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

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.

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:

<table>
<thead>
<tr>
<th>National Park - Concession Area</th>
<th>Concession holder</th>
<th>Commissioning Date</th>
<th>Termination Date</th>
<th>% of Gross Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addo - Gorah Elephant Camp</td>
<td>Hunter Hotels (Pty) Ltd</td>
<td>1 Jan 2001</td>
<td>31 Dec 2025</td>
<td>5 - 12.5%</td>
</tr>
<tr>
<td>Addo - Nyali</td>
<td>Nguni Game Lodge (Pty) Ltd</td>
<td>1 Jan 2002</td>
<td>31 Dec 2021</td>
<td>8 - 12%</td>
</tr>
<tr>
<td>Golden Gate - Brandwag Hotel</td>
<td>Brandwag Concession (Pty) Ltd</td>
<td>1 Apr 2004</td>
<td>31 Mar 2019</td>
<td>12 - 15%</td>
</tr>
<tr>
<td>Kruger - Mfuleni</td>
<td>Rhino Walking Safaris (Pty) Ltd</td>
<td>1 Jul 2002</td>
<td>30 Jun 2022</td>
<td>5 - 8%</td>
</tr>
<tr>
<td>Kruger - Mpanamana</td>
<td>Shishangeni Lodge (Pty) Ltd</td>
<td>1 Jan 2002</td>
<td>31 Dec 2021</td>
<td>10 - 20%</td>
</tr>
<tr>
<td>Kruger - Jakkalsbessie</td>
<td>Jakkalsbessie Lodge (Pty) Ltd</td>
<td>1 Jan 2002</td>
<td>31 Dec 2021</td>
<td>10 - 15%</td>
</tr>
<tr>
<td>Kruger - Jock of the Bushveld</td>
<td>Mtimani River Lodge (Pty) Ltd</td>
<td>1 Jul 2001</td>
<td>30 Jun 2021</td>
<td>11.5 - 22%</td>
</tr>
<tr>
<td>Kruger - Lwakahle</td>
<td>Lukimbi Safari Lodge (Pty) Ltd</td>
<td>1 Nov 2001</td>
<td>31 Oct 2021</td>
<td>5 - 25%</td>
</tr>
<tr>
<td>Kruger - Mluwati</td>
<td>Lukimbi Safari Lodge (Pty) Ltd</td>
<td>1 Jan 2002</td>
<td>31 Dec 2021</td>
<td>10 - 25%</td>
</tr>
<tr>
<td>Kruger - Nwanetsi</td>
<td>Singita Lebombo (Pty) Ltd</td>
<td>1 Mar 2002</td>
<td>28 Feb 2022</td>
<td>22.3%</td>
</tr>
<tr>
<td>Table Mountain - Roundhouse</td>
<td>Roundhouse Hospitality (Pty) Ltd</td>
<td>1 Aug 2002</td>
<td>31 Jul 2027</td>
<td>4 - 5%</td>
</tr>
<tr>
<td>Table Mountain - Koeel Bay</td>
<td>Koeel Bay Hospitality (Pty) Ltd</td>
<td>1 Jan 2004</td>
<td>31 Dec 2023</td>
<td>3.5 - 10%</td>
</tr>
</tbody>
</table>
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THE EXECUTIVE MANAGEMENT
OF SOUTH AFRICAN NATIONAL PARKS

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

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

The Board
SANParks Board is the highest executive decision-making body within the organisation and consists of persons appointed by Government. For the period under review, the board members were:

Ms Cheryl Carolus: Chairperson of the Board from October 2004
Dr Tanya Abrahamse: Chairperson of the Tourism Committee
Dr Zarina Patel: Chairperson of the People and Conservation Committee from November 2004
Mr Tamsanqa Sokutu: Chairperson of the Finance Committee
Ms Charmaine Klein: Chairperson of the Audit and Risk Committee
Mr Bernard Kwaaiman: Chairperson of the People and Conservation Committee
Mr Mduudzi Mchunu: Chairperson of the Conservation Committee
Mr Mogomotsi Mokgatle: Chairperson of the Conservation Committee
Mr Gabriel Mokgoko: Chairperson of the Finance Committee
Mr Meshack Nkosi: Chairperson of the Conservation Committee
Ms Sheila Vrahimis: Chairperson of the Conservation Committee
Mr Clive Walker: Chairperson of the Conservation Committee

Provincial Representatives
Mr Zakhele Sithole: Acting Chair from September 2004, Gauteng representative - Chairperson of the Audit and Risk Committee
Ms Charmaine Klein: Western Cape representative
Mr Bernard Kwaaiman: Eastern Cape representative
Ms Mduudzi Mchunu: KwaZulu-Natal representative
Mr Mogomotsi Mokgatle: Northern Cape representative
Mr Gabriel Mokgoko: North West representative
Mr Meshack Nkosi: Mpumalanga representative
Ms Sheila Vrahimis: Free State representative
Mr Clive Walker: Limpopo representative
Ms Ntombe Nkosi: Board Secretary

Head Office: Groenkloof National Park
643 Leyds Street
MUCKLENEUK, 0002
PO BOX 787
PRETORIA, 0001
It is with great pleasure that we present this year’s annual report. During the past financial year, we have achieved many successes and breakthroughs such as the Kruger National Park’s attainment of the prestigious PMR (Professional Management Review) Award for being the best organisation within the tourism sector.

