2.2%	1 766	0.8%
	13 250	2.7%	61 746	1.8%	259	0.1%
	1 020	0.2%	5 599	0.2%		
	5 738	1.2%	8 724	0.3%		
	12 942	2.3%	32 688	0.9%	4 244	1.9%
	11 905	2.4%	25 101	0.7%	2 291	1.2%
	13 449	2.4%	31 469	0.8%	1 759	0.8%
	10 716	2.2%	23 111	0.7%	1 505	0.8%
	42 329	7.7%	23 955	0.6%	5 188	2.3%
	32 896	6.7%	21 811	0.6%	3 685	1.9%
	342 120	62.0%	1 313 185	35.4%	158 334	69.9%
	312 383	63.9%	1 243 467	36.6%	140 664	73.1%
	13 435	2.4%	20 463	0.5%	1 111	0.5%
	11 611	2.4%	19 143	0.6%	334	0.2%
	0	0.0%	21 775	0.6%	1 970	0.9%
	0	0.0%	20 370	0.6%	1 621	0.8%
	4 922	0.9%	16 245	0.4%	5	0.0%
	4 269	0.9%	13 044	0.4%	87	0.0%
			10 817	0.3%		
			2 804	0.1%		



TOURISM STATISTICS AND SYNOPSIS

SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2007 FOR THE SANPARKS - (continued)

Park	Accommodation (Excl Camping)					
	Unit Nights Sold	% Of Total	Unit Occupancy	Bed Nights Sold	% Of Total	Bed Occupancy
RICHTERSVELD	1 003	0.2%	15.7%	2 212	0.2%	13.6%
Previous year	367	0.1%	6.5%	781	0.1%	5.3%
TABLE MOUNTAIN	634	0.1%	49.0%	2 616	0.2%	28.6%
Previous year	485	0.1%	45.1%	2 534	0.2%	31.0%
TANKWA KAROO						
Previous year						
TSITSIKAMMA	24 568	5.1%	74.0%	60 155	5.1%	57.2%
Previous year	23 038	5.1%	69.2%	56 374	5.1%	52.8%
VAALBOS	30	0.0%	8.1%	76	0.0%	3.4%
Previous year	532	0.1%	48.6%	1 549	0.1%	23.6%
MOKALA	105	0.0%	4.2%	212	0.0%	3.9%
Previous year	0	0.0%	0.0%	0	0.0%	0.0%
WEST COAST	657	0.1%	60.0%	2 396	0.2%	28.1%
Previous year	576	0.1%	52.6%	1 836	0.2%	21.0%
WILDERNESS	8 494	1.8%	49.4%	21 034	1.8%	41.5%
Previous year	8 591	1.9%	49.5%	21 460	2.0%	41.9%
SANPARKS TOTAL 2006/07	483 658	100.0%	69.2%	1 175 695	100.0%	54.6%
SANPARKS TOTAL 2005/06	448 960	100.0%	66.0%	1 094 827	100.0%	51.6%
DIFFERENCE	7.7%		3.2%	7.4%		3.0%

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	Camping - Person Nights Sold	% Of Total	Guests To Park	% Of Total	Total Activities	% Of Total
	11 757	2.1%	3 732	0.1%		
	5 122	1.0%	725	0.0%		
		0.0%	1 611 869	43.6%	1 455	0.6%
		0.0%	1 479 308	43.5%	1 089	0.6%
			0	0.0%		
			0	0.0%		
	49 354	8.9%	185 116	5.0%	19 285	8.5%
	38 890	8.0%	162 549	4.8%	13 285	6.9%
	60	0.0%	476	0.0%	0	0.0%
	840	0.2%	1 606	0.0%	0	0.0%
	0	0.0%	0	0.0%	380	0.2%
	0	0.0%	0	0.0%	0	0.0%
		0.0%	154 185	4.1%	4	0.0%
		0.0%	140 664	4.1%	10	0.0%
	20 274	3.7%	17 620	0.5%	0	0.0%
	19 032	3.9%	16 042	0.5%	21	0.0%
	551 745	100.0%	3 720 733	100.0%	226 639	100.0%
	488 711	100.0%	3 397 807	100.0%	192 397	100.0%
	12.9%		9.5%		17.8%	

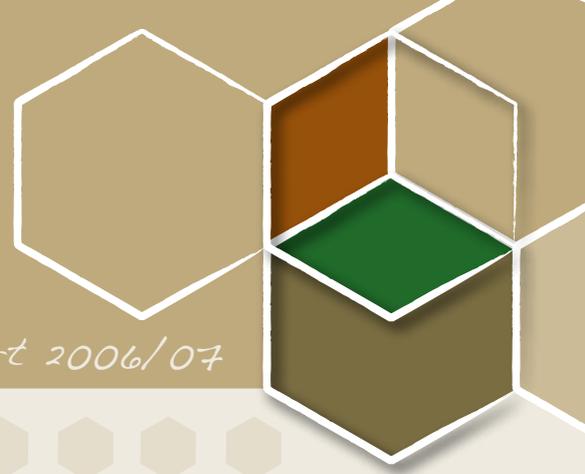


TOURISM STATISTICS AND SYNOPSIS

SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2007 FOR PARKS (EXCL. KNP)

	Accommodation (Excl Camping)					
	Unit Nights Sold	Previous Year	Unit Occupancy	Previous Year	Bed Nights Sold	Previous Year
ARID	19.5%		6.3%		11.1%	
AUGRABIES	13 084	11 449	61.3%	53.6%	27 657	24 174
KGALAGADI	22 913	18 724	72.7%	62.4%	51 314	46 831
Bitterpan	1 024	919	70.5%	65.5%	2 006	1 783
Grootkolk	1 078	994	75.1%	68.5%	2 102	1 956
Mata Mata	1 923	1 618	65.9%	55.4%	5 160	4 290
Mata tented	3 274	2 663	60.1%	49.9%	7 458	6248
Nossob	4990	4 599	77.4%	71.6%	12 395	11 738
Twee Rivieren	7 563	6 985	79.6%	64.6%	20 501	19 068
Kieliekrankie	1 135	978	79.4%	70.5%	2 213	1 909
Gharagab	723	503	50.3%	36.5%	1 421	1 006
Urikaruus	1 203	1 149	83.1%	82.1%	2 359	2 047
NAMAQUA						
RICHTERSVELD	1 003	367	15.7%	6.5%	2 212	781
VAALBOS	30	532	8.1%	48.6%	76	1 549
MOKALA	105	0	4.2%	0.0%	212	0
CLUSTER TOTAL	37 135	31 072	59.8%	53.4%	81 471	73 335
CAPE	-19.8%		-1.4%		-14.7%	
AGULHAS						
BONTEBOK	98	671	34.4%	62.3%	282	1 833
TABLE MOUNTAIN	634	485	49.0%	45.1%	2 616	2 534
TANKWA KAROO						
WEST COAST	657	576	60.0%	52.6%	2 396	1 836
CLUSTER TOTAL	1 389	1 732	51.9%	53.3%	5 294	6 203
FRONTIER	5.5%		2.2%		7.3%	
ADDO	22 879	21 399	84.9%	80.1%	53 649	49 842
Addo	20 430	20 088	91.9%	91.4%	47 888	46 604
Narina	174	194	49.4%	53.2%	932	988
Mathyolweni	2 275	1 117	52.1%	25.6%	4 829	2 250
KAROO	9 373	9 161	67.7%	66.1%	23 584	21 314
MOUNTAIN ZEBRA	4 228	4 018	58.5%	63.6%	10 641	10 774
CLUSTER TOTAL	36 480	34 578	75.9%	73.8%	87 874	81 930

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	Bed Occupancy	Previous Year	Camping - Person Nights Sold	Previous Year	Guests To Park/ Cluster	Previous Year	Total Activities	Previous Year
	6.0%		36.9%		37.8%		85.5%	
	52.3%	45.7%	17 213	13 250	83 269	61 746	1766	259
	60.1%	50.9%	42 329	32 896	23 955	21 811	5188	3 685
	69.1%	63.5%						
	73.2%	67.4%						
	48.8%	40.6%	10 874	7 415				
	54.0%	46.3%						
	68.3%	64.6%	16 622	13 288				
	61.0%	46.5%	14 833	12 193				
	77.4%	68.8%						
	49.5%	39.0%						
	81.5%	80.0%						
					10 817	2 804		
	13.6%	5.3%	11 757	5 122	3 732	725		
	3.4%	23.6%	60	840	476	1 606	0	10
	3.9%	0.0%					380	0
	50.1%	44.1%	71 359	52 108	122 249	88 692	7 334	3 954
	0.8%		-82.2%		8.9%		32.8%	
					27 460	23 480		
	16.5%	28.4%	1 020	5 738	5 599	8 724		
	28.6%	31.0%			1 611 869	1 479 308	1 455	1 089
	28.1%	21.0%			154 185	140 664	4	10
	27.0%	26.5%	1 020	5 738	1 799 113	1 652 176	1 459	1 099
	2.4%		11.3%		22.5%		12.9%	
	63.8%	59.7%	22 870	22 059	160 810	134 112	31 138	27 546
	67.0%	65.8%			145 040	134 112		
	33.1%	33.8%			539	0		
	49.2%	23.0%			15 231	0		
	48.0%	42.1%	13 449	10 716	31 469	23 111	1 759	1 505
	34.6%	41.5%	4 922	4 269	16 245	13 044	5	87
	53.6%	51.2%	41 241	37 044	208 524	170 267	32 902	29 138

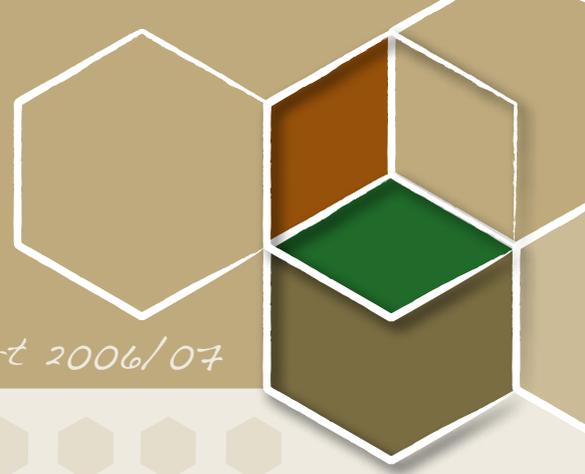


TOURISM STATISTICS AND SYNOPSIS

SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2007 FOR PARKS (EXCL. KNP) - (continued)

	Accommodation (Excl Camping)					
	Unit Nights Sold	Previous Year	Unit Occupancy	Previous Year	Bed Nights Sold	Previous Year
GARDEN ROUTE	4.5%		3.1%		4.3%	
TSITSIKAMMA	24 568	23 038	74.0%	69.2%	60 155	56 374
Storms River	22 500	21 155	78.0%	73.1%	55 230	52 159
Natures Valley	2 068	1 883	47.5%	43.3%	4 925	4 215
WILDERNESS	8 494	8 591	49.4%	49.5%	21 034	21 460
CLUSTER TOTAL	33 062	31 629	65.6%	62.5%	81 189	77 834
NORTHERN	78.5%		7.4%		60.7%	
GOLDEN GATE	15 513	6 345	50.3%	45.9%	34 826	17 454
Glen Reenen	5 942	5 679	51.0%	46.7%	14 681	15 813
Highlands Retreat	1 425	666	49.2%	39.5%	3 857	1 641
Brandwag	8 146	0	50.0%	0.0%	16 288	0
MARAKELE	2 381	2 431	65.4%	49.9%	4 965	4 910
MAPUNGUBWE	3 657	3 299	29.0%	25.9%	8 387	7 607
Leokwe	2 534	2 226	38.8%	33.9%	5 753	5 019
Limpopo Forest tent	966	860	33.2%	29.5%	1 894	1 669
Tshugulu	79	110	21.8%	30.6%	588	749
Vhembe	78	103	2.8%	3.5%	152	170
CLUSTER TOTAL	21 551	12 075	45.8%	38.4%	48 178	29 971
TOTAL 2006/07	129 617	111 086	61.6%	58.4%	304 006	29 971
DIFFERENCE	16.7%		3.3%		12.9%	

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	Bed Occupancy	Previous Year	Camping - Person Nights Sold	Previous Year	Guests To Park/ Cluster	Previous Year	Total Activities	Previous Year
	2.9%		20.2%		13.5%		44.9%	
	57.2%	52.8%	49 354	38 890	184 747	162 549	19 285	13 285
	64.1%	59.5%	36 935	31 404	179 070	158 279		
	26.0%	21.9%	12 419	7 486	5 677	4 270		
	41.5%	41.9%	20 274	19 032	17 344	16 042	0	21
	52.1%	49.2%	69 628	57 922	202 091	178 591	19 285	13 306
	1.0%		12.2%		16.0%		43.8%	
	35.1%	35.3%	12 942	11 905	32 688	25101	4244	2 291
	42.9%	35.7%			26 710	24292		
	44.4%	32.5%			1 563	0		
	28.9%	0.0%			4 415	0		
	68.2%	67.5%	13 435	11 611	20 463	19143	1111	334
	27.3%	24.3%			21 775	20370	1972	2 470
	39.6%	34.4%						
	32.6%	28.6%						
	12.3%	14.9%						
	2.7%	2.9%						
	35.1%	34.1%	26 377	23 516	74 926	64614	7327	5 095
	47.6%	45.2%	209625	176328	2 407 548	2 154 340	68 307	52 592
	2.4%		18.9%		11.4%		29.9%	

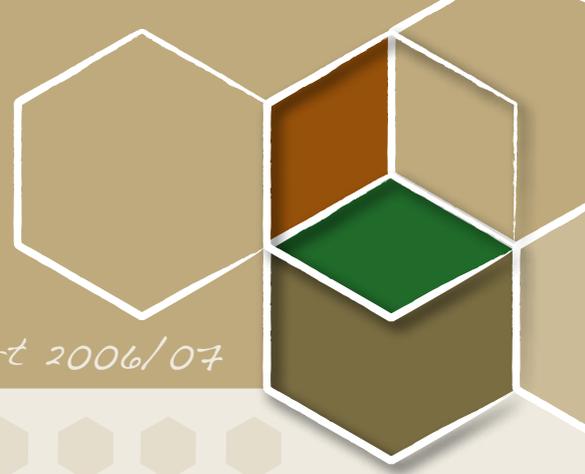


TOURISM STATISTICS AND SYNOPSIS

SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2007 FOR THE KRUGER NATIONAL PARK

	Accommodation (Excl Camping)					
	Unit Nights Sold	Previous Year	Unit Occupancy	Previous Year	Bed Nights Sold	Previous Year
NKAYENI	8.9%		6.8%		9.7%	
BALULE	1 814	1 747	82.9%	79.8%	4 020	3 961
MARULA						
ORPEN	3 871	3 229	71.4%	61.1%	9 328	8 205
ROODEWAL	251	200	72.3%	57.1%	2 476	1 801
SATARA	50 024	45 665	84.5%	76.4%	116 566	104 600
TALAMATI	4 337	4 247	79.2%	80.0%	16 622	16 470
TAMBOTI	10 782	10 154	73.9%	69.9%	26 102	24 621
REGIONAL TOTAL	71 079	65 242	81.5%	74.6%	175 114	159 658
NXANATSENI	7.0%		7.7%		7.2%	
BATELEUR	1 467	1 215	57.4%	47.6%	4 856	4 343
PUNDA MARIA	7 091	6 419	56.8%	60.0%	14 903	12 731
SHINGWEDZI	12 806	12 230	48.9%	48.0%	32 529	32 088
SIRHENI	2 373	2 103	43.6%	38.4%	8 544	7 381
BOULDERS	143	99	39.2%	27.1%	977	787
LETABA	32 761	31 257	74.3%	70.5%	82 360	78 072
MOPANI	16 374	14 644	43.6%	38.7%	55 940	50 208
OLIFANTS	30 053	28 349	75.5%	63.1%	67 700	64 249
SHIMUWINI	3 116	2 924	56.9%	53.8%	10 922	10 246
PHALABORWA						
SABLE DAM	188	149	51.5%	44.6%	772	592
TSENDZE						
REGIONAL TOTAL	106 372	99 389	63.7%	56.0%	279 503	260 697
MARULA	1.9%		1.8%		2.9%	
BERG-EN-DAL	27 874	26 234	83.7%	78.9%	76 682	70 904
BIYAMITI	4 920	4 750	90.2%	89.7%	170 54	16 662
CROCODILE BRIDGE	8 284	7 325	81.5%	72.8%	18 059	15 539
LOWER SABIE	30 676	33 900	79.3%	86.0%	64959	71 845
MALELANE	1 092	787	60.4%	43.1%	2935	2 168
PRETORIUSKOP	33 498	31 012	68.3%	63.1%	77928	70 632
SKUKUZA	70 246	69 235	81.5%	80.2%	159455	157 449
REGIONAL TOTAL	176 590	173 243	78.6%	76.9%	417072	405 199
TOTAL 2006/07	354 041	337 874	72.5%	68.9%	871689	825 554
DIFFERENCE	4.8%		3.6%		5.6%	

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	Bed Occupancy	Previous Year	Camping - Person Nights Sold	Previous Year	Total Guest Entries Into Park	Previous Year	Total Activities	Previous Year
	7.4%		14.3%				12.7%	
	61.2%	42.3%	11 084	9 750				
			15 927	14 734				
	61.4%	52.6%					6 831	5 501
	37.6%	27.1%						
	75.0%	65.7%	63 523	54 708			22 329	20 347
	55.6%	56.9%					1 694	1 518
	59.6%	56.5%						
	68.0%	60.7%	90 534	79 192			30 854	27 366
	5.9%		10.6%				12.5%	
	39.1%	35.0%					190	160
	53.0%	53.9%	14 765	13 217			2 094	1 327
	36.3%	36.1%	27 490	25 465			3 847	3 616
	29.4%	25.3%					275	521
	22.3%	18.0%						
	60.7%	57.4%	36 293	32 364			12 499	11 585
	30.4%	27.0%					5 521	4 898
	69.7%	59.2%					17 530	16 094
	42.2%	39.8%					908	635
							2 629	1 591
	23.5%	19.6%						
			2 329	0				
	48.1%	42.2%	78 548	71 046			45 493	40 427
	2.0%		6.7%				12.5%	
	60.2%	55.9%	48 403	42 360			12 592	11 306
	67.0%	67.5%					2 317	2 245
	67.2%	58.5%	11 462	8 733			6 667	3 741
	73.5%	80.2%	27 303	26 505			11 281	11 549
	40.6%	29.7%	5 287	3 727			4 345	5 152
	60.0%	54.3%	25 838	25 611			14 735	11 064
	67.2%	66.0%	54 745	55 209			30 050	27 814
	64.9%	63.0%	173 038	162 145			81 987	72 871
	57.6%	54.1%	342 120	312 383	1 313 185	1 243 467	158 334	140 664
	3.5%		9.5%		5.6%		12.6%	



PEOPLE AND CONSERVATION REPORT

EXECUTIVE SUMMARY

The goal of the People and Conservation Division is to enable people, through education, awareness, training and research, to take responsibility for the conservation of our national heritage and to contribute towards the socio-economic development of communities in-and-bordering the SANParks, while strengthening the building of constituencies to engender support for sustaining our national heritage conservation efforts.

The three key objectives for the People and Conservation Division are :

- To deliver the cultural heritage management mandate for SANParks.
- To contribute to local educational and socio-economic development.
- To deliver constituency building towards a people centered conservation and tourism mandate for SANParks.

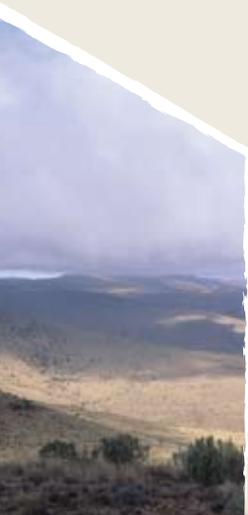
A synopsis of the activities that contributed to the successful realisation of these objectives follows.

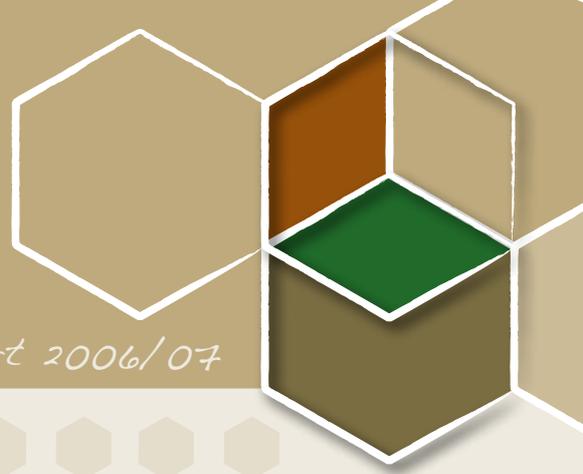
COMMUNITY RELATIONS

In keeping with the SANParks' commitment to encourage greater public participation in national parks, an extensive stakeholder participation process was incorporated in the development of Park Management Plans in National Parks. The call for interested and affected parties was published in three national and 46 local and regional newspapers. Overall, 73 local, regional and national government departments and 56 environmental organisations participated in the process. A total of 80 stakeholder meetings were convened, with 2 653 stakeholders registering, while 1 960 comments were submitted. Comments were integrated into the Park Management Plans, according to the agreed stakeholder principles, and responses were communicated to stakeholders. Considering the scale of the process, valuable opportunities emerged to strengthen relations with many stakeholders, through the Park Forums.

Park Forums are established in parks to encourage the building of partnerships in support of natural and cultural heritage conservation goals of SANParks. They are a means of providing a legitimate platform to communicate park/SANParks/stakeholder issues, to ensure participation of stakeholders on matters of mutual relevance and to facilitate constructive interaction between the parks and surrounding communities. Excellent progress has been made with the establishment of fifteen Park Forums, exceeding the expectations (target of fourteen) for the year. The terms of reference for the establishment and operation of Park Forums have been revised to incorporate the guiding principles for SANParks' stakeholder participation and to provide clear guidelines while remaining sufficiently flexible to allow for the development of a Park Forum Charter; that reflects the specific needs and circumstances of individual parks, the stakeholders and the neighbouring communities.

To ensure that communities have access to safe and clean water and sanitation, while focusing on capacity building and water use





efficiency, the Community Water Efficiency Project (COWEP) has been implemented in some of the arid parks for the third year through a partnership between the Department of Water Affairs and Forestry and SANParks. The development of the permaculture household and community gardens in three communities yielded its first crop of vegetables and some indigenous medicinal plants and herbs. Furthermore, a project implemented by a neighbouring Augrabies Falls National Park community that contributes to a school feeding scheme received an award from the Department of Education. The COWEP capacity building facet contributed to six youth volunteers at Augrabies successfully completing conservation learnerships. As an outflow of this process, a youth from Kamieskroon has been appointed in a permanent junior ranger's position at Namaqua National Park.

To advance community economic empowerment initiatives, last year SANParks entered into a partnership with the Small Enterprise Development Agency (SEDA), a statutory body of the Department of Trade and Industry. SEDA became an active partner assisting the division to further community economic empowerment opportunities, focusing on activities that promote Small Medium and Micro Enterprises in six communities adjacent to Golden Gate, Augrabies, Wilderness and Addo Elephant National Parks. Four participating communities from Golden Gate (Thaba blinds), Addo (arts and crafts) and Augrabies (wire work and Nama crafts from two separate communities) were sponsored by SEDA to exhibit their products at the 16th Annual Conference of the National Industrial Chamber in Johannesburg.

To strengthen relations between neighbouring communities and SANParks, People and Conservation staff in parks has implemented 21 community empowerment projects throughout the parks, and actively supported an additional 40 projects. In addition, a policy to guide resource use in SANParks was finalised. Further prospects to strengthen relations between SANParks and communities are provided through the People and Parks Programme of the DEAT. While the division sponsored representatives from communities adjacent to national parks to attend and participate in the 2nd People and Parks Workshop in Beaufort West this year, serving on the DEAT People and Parks Steering Committee and Task Team, created the opportunity to work closely with the provincial conservation agencies and NGOs associated with communities impacted on by protected areas.

A number of post restitution activities involving the San and Mier Communities in the Kalahari have taken place during the past year. These include the division sponsoring a visit for the Khomani San elders to the contractual park, which contributed to strengthen the working relationship between the Khomani San and the park. Furthermore, the division is collaborating with the communities to address issues on access to resources, a process that resulted in the community writing

and submitting for comment, draft protocols on resource use. Similarly, the division is working with the South African San Institute to arrange training for fifteen community guides to accompany Khomani San and visitors into the park. The training should yield some future economic benefits for the community. Further resettlement and restitution initiatives include RGBK related activities in the |Ai-|Ais/Richtersveld Transfrontier Park, addressing the issue on co-management in the Richtersveld, and discussing SANParks position on future interactions with the Riemvasmaak Trust.

SOCIAL SCIENCE RESEARCH

Significant progress has been made in terms of creating systems and mechanisms to implement, monitor and evaluate social science research projects. The Social Science Research Website was created, and a comprehensive bibliography of previous social science research conducted in SANParks was completed and posted on the website. Twenty-five new research projects were initiated during the year and eleven research projects were completed. In total forty-four projects were active, which signifies an increase of 15% on 2005/06 in social science research being conducted through projects in parks.

A desktop study into the socio-economic impact of the Expanded Public Works Programme on communities bordering parks was conducted to enable greater effective monitoring and evaluation in future. Additionally an environmental education survey was conducted on all education programmes in all parks. The results were compared with the survey, which was conducted in 2002. Recommendations for improving education initiatives, emanating from the research, are receiving attention.

Several partnership arrangements are in place for growing the social science research facet of the division. New agreements have been established, for example, through the Netherlands Embassy, the division participated in "The Spirit of the Wild Programme" to train field guides in intuitive nature guiding. Similarly, a working agreement has been established with Wits University to explore mutually beneficial research into archaeological-historical aspects of protected areas. Existing arrangements that were strengthened during this year include the partnership with Global Volunteer International that secured thirteen volunteers to assist parks in implementing People and Conservation activities.