Rated by Mpumalanga businesses, business associations, local and provincial government as well as trade unions, the PMR Awards included a ‘Diamond’ for: Game Parks – First Overall and a ‘Gold’ for: Joint First Overall for the Kruger National Park’s consistent contribution to Black Economic Empowerment (BEE). These awards are given to “companies that do most to enhance the province’s economic growth and development” and, none of this - and other achievements - would have been possible without the well-meant and tireless efforts of the staff and the leadership of SANParks.

I also wish to highlight our pride in the calibre of people SANParks manages to consistently attract and retain. Their high level of professionalism and diligence in executing their work exemplifies the sort of perception that should serve as a yardstick for all public servants and through such efforts - globally; we continue to build respect for our work.

We have seen yet another successful year, with once again an unqualified audit report. To our staff, we, the Board say ‘hi nkhensile! The Board acknowledges and appreciates the commendable work that has been done by Executive Management in contributing to this success and we further implore them to maintain the good service.

I wish to thank Murphy Morobe, my predecessor for his sterling leadership. Perhaps, unfortunately for us, the Presidency also recognised his outstanding capabilities and his passion for our country and bestowed him with the task of leading the Communications Unit in the Presidency. We thank him for the foundation and we wish him well in his new position.

Once again SANParks saw some positive changes in its operations of which the most notable was the change of the name of Vhembe/Dongola National Park to Mapungubwe National Park in line with its status as host to the Mapungubwe Hill World Heritage Site. The new name and the launch of this wonderful park was celebrated in a fanfare involving the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, and the Premier of Limpopo Province, Mr Sello Moloto, displaying once again the wonderful cooperative relationship and synergy enjoyed by different government structures.

However, the year was also one that was filled with turbulence as we saw ourselves tackling the challenges of biodiversity management in a manner which keeps a balance among the species and the eco-systems. A key challenge facing all of us is finding a sustainable elephant management strategy. Much work has gone into this; for an example SANParks staged The Great Elephant Indaba in October 2004 in a bid to develop joint and consultative solutions to the problem of elephant over-population in national parks. Diverse stakeholders participated in this event. Notably, for the first time, there was strong representation of communities whose lives and livelihoods are profoundly impacted on by elephant populations.

I was particularly proud to discover that the community representatives took up the opportunity to effectively present their case and made their plight a focal point in the discussions at the Indaba. SANParks has a mandate to further consult before a final decision is made.

The other challenge that we find ourselves facing is that of settlement of land claims. It is to the credit of SANParks that a number of land claims
affecting national parks have in the past been successfully resolved with the full cooperation of the organisation in reaching a mutually beneficial settlement. We remain committed to support the national process to ensure that justice prevails in this regard and, we are jointly pursuing meaningful solutions with the Land Claims Commission. It is hoped that this process will provide both the Department of Land Affairs and Department of Environmental Affairs and Tourism with clear guidelines on handling future land claim settlements in a manner that is of benefit to both claimant communities and nature conservation.

Our operations and the tourism experience has been negatively affected by declining and aging infrastructure, despite the tremendous inputs by DEAT through the allocation of the Poverty Relief Programme (Extended Public Works Programme) funding for the upgrade and introduction of new infrastructure. The SANParks plant requires major recapitalisation in order to ensure that we continue to provide a sterling service to our clientele. Efforts have been put in place to ensure that creative means and ways are employed in tackling this challenge as it is recognised that government, on its own, may not be able to address this problem with all the other competing imperatives requiring attention.

Despite all the challenges that have been highlighted above it is with pride and joy that I present you the 2004/2005 annual report of South African National Parks. Let us all take up the opportunity provided by campaigns like that of SA Tourism Shot’ left, to visit our national parks and get to know our country as much as numerous foreign visitors have gotten to know and cherish it. To the Chief Executive, Executive Management and the staff, I would like to encourage you to continue providing the excellent service to our country and to thank you for the first-rate work done so far.

Cheryl Carolus
CHAIRPERSON
Within our particular field of operations [eco-tourism, conservation and constituency building/people and conservation], we are faced with many challenges and, it is against this backdrop that I applaud all men and women of South African National Parks (SANParks) for making the financial year under review a successful one!

Our responsibilities and challenges are heightened by the fact that South Africa falls under the so-called “mega diversity” realm resulting from our status as the third most biologically diverse country in the world - after Indonesia and Brazil.