A number of articles on social science research were written and published during the year. These include two academically accredited articles and six of a more popular nature. Social science research staff actively contributed to the implementation of several conferences, for



PEOPLE AND CONSERVATION REPORT

example, the Treehouse Conference at Skukuza, and the first African Leadership Conference on People and Conservation in partnership with the University of KwaZulu-Natal. Presentations were also made regarding the resources, livelihood management, reforms and processes of structural change at the workshop in Gobabeb, Namibia, and to the honorary rangers from Polokwane, at the East Rand in Johannesburg and Kwa Zulu-Natal in Durban.

ENVIRONMENTAL AWARENESS AND YOUTH OUTREACH EDUCATION PROGRAMMES

Through environmental education processes, in particular; through the Kids in Parks, Morula Kids Art Competition and the Environmental, Interpretation and Education (EIE) Programmes, the division continues to build environmentally responsible stewardship. During the 2006/07 period 101 000 learners received EIE experiences at parks; with 51,909 against a target set for 45 000 visiting KNP and 49 253 visiting all other parks, against a target of 40 000.

The Morula Kids Art competition, which is in its fourth year of implementation, focuses on increasing the levels of environmental awareness through the arts for learners at the general education and training level (GET), in the intermediate phases (Grades 3-7). It requires both learners and their teachers to use their creative skills in the form of art, sculptures, and essays to respond to the challenges facing the conservation and sustainable use of natural resource within national parks. The annual participation levels for 2006/07, focusing on the theme "Know your South African Parks", involved 102 schools, 915 entries, while reaching 3 272 learners, which signifies a 5% increase on participation to the previous year.

The Kids in Parks Programme, in its second year of implementation, in partnership with two government departments (the DEAT and the Department of Education) and a business partner, Pick 'n Pay, provides disadvantaged learners opportunities to experience meaningful environmental learning within the framework of outcome-based education and the national curriculum statement during a three-day field-trip in ten parks per annum. During this year 4 777 learners participated in the programme together with 300 educators.

Youth outreach focuses on implementing the Imbewu and Junior Honorary Rangers (JHRs) Programmes. With regard to the latter, several strategic initiatives took place throughout the year. These include their participation in the National Youth Policy Review Summit hosted by the National Youth Commission, and in the compilation of the youth version of State of Environment Report hosted by the DEAT.

The JHRs actively participated in SANParks Week celebrations, and in various important environmental days, with different emphases in the different provinces.

Regarding capacitating the more senior youth (at further education and training and tertiary education levels), two JHR facilitators who registered for the Bushveld Mosaic Course (FAGASA Accredited) successfully completed the course with distinction, while 68 JHRs, all from disadvantaged background, are now studying conservation related courses at tertiary institutions. During this year there were 115 new graduates (exceeding the target set for 80), and 15 new facilitators.

The Imbewu Programme, focusing on the preservation of indigenous knowledge and cultural traditions, employs elders as teachers and interpreters of natural and cultural heritage, around campfires at night and on walks with elders during the day time, established new partnerships with the CSIR on developing an Indigenous Knowledge Awareness Campaign for schools. The programme further partnered with the National Department of Science and Technology to participate in the Indigenous Knowledge Systems Awareness Campaign, during National Science Week. Four Imbewu camps per park, per annum, conducted in partnership with the Wilderness Foundation took place as planned in Addo, Tsitsikamma, Namaqua and the Kruger National Park.

CULTURAL RESOURCES MANAGEMENT AND INDIGENOUS KNOWLEDGE CULTURAL

To update SANParks state of cultural heritage knowledge, through mapping and documentation of cultural heritage resources within national parks, reports, inventories and cultural heritage management plans were completed for Camdeboo, Mountain Zebra, Marakele, Karoo and Addo National Parks. This will enable park management in achieving set goals with regards to the SANParks' cultural heritage management and development programme, including education and cultural tourism.

Great strides were made in developing and implementing the new state of cultural heritage management reporting system. The State of Cultural Heritage Report (SCHR) report for SANParks is aimed at assessing the effectiveness of SANParks management of Cultural heritage resources. Implementation was conducted at a regional level with one park per region participating in the assessment. These included Addo Elephant, Augrabies Falls, Tsitsikamma, Table Mountain, Mapungubwe and Kruger National Parks. The assessment process provided valuable

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insight into the current state of cultural heritage management and knowledge within SANParks, and will be expanded during the next financial year. In addition, the identification and documentation of San rock art sites was finalised in the Kruger National Park. The final report identified 68 rock art sites, found in different regions of the park, as suitable to be visited by tourists and learners.

As part of the process of developing Park Management Plans for all national parks, cultural heritage information, including short- to long-term objectives, were developed and included in the management plans. A cultural heritage policy statement was also included as part of the SANParks corporate policy framework. Progress has also been made with regards to the reburial and repatriation of human remains to Mapungubwe World Heritage Site, a process where SANParks is working in close co-operation with the Departments of Arts and Culture and DEAT. Reburial is planned for September 2007.

In partnership with the Embassy of France a project on community participation in the mobilisation of cultural and oral history and indigenous knowledge around the Namaqua National Park was implemented. The project was mainly aimed at promoting awareness of the rich cultural heritage of surrounding communities both within the park and communities themselves as well as to mobilise and document the oral history and indigenous knowledge through organised workshops and community-based interviews. As part of the outputs of the project information brochures and posters on identified cultural tourism places of interest were developed.

To develop the capacity in park staff on implementing cultural resource management, seven People and Conservation staff from Mapungubwe, Golden Gate, Marakele, Kruger National Park and Mountain Zebra National Parks participated in a three-week accredited international course on rock art guiding and cultural tourism. The course was hosted by SANParks at Mapungubwe World Heritage Site. The division is working closely with the DEAT to formalise SANParks as the official management authority of Mapungubwe World Heritage Site as required by the World Heritage Convention Act. Finally the Division has been involved with national and international stakeholders on cultural heritage matters and has contributed in processes and activities led by the South African World Heritage committee and UNESCO's World Heritage centre.



KRUGER NATIONAL PARK REPORT

EXECUTIVE SUMMARY

The Kruger National Park (KNP) continues to be the flagship national park of the country as more people locally and internationally readily associate it with the wildlife experience of the country.

Highlights for the reporting period were as follow:

- The average score for the protected area management audit was 79,4% which is up by 10,95% from the previous year when the average was 68,52%.
- The Kruger National Park Management Plan was completed and submitted to the DEAT on time.
- The Skukuza Nursery Boardwalk was officially opened.
- New day visitor sites at Satara, Orpen and Letaba were opened.
- The new Tsendze Rustic Camping Site was opened.
- A total of 51 909 learners visited the Kruger National Park.
- The Kruger National Park Forum was formally established.
- A total of 1 313 185 visitors visited Kruger National Park during the reporting period.

CONSERVATION

Protected Area Management Audit (PAMA)

All the regions in the Kruger National Park completed their PAMAs. The regions showed an improvement from previous years, with Nxanatseni South being scored the best region. The following scores were recorded:

Nxanatseni North	76,1%
Nxanatseni South	84,2%
Nkayeni	82,5%
Marula	75,1%

State of Biodiversity

The State of Biodiversity (SOB) assessments will be available in 2007/08. The flow of the rivers is very low and several rivers stopped flowing during the fourth quarter.

The Crocodile River stopped flowing in its lower reaches due to faulty flow gauging and releases were made by the Department of Water Affairs and Forestry (DWAF). Both Olifants and Letaba Rivers experienced extremely low flows. Urgent requests were sent to DWAF to rectify.

Water hyacinth (*Eichhornia crassipes*) was identified as the most problematic alien weed, followed by red water fern (*Azolla filiculoides*). An integration of chemical and biological control for both species has been recommended. Biological agents are being researched and reared at the Plant Protection Research Institute.

There was an outbreak of corridor disease amongst cattle near the Makoko Village, along the Nsikazi River, during March 2007. It appears





that some of the cattle illegally entered the Kruger National Park and contracted the disease from buffalo in the area. State veterinarians are monitoring the situation.

Management Plans for Protected Areas

The Kruger National Park Management Plan and the Tourism Asset Assessment Project are both complete and the projects were closed off for the reporting period.

Fire Management

The Annual Firebreak Grading Programme was finalised and grading commenced. The park boundaries were prioritised, as well as the experimental burn plots and animal breeding enclosures.

Erosion Management

The Working for Wetlands team completed the removal and rehabilitation of the Twisappel on the Letaba section during January 2007.

Fencing

The Poverty Relief Fencing Projects along the western boundary have all been completed. They include:

- 3 km of cable fence between Matsulu Township and the border of Mthethomusha Nature Reserve.
- 11 km of cable fence between Sawutini and Nalatsi.
- 5 km of cable fence between the old Bevula picket and the Mphongolo River.

The cable fence constructed by the National Department of Agriculture and Land Affairs from Plange Corner towards Shangoni Gate has been completed, but progress with the construction of the new cable fence from Punda Maria Gate southward towards the Mphongolo River remains slow, as this is a collaborative project with the National Department of Agriculture and Land Affairs.

Alien Clearing

The Alien Plant Clearing Programme implemented by the Invasive Species Control Unit (ISCU) and funded by Working for Water (WfW) has cleared 42 366 ha in follow-up operations, against a target of 34 047 ha.

Park Expansion and Consolidation

Approximately half of the Kruger National Park is under land claim and managing this into the future will be a major challenge in order to achieve the highest biodiversity conservation value for SANParks and tangible benefits for communities. The challenge would be to retain the

use of the land for conservation in order to protect the large naturally functioning ecosystems and related wilderness resources.

Guidelines on how to incorporate private and communal land into a national park are being drafted. These guidelines will address the Mhinga-Mhinga and Mthinkulu land incorporation into Kruger National Park.

Environmental Impact Assessments (EIAs)

After related EIAs, the following were completed during the period under review:

- Skukuza weather radar station.
- Dzombo radio mast upgrade.
- Tshokwane airstrip.
- Orpen Gate upgrade.
- Relocation of the filling station at Orpen Gate.
- The environmental management plan for putting the Telkom line from Kruger Gate to Skukuza underground was finalised.

2006 Wildlife Census for Kruger National Park

Species	2006 Census Figures
Lion	1 500
Leopard	1 000
Cheetah	200
Wild Dog	350
Spotted Hyena	2 000
Elephant	12 500
White Rhinoceros	8 000
Black Rhinoceros	350
Burchell's Zebra	20 000
Hippopotamus	3 000
Warthog	5 000
Giraffe	7 700
Buffalo	30 000
Eland	300
Roan Antelope	50 (excluding those in camps)
Sabe Antelope	325
Greater Kudu	13 400
Nyala	>300



KRUGER NATIONAL PARK REPORT

Species	2006 Census Figures
Bushbuck	>500
Waterbuck	5 000
Reedbuck	300
Mountain Reedbuck	150
Blue Wildebeest	8 100
Tsessebe	160
Impala	>100 000

TOURISM

Tourism statistics for the twelve months from April 2006 to March 2007 indicate excellent performance on all indicators as follow:

- 1 313 185 visitors visited Kruger National Park during the reporting period, up by 69 720 from 1 243 465 last financial year.
- Guests to the park were up by 4.1% from the previous financial year.
- Unit nights sold were up by 4.3% and unit occupancy increased by 3.4%.
- The year-to-date conservation fees actual of R55.3 million was down by 5.3% from the year-to-date budget of R 58.4 million. However, it was up by 3.9% compared to the previous year.
- Year-to-date concession fees actual of R24 million was down by 7.7% from the year-to-date budget of R26 million and up 14.85% compared to previous financial year.
- Tourism income year-to-date actual of R189.8 million was down by 4.5% from the year-to-date budget of R198.6 million but up 9% compared to previous financial year. This is due to withdrawals experienced this year as a result of the programme of upgrading accommodation units throughout the Kruger National Park.

Product Development

New products developed during the reporting period include the following:

- Skukuza Nursery Boardwalk.
- Upgrading of tourist units in Pretoriuskop, Lower Sabie, Satara, Berg-en-Dal, Orpen, Letaba and Punda Maria.
- New day visitor sites at Satara, Orpen and Letaba.
- New reception and administration facilities at Orpen.
- Upgrading of Satara camping sites.
- New Tsendze Rustic Camping Site.

PEOPLE AND CONSERVATION

People and Conservation Outputs for 12 months ending March 2007

Environmental Interpretation and Education Programme Activity	
Category	Number
Schools	764
Learners	51 909
Educators	3 578
Bush camp	266
Kruger to Kasia	12 381
Imbewu	32
Economic Empowerment	
Category	NUMBER
Curio sales outlet	R416 509
Car wash sales	R59 214
Economic opportunities	R1 085 296.84

The target of all the people that would be involved in the EIE activities was 45000 and the actual number of people that were involved in such activities exceeded the target.

Expanded Public Works Programme Outputs (EPWP)

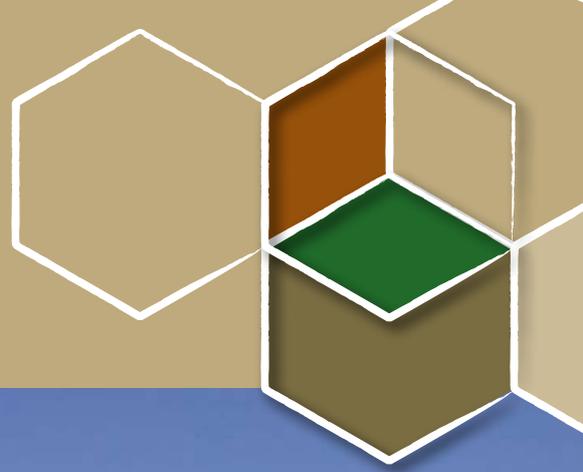
As at the end of the reporting period, a total of 202 000 person days of temporary work had been achieved across all EPWP projects against a programme target of 230 000 person days. While this represents 88% of the total programme target, a number of projects have been deferred to the new financial year. During the course of the programme 53 SMMEs have been supported, of which twelve are new SMMEs. Of the companies used 94% were BEE compliant. See full report under Special Programmes Report.

Park Forums

The Kruger National Park Forum has been approved and is fully functional.

RISK MANAGEMENT

There has been an influx of Mozambican and Zimbabwean illegal immigrants going through the park, especially the Pafuri area. It is suspected that the immigrants are desperate to take job opportunities within South Africa. Poaching in the park has been on a slight increase, with the main thrust being on white rhino populations poaching, with a total of twenty white rhino killed during the reporting period. This figure is up from the ten white rhino reported poached for the previous year. Media reports have shown that there is an active syndicate within the country that has been targeting protected areas for this purpose. The police have apprehended several of the syndicate members.



PARK DIVISION REPORT

EXECUTIVE SUMMARY

The Parks Division is constituted of all the other twenty-one national parks, including the Groenkloof National Park, which houses the SANParks headquarters. The year under review was characterised by growth on many fronts, with SANParks taking on responsibility for the management of 97 000 ha of forests and mountain catchment areas in the Garden Route, and with the size of a number of parks being increased through the park expansion and consolidation programme. Tourism growth was also substantial with an increase of visitors to parks of 11,4%, and a concomitant improvement in associated revenue generation.

CONSERVATION

Protected Area Management Audit (PAMA)

During the year under review protected area management audits, which incorporate a range of park management measures, were conducted in all parks. Great improvements were achieved in all clusters, and the overall score for the Parks Division was 77.5% against a target of 70%. Scores for the five clusters were as follows:

Cluster Name	Score
Frontier	80.5%
Garden Route	75.1%
Arid	81.4%
Northern	74.5%
Cape	76.0%
Parks Average	77.5%

State of Biodiversity Assessments (SOB)

The SOB tool was further refined and was piloted in the Table Mountain, Addo, Mountain Zebra, and Wilderness National Parks. SOB assessments will be implemented in all the parks in 2007/08.



State of Cultural Heritage Assessments

A draft of the state of cultural heritage assessment was developed by the Cultural Heritage Manager and has been tested in one park of each of the five clusters. This assessment will be rolled-out to all parks in 2007/08.

Alien Clearing

The Alien Clearing Programme, implemented through Working for Water (WfW) funding, exceeded targets for 2007/08, with 128,463 ha cleared as at the end of March 2007. This represented 106% of the year's target. A draft alien clearing strategy, which would incorporate measures for the effectiveness of the Alien Clearing Programme, was developed and will be finalised early in 2007/08.

Pondoland/Wild Coast National Park

Approval was given in early 2006 by the Eastern Cape Executive Council for the establishment of a Pondoland/Wild Coast National Park in the Eastern Cape, with a view to providing an environment for the protection of the Pondoland Centre of Endemism. Processes towards the creation of this park were, however, put on hold in December 2006 pending resolution of apparent community opposition to this project.

Marine Protected Areas (MPAs)

Agreement has been reached in principle that SANParks will manage all MPAs that form part of, or are adjacent to national parks, and that these MPAs will receive dual protection under the Marine and Living Resources Act, and through being proclaimed as part of national parks. Draft service level agreements have been drawn up in order to effect this decision, and an additional operational grant of R14 million has been provided by DEAT for the effective management of these MPAs.

TOURISM

Tourism Performance

Tourism performance for the Parks Division for the financial year indicates excellent results on all indicators. Guests to parks were up by 11.4% to a total of 2.4 million visitors for the 2006/07 financial year. Guests to the TMNP comprised the bulk of this number, and saw an increase from 1.48 million to 1.62 million during the year under review. However, this figure only includes paying visitors and does not include

visitors entering the park through open access points. The figure also excludes visitors to the cableway, who are estimated at 800 000.

Unit occupancies for the parks in the division were up on average from 58.4% to 61.6% with the best performers being Addo Main Camp (91.9%), Storms River (78%), and Twee Rivieren (79.6%). The new Kgalagadi wilderness camps performed exceptionally well with Grootkolk, Kiekiekrankie and Urikaruus exceeding 75% unit occupancies.

The increase in paying visitors to parks was reflected in the growth of conservation fee income, which increased, by R13.7 million (27%) year-on-year. This figure was 8% above budget for the year. Tourism income (accommodation, drives and trails) increased by R13 million (21%) year-on-year, but was R2.1 million (3%) below budget. This aspect of not meeting budget is largely attributable to the poor performance of the fully catered component of the Hoerikwaggo Trail in TMNP, which did not meet expectations.

PEOPLE AND CONSERVATION

Expanded Public Works Programme (EPWP) Outputs

As at the end of March 2007 a total of 1 294 170 person days of temporary work had been achieved across all the EPWP projects against a programme target of 1 693 146 person days (figure includes additional funding of R 21 million). While this represents 76% of the total programme target, a number of projects have been deferred to the 2007/08 year, which would bring the total person days up to target.

During the course of the programme 650 SMMEs were also supported, of which 369 are new SMMEs. Of the companies contracted, 75% of the value of procurement of EPWP and infrastructure projects was awarded to black companies (>50% black ownership), i.e. R115.4 million out of R152 million awarded went to black owned companies.

Park Forums

The target for the year of fourteen approved Park Forums was reached. Parks with approved Park Forums include Agulhas, Augrabies, Bontebok, Kgalagadi, Mapungubwe, Mountain Zebra, Namaqua, Table Mountain, Tsitsikamma, Karoo, Addo, Golden Gate, Marakele, and West Coast.

Park Forums in a process of development include Tankwa, Wilderness, and Camdeboo.



CAPE CLUSTER

AGULHAS NATIONAL PARK

The size of the Agulhas National Park remained at 16,806 ha, although negotiations were far advanced at year-end for the acquisition of the Waterford property, which will bring in almost 4,000 ha of valuable lowland fynbos. An offer was also made for the purchase of a portion of land critical to the consolidation of the southern tip, but no progress has been made in gaining acceptance of this acquisition.

Talks with landowners in the western section were initiated through the Agulhas Biodiversity Initiative (ABI), with the view to developing contractual arrangements with these landowners. ABI has reached the halfway point, and a consultant was commissioned to provide an independent assessment of this programme.

Regular sightings of southern right whales were reported, the first of the season being in mid-April, and indications are that they have increased their presence in the offshore waters to the south of the park.

The construction of the Agulhas Rest Camp has been re-scheduled to 2007/08 pending the issuing of a Record of Decision by the DEAT.

A process has been initiated for the concessioning of the historic Ratel River Homestead, which is within the park. Funding for refurbishments has been confirmed for Ratel River and for other historical buildings.

A quarterly Agulhas National Park newsletter with a section on ABI activities was compiled and distributed during March 2007 via Suidernuus/Southern Post circulated by post (3 000 copies printed).

BONTEBOK NATIONAL PARK

The chief focus during the year in the Bontebok National Park has been the upgrading and development of the rest camp and the link road. As at the end of March 2007, six of the eight new chalets had been completed, and the new link road was 90% complete.

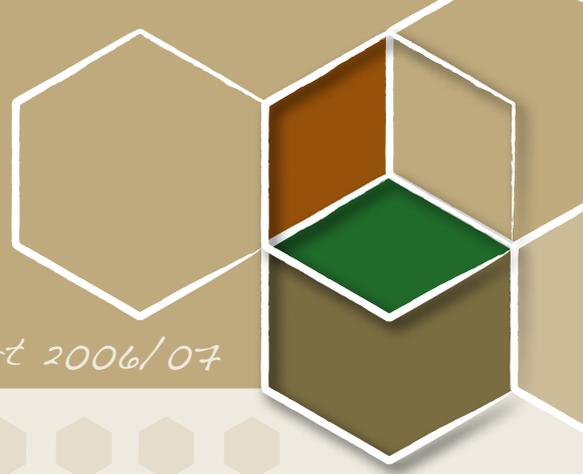
Wildlife Census

Species Name	Numbers
Bontebok	147
Red hartebeest	32
Mountain Zebra	31
Grey rhebok	72
Ostrich	18

TABLE MOUNTAIN NATIONAL PARK

The park's land consolidation strategy for private, state and city land was revised, released for public comment and submitted to the Minister of Environment and Tourism as part of the Park Management Plan. Eleven provincial properties, already managed by SANParks, totaling 920 ha, were transferred to SANParks on 31 October 2006.





The Tokai Cecilia Management Framework process involved the release of the draft management framework in October 2006 and the Comments and Responses Report in March 2007. The management framework, which deals with the future of the Tokai/Cecelia plantations following the clear felling programme, will be finalised in consultation with the city, DWAF and DEAT early in the new financial year.

The re-introduction of klipspringer into the park in 2005 has proven to be a success, with the aerial survey of the Cape of Good Hope section showing a steady natural increase in numbers. The building of passive capture structures for the fallow deer was completed. Feeding of the fallow deer commenced, with the first round of capture scheduled for early in the new financial year.

The number of fires attended to during the 2006/07 fire season was slightly less than the previous year, and areas burnt were much smaller. Helicopter flying hours therefore decreased considerably compared to the previous season. The total number of fires attended to was 55, which is five fires less than the previous season. The total area destroyed by fire decreased from 1 757 ha in 2006 to 1 06 ha for this season. The circumpeninsula fire break system was maintained by the park, cutting all urban edge fire breaks on park, city and private land.

The development of the Hoerikwaggo Trail took a step forward with the launch of the Orange Kloof Tented Camp in August 2006 and the Silvermine Tented Camp in March 2007. As of yearend, the Orange Kloof Trail was running at an occupancy level of 36%.

Visitor numbers to the TMNP reached an all time high with 1,6 million paying visitors entering the park, excluding those using the cableway. Visitor safety remains a priority with the park, having 90 permanent and contract staff in the field to provide visitor safety as of the end of the year. The Visitor Safety Programme saw a reduction in the number of incidents of crime from 34 to four over the summer season of 2006/07. A significant development has been the effectiveness of dog patrols as a deterrent.

The People and Conservation Programme of the park took great strides forward during the year with 9 600 adults and 32 000 children participating in a range of environmental education programmes in the park. The Pixie Littlewort Forest Trail and Environmental Education Centre was opened at Newlands in early 2007.

TANKWA KAROO NATIONAL PARK

SANParks took ownership of the farms De Zyfer, Roodewerf, Paardekraal and Leeufontein during the reporting period, bringing the Tankwa Karoo National Park to just under 100 000 ha. As at financial year end, negotiations were also under way for the acquisition of the Oudebaaskraal property, which would bring in a further 8 494 ha, including components of the Tankwa River system.

The Cape mountain zebra, gemsbok, springbok, and red hartebeest, which were re-introduced in the previous year, have settled in well and are in good condition. Veld conditions were generally dry, although good rains in the winter season produced the best flower season in fifteen years. The ongoing poaching of *Hoodia gordonii* (which is used in the production of a diet suppressant) continues to be a cause for concern within the wider area, and a number of meetings with other regulatory agencies were held in this regard.

The new park headquarters was established at Roodewerf in 2006, and upgrades were also done on the Paulshoek and Varschfontein cottages. Construction of the first two of the five wilderness camp units was 60% complete as at financial yearend.

WEST COAST NATIONAL PARK

On 13 August 2006, fifteen grey rhebuck were released in the Mooimaak area. The animals have been sighted a number of times since their release and are currently occupying the Soutpan Area.

Three important projects are underway regarding fishing in Langebaan Lagoon:

- MCM is currently studying line-fish species in the lagoon in an externally funded project.
- A second project has been undertaken to monitor net fishing, with catch sizes and fish sizes recorded for 40 fishing outings to date.
- The effects of pelican predation are being quantified on Jutten and Malgas Islands, and a project is underway to keep pelicans off these islands during the breeding season in order to raise the breeding success of the Cape cormorants on the off-shore islands.

A total number of 1 464 annual boat permits and 171 short-term boat permits were sold for the period under review.

The new bird hide was completed at Geelbek. A new site is being looked at for another hide south of Geelbek. The building of the two new Entrance Gates and the upgrading of the Preekstoel day visitors facilities were completed in April 2007.

The planning for the new Kraalbaai Rest Camp was completed, although this project has been deferred in order to allow a review of design and location issues prior to embarking on an EIA process.

The park had a good flower season in the winter of 2006, and visitor numbers reached 154 000.