With a rich history that goes as far back as 1926, when the Kruger National Park (KNP) was the first area to be proclaimed as a national park, SANParks currently manages a system of 20 national parks throughout South Africa. Acting as the sole entity responsible for the custodianship of an estimated 3% of all protected surface area within South Africa, SANParks remains a premier conservation agency and a notable authority in the field.

The financial year under review saw increased efforts by the People and Conservation division (PaC) to re-affirm SANParks’ commitment to assisting the plight of all affected communities. The division tirelessly continues to ensure that SANParks acts as an economic engine in providing and implementing numerous community-based, capacity building programmes. Many of these initiatives are aimed at developing mutually beneficial relations with the education sectors while facilitating access to parks - particularly for Historically Disadvantaged Individuals (HDIs) and their communities. These programmes also assist in building a stakeholder liaison network for SANParks.

With numerous joint management projects in the pipeline and some currently underway, working relations with communities around many of our parks are now in an advanced stage and the commercialisation programme has been well incorporated into the parks’ system. At the same time, these projects have managed to alleviate the unemployment rate within SANParks’ neighbouring communities while simultaneously stimulating empowerment opportunities.

As a dynamic organisation, SANParks is pleased to be part of the global village. The period under review saw the newly-established E-Commerce Unit (part of the Corporate Communications division) moving ahead in leaps and bounds, to place the organisation firmly on the information highway. A revamped, state of the art Internet website and the development of an Intranet, as well as coordinated efforts and synergies with the Internal Communications Unit, has resulted in heightened public and internal perception of the organisation.

Amidst a sizeable number of pending land claims, SANParks still recognises the need to offset past injustices. To this end, we continue to work closely with the Land Claims Commission in speeding up the attainment of amicable resolutions. In addressing this emotive issue, SANParks’ leadership has in the past, and is currently still, applying its mind and taking note of all that is at stake. This includes the issue of biodiversity management as well as the human angle of the resolution of all land claims within protected areas. SANParks’ key aim is to reach a sound and sustainable decision which will ultimately benefit all affected parties.

Owing to a 1995 moratorium placed on the culling of elephants as a management tool, SANParks has not implemented measures to control elephant populations for the last ten years. Due to the growing concern
that expanding elephant populations may cause biodiversity losses, SANParks staged The Great Elephant Indaba at the Berg-en-Dal Conference Centre in KNP between 19 and 21 October 2004. The main aim of the Indaba was to consult with interested and affected parties and to formulate plans to manage threatened species. The Indaba was another display of SANParks’ commitment to be transparent, non-emotive and consultative.

As reported in the previous financial year, the Tourism and Marketing division’s plans to develop and introduce a WILD Card Loyalty Programme that would stimulate domestic travel as well as draw (and retain) more South African visitors to our parks, has firmly entrenched itself into the organisation’s business system and is currently performing beyond all expectations. Over and above increasing access to national parks and increasing our current tourism business, the WILD Card programme contributes much needed revenue towards numerous conservation initiatives.

Perhaps the most seminal of all developments within SANParks during the past financial year was the introduction of the Balanced Scorecard (BSC) Business Performance Management system. Following a recent review of the current business system, the organisation has begun a process of reinforcing a business-oriented, performance-driven culture that will ensure that SANParks focuses on the right issues, thereby ensuring that it is a relevant and sustainable organisation and that it is a leader in its field. With the key business pillars of Conservation, Eco-Tourism and Constituency Building/People and Conservation competing with, and yet complimenting each other – the BSC is an important and apt approach to ‘balancing’ our focus, attention and efforts. SANParks looks forward to another “wild” year full of exciting challenges.

Dr. David Mabunda
CHIEF EXECUTIVE
MANAGING BIODIVERSITY

The need to refine park management plans in accordance with the Protected Areas Act (57 of 2003) has provided an incentive to collate and organise biodiversity inventories and related data, including species checklists, localities and status of rare species, geology, soil and vegetation maps.

Examples of new findings include the discovery of a very rare Gladiolus species in Bontebok National Park, and the reassuring news of the secure status of Delosperma saxicolum, a plant species known only from Tsitsikamma National Park.

Furthermore, the critical role of national parks in maintaining biodiversity was clearly revealed by a study in Tsitsikamma, which showed that the abundance of line fish species in the park is substantially higher than in neighbouring open fishing areas.

Among the vertebrates, the status of freshwater fish in national parks is a cause for concern. Major threats include habitat destruction and pollution of waters in areas adjoining national parks, and invasive alien plant and animal species. A systematic approach to assessing the state of biodiversity of national parks is being developed as one of the measures of a key balanced scorecard objective.

One of the most critical issues is the need to develop and retain younger scientists, particularly from historically disadvantaged backgrounds, in the field of biodiversity management. The Junior Scientist Programme, funded by Mellon Foundation, aims specifically at training young black scientists and has allowed for the appointment of internship candidates with Scientific Services in the Kruger National Park. There is an urgent need to expand such programmes.