NORTHERN CLUSTER

GOLDEN GATE HIGHLANDS NATIONAL PARK

The current size of the park is 12,000 ha with a projected 34,000 ha once the park has been fully consolidated. The Qwa-Qwa Park is in a process of being incorporated into the national park, adding 22,000 ha. While there have been delays in finalising the amalgamation of the Qwa-Qwa Park with Golden Gate, it is anticipated that this process will be concluded towards the end of 2007.

The 24 economy units at the new Qwa-Qwa Rest Camp have now been furnished and fitted out. This tourism facility will be operationalised once the Qwa-Qwa amalgamation is completed. 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 these points.

Planning towards and securing funds for upgrading the Glen Reenen camping facilities and terrain, Wilgenhof Environmental Education Centre, Gladstone Administration Offices and major maintenance on the Brandwag Hotel progressed well. Funding was also secured to start construction on a new biofilter sewerage system for the western side of the park, as well as the upgrade of the Glen Reenen water purification plant and supply pipes.

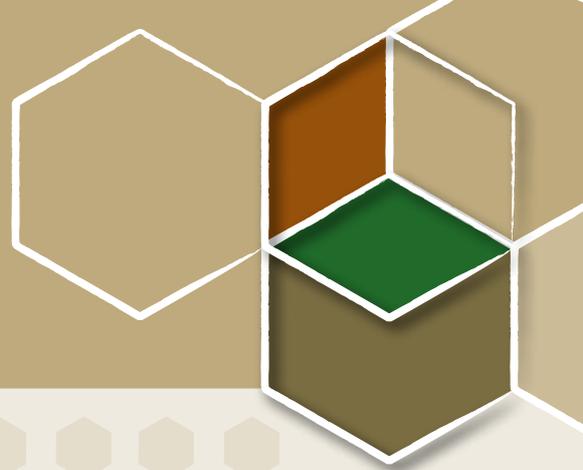
The concession for the management of the Brandwag Hotel was terminated during July and Golden Gate management assumed the operations for the hotel from September 2006.

MARAKELE NATIONAL PARK

The current size of the park is 67 000 ha with a projected 110 000 ha once the park has been fully consolidated. The farm Kareehoek 274, which constituted part of the remaining extent, has been purchased and the owner has already moved from the farm. Negotiations with landowners on the western side of the park, who have expressed a wish to be incorporated into the park, were started during the course of the financial year. Although agreement was reached with the Welgevonden Game Reserve in 2003 for the dropping of fences between the Reserve and Marakele, this has not yet been implemented pending the outcomes of research on *Theileria* infections of the buffalo populations in the area.

Wildlife Census

Species Name	2006 Census Figures
Baboon Troop	39
Black Rhino	8
Brown Hyaene	2
Buffalo	106
Buffalo Bull	21
Bushbuck	17
Civet	1
Duiker	2
Eland	172
Elephant	66
Elephant Bull	17
Gemsbok	16
Giraffe	19
Hippo	8
Impala	1 399
Jackal	2
Klipspringer	14
Kudu	408
Leopard	1
Mt Reedbuck	24
Nyala	6
Ostrich	31
Red Hartebeest	51
Steenbok	4
Tsessebe	30
Warthog	434
Waterbuck	156
White Rhino	78
Wildebeest	1 038
Wrhino Carca	0
Zebra	487
Zebra Carcass	0



Two lionesses were imported from Kgalagadi National Park to inject new genes into the system within Marakele National Park and they are doing very well. A further three lions were re-introduced into the park from Madikwe Game Reserve in February 2007.

A decision was taken in 2006 to remove all the male wild dogs that had been causing a breakout problem and transfer them to the Kruger National Park, and to introduce new four males from Madikwe Game Reserve.

A project for the upgrading and construction of 50 km of tourism roads in the park was 90% complete as at the end of March 2007. The subway crossing under the national road was completed, as well as the road linking the subway and the tarred road to the top of the mountain.

MAPUNGUBWE NATIONAL PARK AND WORLD HERITAGE SITE

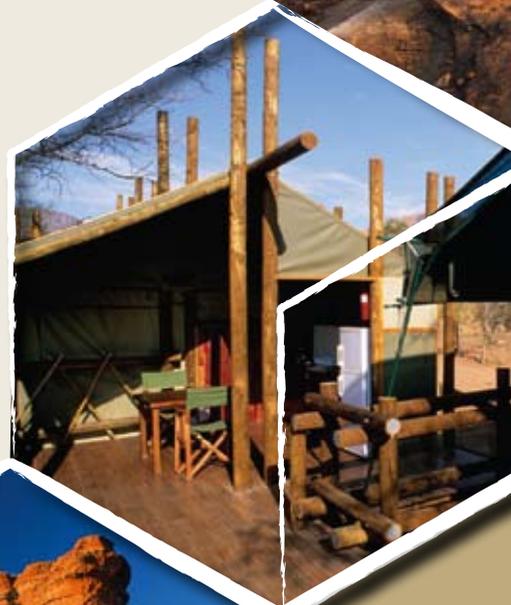
The Mapungubwe National Park currently stands at 14 000 ha with a projected 26 000 ha for the ultimate size of the core area of the park. The consolidation process for the park was however put on hold towards the second half of 2006, due to the gazetting of land claims on properties within the park. The Regional Land Claims Commission is being engaged with a view to charting a way forward on this issue.

Design and other planning for the construction of an Interpretive Centre for Mapungubwe was finalised and it is anticipated that construction will start in the second half of 2007.

The Park Forum for Mapungubwe National Park and World Heritage Site was re-established and re-inforced. It is comprised of representatives of all communities with a stake in the park, including the SA Heritage Resources Agency.

GROENKLOOF FACILITIES

The management of Groenkloof Head Office facilities was transferred to park operations, to be managed under the northern region. A facilities manager was appointed towards the end of the financial year; and the incorporation of cleaning contract staff onto the SANParks payroll was investigated, with a view to finalisation on this issue early in the new financial year.



ARID CLUSTER

!AI-!AIS/RICHTERSVELD TRANSFRONTIER PARK

The year under review has been a positive one for the park in many respects. The RGBK (Joint Management Committee) has become more functional and is playing a positive role in the governance of the park. Park management has also developed a close working relationship with the Richtersveld Community Conservancy. The Conservancy currently has a bid for World Heritage Status pending and if this is attained it should assist in marketing the area.

The park now has a totally new signage system, which has been completed. This should enable visitors to navigate their way around the park better, and should significantly reduce the number of complaints received by park management. The roads do, however remain a cause for concern following the floods of 2006, and funds have been requested through the Expanded Public Works Programme for this purpose.

The full development of the Transfrontier Park has been hampered by delays in opening the border facilities at Sendelingsdrift. The opening of the border post and pontoon across the Orange River is now scheduled for October 2007.

Resource use in the park continues as per the agreement with the community and up to 7 000 goats graze in the park. An agreement has been reached with community representatives on the RGBK that there will be wildlife re-introductions into the park, and it is anticipated that the first re-introduction of springbok will take place in the winter of 2007.

Mining continues to be an issue and a number of new permits have been granted by the Department of Mineral and Energy Affairs. Park management meets on a regular basis with Trans Hex regarding the joint use of Sendelingsdrift. The mine has agreed to hand over their office complex to SANParks, which will make the arrangements around the border post and associated infrastructure easier to manage.

AUGRABIES FALLS NATIONAL PARK

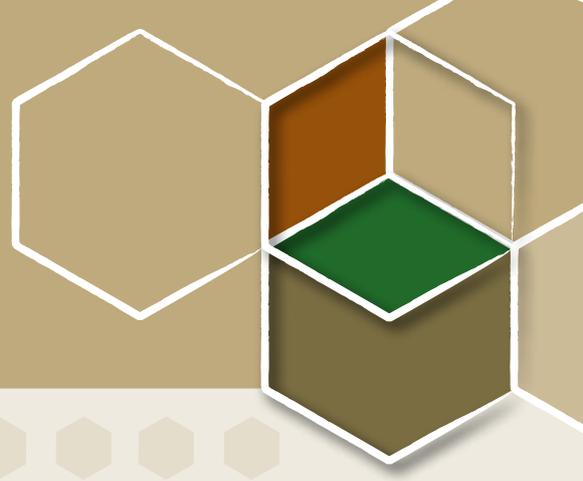
Due to the high rainfall in April and May 2006 in the catchment area of the Orange River upstream of the park, the high water over the Augrabies Falls contributed to a 35% increase in visitor numbers for the 2006/07 financial year. This, combined with a good flower season in the winter of 2006, gave the park a bumper tourism season.

The Melkbosrand area of the park was de-proclaimed in 2004/05 in terms of the successful land claim by the Riemvasmaak Community. SANParks is, however, continuing to manage this area while discussions are ongoing between DEAT, the claimants and the Land Commission on the future use and management of this area. A second claim on an area of the park, immediately to the east of the first claim, still remains to be resolved.

KGALAGADI TRANSFRONTIER PARK

The contractual park established between SANParks, and the Khomani San and Mier Communities has entered into an agreement with a concessionaire, Global Images, for running the newly constructed lodge at the Klein Skrij Pan. All four stakeholders have recently signed the contract for this concession, and it is anticipated that the !Xaus Lodge will open its doors to the public from July 2007.





More than the scheduled four Joint Management Board Meetings (JMB) were held during the year in order to deal with a number of pressing issues. One such issue is that of sustainable resource use by the San community in the contractual park, and in the rest of the park. A draft set of resource use protocols have been developed by the parties, and it is anticipated that these will be finalised in mid-2007.

The upgrading of the entrance road from Askham to Twee Rivieren is proceeding well with 16 km tarred so far. The completion date for the project is earmarked for April 2008, which will see the full 60 km up to the park entrance at Twee Rivieren being tarred. The opening of the Mata Mata border post between South Africa and Namibia has been scheduled for October 2007.

Wildlife Census

Species Names	Grand total (rivers + transects)
African Wild Cat	1
Bat Eared Fox	1
Blue Wildebeest	1 112
Duiker	1
Gemsbok	1 105
Honey	2
Jackal	33
Kori Bustard	63
Lappetfaced Vulture	1
Lion	3
Ostrich	331
Red Hartebeest	350
Secretary Bird	9
Springbok	3 191
Steenbok	50

NAMAQUA NATIONAL PARK

The expansion of the Namaqua National Park down to the coast is progressing well, with nine out of thirteen required corridor farms already acquired. The park now stands at 103 000 ha. Negotiations for the incorporation of the De Beers Groen-Spoeg coastal area did not make much progress during the year, but at year end were put back on track. It is anticipated that this issue will be concluded in the second half of 2007.

A motivation for the inclusion of the Admiralty Zone in the park has been forwarded to the Minister of Public Works through the Northern Cape Public Works Regional Office. Legal processes aimed at the removal of the illegal holiday homes at the Groen River mouth were stepped up towards the end of 2006.

The park experienced an unusually wet year, with 504 mm over the review period. The consequently good flower season resulted in an increase in visitors, from 2 804 in 2005/06 to 10 817 in 2006/07.

The new four units at Skilpad Wilderness Camp are under construction, and are scheduled to be completed by June 2007.

NEW NATIONAL PARK (MOKALA)

On 31 October 2006 the main area of the former Vaalbos National Park was handed over to the Land Claims Commission, for the benefit of the successful Sydney on Vaal claimants, and these properties were finally de-proclaimed in March 2007. The Department of Land Affairs also concluded negotiations in October 2006 for the purchase of the 20 000 ha Wintershoek property, 80 km south west of Kimberley, in order to establish a new national park in place of Vaalbos.

An extensive public process was engaged in to determine a name for the new park, with the proposed name of Mokala National Park (SeTswana for camelthorn tree) being approved by the Board in November 2006, and being submitted to the Minister for final approval. While the new park has been operational since the beginning of November 2006, the formal opening ceremony is scheduled for June 2007.

Wildlife Census

Species	Total
Buffalo	211
Black Rhino	7
Duiker	117
Eland	142
Jackal	25
Kudu	334
Steenbok	22
Warthog	177
Burchell's Zebra	10
Pale Rump Zebra	35
White Rhino	22
Black Wildebeest	31
Blesbok	55
Impala	94
Inyala	9
Lechwe	2
Mountain Reedbuck	30
Waterbuck	16



FRONTIER CLUSTER

ADDO ELEPHANT NATIONAL PARK

Negotiations with private landowners continue to increase the size of Addo Elephant National Park, now at 1 64 233 ha. Two male cheetah were released into the Kuzuko contractual area in March, the first cheetah to be re-introduced into the Park.

The annual wildlife census, carried out at the end of May, reported the following numbers of the more prominent species:

Wildlife Census

Species	Number
Elephants*	327
Buffalo	268
Black rhino	12
Eland	66
Kudu	2 035
Red hartebeest	294
Warthog	931
Springbok	247
Lion	11
Hyena	14

* Note: Ground count of elephants - 459

The development of the southern Colchester section of the park was taken forward during the year with the completion of the 38 km link road from the Matyholweni Camp to the main section of the park. The Minister officially opened this link road on 15 August during the 75th anniversary celebrations of the park.

Tourism to the park continues to grow with 161 884 tourists visiting the park during the year, representing an increase of 15%. The average annual occupancy rate for Addo Main Rest Camp reached an unprecedented 92%, showing an increase of 1% over the previous year. Camp Matyholweni increased its occupancy by 27.5% to 53.2%.

KAROO NATIONAL PARK

A number of land deals were concluded to increase the size of the Karoo National Park to over 90 000 ha. SANParks is now in a position to open additional areas of the park to visitors, and construction of a new 40 km tourist loop road was commenced in 2006/07, as part of a process to re-engineer the tourism product in the park to being an eco-tourism destination in its own right, beyond being a stop over destination between Gauteng and Cape Town.

The buffalo population has grown to twelve animals. The two black rhino bulls were monitored weekly and remain healthy.

The newly upgraded Bulkraal picnic area, complete with new swimming pool and ablutions, was officially opened on Heritage Day to co-incide with the Annual Cycle Race. The picnic area now attracts large numbers of day visitors, especially over school holidays.

5 569 children and 983 adults visited the park for environmental education purposes. There was a noticeable increase, especially in the last quarter, in the number of local groups participating in educational programmes. This can partly be attributed to the opening of Bulkraal.

MOUNTAIN ZEBRA NATIONAL PARK

Mountain Zebra National Park's highlight of the year was the introduction of two male and two female cheetah into the park. This represents the culmination of an expansion and re-introduction programme that has been made possible by the fund-raising efforts of the David Shepherd Wildlife Foundation and other organisations such as the Barbara Delany Foundation, WildAid, Sasol Limited and Vesta Medicines. SABC's 50/50 programme assisted in publicising the campaign. The four cheetah were released into two bomas to habituate them to the area and the predator-proof fence before release.

The Mountain Zebra National Park now stands at 28 000 ha, of which 21 000 is fenced within the main section.

The DEAT Poverty Relief Project continued, including the upgrade of the chalets at the rest camp and the construction of a predator-proof fence around the park. Sixteen chalets and 49 km of fencing have been completed thus far.

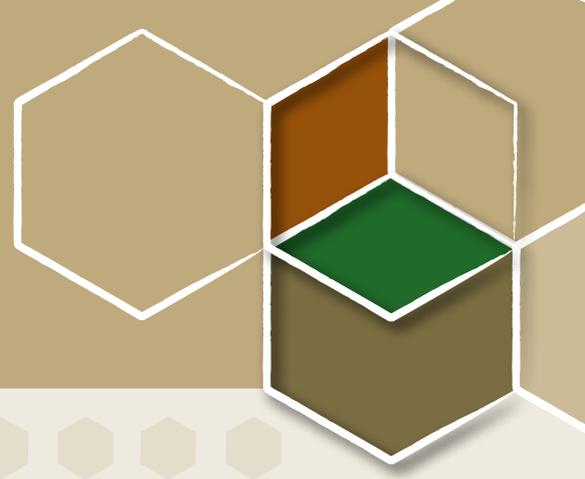
CAMDEBOO NATIONAL PARK

Following the purchase of the 4 637 ha farm Winterhoek, adjacent to the Valley of Desolation, the Camdeboo National Park is now 19 397 ha in extent.

Rainfall for the year was above average, with almost nine times the long-term average for the month (134 mm) falling in August. The level of the Nqweba Dam, which is within the park, rose from 9% to 96%, flooding hundreds of hectares of grazing relied on by large bulk grazers and submerging 4.2 km of tourist roads.

Gate entry fees (conservation fees) were introduced for the first time as from April 2006. A drop in visitor numbers to the game viewing area is ascribed to local resistance to the levying of these fees. This is not the case, however, at the Valley of Desolation, where most of the visitors are national or international tourists. A total of 42 000 visitors paid to enter the park during the year.

GARDEN ROUTE CLUSTER



FOREST AREAS

On 1 April 2005, 97000 ha of indigenous forest, mountain catchments, and plantation exit areas were delegated to SANParks for management under the Forest Act (1998). By 1 April 2006 a total of 125 staff members from the Department of Water Affairs and Forestry had been transferred to SANParks, and processes were then initiated towards the full assignment and transfer of the management function for these areas to SANParks. As of end of March 2007, this process was far advanced, and it is anticipated that the assignment of the forest areas will be effected through Presidential proclamation before the end of 2007.

In terms of the forest produce utilisation, the harvesting and auctioning of indigenous timber proceeded well and good prices were received for timber. Due to the delegation status of the forest areas, the income generated from the timber sales will not be retained by SANParks until such time as the assignment is in place.

GARDEN ROUTE INITIATIVE

In order to move towards the integrated management of the forest areas with the other national parks in the Garden Route, the region embarked on an organisational development exercise, in the context of moves towards the ultimate establishment of a Garden Route National Park (GRNP). The resultant outcome suggested an 'interim' macro-organisational structure with four operational areas, providing a framework for the management of SANParks' responsibilities in the Garden Route.

The land consolidation study for the Garden Route has been completed through the Garden Route Initiative (GRI). The product identifies critical land essential for the land expansion/consolidation for the establishment of the GRNP. However, development applications and sub-divisions and the high land prices in the region continue to be the biggest challenge facing the land consolidation strategy.

WILDERNESS

The excessive rains in August 2006 had serious impacts in the Wilderness National Park, with damage to roads and buildings, and the temporary closure of the Kaaimans Pass connecting Wilderness to George. An amount of R2 million was received from Disaster Relief Funds, which is being used largely to rebuild a number of chalets damaged by the floods.

In early 2007, a Record of Decision (ROD) was issued against the proposed development of a major golf and housing estate in the catchment of the Swartvlei, which is under the management of the Wilderness National Park. SANParks is currently dealing with a range of requests to respond to Environmental Impact Assessments, Scoping Reports, Environmental Management Plans, concept proposals, etc. which have an impact on SANParks' operations within the Garden Route.

With regards to cultural heritage resource management, all significant cultural heritage resources in and around the Wilderness National Park have been audited and recorded. The oral history of the park was also recorded.

KNYSNA

The floods of August 2006 also had a serious impact on the Knysna estuary, with an escalation of pollutants entering the estuary, and part of the Disaster Relief funding was used to address this problem.

Knysna Lake successfully hosted a national event in celebration of the World Wetlands Day in February 2007. In order to provide more effective control over the Knysna Lake Area a review of all lease and related agreements was initiated with the assistance of a local law firm. A review is also being conducted on the regulatory environment as it pertains to SANParks' management of Knysna, following the repeal of the Lake Areas Management Act.

TSITSIKAMMA

In September, a proposal to open limited areas of the Tsitsikamma National Park Marine Protected Area as "fishing take" zones on an experimental basis was submitted to DEAT by a Task Team led by the Marine and Coastal Management Division of DEAT. On 24 October 2006 the Deputy Minister of DEAT had visited the area and met with all stakeholders, subsequently appointing a Fishing Task Team to investigate the opening of certain areas of the MPA to control line fishing. As at yearend, the Task Team's Report was to be subjected to further consultation before being submitted to the Minister.

The Tsitsikamma National Park experienced a good growth in tourism following a downturn in 2005/06. Visitor numbers increased by 13,8% and camping by 7,7%.



HUMAN RESOURCES REPORT

EXECUTIVE SUMMARY

The position of the Head of the Human Resources Division was vacant for four and a half months of the year under review. Although this had an impact on the leadership support for the division, the employees in the division worked diligently to ensure that crucial support to the rest of the organisation was given. A stable leadership for the division would have improved the ability of the division to provide a value-adding service to the entire organisation.

EMPLOYEE DEMOGRAPHIC PROFILE

The tables below provide the employee demographic profile of SANParks as at the end of March 2007.

SANParks STAFF COMPLEMENT AS AT 31 March 2007:

	African		White		Coloured		Asian		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
A band	784 58.42%	411 30.62%	0 0%	0 0%	63 4.69%	84 6.25%	0 0%	0 0%	1 342 100%
B band	660 55.50%	168 14.12%	7 0.58%	39 3.28%	262 22.03%	50 4.20%	0 0%	3 0.25%	1 189 100%
C band	121 33.79%	52 14.52%	44 12.29%	81 22.62%	30 8.37%	24 6.70%	4 1.11%	2 0.55%	358 100%
D band	44 20.37%	27 12.5%	89 41.2%	32 14.81%	13 6%	6 2.77%	3 1.38%	2 0.92%	216 100%
E lower	7 21.87%	6 18.75%	13 40.62%	3 9.37%	2 6.25%	0 0%	1 3.12%	0 0%	32 100%
E upper	0 0%	0 0%	5 100%	0 0%	0 0%	0 0%	0 0%	0 0%	5 100%
F lower	4 57.14%	0 0%	2 29%	0 0%	0 0%	1 14.29%	0 0%	0 0%	7 100%
F upper	1 100%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	1 100%
S I	0 0%	2 50.00%	1 25%	1 25%	0 0%	0 0%	0 0%	0 0%	4 100%
Total	1,620 51.36%	667 21.15%	161 5.10%	156 4.95%	370 11.73%	165 5.23%	8 0.25%	7 0.22%	3,154 100%

SANParks Profile by Occupational Categories

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	42	9	3	65	18	4	2	15	158
Professionals	6	2	-	23	13	6	1	16	67
Technicians and associate professionals	104	28	4	62	30	8	-	35	271
Clerks	77	9	1	5	119	40	3	66	320
Service and sales workers	563	196	-	4	90	47	1	24	925
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	0
Craft and related trades workers	25	13	-	2	-	-	-	-	40
Plant and machine operators and assemblers	92	16	-	-	1	-	-	-	109
Elementary occupations	711	97	-	-	396	60	-	-	1 264
Total Permanent	1 620	370	8	161	667	165	7	156	3 154

EMPLOYMENT EQUITY

The statistics given in the table above provide a clear picture of an organisation that has been significantly transformed to be representative of the country's demographics. Areas requiring attention are the employment focus on black female employees at middle and senior management levels.

For the year under review, SANParks complied with the requirements of the Employment Equity Act, no. 55 of 1998 and duly submitted the required Employment Equity Report to the Department of Labour.

LABOUR RELATIONS

Compliance with labour legislation

SANParks complied with applicable labour legislation, which resulted in good governance for the organisation.

Union activities

The following trade unions played an active role within SANParks as displayed by their representativity (see table below – trade union membership as at end of March 2007):

Trade Union	Total Membership
South African Commercial, Catering and Allied Workers Union (SACCAWU)	1330
Health and Other Services Personnel Trade Union of South Africa (HOSPERSA)	759

Labour peace

All disputes over substantive and procedural matters were resolved amicably, thus avoiding industrial action.

HUMAN RESOURCES REPORT

Collective bargaining

SACCAWU and SANParks concluded an agreement on salaries and conditions of employment effective from 1 April 2006 to 31 March 2007. The agreement includes the following:

All employees in the bargaining unit (Paterson A1 to B5 bands) received an across the board increase of 6.5% for the 2006/07 financial year.

Discipline

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

Sanctions	2004/05	2005/06	2006/07
Warnings	173	91	181
Dismissals	41	15	24

The number of disciplinary actions increased during the period under review as compared to the previous year. This is a result of stronger management interventions that were undertaken to ensure discipline.

Management of labour litigation

Twenty-three cases were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) and six to the Labour Court (LC).

Twenty-four cases were disputes over alleged unfair dismissals, and five were disputes over alleged unfair labor practices.

Of the above, twenty cases were amicably resolved and nine are still pending. The number of cases referred to the CCMA and LC has increased compared to the previous year. This is partly attributed to the fact that dismissed employees have easy and free access to the CCMA.

HUMAN CAPITAL DEVELOPMENT

SANParks Leadership Development Initiative

In the 2005/06 financial year the SANParks' Leadership Development Initiative (SLDI) was launched. This intervention was launched to focus on leadership development both at supervisory and management levels. Fifty-four employees have participated in the programme since its inception. The first major intervention in the year under review, and as part of the programme, was the training programme for the development of coaching and mentoring as an important competency of leadership.

Skills courses

A variety of skills courses were undertaken with just over two thousand participants. These courses ranged from those aimed at the core of the organisation's mandate, such as basic anti-poaching, law enforcement, marine and protected areas, and generic skills courses such as financial management and project management.

Learnerships

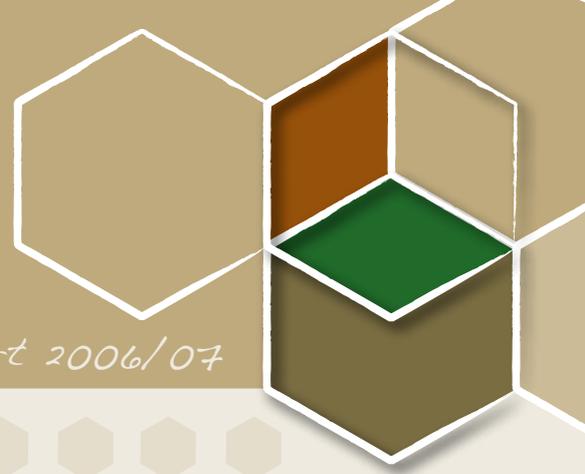
The Tourism Hospitality Sports Education and Training Authority (THETA) granted SANParks a total of sixty learnerships. Consequently thirty-two unemployed and twenty-eight employed learners were enrolled in the following programmes:

- Certificate Programme in Conservation; and
- Certificate Programme in Tourism Guiding.

ORGANISATION DEVELOPMENT

Performance Management

A performance evaluation approach was developed to support the performance management process for employees at Paterson grades C up to E bands. A culture of managing performance was enhanced through the goal of the organisation aimed at ensuring that performance appraisal of employees takes place on a quarterly basis.



Occupational Health and Safety (OHS)

Occupational Health and Safety (OHS) compliance has significantly improved over the last year. The organisation started off on a very low compliance rating during an audit done by an independent service provider, but scored well-above average during the follow up audit. Plans are in place to ensure that we improve and sustain this good performance.

The organisation's disabling injury frequency rate (DIIR) improved from an average estimate of 12 to 1.3, when compared to the previous year, when the measurement of this aspect was not effectively managed.

The OHS five-point plan has been successfully rolled-out and employees are more aware of OHS in the workplace and have been very co-operative in ensuring compliance in this regard. The appointment of safety officers who are allocated to each regional cluster of national parks has ensured focus and continuity with the implementation of the OHS Programme and reinforcement of training throughout the organisation.

The implementation of the Occupational Medical Surveillance Programme, as well as the Evacuation and Response Programme in the next year will go a long way towards the further enhancement of the organisation's Occupational Health and Safety Programme.

EMPLOYEE WELLNESS PROGRAMME

During the year under review, the scope of the Employee Assistance Programme was expanded to encompass the whole employee wellness spectrum. To this end, programs that include health promotion and disease prevention, such as health assessments, chronic disease management (e.g. diabetes, cancer, arthritis, hypertension), and observing wellness days, have been introduced to ensure the implementation of proactive, rather than responsive strategies.

The immediate and prime focus of the Employee Wellness Programme has been on the management of the HIV and Aids challenge.

Know-Your-Status Campaign

Following the unlinked and anonymous HIV and Aids Prevalence Survey conducted organisation-wide in the last financial year, SANParks launched the second leg of the of the HIV and Aids

Management Programme, the "Know-Your-Status" campaign, which was undertaken at head office and Kruger National Park and will continue in the rest of the national parks into the next financial year. To alleviate possible reluctance for participation in this programme a Marketing and De-stigmatisation Campaign was launched throughout the organisation, to precede voluntary counselling and testing (VCT). During this process, employees were also assured of pre- and post-test counselling, as well as the confidentiality of individual results.

HIV and Aids Awareness, Education and Training

A variety of interventions were undertaken as part of building the capacity for prevention through awareness, education and training. The programme to build capacity in this regard included the following:

- Peer education training of employee assistance co-ordinators (EACs) from each national park.
- Training on Managing HIV and Aids in the workplace for Park Managers.
- Workshops on practical tools for managing HIV and Aids for line managers.
- Articles on wellness awareness in the internal publication (Go Wild).
- Free distribution of condoms in appropriate places.

Psychosocial Counselling

Most employee problems that impacted on their productivity at work emanated from stressful interpersonal relationships, e.g. divorces, financial problems, health related issues, and to a lesser extent, trauma and bereavement. To ensure that SANParks is a healing and caring organisation, all employees who have disclosed their personal problems, are receiving ongoing psychosocial counselling.

Given the challenges of budgetary constraints and capacity issues, where employees from different SANParks sites would require EAP services urgently and simultaneously, a process has been initiated to seek external partners that can assist the organisation in rendering psychosocial services on a twenty four hours basis in the new financial year.



CORPORATE COMMUNICATIONS REPORT

EXECUTIVE SUMMARY

The two key objectives for the Corporate Communications Division are as follows:

1. To develop and enhance SANParks' reputation to its stakeholders and in broader society.
2. To share and provide access to correct information and knowledge to internal and external stakeholders.

With these objectives being the focus of the majority of both the strategic and operational interventions in this division, it has undoubtedly been a successful year for the division. The division is split into four implementation units namely, Media Relations & Stakeholder Liaison, Internal Communications, E-Commerce and Public Relations & Publications.

Highlights of this year were as follows:

- Successful launch of the first annual SANParks Week Programme.
- Successful signing of MOU for Limpopo/Shashe Transfrontier Park in June 2006 with co-operation between DEAT, Botswana, Zimbabwe and the Peace Parks Foundation.
- The successful launch of the Leadership for Conservation in Africa in Kruger National Park in August 2006. Involving members of business internationally and leaders of conservation authorities in a number of African states (See brief report under Chief Executive Report).
- Media coverage of SANParks continues to enjoy a low negative ranking across all media, currently at an average of 7%.
- Successful launch of an electronic newsletter 'Wild About Parks'.
- A second Kudu Awards event.

EXTERNAL STAKEHOLDER RELATIONS

In the period under review, the key objective of engagement with stakeholders has gained new ground as an external stakeholder liaison strategy to target specific stakeholders has been developed. The strategy has looked at various relations that SANParks currently enjoys with stakeholders and those that either require improvement or need to be forged for the purpose of improving mutual benefit. In the organisational strategic map there are three key objectives that are serviced by such a strategy, i.e. 'To be the custodian of choice for the national parks system', 'To enhance SANParks reputation' and 'To transform the domestic guest profile, through growth, to be representative of SA society'.

Government Relations

Relations with DEAT Communications remained strong during the period under review, with the department assisting with media and public inquiries on the elephant management process. The DEAT Enviro-Tour Communicators Forum's (Environment & Tourism Communicators Forum) quarterly meetings with environmental, conservation and tourism authorities' communicators have helped SANParks improve liaison with the provincial authorities' communication departments and SA Tourism.



Corporate & Media Partnerships

FNB contributed 60% to the costs of the inaugural SANParks Week.

SANParks continues to form good working relations with both the broadcast and print media, which are based on mutual trust and benefit. As the major national broadcaster, the SABC continues to be a key media partner and this relationship has been further cemented by a sponsorship agreement between the broadcaster and the My Acre of Africa initiative.

International Agreements

SANParks continues to forge formal and informal relations with African and international conservation authorities for the purposes of exchanging expertise, knowledge and skills on a number of target areas. The formal agreements have been solidified through signing MOUs, while the informal relation has been through a number of foreign delegations, which have been hosted by the organisation's management to share expertise in all three spheres of SANParks business, i.e. conservation management, tourism development and constituency building (People and Conservation). Relations with African countries will in the future be taking on a central role through the LCA that was initiated in August 2006.

INTERNAL STAKEHOLDER RELATIONS

Recognising that internal relations are crucial to the delivery of any organisation, the Communications Division contributes to the success of the organisation by ensuring that internal stakeholders are adequately informed of developments in the organisation. There are three key tools that are used to inform staff:

- (a) Go Wild internal magazine (4 000 copies) and other park newsletters. Go Wild is distributed to all national parks and is sometimes accessible to external clients. The publication is used to give reports on all aspects of SANParks business, including new initiatives, projects in parks or nationally, policy decisions, etc.
- (b) Intranet, which is accessible to approximately 30% of the staff component who all have access to computers. The intranet is basically used to post all information on policies and other strategic documents of the organisation. It is also used as a media of sharing information on breaking news and other

staff related announcements. Staff members can all register in order to post any material that they would like to share with the organisation. Key announcements on the intranet are often printed and posted in notice boards in order to ensure that all stakeholders have access.

- (c) Information broadcast (and Lesedi in Kruger National Park), which is primarily used for corporate announcements. Announcements on information broadcast are often printed and posted in notice boards in order to ensure that all stakeholders have access. The Lesedi in Kruger National Park is distributed to all staff and on notice boards as well.

In order to build a sense of accomplishment and pride in one's work, the organisation has in the past two financial years formalised the process of recognising all staff inputs at a national level through the Chief Executive Award, which is announced on the same day as the Kudu Awards. The programme will, in the new financial year, be taken to a regional level so that the regional process can feed into the national programme, in order to broaden the level of participation across the organisation. It is worth noting, however, that the Kruger National Park has had Achievement Awards running since 1998.

MEDIA RELATIONS AND MANAGEMENT

The media coverage on SANParks and all its national parks continues to be at acceptable levels with neutral to positive coverage accounting for more than 90% of the tone of reporting, as shown in the table below. In the last calendar year average extreme negative to negative coverage was reduced to 7% from 8%, an indication that despite challenges of differing perceptions on largely conservation matters SANParks enjoys integrity in the media and public sphere.

The Kruger National Park continues to draw most of the media coverage as the flagship national park of the country, followed by the corporate organisation, Table Mountain National Park, Addo, Tsitsikamma and Kgalagadi National Parks. Tourism issues enjoy the most coverage in the media as there are far more publications and broadcast programmes that are targeting travel and leisure than there are environment or conservation related ones. Below is a table that shows a calendar year analysis on overall coverage for the organisation, displaying only neutral (or statement of fact) and positive to extremely positive coverage.

CORPORATE COMMUNICATIONS REPORT

Combined Media

Month	Frequency	Reach (in Millions)	% Neutral/Balanced Tone	% Positive Tone	Impact Score	Net Effect
January 06	240	31.64	86%	13%	+43%	+15 869 787
February 06	327	40.43	71%	26%	+37%	+19 131 204
March 06	301	34.73	39%	40%	+24%	+10 334 663
April 06	352	45.01	70%	26%	+35%	+22 109 959
May 06	244	21.65	61%	21%	+20%	+3 173 720
June 06	256	34.74	84%	15%	+38%	+17 010 306
July 06	338	63.24	86%	11%	+40%	+33 287 885
August 06	374	63.35	83%	15%	+39%	+32 335 528
September 06	303	46.12	76%	18%	+32%	+24 380 474
October 06	228	32.94	77%	11%	+24%	+7 576 972
November 06	202	26.04	82%	11%	+33%	+12 365 900
December 06	167	23.92	98%	1%	+40%	+10 752 141
POT	3 332	463.80	75%	18%	+34%	+208 328 539
Average						

Once again the reporting period saw media reports being dominated by the Elephant Management Report that was given to the Minister at the beginning of 2005, as well as his anticipated decision on the proposed measures for the overall management of elephants. Towards the end of the reporting period the draft norms and standards on elephant management were released by the Minister for public comment which, as indicated, generated considerable media and public interest, with additional focus on poaching, the ivory stockpile and the CITES decision on the sale of ivory.

Highlights of the media coverage included the following:

- Extensive public debate on the elephant management process and the sale of the Kruger National Park ivory stockpile.
- Extensive coverage of matters around safety and security in national parks with a special focus on incidents at TMNP and Kruger National Park.
- Poaching in national parks – especially rhino poaching.
- The successful launch in August 2006 of the Leadership for Conservation in Africa.
- SANParks' commitment to MATCH to provide some of the accommodation for the 2010 Soccer World Cup.
- 75th anniversary celebrations for Addo Elephant and the Kalahari Gemsbok (part of the Kgalagadi TFCA) National Parks.
- Stakeholder participation in the drafting of Park Management Plans.

- The DEAT allocation of R395 million for infrastructure development in national parks.
- The second annual Kudu Awards that took place in June 2006.

PR CAMPAIGNS & CORPORATE EVENTS

The Inaugural SANParks Week

The first SANParks Week was launched successfully, despite minor hiccups brought on by time constraints and shortage of adequate resources. The campaign was held on 18 – 24 September 2006.

The following areas of focus underpinned the programme:

- Providing access to the public through a free entry for South Africans to all national parks for a period of five days of the week, as well as bringing in organised groups to national parks in line with the People & Parks Programme of the organisation.
- Putting up of exhibitions on key issues pertaining to conservation of biodiversity at head office and identified parks in all the regions, including Kruger National Park.
- Public events that were aimed at promoting the event to local stakeholders in all the parks.
- Engaging media through partnerships in order to promote and explain the objectives of the programme to South Africans.

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- The celebration of 75 years of existence for the Kalahari Gemsbok National Park (now part of the Kgalagadi Transfrontier Park).
- A writing competition, with the theme 'Know Your National Parks', in celebration of the week, which was entered by 128 people.

The main aim of the programme is to encourage the South African public to have a general sense of pride in the natural and cultural heritage of the country.

The Second Kudu Awards

The second Kudu Awards showed an increase in the quality and number of entries from the public. The judges recommended winners in all the categories and because of the quality of the entries two of the categories had more than one runner up recommended for recognition.

Events

The year saw SANParks celebrating three of its oldest national parks after the Kruger National Park. The Kalahari Gemsbok, Addo Elephant and Bontebok National Parks were all proclaimed in 1931. The celebrations for Addo and Kalahari were held in the current financial year.

The 75th Anniversary Celebrations of the original Kalahari Gemsbok National Park, now an integral part of the Kgalagadi Transfrontier Park, took place on 19 September 2006 and was attended by Minister Marthinus van Schalkwyk, the Chief Executive, and by three hundred local community members and leaders from the San and Mier communities.

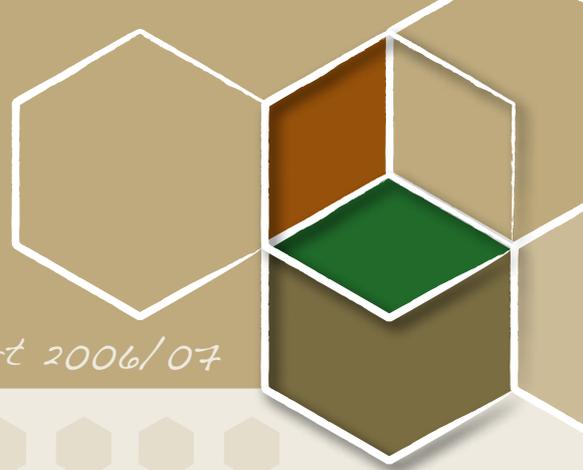
Celebrations for Bontebok will be held in the next financial year, once current upgrades on tourism facilities have been completed.

WEBSITE MANAGEMENT

In the year under review the website has continued to be the highlight of our communication efforts with a number of key initiatives and achievements which have enhanced the organisation's reputation amongst online stakeholders. Worth mentioning is the fact that the website community/forum has grown from the previously reported figure of 5 420 to 9 268 at time of reporting, despite the challenges faced with the breakdown of draw cards like the webcams. Activity in the discussions posted by the forum has led to a 51% growth to 101 026 active articles. The forum pages were viewed 1 861 602 times. The web forum continues to be the organisations most vibrant and vocal stakeholder base.

SANParks also launched a quarterly e-newsletter, Wild About Parks, in February 2007. The e-newsletter went to over 65 000 recipients and was well received.

In the period under review, the service of the website to the traveller was further enhanced with the upgrade of the accommodation availability online to daily updates of the information along with photographs of all accommodation types in national parks. The next step is to fully implement the real-time online booking system.



SPECIAL PROGRAMMES REPORT

EXPANDED PUBLIC WORKS PROGRAMME

During the year under review, SANParks continued with the implementation of the four Expanded Public Works Programmes funded by DEAT and DWAF. Implementation of the annual programmes, i.e. Working for Water and Working for Wetlands was finalised, while the end of March 2007 was also the final date for

the implementation of the 2004-2007 MTEF cycle programmes, i.e. the DEAT Social Responsibility "People and Parks" Programme. An extension of time was required for 6 projects and new projects to the value of R27,7 million were approved in 2006/07.

The expenditure and social deliverables achieved by these programmes over the past year are as follows:

Deliverable	DEAT Social Responsibility Programme			DWAF	Total
	People & Parks	Working for the Coast	Working for Wetlands	Working for Water	
Expenditure (R million)	125	12	3	34	174
No. of people employed	2 117	641	217	1 063	4 038
Person days worked	561 034	111 059	16 794	147 695	836 582
Training days	46 903	8 428	1 746	24 819	81 896
SMMEs created	54	8	19	120	201
SMMEs used	85	78	19	120	302
Amount paid to SMMEs (R million)	61	3,6	0	18	82,6
Value of construction contracts awarded to black owned companies (R million)	56	-	-	-	56

The physical deliverables achieved during 2006/07 are:

Deliverable	Achieved
DEAT Social Responsibility Programme	
People & Parks	
Upgrade & construct perimeter fences	292 km
Upgrade & construct roads	233 km
New tourism beds created	52 beds
Upgrade tourist beds	282 beds
Upgrade & construct new staff accommodation	109 units
Working for the Coast	
Coastal clean-ups	980 km
Beach patrols & monitoring of activities	385 km
Trails & boardwalks maintained	955 km
Dune veld rehabilitated	100 ha
Working for Wetlands	
Area of wetlands rehabilitated	7,783 m ³
DWAF	
Working for Water	
Initial clearing	2,368 ha
Follow up hectares cleared	126,834 ha
Alien fish eradicated	190 kg

INFRASTRUCTURE DEVELOPMENT PROGRAMME 2006/07-2009/10

Implementation started on the Infrastructure Development Programme 2006/07 – 2009/10 when the first year allocation of R35,5 million was spent to plan for the roll-out of the ensuing years, while implementation on smaller projects started. The total programme

value is R575 million with a focus on the upgrade of existing tourism and support infrastructure in national parks over a four-year period. R22 million of construction contracts were awarded to black owned companies (>50,1% ownership), while 465 people were employed working 24 317 person days.

The infrastructure deliverables achieved so far in the programme included:

- Tourism accommodation units upgraded.
- One hostel and four one-bedroom flats upgraded.
- Six new staff accommodation units.
- Three new rhino bomas.
- Silvermine Tented Camp completed as part of the Hoerikwaggo Tented Trail.
- Upgrade services – power and water.

THE LEADERSHIP FOR CONSERVATION IN AFRICA (LCA)

The LCA is an independent association of conservation agencies in Africa that was initiated by SANParks (with a full mandate from the SANParks' Board) in August 2006, with the support of two private sector patrons; Gold Fields Ltd. and the World Conservation Union (IUCN); and it operates as a Section 21 Company under the Companies Act, 1973 (Act 61 of 1973). The primary objective of the LCA is to harness the collective will and capacity of the private sector and conservation leadership for sustainable conservation-led socio-economic development in Africa, by actively advocating, promoting and initiating the involvement of the business community

and selected business leaders (nationally and internationally) in this African conservation initiative.

The LCA will benefit participating African countries substantially by drawing from SANParks' outstanding track record of sustainable development-focused transformative conservation strategies in South Africa, which have resulted in significant socio-economic impact around the national network of protected areas. Similarly, the LCA presents a huge opportunity for SANParks to share lessons and technical expertise with conservation agencies in other African countries, thus, enhancing strategic capacity and support for improved models of African protected areas operating sustainably and contributing to NEPAD's environmental agenda.

The strategic objectives of the LCA

In line with its vision as stated above the strategic objectives of the LCA are to:

- Create a partnership between conservation agencies in Africa, which would serve as a platform to share technical information regarding best (governance) practices, systems, processes, management- and financing-models, to enhance the capacity and competence level of all LCA member countries.
- Create solidarity and partnerships between Africa's conservation agencies and selected national (per member country) and international business leaders.
- Share modern business leadership techniques, skills and knowledge to promote one of Africa's unique products, its wildlife.
- Create opportunities for socio-economic development through conservation-led initiatives and investments in Africa.

Achieved Milestones

Since its inception on 26 August 2006, the following international role-players have been involved in the LCA:

- LCA Management Structure: At the launch of the LCA it was decided that the management structure will be set at three levels as follows:
 - LCA Council: The LCA Council is headed by a non-executive President (Presently Dr. David Mabunda, CE of SANParks) and the council consists of two members of each member country (one business and one conservation delegate), all business patrons, as well as international advisors.
 - Board of Directors: The Board of Directors, elected by the Leadership Council, consists of one representative each of the three founding members of the LCA, i.e. SANParks, the IUCN and Gold Fields, two representatives of the Africa conservation community and two representatives of the business community. The members of the Board elect the Chairperson of the Board.
 - Chief Executive Officer: The Chief Executive Officer (CEO) is appointed by the Board and serves ex-officio on the Board.

- African Member Countries: It is the aim of the LCA to expand its membership to all African countries once it is well established. However, for the purposes of launching the programme a selection criterion for the first countries to be involved was developed. The selection criterion was set out as follows: (a) all SADC countries and (b) countries with existing conservation ties with South Africa and (c) countries with a good conservation ethic, were invited. The National Conservation Authorities of the following 13 African countries accepted the invitation to become involved in the LCA: Botswana, Cameroon, Ethiopia, Ghana, Malawi, Namibia, Republic of Congo, Senegal, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.
- International Advisors: Three international advisors were approached and accepted the portfolio to advise the LCA Council and Board from time to time regarding the three core focus areas of the LCA. The advisors are as follows: On conservation matters it is the World Conservation Union (IUCN); on tourism and business development it is the United Nations World Tourism Organisation (UN-WTO); and on cultural heritage conservation, The Getty Conservation Institute (GCI).
- International Business leaders: Selected national and international business leaders were invited to become involved.

Implementation Plan

National LCA Chapters are to be established in each member country. To achieve this, the LCA Board will influence international and national companies and business leaders to work hand-in-hand with the national conservation authorities of each member country, with the aim of becoming strategic business partners. The overall aim of the National LCA Chapter is to initiate country specific conservation-led socio-economic development programmes. Each Chapter will, under the guidance and with the influence of the LCA Board, work towards (a) creating an enabling environment (b) ensuring quality, well-managed assets, (c) ensuring well managed systems and processes (d) and empowering people with ability to manage.

Meetings with the relevant authorities and business leaders have already taken place in Botswana, Cameroon, Ethiopia, Ghana, Malawi, Namibia, Republic of Congo, Uganda, and Zambia. National LCA Chapters, each having its own national strategic objectives, have already been established in Ghana, Republic of Congo and Uganda.

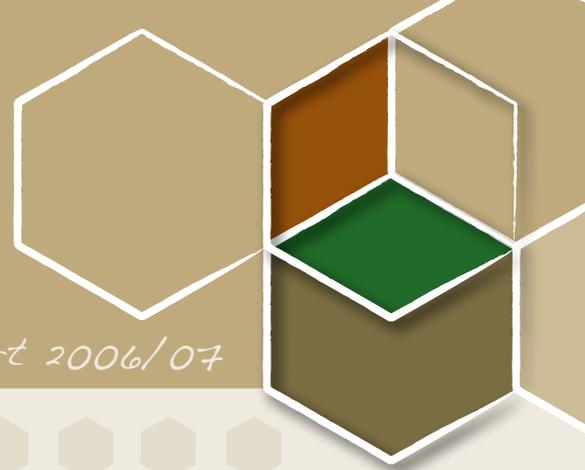
Financial Implications

At present the LCA activities are funded by Gold Fields Ltd, The Howard Buffet Foundation and the Plattner Foundation (via the Fancourt Group in South Africa). Other international patrons will be approached to support the LCA on an annual basis, to carry the operational expense of the CEO and his/her executive team. The long-term goal, however, is that the international business patrons will sustain the operational costs of the offices of the CEO and the national business leaders will sustain the operational costs per LCA Chapter.

PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2006/07

Balanced Scorecard Perspective	Strategic Objective/Goal	Key Performance Area	
Learning and development perspective	<p>Attract and retain the best Human Capital</p> <p>Develop and enhance systems and processes supportive of talent management – particularly aimed at recruiting and retaining the best available talent for identified key positions</p>	Enhanced Recruitment Strategy – including support systems and processes	
		Implementation of Remuneration Strategy	
	<p>Create a culture of learning and development of employees</p> <ul style="list-style-type: none"> • Drive programmes aimed at improved performance through knowledge, skills and organisational core competencies, • Ensure leadership at all levels of the organisation that is underpinned by focused coaching and mentorship programmes 	Coaching and Mentoring Programme	
	<p>Ensure best practices in understanding and managing wellness and related activities</p> <ul style="list-style-type: none"> • Enhance the organisation's competency to deal with the negative effects of the HIV and Aids pandemic • Ensure organisation-wide awareness and active involvement of employees in all associated programmes 	"Know Your Status" Campaign	
Internal processes perspective	<p>Attain leadership in biodiversity and cultural heritage management</p> <ul style="list-style-type: none"> • Set scientific and management benchmarks for conservation entities in south africa, africa and a greater part of the world regarding conservation of biodiversity and cultural heritage • Adopt best practice policies, management systems and approaches 	Implementation of the State of Biodiversity Management Reporting System	
		Implementation of the State of Indigenous Knowledge and Cultural Heritage Management Reporting System	
	<p>Effective management of revenue and expenditure (OPEX & CAPEX)</p> <ul style="list-style-type: none"> • Institute the systems and disciplines for effective management and monitoring of the utilisation and expenditure of the organisation's financial resources at all levels • Ensure understanding and provisioning for the organisation's legal liabilities • Ensure effective and efficient collection of the organisation's revenues 	Budgeting, Forecasting and Variance Management Programme	

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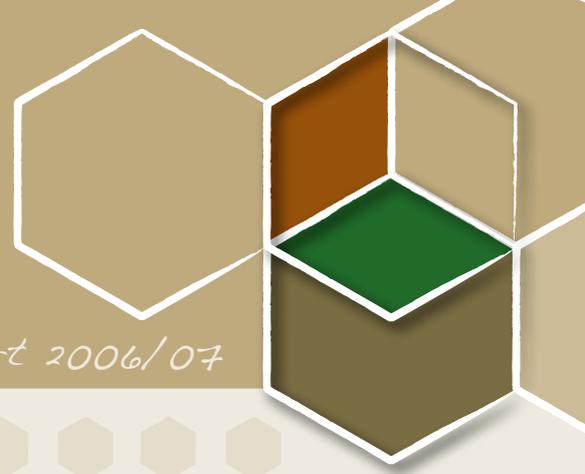
Key Performance Indicator/Target	Performance Result	Comments
Speed of recruitment – average cycle time, from time of vacancy to the placement of new appointment - twelve weeks average cycle time	The time to fill vacancies has improved by 20% during the year to an average cycle time of twelve weeks for internal candidates	
80% retention of employees in identified key positions	90% achieved	The Review of the Remuneration Strategy led to a decision to undertake job profiling of all the jobs in the organisation before the pay parity exercise could be undertaken
98% achievement against project plan	100% achievement as per project plan.	Thirteen mentors and 40 protégés participated in the Coaching and Mentoring Programme
Percentage (%) of employees who know their status – those who take up voluntary counselling and testing • Leadership – 100% • Total employee base – 50%	• 100% of leadership (Executive Committee Members) participated • 52% of employees participated	A Marketing and De-stigmatisation Campaign was launched to ensure that appropriate peer support is facilitated for affected employees
98% achievement against project plan Determine Measurement Baseline for State of Biodiversity	100% achievement in terms of development of system Baseline determined in five parks	The Reporting System was established in the SANParks' Management Plan Framework as a key performance measure of biodiversity conservation and cultural heritage at park level The baseline for all the other parks will be established in the next year
98% achievement against project plan Determine Measurement Baseline for State of Cultural Heritage	100% achievement in terms of development of the system Baseline established in five parks	A State of Indigenous Knowledge and Cultural Heritage Management Reporting was successfully developed
<10% variance of actual against budget, and forecast	Average variance of 1% on the budgeted operating surplus	The organisation's performance against budget shows a variance of 5.8% positive variance on operating income, and 6% budget deviation on total expenditure Land grant is of capital nature, thus it does not form part of operating revenue



PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2006/07

Balanced Scorecard Perspective	Strategic Objective/Goal	Key Performance Area	
	<p>Effective management of revenue and expenditure (OPEX & CAPEX)</p> <ul style="list-style-type: none"> • Institute the systems and disciplines for effective management and monitoring of the utilisation and expenditure of the organisation's financial resources at all levels • Ensure understanding and provisioning for the organisation's legal liabilities • Ensure effective and efficient collection of the organisation's revenues 	<p>Effective management of all contracts</p> <ul style="list-style-type: none"> • Instituting legal due diligence on existing contracts <p>Improving the efficiency of the Reservation and Collection System (RoomSeeker)</p> <ul style="list-style-type: none"> • Integrate Wild Card System with RoomSeeker • Integrate web-based reservations to RoomSeeker 	
	<p>Advance Strategic Human Resources Management</p> <ul style="list-style-type: none"> • Strive to move the HR function from a transactional to a strategic business enabler for SANParks through value-adding systems, processes, programmes and interventions 	<p>Change Management Programme for the implementation of the Balanced Scorecard Management System</p> <p>Performance and Consequence Management System</p> <p>Employee Satisfaction Surveys (ESS)</p>	
	<p>Enhance research and development</p> <ul style="list-style-type: none"> • Enhance the competency and effectiveness of SANParks' research and development programmes to build leadership positions in its core business areas 	<p>Enhanced Scientific Advisory Council</p> <p>Cape Town Research Node</p> <p>Research and Publications Programme</p> <ul style="list-style-type: none"> • Social Science Research (SSR) • Other research 	

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Key Performance Indicator/Target	Performance Result	Comments
100% of contracts that have undergone legal due diligence at corporate level (Groenkloof - Head Office)	100% achieved	A project plan has been completed in respect of legal due diligence planned for head office to focus on land and related agreements concluded for the benefit of the different national parks
98% achievement of the project plan for improving the efficacy of the Reservation and Collection System	Integration of the Wild Card System with RoomSeeker has been put on hold Integrate web-based reservations to RoomSeeker Implementation of the project was on schedule at the end of the year under review	The future of the Wild Card administration company is uncertain due to the curatorship of its holding company Until the future has been resolved the project has been put on hold
98% achievement against Change Management Project Plan	100% achievement of project plan	A service provider was appointed during the quarter under review to evaluate / assess the implementation (and change management) process The report and recommendations of this assessment will be made available in the new financial year and will inform further change management interventions for the next financial year
80% of employees that are evaluated on performance each quarter	On average approximately 60% of employees were evaluated each quarter By the last quarter all employees (100%) in C band and above were evaluated	A culture of managing performance was enhanced through the goal of the organisation aimed at ensuring that performance appraisal of employees take place on a quarterly basis
70% of employees that are satisfied with SANParks	Project postponed to the next year	This project was rolled over to the next financial year following the secondment of the organisations psychologist to a key strategic project
98% adherence to SANParks' Enhanced Scientific Advisory Council Project	100% achievement against plan	Apart from the establishment of SANParks' focused Advisory Council the organisation participated actively in the development of elephant management norms and standards through the "Elephant Science Round Table"
Operationalise the Cape Town Research Node per project plan	100% achievement per project plan	Planning is on schedule Building work is due for implementation in 2007/08
10% growth in number of articles published in accredited journals	100% achieved	Target exceeded in that two accredited articles published against the target of one, six popular articles published There were on average 200 active research projects during the past year with about 380 participating researchers The ratio between basic and applied research is about 40% and 60% Of the active projects 70% are run by South African researchers and 30% by international researchers A total of 26 local academic and science institutions and 30 international institutions are involved in research in the Kruger National Park During the past year twenty scientific publications were produced from research done in the Kruger National Park



PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2006/07

Balanced Scorecard Perspective	Strategic Objective/Goal	Key Performance Area	
	<p>Achieve good Corporate Governance Management</p> <ul style="list-style-type: none"> Institute systems and programmes aimed at increasing compliance and adherence to corporate governance best practices 	Corporate-Wide Risk Management Programme	
		Records Management System	
		Occupational Health and Safety (OHS) Programme	
	<p>Implement Broad Based Transformation</p> <ul style="list-style-type: none"> Institute programmes that contribute effectively to the transformation of the organisation, the conservation and tourism industries, and South Africa's socio-economic development in general 	Implement the Tourism BEE Charter and Scorecard	
		Preferential Procurement Programme	
		Employment Equity Plan	

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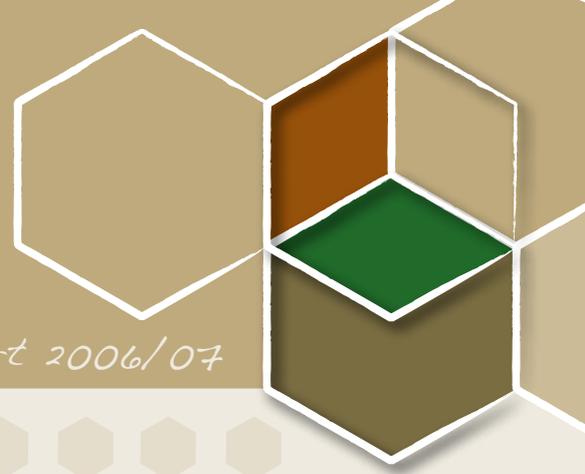
Key Performance Indicator/Target	Performance Result	Comments
5% improvement of the organisation's Enterprise-Wide Risk Profile	15.65% improvement achieved	A number of initiatives completed during the course of the year resulted in the improvement of the corporate risk profile. These include amongst others the roll out of Park Management Plans as required by the Protected Areas Act, implementation of OHS strategy, formalising of Disaster Recovery Plan and implementation of critical components thereof.
100% compliance to Record Management legislation	100% achieved	100% compliance was achieved despite the Electronic Document Management System (EDMS) Project being put on hold as it will potentially be affected by the investigation into the proposed Enterprise Resource Planning System (ERPS).
98% achievement of the OHS Programme's project	100% achieved	Lack of OHS resources in one of the regions led to a lower national average than planned.
75% Compliance to OHS Legislation	68% achieved	Resources have been appointed and should contribute to better performance in the next year.
Achieve "Good BEE contributor" status	"Good BEE Contributor" status achieved.	SANParks' self-assessment score as per the Tourism BEE Charter and Scorecard is 80.34% making SANParks a "Good BEE Contributor".
50% of procurement value from BEE compliant organisations	52.96% achieved	SANParks procurement from BEE compliant and discretionary suppliers was 50.79% as at the end of the financial year. The inclusion of non-discretionary suppliers improves the ratio to 52.96%.
Employment Equity ratio as a percentage (%) of the total employee base 94%	96.7%	The focus of recruitment for the next financial year will continue to be on black women in the middle management.
Employment Equity ratio as a percentage (%) of senior management 33%	58%	
Black women as a percentage (%) of senior management 19.5%	20%	
Employment Equity ratio as a percentage (%) of middle management 56%	57.5%	
Black women as a percentage (%) of middle management 18%	15%	



PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2006/07

Balanced Scorecard Perspective	Strategic Objective/Goal	Key Performance Area	
		Expanded Public Works Programme	
		DEAT's People & Parks (Poverty Relief Projects)	
		• DEAT's Coast Care	
		• Working for Water	
		• Working for Wetlands	
Stakeholder and Customer Perspective	<p>Transform the domestic guest profile, through growth, to be representative of SA Society</p> <ul style="list-style-type: none"> • Implement marketing and public relations programmes aimed at growing new markets, particularly the black visitor numbers 	Implementation of SANParks' overall Marketing Strategy and Programme – including segmentation and pricing strategies, as well as above-the-line marketing, amongst others	

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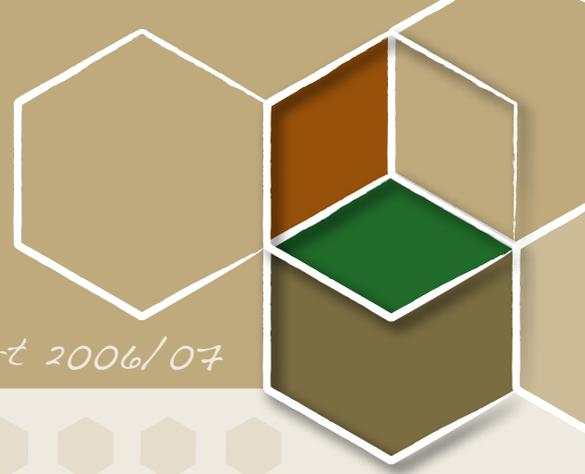
Key Performance Indicator/Target	Performance Result	Comments
90% achievement against EPWP project plans	93.5% achievement on spending for EPWP was achieved	The three-year programme cycle for P&P and WfWC came to an end, as well as close down of the annual WfW and Wetlands Programmes Of the planned R368 million expenditure for all EPWP programmes, R279 million was spent = 93,5% All programmes employed 8 119 people, 1,3 million person days were worked, 369 SMMEs were created, and 650 SMMEs were used and R129 million paid to these SMMEs
80% of procurement value from BEE compliant organisations	107% of target achieved for employing black owned companies (85,6% of procurement value)	Contracts to value of R83,5 million were awarded to black owned companies Planned was R77,9 million
90% on new tourism products introduced this year	88% of allocated budget on tourism project spent	R44,267 million was spent to develop new tourism products including 40 km roads, two entrance gates, two camp sites, 32 tourist beds
100% rehabilitation of land (redundant structures, farmlands and archaeological sites)	101% of rehabilitation plan achieved	R3,1 million was spent on various rehabilitation projects including 400 ha of farmlands, 83 redundant structures removed and four archaeological sites were rehabilitated
100% expenditure as per programme implementation plan	91,7% achieved	R231 million of R252 million planned expenditure for the programme achieved Deliverables include 292 km of perimeter fences, 233 km of roads, upgrade 282 tourist beds, 109 staff units upgraded or new
100% expenditure as per programme implementation plan	93,2% achieved	The Working for the Coast projects achieved a programme expenditure of R21,8 million of the available full year budget of R23,4 million 980 km of coastal clean-ups, 385 km beach patrols were done, 955 km trails/boardwalks maintained and 100 ha dune veld
100% expenditure as per programme implementation plan	109% achieved	The initial annual allocation of WfW project of R31,1 million was increased to R35 million by DWAF, due to SANParks' capacity to spend funds and performance Follow-up clearing of 126 835 ha was achieved; initial clearing of 2 368 ha was done and 190 kg of alien fish was eradicated
100% expenditure as per programme implementation plan	88,6% achieved	All Working for Wetlands Projects were extended to 30 April 2007 due to a cash flow situation Planning has been completed for 2007/8. 7,783m ³ of wetlands were rehabilitated.
Black visitors as a percentage (%) of total visitors for all parks currently recording demographics – 22%	18% achieved	Although the percentage of black visitors was lower than the target, the year on year growth of black visitors was 16%
67% of overall occupancy levels in SANParks' overnight facilities	69.2%	



PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2006/07

Balanced Scorecard Perspective	Strategic Objective/Goal	Key Performance Area	
	<p>Become the nature-based Tourism destination of choice</p> <ul style="list-style-type: none"> Institute programmes that will position SANParks competitively in its focused market segments, thus becoming the preferred destination in the market 	Revision of Commercialisation Strategy – complete revision of strategy and develop implementation plan	
		Implement grading across all SANParks' overnight facilities	
		Tourism Infrastructure Development Programme	
		Replacement of Kruger National Park restaurant operator	
	<p>Be the custodian of choice for protected areas</p> <ul style="list-style-type: none"> Strive to position SANParks as the ultimate management agency of choice to whom stakeholders prefer to conferring the management of potential or future protected areas/land for potential conservation 	Park Consolidation and Expansion Programme	
		<p>Specific Biome Initiatives:</p> <ul style="list-style-type: none"> Agulhas Biodiversity Initiative (ABI) Garden Route Mega-Park Initiative Golden Gate – Qwa-Qwa Amalgamation 	

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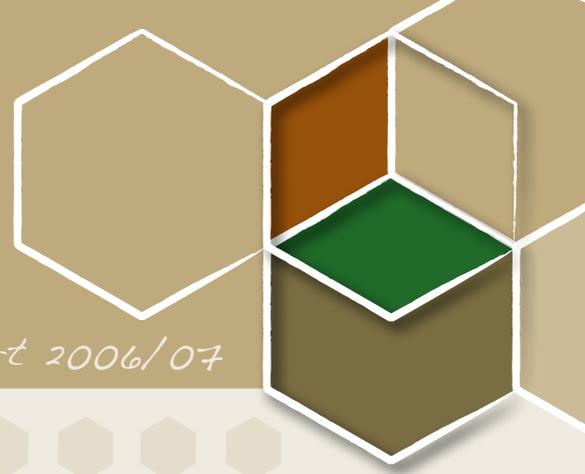
Key Performance Indicator/Target	Performance Result	Comments
98% achievement against project plan	100% achieved	The Strategic Plan for Commercialisation (SPfC) was finalised during the year The SPfC will be formally submitted to the National Treasury in the first quarter of the next financial year
100% of tourism products graded as per tourism grading council requirements	90% of SANParks' facilities have been assessed by the Tourism Grading Council	Although the organisation was ready to have all its facilities evaluated, time was not sufficient to complete the full schedule
100% delivery on projects relating to Infrastructure Upgrading Programme	100% achieved	The full budget of R35,5 million was spent A total of 465 people were employed, achieving 24 317 person days of temporary employment 52 tourism units were upgraded, six new staff units constructed, Silvermine Tented Camp was completed and three rhino bomas were constructed
98% achievement against project plan	100% achievement against plan	The tender process as per Regulation 16 (10) of the PFMA Act was followed to appoint a new operator The replacement operator would take over operations on 1 April 2007
20 000 ha of land brought into the National Parks' System, under SANParks' management	24 000 ha brought into SANParks' management	Future emphasis needs to be on biodiversity representivity than on hectarage
70% achievement against specific Biome Initiative Plans	<p>All projects achieved their key milestones</p> <p>An independent consultants report has indicated the successful implementation of ABI at it's mid-point</p> <p>The Garden Route Mega-Park Initiative reached a point where SANParks took over the management of the DWAF forests under delegation in 2006/07</p> <p>The amalgamation of the Qwa-Qwa Reserve and the Golden Gate National Park was revived in 2006/07 and had reached an advanced stage by yearend</p>	<p>Challenge is on SANParks' legal mandate in terms of off-reserve conservation initiatives</p> <p>The ABI Project has become recognised as a model for 'Managing beyond Boundaries' in line with the theme of the World Parks Congress</p> <p>Areas under delegation in the Garden Route comprise the management of 98 000 ha of indigenous forests, mountain catchments, and plantation exit areas</p> <p>SANParks has made every effort to work together with other agencies in order to give a higher state of protection through national park status to the 22 000 ha of grassland comprising the Qwa-Qwa Reserve</p>



PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2006/07

Balanced Scorecard Perspective	Strategic Objective/Goal	Key Performance Area	
	<p>Be the custodian of choice for protected areas</p> <ul style="list-style-type: none"> Strive to position SANParks as the ultimate management agency of choice to whom stakeholders prefer to conferring the management of potential or future protected areas/land for potential conservation 	<ul style="list-style-type: none"> Establishment of the "New Vaalbos" National Park 	
		Removal of Alien Invasive Species	
		Implementation of the Transfrontier Conservation Areas (TFCAs) Programme	
		Roll out of Park Management Plans as part of the Protected Areas Act implementation	
	<p>Contribute to Local Educational and Socio-economic Development</p> <ul style="list-style-type: none"> Engage in meaningful programmes that add educational and socio-economic value to communities bordering National Parks, as well as throughout South Africa 	<p>Effective constituency building through Park Forums</p>	
		Environmental education – Kids in the Parks Programme and Morula Kids	

South African National Parks Annual Report 2006/07



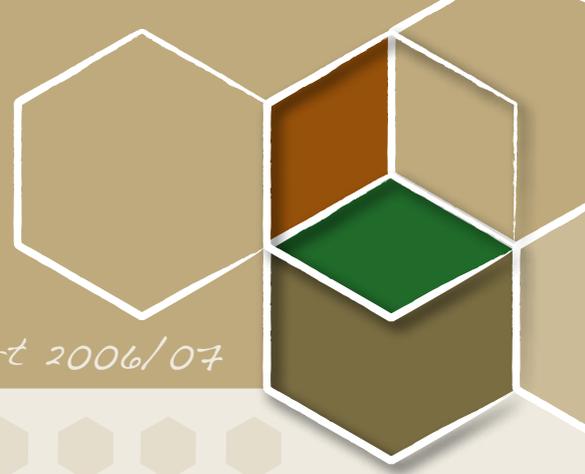
Key Performance Indicator/Target	Performance Result	Comments
70% achievement against specific Biome Initiative Plans	The "New Vaalbos" National Park came into operation on 1 November 2006	SANParks worked closely with the Land Claims Commission and other role-players in order to successfully settle the land claim on the "Old" Vaalbos National Park A new property of 20 000 ha (Wintershoek) was purchased west of Kimberley, in order to set up the new park Over 1 200 animals were translocated from the old Vaalbos, of which 860 went to the new park
121 315 ha of follow-up clearing	126 834 ha (104%) achieved	All projects were closed down and the Annual Plans of Operation for 2007/08 were approved to allow immediate implementation in the new year
90% implementation of TFCA per project plan	80% implementation of the TFCA plan was achieved	Notable achievements included the further development of the GLTP through the official opening of the Giryondo Tourist Access Facility and the continuation of Wildlife Translocation Programme; the completion of the South African component of the Sendelingsdrift Border Post in the ARTP; the development of a draft KTP Integrated Tourism Development Plan; and the signing of the Limpopo-Shashe MoU
100% of parks with active Park Management Plans	All parks have management plans	The Park Management Plans were submitted to DEAT on 1 November 2006
80% of parks to have legitimate and operational Park Forums (thirteen out of sixteen parks – the rest were exempted)	70% of parks had approved Park Forums	The terms of reference for Park Forums have been revised through stakeholder participation and parks with established forums total to fifteen There are three parks that are in the process of establishing park forums and three parks with exemptions
98% delivery against Environmental Education Plan 85 000 learners to go through programmes	100% achievement against plan 100 000 learners went through programmes	22 parks introduced programmes for learners and visitors Environment, Interpretation and Education Programmes: For the year to date, including the quarter under review, 51 000 learners visited the Kruger National Park and 49 000 visited all the other 21 national parks respectively The target was exceeded by 15 000 learners going through this programme Kids in Parks - The totals for all other ten participating parks stand at 4 777 learners and 300 educators All national parks except for the new Mokala National Park introduced programmes for learners and visitors
Morula Kids Competition – 25% return rate on entries to the 10 000 forms distributed	33% return rate achieved	Morula Kids – entries to this educational competition reached 3 272 learners; 5% increase on previous year



PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2006/07

Balanced Scorecard Perspective	Strategic Objective/Goal	Key Performance Area	
	<p>Contribute to Local Educational and Socio-economic Development</p> <ul style="list-style-type: none"> Engage in meaningful programmes that add educational and socio-economic value to communities bordering National Parks, as well as throughout South Africa 	<p>Youth Development – Imbewu Programme and Junior Honorary Rangers (JHR)</p>	
		<p>Land Restitution Programme</p>	
	<p>Enhance Sanparks' Reputation</p> <ul style="list-style-type: none"> Engage in programmes aimed at enhancing the brand and reputation of SANParks with all key stakeholders 	<p>Media Programme – aimed at Reputation Building</p>	
		<p>Annual "National Parks'Week"</p>	
		<p>Programme for Nature Based Leadership in Universal Access</p>	

South African National Parks Annual Report 2006/07



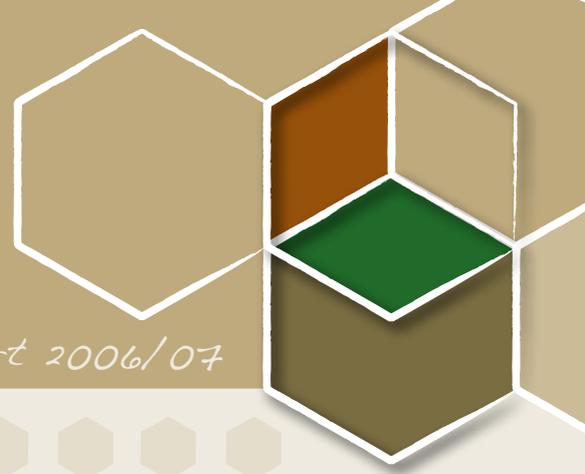
Key Performance Indicator/Target	Performance Result	Comments
98% delivery against Environmental Education Plan New JHR applications, and 80 graduates	100% achievement of plan	<p>Junior Honorary Rangers –</p> <ol style="list-style-type: none"> 1) The target of 200 applications was exceeded in that there were 228 new applications, and 2) 115 youth graduated; 3) A programme to boost the number of black honorary rangers commenced with 68 youth at tertiary institutions being monitored and groomed <p>The target for Imbewu was exceeded in that 162 youth participated</p>
70% delivery against Restitution Plans	100% achievement on the restitution process in three national parks (Vaalbos, Riemvasmaak and Tsitsikamma)	<p>There were no new claims processed during the last quarter of the year</p> <p>A scenario planning exercise is being conducted to enable SANParks to appropriately plan a response strategy</p> <p>In addition, Post-Restitution Support Programmes were implemented in four parks- Richtersveld, Kgalagadi, Marakele (monitoring resettlement recommendation implementations) and Augrabies</p>
80% achievement against Media Programme	Media programme implemented as planned	<p>SANParks received mostly positive to neutral media coverage during the period under review, growing from 92% to 93% compared to last year.</p> <p>Negative coverage was reduced by 1% from 8% to 7% compared to last year</p> <p>The website stakeholder forum membership has grown from 5 420 to 9 268 members and was viewed 1 861 602 times</p> <p>Active discussion articles posted by the public forum have grown to 101 026 (a 51% growth from previous year)</p> <p>Over 20 million hits and over 130 000 visits monthly to the website</p>
98% achievement against National Parks' Week Plan	The National Parks week took place as planned (100% achievement of implementation)	<p>The inaugural SANParks Week was launched at the head office (Groenkloof National Park) on 18 September and the campaign was held between 18-24 September 2006</p> <p>Approximately 18 000 South Africans gained free access to parks over a period of five days</p> <p>Eleven national parks participated in the free access campaign</p> <p>The "National Parks Week" campaign was 60% sponsored by First National Bank</p>
70% achievement against best practices for Universal Access	All (100%) new facilities have been subjected to Universal Access principles and standards	The current percentage of universally accessible accommodation (both old and new) facilities is 3.63%



PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES 2006/07

Balanced Scorecard Perspective	Strategic Objective/Goal	Key Performance Area	
	<p>Enhance Sanparks' Reputation</p> <ul style="list-style-type: none"> Engage in programmes aimed at enhancing the brand and reputation of SANParks with all key stakeholders 	<p>Maintaining a presence in key international markets</p> <ul style="list-style-type: none"> Leverage off from S A Tourism's international offices Attendance of international market's road-shows 	
Financial Perspective	<p>Grow Revenues (incl. alternative sources of revenue)</p> <ul style="list-style-type: none"> To improve the financial sustainability of SANParks through growth in all potential revenues 	Tourism Revenue Generation Plan	
		Develop and implement SANParks' Yield Management Efficiency Programme	
		Review Sales Strategy and Model, and introduce an Incentive Programme for sales staff	
		Wild Card Sales	
		2010 World Cup Opportunities' Realisation Programme Finalise Strategic Plan Implement Plan	
	<p>Improve Income to Cost Ratio</p> <ul style="list-style-type: none"> Strive for continuously better increases in total income versus the relative increase in total costs 	Price Maximisation Programme for Top 20% high value service providers – as a cost reduction measure	

South African National Parks Annual Report 2006/07



Key Performance Indicator/Target	Performance Result	Comments
98% achievement against plan	100% achievement against plan	Apart from tourism related presence in the international markets, SANParks spearheaded the launch of the Leadership for Conservation in Africa (LCA) which brought together conservation agencies from fifteen African countries in pursuit of best practise sharing and providing collaborative pursuit of programmes towards leadership in conservation in the African continent
100% achievement against total tourism revenue budget of R458 500 000	110% achieved at R511 million	Key tourism statistics remain positive across all indicators with unit and bed occupancies up by 4,8% and 5,8% percentage points respectively, compared to previous year Persons camping is up by 17,8%, while guests on activities increased by 15,3% Visitors to parks grew by 9,5% In terms of tourism revenue, gross operating revenue is R53 million better than budget and has increased with R89.1 million compared to the previous year
98% achievement against Yield Management Efficiency Programme	100% achievement of the basic fundamentals per project plan	The SANParks "efficiency heartbeat" report is now fully implemented and is circulated across SANParks This report gives management a daily and weekly view of their progress in achieving occupancy and income targets The RoomSeeker efficiency index (REI) has also been implemented and this will enable management to monitor RoomSeeker/reservation process compliance levels
98% achievement against project plan	Sales strategy and model has been reviewed	This incentive programme will now be considered in 2008/09, after all jobs have been profiled
90 000 Wild Cards sold to Active Members 10% growth in Wild Card income year on year	85 700 Wild Cards sold to Active Members 7% growth in income achieved	The Fidentia scandal had a negative impact on consumer confidence in the programmes technical partner (Infinity)
98% achievement against 2010 World Cup Opportunities' Realisation Programme	100% achievement against plan	After several discussions with MATCH (FIFA appointed body to manage accommodation, ticketing and IT systems for the event), SANParks entered into an agreement with them that enhances the strategic plan
Ratio of gross operating revenue as a percentage of total expenditure at 78%	82% achieved	We have experienced an over collection of revenue and cost measures efficiencies were achieved Negotiations have been undertaken with a few of the top 20% high value service providers Most of the service providers will be attended to in the next financial year