Scientific research, conducted mostly by external institutions, sometimes in collaboration with SANParks’ scientists, remains critical to scientifically-based biodiversity management. During the year under review, over 500 registered research projects were in progress in national parks. A need was identified to develop a new SANParks science node in the Table Mountain National Park to improve the science-management interface in the fynbos and succulent karoo biomes. This will be pursued as a project in the coming year.

Within confined national parks the impact of certain large herbivore species may pose a threat to biodiversity, and population control is often needed to reduce the risk of losses. For elephants, the issue is particularly controversial given the great diversity of values and viewpoints held by stakeholders and the public. Increasing elephant numbers in national parks is a cause for concern and during the report year SANParks held two consultative meetings on elephant management:

• the Great Elephant Indaba, at which a wide range of stakeholders was represented; and
• a workshop with biodiversity scientists.

A short course presented by the CSIR in association with the Inter-governmental Panel on Climate Change helped to sensitise SANParks staff to the issue of climate change. The SAEON (South African Environmental Observation Network) node established at Phalaborwa will
help to track global change, including trends in climate change. The main messages regarding climate change for conservation agencies are:

- Not to over-interpret global projection data, as change is likely to be regionally specific.
- Manage for change rather than stability.
- Off-reserve conservation, especially the corridors and linkages between protected areas will become increasingly important.
- In establishing new protected areas, priority should be given to areas of high topographic diversity were species distributions are more likely to remain stable in future.

LAND ACQUISITION

In the period under review, a total of 27,698 ha of land was acquired for inclusion into the national parks system. This cost a total of R53.342 million and funds were obtained from government grants, the SANParks Park Development Fund (PDF) and donor money (Table 1). Although the government grant made up the largest single financial contribution, it only accounted for 9,400 ha, owing to the high price paid for land in the Mapungubwe National Park. Approximately R6.8 million still remains pending further transactions.

The SANParks PDF and National Parks Trust contributed an equivalent amount of approximately R9.0 million each, with the Trust acquiring about 12,700 ha in the Karoo, Mountain Zebra and Tankwa-Karoo national parks. Donor contributions from the Leslie Hill Succulent Karoo Trust were focused on the Namaqua National Park.

<table>
<thead>
<tr>
<th>Biome</th>
<th>Area (ha)</th>
<th>Cost [R]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fynbos</td>
<td>3,319</td>
<td>18,659,000</td>
</tr>
<tr>
<td>Nama-Karoo</td>
<td>11,975</td>
<td>11,833,389</td>
</tr>
<tr>
<td>Succulent Karoo</td>
<td>10,596</td>
<td>2,995,284</td>
</tr>
<tr>
<td>Thicket</td>
<td>574</td>
<td>755,000</td>
</tr>
<tr>
<td>Grasslands</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Savannah</td>
<td>2,267</td>
<td>19,100,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>28,730</td>
<td>53,342,673</td>
</tr>
</tbody>
</table>

There are plans to acquire approximately 34,500 ha of land at a cost of R51m. The government land grant will pay R43 million of this amount and the remainder will come from the PDF. An amount of R30 million, from the government grant, will fund the IDC capital loan repayment. The land acquisition plans, funded by the government land grant will be focused in the Tsitsikamma and Addo area, and the PDF funds will be used for purchases in Tankwa, Marakele, and Addo.

Several partners have played major roles in the expansion of the park in the last year and new players are expected in the future. They are as follows:

- Contractual land inclusions: A total of 15,000 ha were added in Addo alone through contractual arrangements with Inqo Properties, Riverbend, and the VK Fick Family Trust.
- National Parks Trust of South Africa
- Leslie Hill Succulent Karoo Trust
- The City of Cape Town is set to make several land purchases in the Table Mountain National Park.

TRANSFRONTIER CONSERVATION AREAS (TFCA)

During 2004 excellent progress was made in the further implementation of the TFCA’s initiative in South Africa. This initiative constitutes some of the most exciting, exhilarating and ambitious conservation projects in the world today. These projects aim to establish large conservation and wildlife areas, not only through the integration of vast landscapes and the re-connecting of ecological systems, but also through the development of cross-border tourism linkages, thereby ensuring sustainable
benefits for local communities through socio-economic upliftment, and the promotion of peace and stability in the region.

Southern Africa’s first TFCA, the Kgalagadi Transfrontier Park, was formally opened on 12 May 2000 by both the South African President and the Botswana President. In the same year, the governments of Mozambique, South Africa and Swaziland signed five protocols on the establishment of the Lubombo TFCA.

These milestones were followed by the signing of a Memorandum of Understanding (MOU) between the governments of Lesotho and South Africa on 11 June 2001, which paved the way for the establishment of the Maloti-Drakensberg TFCA (now known as the Maloti-Drakensberg Transfrontier Project).

On 9 December 2002, the Great Limpopo Transfrontier Park (GLTP) was proclaimed by the Heads of State of Mozambique, South Africa and Zimbabwe, with the signing of the International Treaty at Xai-Xai, Mozambique.

As recently as 1 August 2003, a treaty on the establishment of the IAI-IAis/Richtersveld Transfrontier Park was signed in Windhoek by the Presidents of Namibia and South Africa. Agreements to develop further transfrontier conservation areas in Southern Africa are underway, while some are in the final stages of development.

The establishment of TFCA is an exemplary process of partnerships between governments, implementing agencies, donors and NGOs, and the private sector. SANParks is the South African implementing agent for four of these areas, namely the Great Limpopo Transfrontier Park, the IAI-IAis/Richtersveld Transfrontier Conservation Park, the Kgalagadi Transfrontier Park, and the proposed Limpopo/Shashe TFCA.

In addition to these, SANParks is also closely involved through the Greater Golden Gate National Park as one of the four implementing agents in the establishment of the Maloti-Drakensberg Transfrontier Project.

In developing transfrontier conservation areas, SANParks works closely with the Department of Environmental Affairs and Tourism (DEAT), which is the lead agent for the development of TFCA in South Africa. Under the political leadership of Honourable Minister Marthinus van Schalkwyk the DEAT plays a critical role in maintaining the momentum needed for the successful planning and implementation of transfrontier projects. Support from other partners and role-players including relevant governments and implementing agencies, donors and NGOs such as the Peace Parks Foundation, are greatly acknowledged.

**GREAT LIMPOPO TRANSFRONTIER PARK**

Good progress has been made in the further development of the Great Limpopo Transfrontier Park (GLTP). South Africa continued with the translocation of animals from the Kruger National Park to the Wildlife Sanctuary in Limpopo National Park in 2004. 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. SANParks, as the implementing agent, renders all the professional and logistical support for this project. This programme continues this year with the further translocation of animals from the Kruger National Park to the Limpopo National Park.

As part of the R40 million tourism infrastructure development programme in the Kruger National Park, South Africa has completed the construction of its component of the new Giriyondo Border Post. Mozambique is in the process of completing its component of the border post and it is estimated that this facility will become operational towards the end of August 2005. Apart from opening the Giriyondo Border Post, key activities planned for 2005 include the dropping of an additional 30km of the KNP eastern boundary fence, initiating the development of the South African component of the Great Limpopo TFCA, and the development of an Integrated Plan for the Pafuri region of the GLTP.

**IAI-IAIS/RICHTERSVELD TRANSFRONTIER PARK**

The implementation of the IAI-IAis/Richtersveld Transfrontier Park (ARTP) progressed excellently in 2004. Following the establishment of the Joint Management Board (JMB) for the ARTP by the Ministerial Committee at the beginning of 2004, the development of an integrated planning/tourism strategy for the park has gained momentum in both countries with the appointment of two groups of consultants towards mid 2004, funded by the Peace Park Foundation and the European Development Fund. This process has resulted in several meetings and workshops being held between Namibia and South Africa, with one of the key outcomes being a draft Joint Zoning Plan for the ARTP. The Joint Zoning Plan is a strategic spatial plan whereby the park is zoned, indicating what activities may take place in different sections.
One of the key activities relating to the further development of the ARTP in 2005 would be the development and operationalisation of the Sendelingsdrift Border Post and Pontoon. Following co-operation from the local mining fraternity on the Namibian side, it is envisaged that the construction of the relevant infrastructure in Namibia will commence in the first quarter of 2005. South Africa is also in the process of upgrading the facilities on its side. Based on the aforementioned, it is estimated that the Sendelingsdrift Border Post will become operational towards the end of 2005. Other activities for 2005 include the finalisation of the Joint Management Plan, the development of an Integrated Tourism Development Plan for the ARTP, and the initiation of a process for the development of the IAI-IAsis/Richtersveld Transfrontier Conservation Area.

KGALAGADI TRANSFRONTIER PARK
As Southern Africa’s first transfrontier park, the Kgalagadi Transfrontier Park has been in de facto existence since 1948, thanks to an informal verbal agreement between the conservation authorities of the then Bechuanaland Protectorate and the Union of South Africa. Formal operations began in 1999 when the Heads of State of the two countries signed the Agreement for the establishment of the park. It was formally opened on 12 May 2000 by the Heads of State of Botswana and South Africa.

The overall development and management of the park is going well, with the South African side diversifying its tourism products on offer through the further development of small wilderness camps. As part of the ongoing management and implementation of the park, the Kgalagadi Bi-lateral Committee meets regularly. Key activities of this Committee in 2004 included the commissioning of an investigation to identify options for the establishment of a more appropriate management structures than that which is currently provided for in the agreement. One of the options would be to bring the park’s management structures in line with those established as part of the implementation of the Great Limpopo and IAI-IAsis/Richtersveld Transfrontier Parks.