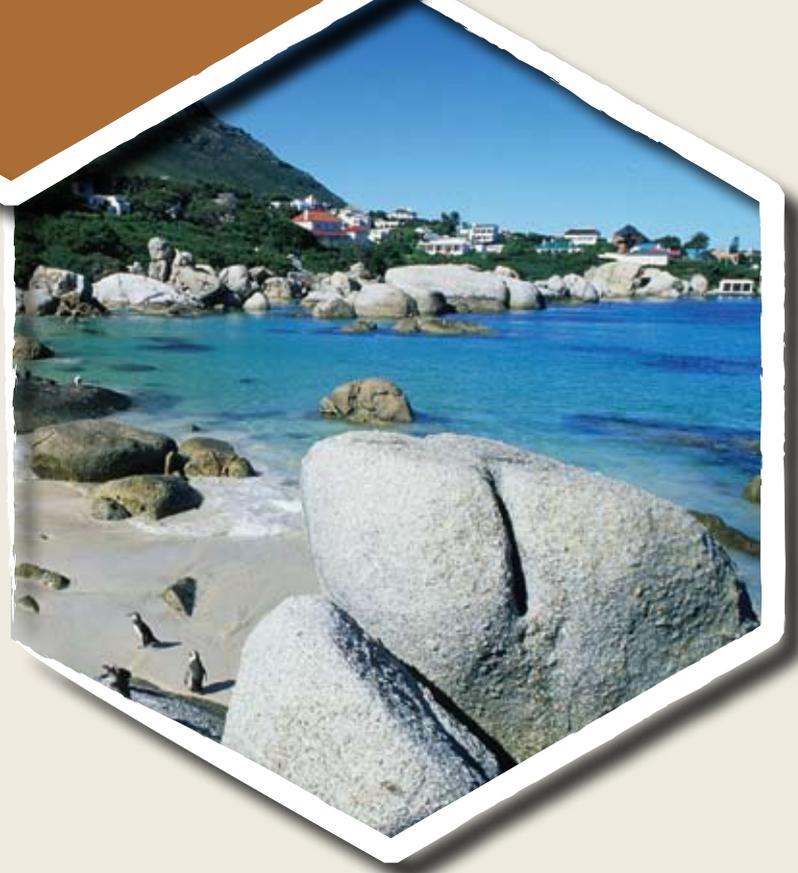
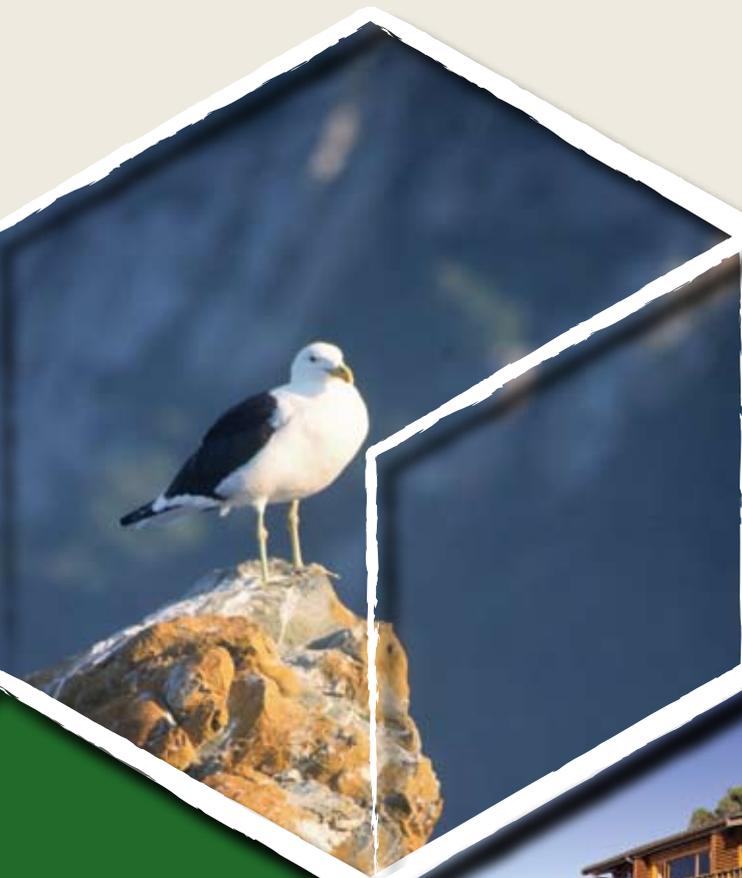




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STATEMENT OF RESPONSIBILITY OF THE BOARD

for the year ended 31 March 2007



The Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, requires the Board (accounting authority) to ensure that SANParks keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of SANParks, 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 SANParks are ultimately responsible for the preparation, integrity and fair presentation of the annual financial statements of SANParks. 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 SANParks's financial statements and the Auditor-General's report appears on page 85

The annual financial statements presented on pages 87 to 119 have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice as well as Standards of Generally Recognised Accounting Practice 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 SANParks's budgets and cash flow forecasts for the year ended 31 March 2007. On the basis of this review, and in view of the current financial position, the Board has every reason to believe that the organisation will be a going concern in the year ahead, however this is dependant on continued future funding from Government. The annual financial statements support the viability of SANParks. 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. SANParks maintains internal financial controls to provide assurance regarding:

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

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

The Board has reviewed SANParks's systems of internal control and risk management for the period from 1 April 2006 to 31 March 2007. The Board is of the opinion that SANParks'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 SANParks at 31 March 2007 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 2007, set out on pages 87 to 119, were submitted for auditing on 31 May 2007 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 2007

Dr MD Mabunda
CHIEF EXECUTIVE
Pretoria, 31 May 2007



ACCOUNTING AUTHORITY'S REPORT

for the year ended 31 March 2007

The Accounting Authority of SANParks hereby presents its report for the year ended 31 March 2007.

Nature of business

South African National Parks is a statutory organisation, a Section 3A Public Entity, governed by the Protected Areas Act No. 57 of 2003, 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 87 to 119.

Revenue

Total revenue from tourism, retail, concessioning and other increased to R594,58 million in 2007 from R486,05 million in 2006. This represents an increase of 22%. The increase can be attributed to KNP Restaurants that were operated by SANParks under the management of Compass Group. This was a temporary arrangement and as from 1 April 2007, Compass Game Park Services has taken over the concession as the KNP Restaurant Operator for a period of 10 years. The other increases in revenue is due to increased lodge concession fees and tourism growth.

Net Income before investing activities

In 2007 SANParks generated income before investing activities amounting to R26,86 million compared to R27,17 million in 2006. The main contributing factors were:

- Improved gross revenue referred to above;
- an increase of R18,33 million in operational grants; and
- an increase of R3,84 million in income from the sale of fauna and flora

The improvements above are offset by:

- the effect of inflation on expenditure and KNP restaurants cost of sales inclusion;
- a decrease of R16,29 million in donations; and
- increased compensation of employees due to increased head count to operate KNP restaurants.

Net investment income

The income from investments and interest increased by R3,07 million from the previous year. The increase is mainly attributable to the higher interest rates prevailing in the market and favourable bank balances.

The finance cost increase of R4,14 million from the previous year is due to IAS 39 (Financial Instruments: Recognition and Measurement) implementation.

Actual performance versus budget

The SANParks budgeted for a break even position. A profit of R27,36 million was achieved in 2007. The deviation with the budget is mainly due the Land acquisition grant of R31,05 million received from DEAT. Due the application of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) only R21,08 million were expensed in the current year.

Expanded public works programme

"People and Parks" Programme

The purpose of DEAT's Social Responsibility Programme is the creation of temporary employment and skills development opportunities in the sphere of environment and tourism for unemployed people through the implementation of labour intensive projects under the auspices of the People and Parks Programme. SANParks acts as an implementing agent for DEAT.

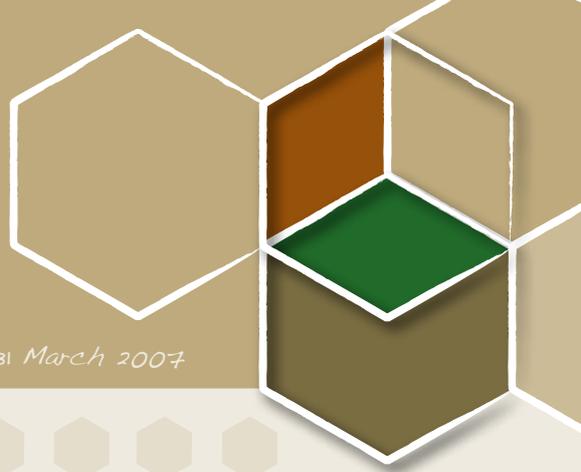
The majority of projects in this programme were completed to conclude the three-year programme cycle – some projects were put on hold, deferred or delayed. Over the past year, the budget was grown from an initial R280 to a R333 million allocation, and work on these new projects will continue in 2007/08. Expenditure of R124,6 million was achieved for the year, increasing the total expenditure to R231 million. The programme deliverables achieved to date are 904 412 person days worked, 6 198 people employed, 76,195 days of training given, 134 new SMME's created, 415 SMME's used while R111 million was paid to SMME's. Contracts to the value of R152 million were awarded of which 76% went to black owned companies and 9% to black empowered companies. Construction and upgrade of 233km of roads, 292km of fences, creation of 52 new tourist beds, upgrade of 282 tourist beds and the upgrade of 109 staff accommodation units was completed.

Working for the Coast Programme

The Coast Care programme consists of projects and products that contribute to the goals and objectives of DEAT's coastal policy.

Using poverty relief funding from the DEAT, Coast Care provides jobs and training for unemployed people in coastal communities to create and maintain a cleaner and safer coastal environment.

Annual Financial Statements - for the year ended 31 March 2007



The implementation of the Coast Care Programme for the 2004-2007 cycle was completed, with extension of time and funding to the value of R2 million granted by DEAT to allow continuation of the projects up to September 2007. R22,9 million of the available budget of R23,4 million was spent. During this time, 225 269 persons days and 21 982 training days were achieved, while the beach clean-ups, rehabilitation of illegal roads, monitoring of vegetation, etc. were done as part of the programme deliverables.

Working for Wetlands Programme

Working for Wetlands is a part of the Working for Water Programme that is administered through the Department of Water Affairs and Forestry.

Rehabilitation work carried out by workers employed in the wetlands projects includes gabion construction, the removal of invasive alien plants in the immediate area, surveying of flood irrigation furrows, construction and placing of grass bale gabions and leveling of drainage furrows.

The annual Working on Wetlands programme is almost completed, with a month extension granted to April 2007 to complete work on all projects. A total expenditure of R3,1 million was achieved of the R3,5 million budget. All planned deliverables will be achieved with the current status of 7 783 cubic meters of rehabilitation done, 16 794 person days worked and 1 746 training days.

DWAF Working for Water Programme

The fight against invasive alien plants is spearheaded by the Working for Water (WfW) programme, launched in 1995 and administered through the Department of Water Affairs and Forestry. All WfW projects for the 2006/07 cycle were concluded by 31 March 2007. The available budget of R31 million was increased to R35 million to accommodate extra work done. The deliverables achieved include the following: 147 695 person days worked; 126 834 ha of follow-up work done and 2 368 ha initial clearing was done.

Infrastructure Development Programme

The Infrastructure Development Programme is funded by DEAT and is directed towards the development and upgrading of Tourism Facilities, Personnel accommodation and infrastructure services within the National Parks.

40% of the funding goes towards creating and upgrading facilities that is income generating and aims to ensure self-sustainability of SANParks, whereas 60% goes toward the creating and upgrading of non-income generating infrastructure in order to support the income generating facilities within SANParks.

Year 1: 2006/07

The allocation of R35,5 million for Year 1 of this four-year programme was spent with a focus to do the planning of projects identified for roll out in 2007/08 and the following years. Implementation started on some of the projects and year 1 of the programme saw 465 people employed and 24 317 person days worked. R21,6 million (83%) of the R26 million contracts awarded went to black owned companies. The infrastructure deliverables achieved include the upgrade of 52 tourism accommodation units, six new staff accommodation units, three new rhino bomas, construction of Silvermine Tented Camp on the Hoerikwaggo Trail and various upgrades of bulk services.

Recognition of fauna and flora

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

Acquisition of property, plant and equipment

During the year SANParks acquired land at a cost of R23,33 million (2006 - R51,47 million) for the purpose of expanding land under conservation and the system of national parks.

Business Development

The SANParks 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.

As a result of poor service levels in the KNP restaurants, the contract with the previous operator was terminated. During the current financial year, a solicited tender process for the procurement of a replacement operator was concluded and a contract was awarded effective 1 April 2007.



ACCOUNTING AUTHORITY'S REPORT

for the year ended 31 March 2007

South African National Parks has developed a Strategic Plan for Commercialisation (2006 – 2011). The Strategy incorporates all requirements as per the Tourism BEE Charter and Scorecard and will result in significant additional revenue for SANParks. In line with this

strategy, a new tender was recently concluded for the development of a lodge in the Darlington section of the Addo Elephant National Park, with SANParks receiving 5% of turnover and an amount of at least R13m to be invested in infrastructure reverting to SANParks.

Non-executive board members attendance at meetings, their remuneration and associated costs

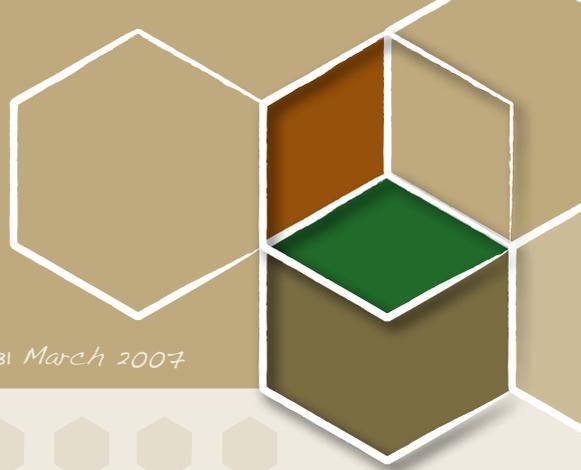
	Board Meetings		Remuneration Committee		Chairperson's Committee		Conservation & Tourism Committee		Audit Committee		Human Capital & Communications		2007 Total	2006 Total
	No	R	No	R	No	R	No	R	No	R	No	R	R	R
Number of Meetings:	5		2		4		4		4		4			
Carolus ¹ , C Ms	5	-	3	-	2	-					1	-	-	-
Tsengwa N Dr	3	5,150							2	1,197			6,347	-
Sangweni-Siddo L Ms	4	6,222					3	3090					9,312	-
Morobe M Mr	2	2,825							3	2,805	2	1447	7,077	-
Makhasi Y Ms	5	11,317					2	1,308					12,626	-
Mketeni F Mr	4	-					2	-					-	-
Scholes R Dr	5	10,203					3	4,223					14,426	-
Van Riet ² W Prof	5	35,016			2	3,732	3	7,126					45,874	17,531
Sithole ³ Z Mr	4	7,636	3	1,204	2				4	2,954			11,794	3,941
Maisela ⁴ M Mr	3	7627									1		7,627	-
Abrahamse, T Dr													-	-
Klein, C Ms													-	29,783
Mbelani, V Ms													-	-
Mchunu, M													-	7,594
Mokgathe, ME													-	5,382
Mokgoko, G													-	4,700
Nkosi, MS													-	17,507
Nzimande, P Ms													-	2,773
Patel, Z Dr													-	11,083
Samuel, J													-	-
Sokutu, T													-	1,200
Vrahimis, S Ms													-	25,461
Walker, C													-	18,735
Total													115,083	145,689

1 - Chairperson - Board and Chairperson's Committee

2 - Chairperson - Conservation & Tourism Committee

3 - Chairperson - Audit Committee

4 - Chairperson - Human Capital & Communications Committee



The Chairperson of the Board is not remunerated as she considers her role as rendering a public service.

Mr Fundisile Mketeni is a Government employee. He is therefore not eligible to receive the remuneration payable to members for attending meetings of the Board.

Materiality Framework

During the year under review for purposes of materiality (Sections 50(1), 55(2) and 66(1) of the Public Finance Management Act) and significance (Section 54(2) of the Public Finance Management Act), the SANParks for the period 1 April 2006 – 31 March 2007 determined a materiality figure of R4,5 million. This has been determined by applying 0,75% on the gross annual turnover i.e. R595 million.

Material facts of a quantitative nature need to be disclosed if any fact discovered exceeds the materiality figure of R4,5 million. All losses of a quantitative nature need to be disclosed in the annual report and financial statements if they arose through irregular, fruitless, wasteful expenditure.

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

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

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

It should be noted that although the determination of the materiality framework was agreed with the Auditor-General and the framework accordingly applied throughout the financial year; there was an omission to include this as part of the annual business plan submitted to the executive authority as required by the PFMA. This omission constitutes a technical non-compliance to Treasury Regulation 30.3.1. The framework has now been included in the business plan and will annually be submitted to the executive authority.

Events subsequent to balance sheet date

As a consequence of SANParks' protected area management operations ivory is accumulated as a side product mainly following the natural deaths of elephants. This has resulted in a stockpile of 50,3 tons of Ivory. SANParks last had an open market sale of ivory in 1989, as a CITES ban on the international sale came into effect during 1990. During the past 17 years only incidental sales transactions to RSA residents took place in line with CITES stipulations. In April 2007 a CITES decision at a meeting of Parties has resulted in permission to SANParks of a once-off sale of 30 tons. The eventual sale is still subject to an inspection by CITES of systems and processes of ivory management in SANParks as well as in the approved buying country.

Executive Management's interest in contracts

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



ACCOUNTING AUTHORITY'S REPORT

for the year ended 31 March 2007

Executive Management and their remuneration

The following people served on the Executive Management of SANParks during the Financial Year and were appointed by the Accounting Authority

		Basic Remuneration	Allowances	Bonuses and Incentives	2007 Total	2006 Total
		R'000	R'000	R'000	R'000	R'000
Mabunda, MD Dr	Chief Executive	1,173	136	142	1,451	1,728
Soundy, SCE	Chief Operating Officer	959	100	122	1,182	1,313
Daphne, P	Executive Director: Parks	831	72	96	998	1,204
Magome, DT Dr	Executive Director: Conservation Services	794	150	98	1,043	1,133
Mkhize, I Dr	Executive Director: Kruger National Park	794	148	104	1,047	1,209
Phillips, G	Executive Director: Tourism	788	73	85	945	1,087
Mabilane, T	Chief Financial Officer (Appointed 1 July 2006)	557	128	-	685	-
Mkhumane, NS Ms	Chief Financial Officer (Resigned 31 May 2006)	135	19	-	154	886
Soma, AK	Chief Financial Officer (Resigned 31 January 2005)	-	-	-	-	233
Wagiet, R Dr	Executive Director: People and Conservation	805	108	104	1,016	1,210
		6,836	934	751	8,521	10,003

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

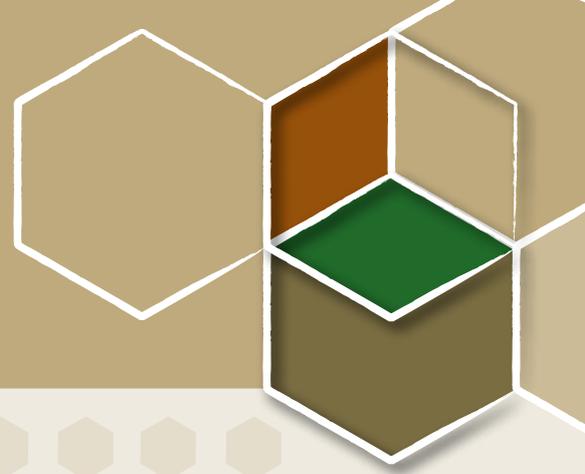
The annual financial statements and appendices set out on pages 87 to 119 have been approved by the Accounting Authority.



Ms C Carolus
CHAIRPERSON
31 May 2007

CORPORATE GOVERNANCE STATEMENT

for the year ended 31 March 2007



South African National Parks (SANParks) 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, 2002.

Board of SANParks

The Board of SANParks 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.

The Board consists of 12 members appointed by the Minister of Environmental Affairs and Tourism, of whom:

(i) Two members are executive

Dr MD Mabunda	Chief Executive
Mr T Mabilane	Chief Financial Officer

(ii) One member is a representative of the Department of Environmental Affairs and Tourism,

Mr F Mketeni	DEAT Representative
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(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.

Ms C Carolus	Chairperson, Re-appointed 1 April 2006
Dr N Tsengwa	Appointed 1 April 2006
Ms L Sangweni-Siddo	Appointed 1 April 2006
Mr M Morobe	Appointed 1 April 2006
Ms Y Makhasi	Appointed 1 April 2006
Dr R Scholes	Appointed 1 April 2006
Prof W Van Riet	Re-appointed 1 April 2006 Chairperson of the Conservation & Tourism Committee
Mr Z Sithole	Re-appointed 1 April 2006 Chairperson of the Audit and Risk Committee
Ms M Maisela	Appointed 1 April 2006 Chairperson of the Human Capital & Communications Committee

The Board, as Accounting Authority in terms of the PFMA, is ultimately accountable and responsible for the performance and affairs of SANParks. The Board must therefore retain full and effective control over the Organisation and must give strategic direction to the management of SANParks. 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.

Chairperson's 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 consists of the Chairperson of the Board plus the Chairpersons of the various committees. The Committees are currently, Conservation and Tourism, Audit Committee, Remuneration, Human Capital and Communications Committee.

Committee Members:

Ms C Carolus - Chairperson
Mr Z Sithole
Prof W Van Riet
Dr D Mabunda
Mr S Soundy (Chief Operating Officer)

Human Capital & Communications Committee

The Committee consists of at least three non-executive members of the Board plus the Chief Executive. The Chief Operating Officer, the Head of HR and Head of Communications shall be permanent members of the Committee. The primary function of this committee is to approve the strategic plans of Human Resources and Communications prior to submission to the Board, to ensure compliance to the organisation's strategic plan, to communicate its activities to the Board, to recommend to the Board policy issues, strategic or financial requirements of the related functions, to monitor the progress of the related divisions and assist in developing the strategic linkages that works necessary for when possible.

Committee Members:

Ms M Maisela - Chairperson
Ms C Carolus



CORPORATE GOVERNANCE STATEMENT

for the year ended 31 March 2007

Mr M Morobe
Dr D Mabunda
Mr S Soundy (Chief Operating Officer)
Ms W Mkhutshulwa (Head of Communications)
Ms Goitsehang Huma (Head of HR)(Resigned 1 April 2007)

Audit and Risk Committee

In keeping with Treasury Regulation 27 of the Public Finance Management Act No. 1 of 1999 the Board has instituted an Audit Committee. The Audit Committee is an independent standing committee which is appointed by the Board. The Committee advises the Board 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 the monitoring of matters on Corporate Governance, Internal Controls and Risk Management.

The Committee further assists the Board by critical, objective evaluation of the Board's financial control measures, accounting practices, information systems and audit procedures. It performs this function continuously by way of close liaison with the Executive Management and with the Board's internal and external auditors. The Audit Committee consists of five Board members (three members are non-executive, plus the Chief Executive and Chief Financial Officer). A nominated representative of the Auditor-General attends ex officio. The Committee may involve other members of Management or external specialists 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.

Risk Management

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

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

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

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.

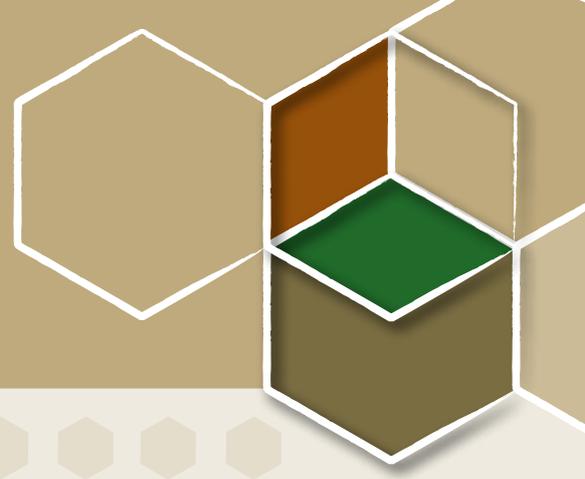
Internal Control Systems

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

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

South African National Parks has appointed the consortium of Deloitte & Touche and 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 Audit Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Board, operating through the Audit Committee, provides oversight of the financial reporting process and internal control systems.

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.



Committee Members:

Mr Z Sithole - Chairperson
Dr N Tsengwa
Mr M Morobe
Mr T Mabilane
Mr S Soundy
Mr C Malan
Dr D Mabunda

Conservation and Tourism Committee

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

The committee must consist of at least four non-executive members of the Board plus the Chief Executive. The Chief Executive, Executive Directors of the People and Conservation, Conservation Services, Tourism and Marketing, and Parks and Kruger Divisions are required at each meeting. In addition, the Committee may co-opt ad hoc members as and when required. The Committee will, as a primary responsibility, approve the strategic plans of the Conservation Services, People and Conservation, and Tourism and Marketing Divisions prior to submission to the Board. This will ensure compliance to the strategic plan, communicate its activities to the Board, and recommend to the Board any policy or financial requirement that may require Board attention or approval. The Committee also monitors the performance of the People and Conservation, Tourism and Marketing and Conservation

Services Divisions, and helps forge business and stakeholder linkages where possible. The Committee further ensures the maintenance of the balance between tourism developments against the core mandate of SANParks, which is conservation.