Apart from concluding the findings of the aforementioned investigation, other key activities for 2005 will include the re-opening of the Mata-Mata entrance gate. It is proposed that the gate be re-opened towards the end of 2005. Another key activity for 2005 will be the development of an Integrated Tourism Plan for the area, which will be sponsored by the Peace Parks Foundation.

LIMPOPO/SHASHE TRANSFRONTIER CONSERVATION AREA
Following the postponement of the signing of the Memorandum of Understanding (MoU) for the development of the Limpopo/Shashe TFCA in September 2003, and again in September 2004, it seems likely that the MoU will be signed during the course of 2005. Apart from formalising the process by each country showing an intent to develop the Limpopo/Shashe TFCA, the proposed signing of the MoU will also provide the platform for the establishment of a Technical Committee and the various Working Groups necessary to drive the planning and development process for the transfrontier conservation area.

On the South Africa side of the Limpopo/Shashe TFCA, the further consolidation of the core area of the Mapungubwe National Park went well in 2004. South Africa completed the majority of the development of the planned tourism infrastructure in the park, and it was officially opened on Heritage Day in September 2004. These tourism facilities were developed as part of the Poverty Relief Programme funded by the DEAT and implemented by SANParks. In addition to the signing of the MoU,
key activities for 2005 would include setting up new management structures for the planning and development of the TFCA, and the further consolidation of the core area of the Mapungubwe National Park.

MALOTI-DRAKENSBERG TRANSFRONTIER PROJECT
Good progress has been made in activities relating to the planning and establishment of the Maloti Drakensberg Transfrontier Project (MDTP) between Lesotho and South Africa. SANParks continued its participation in MDTP activities in 2004. As the organisation is one of four implementing agents for the MDTP in South Africa, it is represented on the SA Project Coordination Committee (PCC), which has been constituted to oversee the activities of the Project Coordinating Unit (PCU). The PCU is responsible for the various activities associated with the implementation of the Project Implementation Plan in South Africa.

Apart from participating in PCC activities, SANParks also initiated the development of an Integrated Management and Development Plan for the greater Golden Gate Highlands National Park in 2004. Apart from the proposed incorporation of the Qwa-Qwa land as part of Golden Gate Highlands National Park, SANParks is adding value to the project with the development of Poverty Relief-funded tourism facilities in the park which will be opened to the public in 2005. Other key activities for 2005 include ongoing participation in the Maloti Drakensberg Transfrontier Project activities, and the integration of the SANParks planning process with the broader MDTP objectives.
During the past year, the appointment of the managers for Community-based Conservation, Cultural Resource Management and Social Science Research concluded the recruitment of staff for the division. While sustaining past projects and activities for environmental education, cultural resource management, indigenous knowledge and strengthening community relations, the division succeeded in obtaining financial support from external sources to implement new initiatives, in partnership with government departments, statutory bodies and the private sector.

In the area of environmental education and awareness, the launch of the R21 million Kids in Parks Programme initiated one of the largest public private partnership agreements between SANParks, the Department of Environmental Affairs and Tourism, Pick ’n Pay and the Department of Education, establishing a national focus for environmental education in all parks. The signing of the Memorandum of Agreement between the key partners to implement the programme in 15 parks over three years paved the way for the launch of the project at West Coast National Park. A broad spectrum of representatives from national, provincial and local government and the business sector attended the launch, including the ministers of Education (Ms Naledi Pandor) and of Environmental Affairs and Tourism (Mr Marthinus van Schalkwyk) and Chairman of the Pick ’n Pay group, Mr Raymond Ackerman.

Several activities contributed to raising the levels of environmental awareness for the broader public to build constituencies for, and establish a people centred focus within the conservation and tourism mandate of South African National Parks (SANParks). Focusing on the youth, the successful prize-giving ceremony co-hosted with the SABC, concluded the annual Morula Kids Competition, now in its fourth year of existence. The theme for the 2004 competition, “Celebrating 10 years of conservation” was directed at Foundation and Intermediate Phase (Grades 1-7) learners at the General Education and Training Level. The competition had a remarkable increase of over 6000 entries in 2004, an increase of over a hundred percent.

The targets set to strengthen the Youth Outreach projects, including the expansion of the Imbewu Project, in partnership with the Wilderness Foundation, to a fifth park (Marakele) and increasing the number of Junior Honorary Rangers to 210, were successfully reached. The continuation of both these initiatives is dependent on securing additional funding and on the capacity of staff at park level. The partnership with the Mail and Guardian’s “The Teacher” enabled the development of four consecutive resources that highlight national heritage conservation processes and initiatives within South African National Parks. All four resources, sent to 32,000 schools countrywide, are in support of outcomes-based education and the curriculum.

The division is playing a significant role in strengthening relations with neighbouring park communities. Activities in this regard include overseeing the public consultation and participation facets in our conservation initiatives, as outlined in the Protected Areas Act for the Park Management Planning Strategy. The process of establishing Park Forums, as important platforms to enable community and stakeholder participation, received considerable attention. Key outputs include the drafting of the terms of reference that guided the process of establishing the 14 park forums to date, and the formulation of a status report on the implementation in parks. Contributions in the People and Parks Workshop and the Elephant Indaba demonstrated the importance of Park Forums as representative platforms from which public consultation and participation processes can emerge.
The implementation of community-based conservation projects includes the Community Water Efficiency Project (COWEP), co-funded by the Department of Water Affairs and Forestry, at three sites in two arid parks. The Take Kruger to Kasie Project contributed to strengthening the community awareness campaign by targeting neighbouring communities in both the Limpopo and Mpumalanga Provinces. Furthermore, the Medicinal Plant Nursery Project for traditional healers in the Makuya district demonstrated the benefit of promoting sustainable use of natural resources.

The Expanded Public Works Programme contributed substantially to capacity building initiatives for local communities in several parks. These include, amongst others, the emerging Contractors Development Community Fencing Project in the Kruger National Park where local communities, both on the northern and southern side of the park, have been constructing and maintaining fences; and the training, mentoring and supporting of local community guides in the Addo, Table Mountain and Golden Gate national parks.

In the process of building a Social Science Research capability and knowledge repository within SANParks, the unit developed a Social Science Research Policy, and constituted an advisory Committee to assist Social Science Research initiatives.

A survey, culminating in a draft report on the status of research done in SANParks since 1994, formed the basis of a research database. In partnership with IUCN South Africa, the Social Science Research unit hosted a four-day Indaba on Social Research and Protected Areas as part of its Trans-boundary Protected Areas Research Initiative (TPARI). The purpose of the Indaba was to explore the nature and consequences of social research in communities who live in and around protected areas, and the relationships between local people, conservation officials and social researchers.

The identification of future priorities for Social Science, at the Indaba, has been very useful. In addition, a review of the environmental education centres in SANParks has commenced to inform centre-based programmes to inform the United Nations Decade of Education for Sustainable Development 2005 – 2014.

In the areas of Cultural Resource Management and Indigenous Knowledge Systems, a key output is the development of a draft policy to facilitate the implementation of related projects and developments within South African national parks. In order to proceed with cultural mapping processes in parks, the grant received from the National Lottery Board has contributed to the initiation of projects in three parks. Furthermore, the division has also established a database on cultural resources, specifically for the Kruger National Park, that will be developed to incorporate data from other parks as the park mapping process unfolds.

Finally, processes to guide the repatriation of heritage objects to and the reburial of bodies at the flagship World Heritage Site Mapungubwe National Park have commenced. This is done in partnership with the South African Heritage Resource Agency (SAHRA), the University of Pretoria, the Department of Environmental Affairs and Tourism, Limpopo Province, Wits University and the Department of Arts and Culture.
The Human Resources division is an integral part of the strategic decision making process within SANParks and it spearheads the alignment of SANParks with its transformation mission and strategy by changing the organisation so that it is demographically more representative of the South African population.

**HUMAN RESOURCES ADMINISTRATION**

The staff complement at the end of March 2005 was 2 795 compared to 2 759 at the end of March 2004. This represents an increase of 1.3% in headcount. The total human resources expenditure at the end of March 2005 was R256 694 million compared to R228 289 million at the end of March 2004, an increase of 12.4%.

The increase in expenditure can be attributed to an average salary increase of 8% and the increase in headcount of 36 people. Direct human resources expenditure increased by 14.1%.

**SANParks Workforce Profile as at 31 March 2005:**

<table>
<thead>
<tr>
<th>Occupational level</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Employment Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>African</td>
<td>Indian</td>
<td>Coloured</td>
<td>White</td>
</tr>
<tr>
<td>F</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>E</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>D</td>
<td>39</td>
<td>3</td>
<td>10</td>
<td>91</td>
</tr>
<tr>
<td>C</td>
<td>91</td>
<td>5</td>
<td>22</td>
<td>57</td>
</tr>
<tr>
<td>B</td>
<td>630</td>
<td>1</td>
<td>175</td>
<td>7</td>
</tr>
<tr>
<td>A</td>
<td>781</td>
<td>1</td>
<td>32</td>
<td>0</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>1548</td>
<td>10</td>
<td>239</td>
<td>176</td>
</tr>
</tbody>
</table>

**HUMAN RESOURCES DEVELOPMENT AND EQUITY**

One of management’s objectives is to transform SANParks into a learning organisation where employees are encouraged to acquire new skills and enhance their personal development.

To this end, a training needs analysis of all the skills courses was conducted. In addition 109 line managers attended a Supervisory Development Programme.