Committee Members:

Prof W Van Riet - Chairperson
Ms L Sangweni Siddo
Dr R Scholes
Mr F Mketeni
Ms Y Makhasi
Dr D Mabunda
Mr S Soundy (Chief Operating Officer)
Dr H Magome (Executive Director - Conservation Services)
Dr R Wagjet (Executive Director - People and Conservation)
Mr G Phillips (Executive Director - Tourism and Marketing)
Dr B Mkize (Executive Director - Kruger National Park)
Mr P Daphne (Executive Director - Parks)

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. The Remuneration Committee shall determine and agree with the Board the framework or broad policy for the remuneration of employees of SANParks, with particular regard to Executive Directors. The Committee consists of the Chairperson of the Board plus the Chairperson of the Audit Committee.

Committee Members:

Ms C Carolus
Mr Z Sithole
Ms M Maisela (Co-opted)



REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2007

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, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations
- The independence and objectivity of the external auditors
- The scope and results of the external audit function and its cost-effectiveness

The audit 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
- Deciding whether or not an interim audit report should be subjected for review by the external auditors
- Detailed study of the financial statements

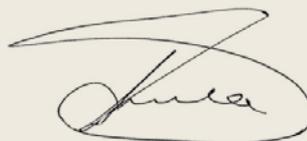
The audit committee is satisfied that internal controls and systems have been put in place and that these controls have functioned effectively during the period under review. However, as indicated in the report of the Auditor-General of the previous year, there were certain areas of concern regarding internal controls. Specific initiatives to address these areas have been implemented leading to evident improvements during the course of the financial year, particularly in relation to financial control account reconciliation and bank account reconciliations. The improvement initiatives will remain a focus area for the coming year, with specific reference to daily cash-ups, filling station controls and reservation system's house account reconciliations.

Notwithstanding the aforesaid, 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
- Ensure that the transactions undertaken are recorded in the organisation's records

The audit committee has evaluated the annual financial statements of SANParks for the year ended 31 March 2007 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.

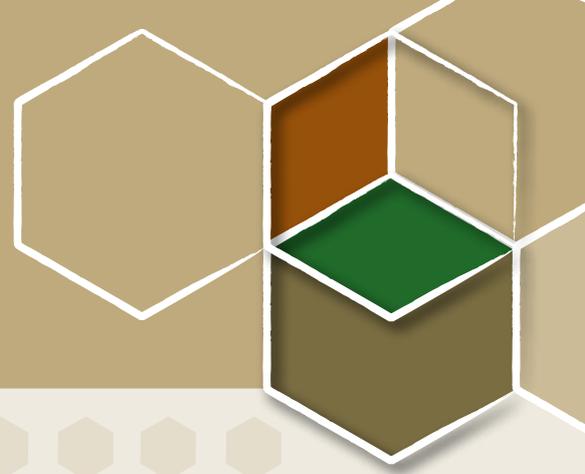
The audit committee agrees that the adoption of the going concern premise is appropriate in preparing the annual financial statements.



Z Sithole
CHAIRPERSON
Pretoria, 31 May 2007

REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2007



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE SANPARKS FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the SANParks (SANParks) which comprise the statement of financial position as at 31 March 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 87 to 119.

Responsibility of the accounting authority for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements 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) and the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003). This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with sections 4, 15 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notices 645 and 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:

- appropriateness of accounting policies used
- reasonableness of accounting estimates made by management
- overall presentation of the financial statements.

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

Basis of accounting

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

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of SANParks as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the identified basis of accounting determined by the National Treasury, as set out in note 2 to the financial statements.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

10. Compliance with the PFMA

During the financial year controls at parks were not always operating efficiently and effectively as required by section 51(1)(a)(i) of the PFMA and shortcomings were encountered with regard to, inter alia, the following aspects:

- i) Control accounts at certain parks
- ii) Daily cash-ups



REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2007

- iii) Safeguarding of fuel stocks
- iv) Application of the approved policies and procedures with regard to purchases and payables

11. Compliance with the Treasury Regulations

The supply chain management policy of SANParks did not make provision for demand management, logistics management, risk management or the regular assessment of supply chain performance.

This is not in compliance with the minimum criteria set out in Treasury Regulations 16A3.2.

12. Compliance to the Value-Added Tax (VAT) Act

Various inconsistencies were noted during the audit as far as valid VAT invoices and correct recording of input and output tax were concerned.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

13. I have audited the performance information as set out on pages 56 to 71.

Responsibilities of the accounting authority

14. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

Responsibility of the Auditor-General

15. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.

16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

17. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

18. The report of performance against predetermined objectives as submitted to its executive authority has been abridged for disclosure purposes in its annual report, which did not include all the predetermined objectives.

APPRECIATION

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



G O Randall for Auditor-General

Pretoria

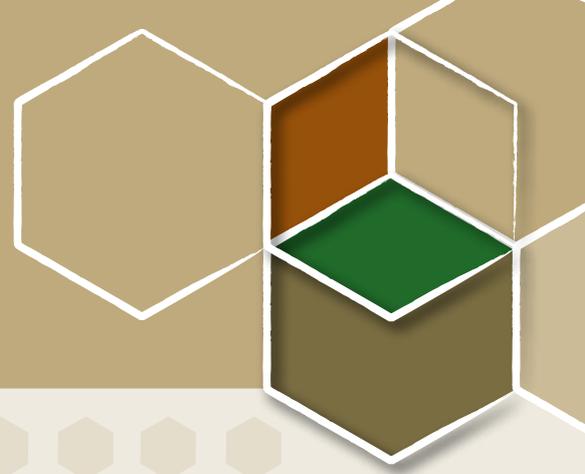
30 July 2007



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

ACCOUNTING POLICIES

for the year ended 31 March 2007



I. ACCOUNTING POLICIES

I.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 effective 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

Currently 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 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	Profit/loss
Accumulated surplus/deficit	Retained earnings

- The cash flow statement can only be prepared in accordance with the direct method.
- Specific information has been presented separately on the statement of financial position 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;

- Amount and nature of any restriction on cash balances is required.

Paragraph 11-15 of GRAP 1 has not been implemented due to the fact that the budget reporting standard has not been developed by the local standard setter and the international standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

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.

I.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.

I.3 Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. Revenue is measured at the fair value. 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.



ACCOUNTING POLICIES

for the year ended 31 March 2007

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 related to income are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.
- 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 accrued on a time apportionment basis taking into account the principal outstanding and the expected effective interest rate over the period to maturity. Interest is recognised as it accrues unless the collectability is in doubt.

Rent received

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

1.4 Irregular and fruitless and wasteful expenditure

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

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

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

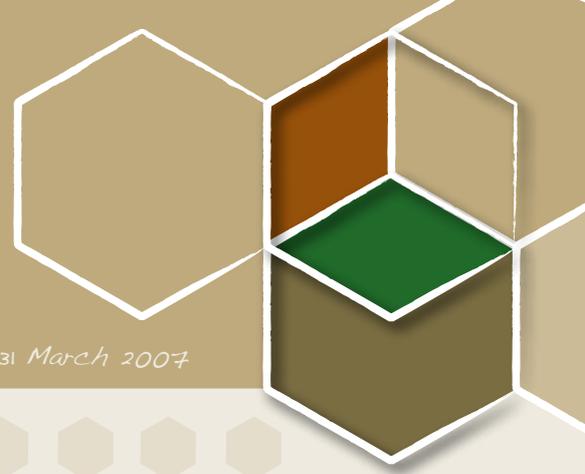
Transactions in currencies other than the organisation's reporting currency (Rand) are initially recorded at the rates of exchange prevailing on the date of the transactions. Gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

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, SANParks is responsible for managing a wide range of biodiversity, encompassing fauna, flora, geological structures and unique scenery. The exact quantity and value of these assets can



not be measured with reliable accuracy. SANParks, therefore does not reflect the value of these assets in its financial statements.

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

1.9 Self Insurance

As part of the insurance philosophy of SANParks, a certain amount is carried as self insurance costs, hence reducing the insurance premium reversing the insurance reserve and expensing the self insurance costs directly in the statement of financial performance.

1.10 Property, plant and equipment

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

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

The following methods and rates were used during the year:

- Buildings, roads and infrastructure	Straight line	15 to 80 years
- Vehicles and mechanical equipment	Straight line (approximates km usage)	5 to 20 years
- Aircraft	Straight line (based on expected life)	5 to 20 years
- 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 reflected as an asset of SANParks.

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 SANParks provides post-retirement health care benefits by way of medical aid schemes to some of its retirees. The level of entitlement to post-retirement health care benefits is dependant upon the 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 2007

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 SANParks becomes a party to the contractual provisions of the instrument.

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

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

Measurement

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

Financial Assets

- Trade receivables

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

- Investments in insurance policies

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

- Other investments

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

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

Financial liabilities

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

- Trade payables

Trade and other payables are stated at their fair value.

Derecognition of assets and liabilities

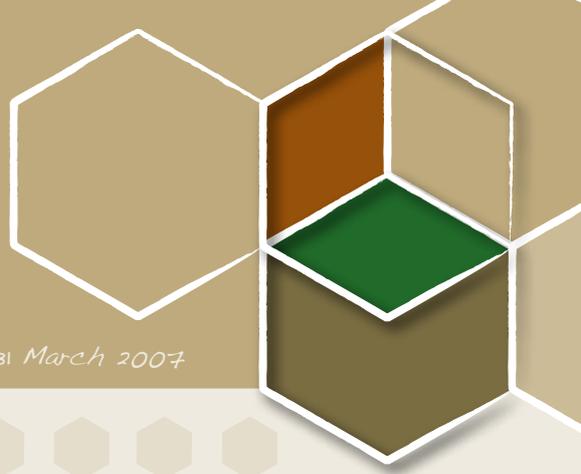
Financial assets or parts thereof are derecognised, i.e. removed from the balance sheet, when the contractual rights to receive the cash flows have been transferred or have expired or if substantially all the risks and rewards of ownership have passed. Where substantially all the risks and rewards of ownership have not been transferred or retained, the financial assets are derecognised if they are no longer controlled. However, if control in this situation is retained, the financial assets are recognised only to the extent of the continuing involvement in those assets. All other assets are derecognised on disposal or when no future economic benefits are expected from their use or on disposal. Financial liabilities are derecognised when the relevant obligation has either been discharged or cancelled or has expired.

1.16 Provisions

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

1.17 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held 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.

1.20 Taxation

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act No. 58 of 1962).

1.21 Value Added Taxation (VAT)

The Revenue Laws Amendment Act, 2003 (Act No. 45 of 2003) commenced on 22 December 2003. In terms of these amendments with effect from 1 April 2005, SANParks, which is listed in Schedule 3A of the Public Finance Management Act, 1999 now falls within the definition of "public authority" as defined in section 1 of the VAT Act. This meant that SANParks would be required to deregister for VAT purposes. Further to a review of the activities of SANParks, the organisation was identified by the Minister of Finance as a public authority conducting an enterprise and is therefore to remain registered as a vendor for VAT purposes.



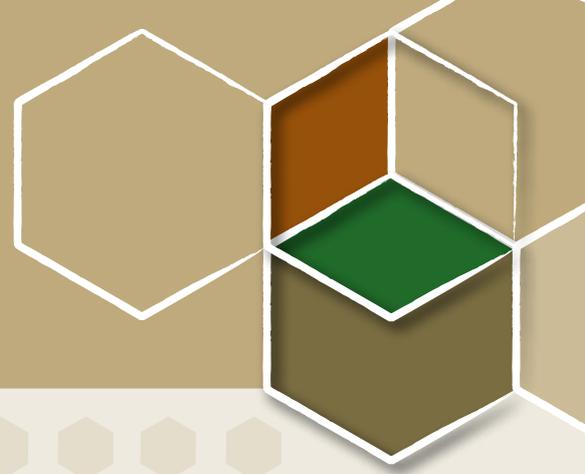
STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2007

	Notes	31 March 2007 R'000	31 March 2006 Restated R'000
Revenue			
Tourism, retail, concessioning and other	2.1	594,581	486,048
Operational grants received	2.2	119,574	101,246
Income from special project grants	20	157,822	116,808
Other operating income	2.3	16,742	8,888
Land acquisition grant	3	21,080	35,965
Sale of fauna and flora	4	15,420	11,579
Donations	5	2,407	18,698
		927,627	779,232
Expenses			
Cost of sales of retail operations		103,190	71,088
Operating expenses	6.1	198,451	179,848
Administration expenses	6.2	84,484	87,633
Compensation of employees	6.3	356,816	296,685
Expenses relating to special project grants	20	157,822	116,808
		900,762	752,062
Surplus from operations	6.4	26,864	27,171
Net investment income			
Investment income	7	10,241	7,173
Finance costs	8	(9,742)	(5,598)
		499	1,575
Surplus for the year		27,364	28,746

STATEMENT OF FINANCIAL POSITION

as at 31 March 2007



	Notes	31 March 2007	31 March 2006
		R'000	Restated R'000
ASSETS			
Non-current assets		981,899	803,599
Property, plant and equipment	9	770,729	704,287
Work in progress	10	210,283	98,093
Investments	11	887	1,218
Current assets		216,678	296,935
Inventories	12	18,464	16,119
Receivables and prepayments	13	25,396	18,144
Cash and cash equivalents	14	172,582	255,030
		216,441	289,293
Non-current assets classified as held for sale	15	236	7,643
Total assets		1,198,576	1,100,534
LIABILITIES			
Non-current liabilities		663,991	511,214
Post-retirement health benefit obligation	16	194,045	181,935
Long-term borrowings	17	36,088	39,189
Deferred Income - asset grants	18	433,858	290,090
Current liabilities		202,710	284,807
Trade and other payables	19	97,228	65,259
Short-term portion of long-term borrowings	17	8,122	6,757
Reservation deposits held		62,065	58,643
Deferred income - obligation regarding special project grants	20	35,295	154,148
Total liabilities		866,701	796,021
Net assets		331,876	304,513
NET ASSETS			
Accumulated surpluses		331,876	304,513
Total net assets		331,876	304,513



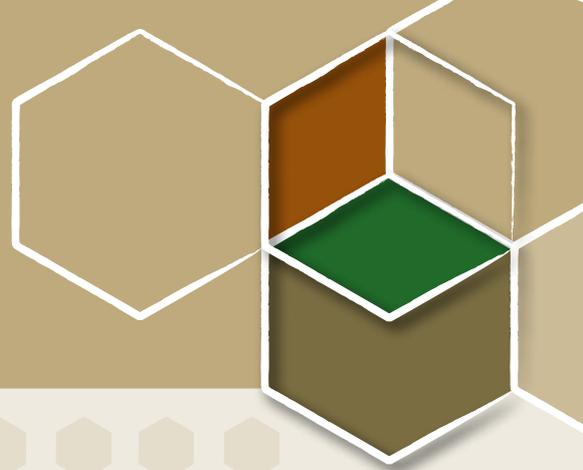
STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2007

	Notes	31 March 2007	31 March 2006
		R'000	Restated R'000
ACCUMULATED SURPLUS			
Opening accumulated surpluses as previously reported		304,513	314,391
Actuarial correction for Pre-funding Medical Fund 2004/05	21	-	(38,624)
Balance at 1 April as restated		304,513	275,767
Adjusted surplus for the year		27,364	28,746
Surplus for the year as previously reported		27,364	41,349
Actuarial correction for Pre-funding Medical Fund 2005/06	21	-	(6,095)
VAT on Grants received in 2005/06	21	-	(6,509)
Closing accumulated surpluses		331,876	304,513

CASH FLOW STATEMENT

for the year ended 31 March 2007



	Notes	31 March 2007	31 March 2006
		R'000	Restated R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sales of goods and services		647,242	523,247
Special project grants and donations		160,229	147,085
Government grants		150,627	137,211
		958,098	807,544
Cash paid to suppliers and employees		(980,173)	(749,162)
Net cash (utilised)/generated by operations	22	(22,076)	58,382
Investment income	7	10,241	7,173
Finance costs	8	(9,742)	(5,598)
Net cash (outflow)/inflow from operating activities		(21,576)	59,957
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(18,338)	(17,280)
Work in progress - costs incurred	10	(195,138)	(115,973)
Proceeds on disposal of investments		552	-
Proceeds on disposal of property, plant and equipment		2,426	3,850
Proceeds on disposal of non-current assets held for sale		9,257	-
Net cash outflow from investing activities		(201,240)	(129,402)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from finance lease funding			4,696
Proceeds from special project grants related to assets		150,968	73,326
Repayment of long-term borrowings		(1,753)	(30,702)
Payment of post-retirement health benefits		(8,863)	(7,182)
Repayment of finance lease obligations		17	(4,334)
Net cash inflow from financing activities		140,368	35,805
Net (decrease) in cash and cash equivalents		(82,448)	(33,641)
Cash and cash equivalents at the beginning of the year		255,030	288,671
Cash and cash equivalents at the end of the year	14	172,582	255,030

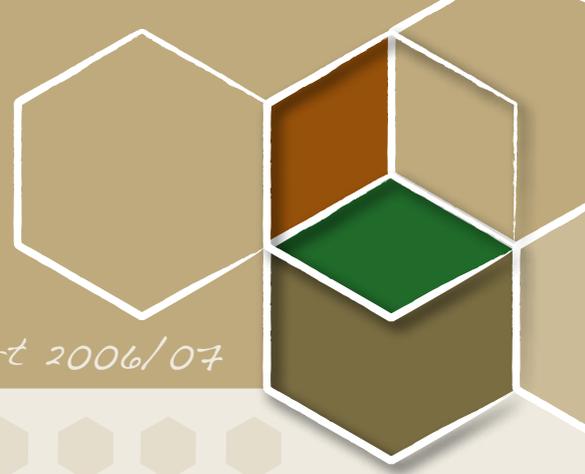


NOTES OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

	31 March 2007	31 March 2006 Restated
	R'000	R'000
2.1 Revenue - Tourism, retail, concessioning and other		
<i>Retail activities conducted by SANParks</i>	140,179	79,848
- Shop and restaurant sales	70,050	19,746
- Filling station sales	70,129	60,102
<i>Tourism</i>	402,861	356,375
- Accommodation	226,801	206,240
- Conservation levies / Entrance fees	130,539	112,658
- Drives	20,230	17,014
- Trails	16,568	15,520
- Other tourism related activities	8,722	4,942
<i>Concessioning</i>	45,458	35,617
- Facilities rental on retail and restaurant operations (Refer Appendix Note 1)	16,290	17,202
- Lodge concession fees (Refer Appendix Note 2)	29,168	18,416
<i>Other</i>	6,083	14,208
- Rent received	5,471	6,558
- Services rendered (incl. managing of special projects, technical services)	611	7,650
	594,581	486,048
2.2. Operational grants received		
Department of Environmental Affairs and Tourism		
- Conservation	88,158	75,515
- Road	10,526	10,526
Department of Water Affairs and Forestry	20,889	15,205
	119,574	101,246

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	31 March 2007	31 March 2006 Restated
	R'000	R'000
2.3 Other operating income		
Sundry income	10,425	4,321
Income from conservation management	2,431	1,293
Commission received and filming rights	1,982	1,686
Rebates received	1,169	1,408
Pension fund contribution holiday	591	-
Water and electricity recoveries	145	180
	16,742	8,888
3 Land acquisition grant		
Department of Environmental Affairs and Tourism (Note 18)	21,080	35,965
4 Sale of fauna and flora		
The sale of fauna and flora is used for biodiversity and related expenses to expand the national park system.	15,420	11,579
5 Donations		
Hans Hoheisen charitable Trust - wildlife protection and nature conservation	1,500	-
National Park Trust - Camedeboo National Park	-	14,500
Marine Living resources fund - Marine protection	-	550
Other donations	907	3,648
	2,407	18,698

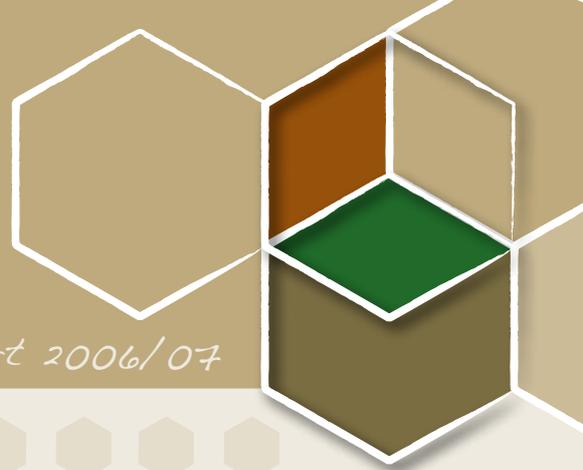
Donations form a minor part of the funding of conservation and people and conservation programs of the SANParks. Due to the varying nature of such funding and the direct allocation thereof to identifiable projects, it is not deemed to be part of normal operations.



NOTES OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

	31 March 2007	31 March 2006 Restated
	R'000	R'000
6.1 Operating expenses		
Operating lease payments (Note 6.4)	39,112	40,149
Depreciation	24,736	21,988
- Charge for the year (Notes 6.4 & 9)	31,935	25,314
- Recognition of deferred income - asset grants (Note 6.4)	(7,200)	(3,326)
Marketing and promotions	17,156	13,238
Operating costs	28,134	25,670
Consumables	23,468	17,718
Voice communication costs	10,655	9,942
Vehicle and aircraft operating costs	13,890	10,727
Information technology outsourced services	7,907	8,561
Water and electricity costs	11,680	10,862
Bank charges	7,136	5,948
Software assurance costs	6,402	4,192
Data communication costs	4,286	4,973
Losses and net shortages	1,632	612
Self Insurance costs	1,103	2,726
Net (profit)/loss on sale of property, plant and equipment (Note 6.4)	(1,368)	(165)
Auditors' remuneration (Note 6.4)	2,524	2,706
	198,451	179,848
6.2 Administration expenses		
Maintenance, repairs and running costs	43,541	49,693
- Property and buildings	28,164	34,410
- Machinery and equipment	4,472	3,674
- Office and computer equipment	641	995
- Consumables utilised in maintenance programs	10,263	10,614
Subsistence and travelling costs	18,268	14,740
Minor assets not capitalised	1,759	7,779
Consultants, contractors and special services	9,134	6,806
General and administrative expenses	9,647	6,297
Legal costs	2,135	2,318
	84,484	87,633



	31 March 2007	31 March 2006 Restated
	R'000	R'000
6.3 Compensation of employees		
Salaries and wages	269,027	221,803
- Salaries	209,211	159,555
- Performance awards	1,813	2,591
- Periodic payments	10,741	8,978
- Other non-pensionable allowances	47,262	50,679
Social contributions	36,762	30,569
- Pension costs - Defined contribution plans (Note 25)	19,899	17,502
- Medical	10,511	9,274
- UIF	2,000	1,691
- Insurance	4,353	2,102
Other salary related costs	30,054	22,816
- Staff development costs	5,529	4,890
- Recruitment and placement costs	1,866	2,070
- Other costs	22,660	15,856
Post-retirement health benefit obligations (Note 16)	20,973	21,496
- Current service costs	3,419	4,136
- Interest costs	14,222	13,957
- Actuarial loss for the year	3,332	3,403
	356,816	296,685
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	2,485	2,508
Special audits	39	198
	2,524	2,706
Auditors' remuneration for special audits in 2007 related to an audit conducted on Special Projects as approved by the Auditor-General		
Write-down of inventories recognised as an expense	1,048	479



NOTES OF THE ANNUAL FINANCIAL STATEMENTS

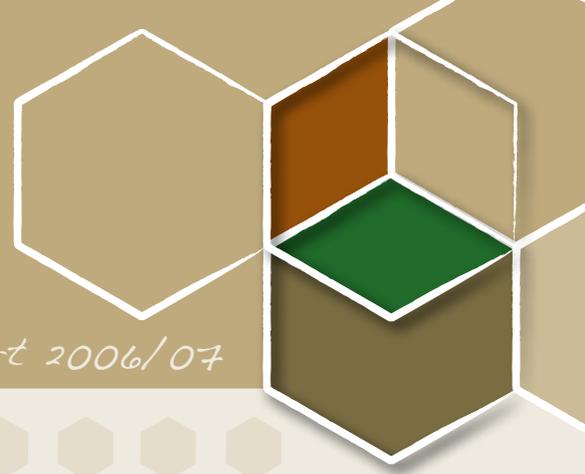
for the year ended 31 March 2007

	31 March 2007	31 March 2006 Restated
	R'000	R'000
Depreciation (Notes 6.1 & 9)		
Buildings and infrastructure	11,689	8,206
Vehicles, Aircraft and Mechanical equipment	8,672	6,806
Furniture, Office equipment and Computer software	11,574	10,302
	31,935	25,314
Net profit on sale of property, plant and equipment (Note 6.1)	(1,368)	(165)
<p>The net profit on sale of property, plant and equipment relates primarily to the sale of two helicopters of which a profit of R1,614 million was realised.</p>		
Amortisation of deferred income in respect of depreciable assets acquired with government special grants (Note 6.1)	(7,200)	(3,326)
Operating lease payments (Note 6.1)	39,112	40,149
Total future minimum lease payments		
- Current	27,076	16,699
- Between 1 and 5 years	1,086	5,304
	28,162	22,003

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

- (i) SANParks 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 rentals expire on 31 March 2007. The current monthly rental payment amounts to R69 042 (2006 - R65 572).
- (ii) 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. This agreement has been extended until 31 March 2008. The minimum future monthly rental premium amounts to R1,326 million (2006 - R1,326 million).

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	31 March 2007	31 March 2006 Restated
	R'000	R'000
Irregular expenditure		
No material irregular expenditure were incurred during the year ended 31 March 2007.		
Fruitless and wasteful expenditure		
No material losses through criminal conduct were incurred during the year ended 31 March 2007.		
7 Investment income		
Interest income	10,230	7,166
Marketable securities		
- Dividend income	3	1
	10,233	7,167
Net foreign exchange transaction gain	8	6
	10,241	7,173
8 Finance costs		
Borrowings	8,832	4,733
Finance leases	910	864
	9,742	5,598



NOTES OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

9 Property, plant and equipment

	Land	Buildings and Infrastructure	Vehicles, Aircraft and Mechanical equipment	Furniture, Office equipment and Computer software	Total
	R'000	R'000	R'000	R'000	R'000
Year ended 31 March 2007					
Opening book value	275,323	388,433	25,154	15,377	704,287
Capitalisation of work in progress (Note 10)	23,327	27,293	32,329		82,949
Purchase of property, plant and equipment		455	9,750	7,972	18,177
Disposals	(1,677)	(538)	(245)	(211)	(2,672)
Transfers	1,454	(2,224)	240	690	160
Items classified as held for sale (Note 15)				(236)	(236)
Depreciation charge		(11,689)	(8,672)	(11,574)	(31,935)
Closing book value	298,428	401,730	58,556	12,017	770,729
At 31 March 2007					
Cost	298,428	489,987	112,467	66,766	967,648
Accumulated depreciation	-	(88,258)	(53,911)	(54,750)	(196,919)
Book value	298,428	401,730	58,556	12,017	770,729
Year ended 31 March 2006 Restated					
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
Purchase of property, plant and equipment	242	2,091	11,762	3,185	17,280
Disposals	(3,014)	(19)	(571)	(82)	(3,685)
Items classified as held for sale (Note 15)			(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

The register containing details of land and buildings is available for inspection at the Head Office of the SANParks. 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.

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31 March 2007	31 March 2006 Restated
R'000	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	133,963	115,338
Accumulated depreciation	(86,409)	(86,417)
Book value	47,554	28,921

(ii) Included in moveable assets are assets that serve as security under finance leases as detailed in Note 17 (iii).

Cost	13,543	8,068
Accumulated depreciation	(6,421)	(3,939)
Book value	7,122	4,129

10 Work in progress

Work in progress involves construction work in progress as well as land acquisitions in process.

Opening balance	98,093	239,136
Cost incurred during the year	195,138	115,973
- Special project grant funds (Note 20)	105,077	70,890
- Other funds	90,062	45,083
Capitalised / transferred during the year (Note 9)	(82,949)	(221,374)
- Land	(23,327)	(51,230)
- Buildings and infrastructure	(27,293)	(166,838)
- Vehicles, Aircraft and Mechanical equipment	(32,329)	(510)
- Furniture, Office equipment and Computer software	-	(2,795)
Adjustment		(35,642)
Closing balance	210,283	98,093

11 Investments

Unlisted investments

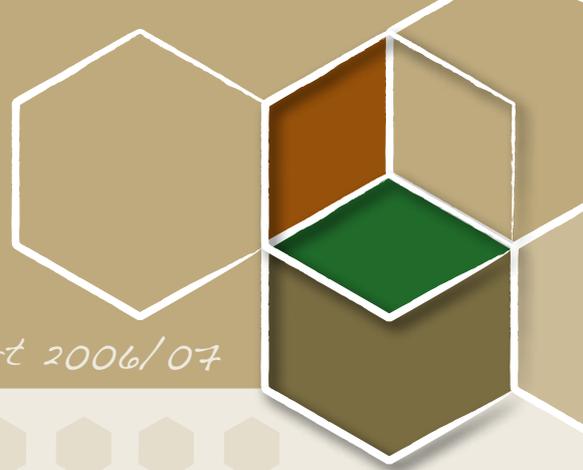
Deferred remuneration policies	887	1,218
Total investments	887	1,218
Fair value of unlisted investments	887	1,218

NOTES OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

	31 March 2007	31 March 2006 Restated
	R'000	R'000
12 Inventories		
Retail goods and fuel	8,760	6,617
Consumables	9,704	9,502
	18,464	16,119
13 Receivables and prepayments		
Concession debtors	7,870	14,930
Value Added Tax	338	(5,076)
Trade receivables	15,005	10,212
Other receivables	4,374	114
Prepayments	186	251
	27,772	20,431
Provision for doubtful debts	(2,376)	(2,287)
	25,396	18,144
14 Cash and cash equivalents		
Expanded public works programme	34,155	113,154
Special projects	77,677	87,619
Land acquisition	22,972	13,606
Insurance	10,000	10,000
Operational	27,778	30,651
	172,582	255,030
On 31 March 2007 the SANParks had short-term general banking facilities that amounted to R25 million (2006 – R25 million). The interest rate on overdraft is prime. The facilities are unsecured.		
15 Non-current assets classified as held for sale		
Carrying amount after classification as held for sale:		
Property, plant and equipment (Note 9)	236	7,643
Net carrying amount of non-current assets held for sale	236	7,643

During March 2007, the SANParks entered into a Concession agreement with Compass Group for the operation of all the KNP Restaurants. The agreement included the sale of restaurant asset with a book value of R236 thousand. The concession agreement is effective 1 April 2007.



31 March 2007	31 March 2006 Restated
R'000	R'000

2006 - During November 2005, the SANParks 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.

16 Post-retirement health benefit obligation		
Liability provided for at the beginning of the year	181,935	167,621
Expense reflected in statement of financial performance (Note 6.3)	20,973	21,496
Contributions paid	(8,863)	(7,182)
Liability provided for at end of year	194,045	181,935

- Principal assumptions of the latest actuarial valuation are:
- (i) An escalation of 6.50% (2006 - 6.25%) per annum in terms of contribution rates.
 - (ii) A rate of 8% (2006 - 8%) was used for discounting.
 - (iii) A decremental rate equal to the published SA 72-77 (2006 - SA 72-77) Mortality Tables for pre-retirement members, discounted by three years for females, was used.
 - (iv) For post-retirement members the PA(90)-2 (2006 - PA(90)-2) Mortality Tables were used.
 - (v) The effect of HIV and Aids has not been taken into account in the calculation as the prevalence of HIV and Aids cannot be estimated.



NOTES OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

Effect of one percent increase and decrease in the health care cost inflation rate is as follows:

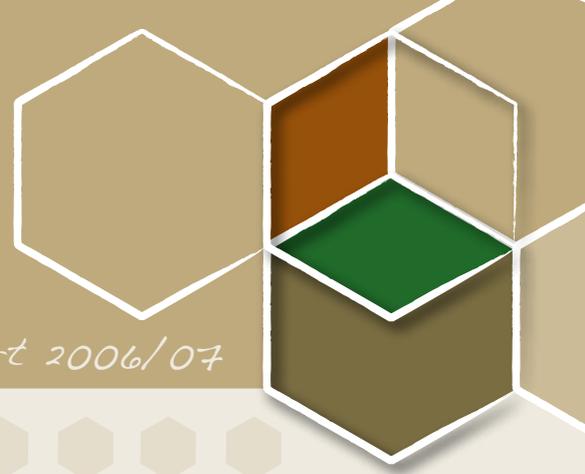
	1% increase	Valuation Basis	1% decrease
	R'000	R'000	R'000
Employer's accrued liability	224,252	194,045	169,446
Employer's service and interest cost	22,232	17,641	16,235

Plan Assets

There are no assets set aside for post-employment health care funding that qualify as plan assets in terms of the requirement of IAS19. As such we ascribe a nil value to the fair value of plan assets

Plan Liability

YEAR	31 March 2004	31 March 2005	31 March 2006	31 March 2007
	Restated	Restated	Restated	
	R'000	R'000	R'000	R'000
Original Membership	100,172	106,726	167,621	181,935
Adjustments	3,657	2,833	4,136	3,419
Interest costs	13,706	12,807	13,957	14,222
Actuarial (gain)/loss	(6,261)	22,897	3,102	2,892
Past service cost	-	26,030	-	
Annual expense	111,274	171,293	188,816	202,468
Benefit payments	(4,548)	(3,672)	(6,881)	(8,423)
Revised membership	106,726	167,621	181,935	194,045



	31 March 2007	31 March 2006 Restated
	R'000	R'000
17 Long-term borrowings		
Secured borrowings	44,210	45,946
(i) Industrial Development Corporation - Commercial development	33,248	35,000
(ii) Wesbank Limited - Lease Obligations	10,962	10,946
Total borrowings	44,210	45,946
Short-term portion transferred to current borrowings	(8,122)	(6,757)
Long-term borrowings	36,088	39,189

The secured loans were used mainly to fund the erection of tourism facilities inside national parks.

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

The loan is repayable in 119 equal monthly instalments of R0,292 million that commenced 1 October 2006 with a final instalment of R0.252 million on 1 August 2016. The loan bears interest at prime less 2.5% (At 31 March 2007 the interest rate was 10% (2006 - 8%)) 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 8.5% and 10.5% (2006 - 8.2% and 8.5%) per annum.

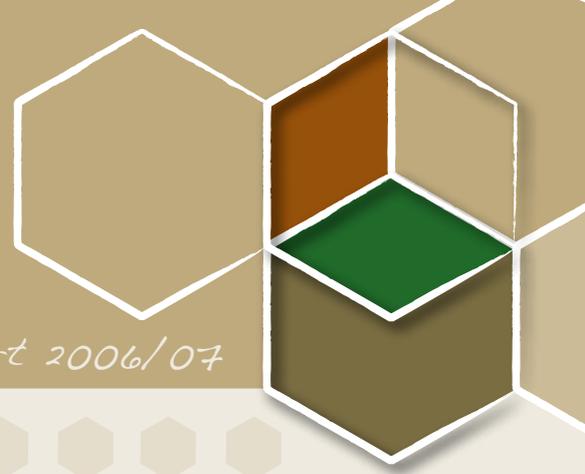
In terms of Section 32.1.1 of the Treasury Regulations, SANParks may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions.



NOTES OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

	31 March 2007	31 March 2006 Restated
	R'000	R'000
Maturity of long-term borrowings		
Within 1 year	3,504	1,752
later than 1 and no later than 5 years	14,016	14,016
later than 5 years	19,232	19,232
	33,248	35,000
The present value of capitalised finance leases are as follows:		
Within 1 year	4,618	5,004
Later than 1 year but not later than 5 years	6,344	5,942
	10,962	10,946
Within 1 year		
Total value of future minimum lease payments	5,479	5,686
Less: Future finance charges	861	682
Present value of leases	4,618	5,005
Later than 1 year but not later than 5 years		
Total value of future minimum lease payments	7,063	6,448
Less: Future finance charges	719	507
Present value of leases	6,344	5,941
18 Deferred Income - asset grants		
Special project grants relating to property, plant and equipment		
- Property, plant and equipment	261,230	217,362
- Construction work in progress	177,184	80,057
Amortised / Recognised to date	(14,529)	(7,329)
	423,885	290,090
- Land Acquisition Grant received	31,053	35,965
- Land Purchased (Note 3)	(21,080)	(35,965)
	433,858	290,090



	31 March 2007	31 March 2006 Restated
	R'000	R'000
19 Trade and other payables		
Trade payables	33,359	12,362
Accrued expenses	21,906	17,135
Revenue received in advance	24,308	21,332
Leave liability	17,655	14,430
	97,228	65,259
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 OF THE ANNUAL FINANCIAL STATEMENTS

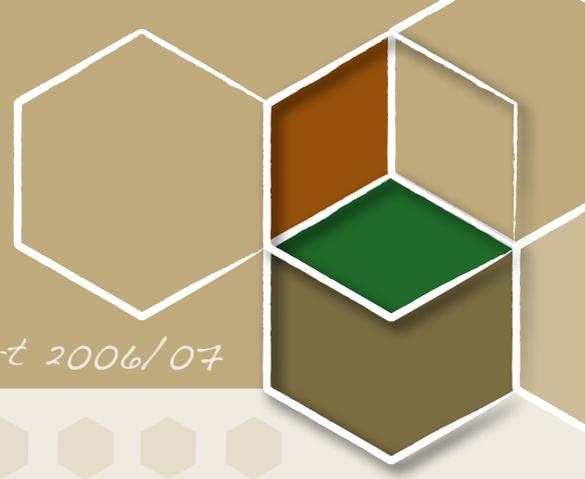
for the year ended 31 March 2007

20 Deferred income - obligation regarding special project grants

	EPWP	Coast Care	Working for Water	Limpopo Trans-frontier Park	Kids in Parks	Cape Metropolitan Council	Global Environmental Facility	Theta	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Year ended 31 March 2007										
Opening balance	133,154	(1,332)	(2,738)	8,364	2,264	4,003	(4,156)	2,403	12,186	154,148
Add: Income	72,396	14,591	35,112	2,082	2,671	1,900	9,198	2,670	27,644	168,264
Funds received	67,815	14,591	35,112	2,013	2,671	1,900	9,175	2,670	26,067	162,014
Interest	4,581	-	-	69	-	-	23	-	778	5,451
Sale of Animal Products	-	-	-	-	-	-	-	-	799	799
Less: Expenditure (Operating plus Capital)	192,093	13,587	35,136	3,394	3,253	6,323	10,139	2,608	20,584	287,117
Closing Balance	13,457	(328)	(2,762)	7,052	1,682	(420)	(5,097)	2,465	19,246	35,295

Expenditure	287,117
Operational Expenditure	157,822
Capital Expenditure	24,219
Assets under Construction	105,077

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	EPWP	Coast Care	Working for Water	Limpopo Trans-frontier Park	Kids in Parks	Cape Metropolitan Council	Global Environmental Facility	Theta	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Year ended 31 March 2006 Restated										
Opening balance	144,951	(1,226)	(11,262)	7,697	691	-	-	(374)	42,224	182,701
Add: Income	45,823	9,705	41,739	7,205	2,400	12,276	9,953	2,799	32,480	164,380
Funds received	38,438	9,705	41,724	6,856	2,400	12,276	9,948	2,799	32,047	156,193
Interest	7,385	-	15	349	-	-	5	-	433	8,187
Less: Expenditure (Operating plus Capital)	57,620	9,811	33,215	6,538	827	8,273	14,109	22	62,518	192,933
Closing Balance	133,154	(1,332)	(2,738)	8,364	2,264	4,003	(4,156)	2,403	12,186	154,148

Expenditure	192,933
Operational Expenditure	116,808
Capital Expenditure	5,235
Assets under Construction	70,890

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.



NOTES OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

21 Prior period errors and change in estimates

21.1 Prior period errors

(i) During the 2007 actuarial valuation of the post-retirement liabilities (PRML) it came to the attention of our actuaries that the benefit entitlement of a number of employees who are eligible for the benefit were not allowed for previous valuations. These omissions arose for a number of reasons, the main ones being as follows:

- Anyone joining SANParks 1 April 1998 is not eligible for post-retirement medical benefits. Since 1 April 1998, SANParks has taken over a number of parks around the country under a Section 197 takeover, granting transferring employees continuous service and backdated rights to post-retirement medical benefits. A proportion of the transferring employees are therefore eligible for post-retirement medical benefits by virtue of their having entered the service of the acquired parks prior to 1 April 1998
- Some members who joined a medical scheme before the cut-off date were inadvertently omitted by our actuaries
- A new scheme, Ingwe, was introduced in 2005, some employees who were previously uncovered for medical benefits joined it with dates of entry into services prior to 1 April 1998. These employees became entitled to post-retirement medical benefits in the process
- There are employees who joined SANParks prior to 1 April 1998 and who, subsequent to this date, joined a medical scheme of their own volition.

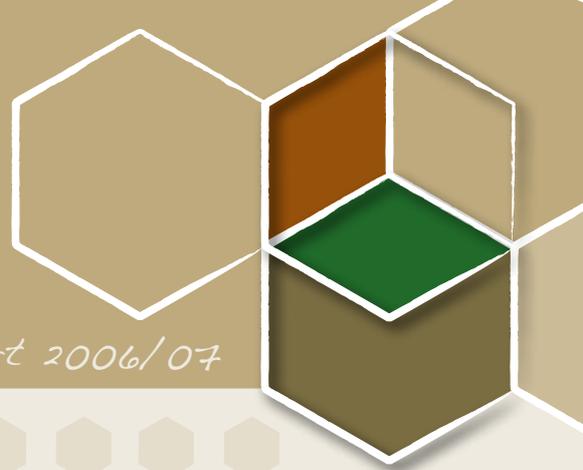
As a result the actuaries re-calculated the liability and accounting disclosure values for the financial years 2004/05 and 2005/06. The effect of the restatement on those financial statement is summarised below.

	31 March 2005 R'000	31 March 2006 R'000
(Increase) in Pre-funding medical expense	(38,624)	(6,095)
Decrease in Surplus	(38,624)	(6,095)
(Increase) in Post Retirement Funding	(38,624)	(6,095)
Decrease in Accumulated Surpluses	(38,624)	(6,095)

(ii) During 2006 a road and land grant of R12 million and R41 million respectively were received from DEAT for the period ended 2006.

No VAT payment was made or provided for in the 2006 period. In the current year, a payment of R6,509 million was made to SARS. The effect of the restatement on those financial statement is summarised below.

	31 March 2006 R'000
(Decrease) in Road grant	(1,474)
(Decrease) in Land Acquisition grant	(5,035)
(Decrease) in Surplus	(6,509)
(Increase) in VAT Payable	(6,509)
(Decrease) in Accumulated Surpluses	(6,509)



	31 March 2007	31 March 2006 Restated
	R'000	R'000
21.2 Change in estimates		
As per the requirements of IAS 16: Property, Plant and Equipment, SANParks reviews the estimated useful lives and residual values of all property, plant and equipment annually and accounts for any resulting changes as a change in accounting estimate in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. Vehicles were previously written off over a period of five years and are, since the beginning of the year, written off over a period of eight years. The net effect of the change in estimate resulted in a decrease in depreciation charge of R2,165 mill.		
Depreciation of Vehicles	2,770	4,794
Previous Estimate	4,935	4,794
Change in Estimate	(2,165)	-
22 Net cash (utilised)/generated by operations		
Surplus from operations	26,864	27,171
Adjustments for non-cash items:	44,119	43,227
- Net loss / (surplus) on disposal of property, plant and equipment	(1,368)	(165)
- Depreciation	31,935	25,314
- Recognition/amortisation of deferred income - asset grants	(7,200)	(3,326)
- Fair value adjustment of investments	(221)	(92)
- Provision for post-retirement health benefit obligations	20,973	21,496
Changes in working capital	(93,059)	(12,016)
- Inventories	(2,346)	(4,359)
- Receivables and prepayments	(7,252)	16,732
- Trade and other payables	31,969	(11,538)
- Provisions	-	-
- Deferred income - obligation regarding special project grants	(118,852)	(28,553)
- Reservation deposits held	3,422	15,702
Cash generated by operations	(22,076)	58,382



NOTES OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

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. SANParks 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	172,582	86.8%
Government	765	0.4%
Other parties	25,518	12.8%
	198,864	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 SANParks in establishing fair values:

Financial instruments traded in an organised financial market

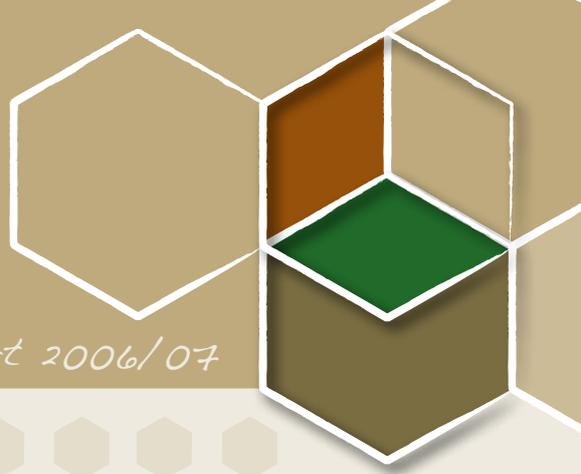
The current quoted market prices are used to determine fair values.

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 SANParks joint retirement funds consist of the SANParks Joint Provident Fund and the SANParks Joint Pension Fund. Both these funds were founded on 1 November 1993.

Contributions by employees are allocated to the SANParks Joint Pension Fund, whilst the employer contributions are allocated to the SANParks 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 SANParks contributed an amount of R16,19 million (Note 6.3) for 2 081 employees (2006 - R13,94 million for 2 081 employees), to the joint retirement funds.

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 SANParks contributed an amount of R3,73 million (Note 6.3) for 890 employees (2006 - R3,59 million for 924 employees).

26 Related parties

The SANParks does not have control or significant influence over any other entity.

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

Related Party Transactions and Balances

SANParks, in the ordinary course of business, enters into various sale and purchase transactions on an arm's length basis at market rates with related parties.



NOTES OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

	31 March 2007	31 March 2006 Restated
	R'000	R'000
Related Party Transactions		
- Telkom	8,222	7,522
- Eskom	3,849	3,236
- State Information Technology Agency	1,093	905
- Compensation Commissioner	900	1,378
- Post Office	3,344	3,407
- SARS	95,265	53,925
- THETA	(2,670)	-
- Work for Water	(398)	(192)
- SA Police Service	(127)	-
- Department of Education	(42)	-
- Department of Nature Conservation	(32)	(608)
- Department of Public Works	(44)	(24)
- Department of Sport, Culture and Recreation	(8)	-
Related Party Balances		
- Telkom	(618)	(545)
- Eskom	(90)	(128)
- Post Office	(310)	(290)
- SARS	338	(5,076)
- Department of Nature Conservation	11	228
- Department of Public Works	7	2
- Department of Sport, Culture and Recreation	9	-

Key personnel

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

		Basic Salary	Allowances	Bonuses and Incentives	Medical Aid Contributions	Retirement Fund Contributions	2007 Total	2006 Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Mabunda, MD Dr	Chief Executive	1,038	136	142	43	92	1,451	1,728
Soundy, SCE	Chief Operating Officer	861	100	122	22	76	1,182	1,313
Daphne, P	Executive Director: Parks	751	72	96	15	65	998	1,204
Magome, DT Dr	Executive Director: Conservation Services	704	150	98	24	66	1,043	1,133
Mkhize, I Dr	Executive Director: Kruger National Park	702	148	104	26	66	1,047	1,209
Phillips, G	Executive Director: Tourism	712	73	85	15	61	945	1,087
Mabilane, T	Chief Financial Officer (Appointed 1 July 2006)	488	128	-	20	49	685	-
Mkhumane, NS Ms	Chief Financial Officer (Resigned 31 May 2006)	123	19	-	1	11	154	886
Soma, AK	Chief Financial Officer (Resigned 31 January 2005)	-	-	-	-	-	-	233
Wagiet, R Dr	Executive Director: People and Conservation	728	108	104	13	64	1,016	1,210
		6,107	934	751	179	550	8,521	10,003

No loans outside the policy applied when loans are granted to staff, have been made to key personnel. Dr D Mabunda and Dr H Magome qualify for post-retirement health benefits and the liability as at 31 March 2007 has been included in the total liability of SANParks (Note 16).

27 Capital commitments

No material commitments for the acquisition of property, plant and equipment contracted for existed at 31 March 2007.

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 SANParks. SANParks is supportive of the process of appropriate redress for persons or communities who unjustly lost access to, or ownership of, land as a result of it being declared a National Park. No significant financial obligations are currently placed on SANParks in consequence of this process, however the core management framework with successful claimant communities and the attendant beneficent scheme will exert financial strain on SANParks.

APPENDICES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

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 SANParks' 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. Funding for the refurbishment of aging infrastructure is for the Concessionaires account. Against the right of occupation and commercial use of facilities, there are set obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, including termination of the contract with the assets reverting to SANParks.

After the termination of the KNP Restaurant Operator, Natures Group, SANParks engaged in a management contract with an interim operator until such time as a replacement operator was sourced.

During this Financial Year, a comprehensive tender process as per the requirements by the National Treasury was concluded where a replacement operator was sourced. As from 1 April 2007, Compass Game Park Services has taken over as the KNP Restaurant Operator for a period of 10 years. In addition to payment of concession fees, the operator is contractually bound to spend at least R15million in refurbishing the restaurants, and after the term of the contract, these assets will be reverted to SANParks.

The monthly rental payable for the facilities by the contractor to SANParks for any given month shall be the higher of the fixed monthly rental as defined by the agreements, escalating on an annual basis; or the rental based on actual gross revenue realised, expressed as a percentage of gross revenue.

The operators have provided SANParks 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

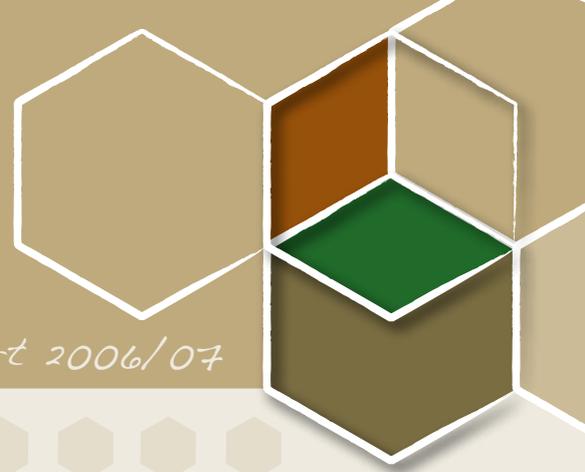
2. Lodge concession fees (Refer Note 2.1)

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 SANParks.

The annual concession fee payable by the concessionaire to SANParks for any given concession year shall be the higher of a minimum rental as determined by the agreement for the concession year or a calculated annual concession fee based on the bid percentage of gross revenue for the concession year.

At the end of the concession period the concessionaires shall hand over the concession area, the camp, all concession assets and its rights or interest in the developments to SANParks free of charges, liens, claims or encumbrances of any kind whatsoever and free of any liabilities in good condition, fair wear and tear excepted. The concessionaire shall not, other than as provided for in respect of the residual value, be entitled to payment of any compensation in connection therewith.

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Performance bonds were provided to SANParks by the concessionaires that are operative from the effective dates. The concessionaires will maintain valid performance bonds from the effective dates until 90 business days after the expiry or earlier termination of the concession contracts. The amounts to be guaranteed by the performance bonds shall be equal to R250 000 per Concession Area.

During this Financial Year, as a result of poor service delivery, the contract with Brandwag Concession (Pty) Ltd was terminated.

SANParks took over the operations from the Concession Holder as from 1 August 2006 and an appropriate strategy on whether to run the hotel or outsource the operation will be made.

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%
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	Mitomoni 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 - Koeel Bay	Koeel Bay Hospitality (Pty) Ltd	1 Jan 2004	31 Dec 2023	3.5 - 10%







South African
NATIONAL PARKS

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