SANParks actively supports the learnership process and registered 95 employees and 142 unemployed learners from neighbouring communities adjacent to our national parks with the Tourism, Hospitality, Sports Education and Training Authority (THETA). SANParks received an amount of R1 137 074 from THETA for the timeous submission of both the Workplace Skills Plan and the Workplace Skills Plan Implementation report.

The Employment Equity Report was timeously submitted to the Department of Labour.

**LABOUR RELATIONS**

The organisation did not experience any industrial action. Despite the increase of 86% in cases referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) and the Labour court (LC) all cases set down were ruled in favour of SANParks.

Bargaining with the majority union, the South African Commercial, Catering and Allied Workers Union (SACCAWU), yielded positive results as a memorandum of agreement on salary increases and a number of collective agreements were signed. Through negotiations the parties reached consensus on an 8% salary increase for employees in Paterson bands A to B which was within the executive management’s mandate.

**OCCUPATIONAL HEALTH**

Management and the majority union, SACCAWU, signed an agreement on HIV and Aids interventions and training programmes. A total of 65 employees were trained as peer educators and a further 150 employees in Condom Logistics Training.
EMPLOYEE WELL-BEING

The resident industrial psychologist conducted 225 day-to-day counselling sessions with employees, and presented stress management workshops in six of the national parks.

Due to the nature of their work, the Search and Rescue team at the Table Mountain National Park was lectured on the handling of Post Traumatic Stress Disorder.

An in-house assessment centre was developed to identify individual employees with management/leadership potential and to identify their development needs. The assessment centre is also used for recruitment and selection purposes.
MARKETING

The SANParks marketing campaign was rolled out with three objectives:

• to maintain SANParks current market;
• to capture the disinterested market; and
• to attract the previously disallowed communities.

The message was communicated through the print medium and promotions were communicated through exhibitions, public relations exercises, launches and television partnerships.

The focus of the campaign shifted from a purely wildlife experience to activities that focused on human interaction. The Go Wild campaign was specifically designed to emphasise the interaction part of the campaign. The activities featured were as follows:

• Wilderness trails and walks
• Mountain biking
• Horse riding
• Abseiling and climbing
• Diving and snorkelling
• 4x4 trails
• Star-gazing

The activities mentioned are available in various parks country-wide.

The marketing strategy was reviewed and a national marketing plan focusing on a number of projects was adopted. The following are some of the projects undertaken during the period under review:

• Isidingo Project – Positives audience comments were received regarding the relationship between SANParks and Isidingo. At consumer shows, a number of visitors expressed that they had become aware of SANParks because of Isidingo. The objective of the project is to educate, encourage and drive consumers to our parks through utilisation of product placement strategy in the storyline of the show. Isidingo has a daily viewership of almost two million. Recent average performance figures have shown that 66,9% of viewers are black, 12,4% white, 10,1% coloured and 10,5% Indian. Females are the highest with almost 62%, male 38,8%. LSM 5 rate the highest with 29,1% followed by LSM 6 24% and LSM 7 14,9%, LSM 8 9,4 and LSM 9 11,5%.

• Wilderness Bush Bash – This project involved the participation of media personalities together with selected learners from high schools that they previously attended. In a Wilderness exposure programme the objective was to encourage the learners in terms of their experience of our products and services, to their audience. SANParks received almost R1,8 million worth of exposure as a result of this project.

• Partnership with My Acre of Africa and SABC – Exposure on television and radio.

• Video Web casting – Of the 14 parks featured on the web videos, SANParks holds all the top 10 spots with the most visited sites each month. Web casting is a marketing tool employed to showcase our products and services through visuals. Our target market is the international market due to the nature of web casting technology. South Africa does not possess enough broadband technology to view the videos on the Internet.

• Sho’Left Domestic marketing campaign – SANParks has enjoyed successful participation in this project in the Skukuza, Berg-en-Dal, Letaba and Olifants camps in the Kruger National Park. In September, two trips to Golden Gate were also undertaken. The Fun Bus has enjoyed tremendous success as a minimum of two full buses, carrying 90 passengers each, visited the camps. The campaign has contributed to increasing awareness of our products, especially amongst previously disadvantaged communities who made up 98% of the passengers. The packages are inclusive of a conservation fee, accommodation, transport and meals. SANParks provided up to 40 - 55% discounts during the campaign.
Radio advertising campaign – SANParks advertised on all SABC radio stations and positive feedback was received from listeners. Regions such as the Kruger National Park enjoyed exposure on local and regional radio stations including Ikwekwezi FM, Mughanalonerne FM, Thobela FM and Ligwalagwala FM. Prizes were given away at the end of various radio programmes.

PROMOTIONS
SANParks was well represented at a number of trade/consumer shows and exhibitions:
- The Cape Expo in Cape Town – Silver Award
- Getaway Show at the Dome in Johannesburg
- 94.7 Adventure Expo at Kyalami – Bronze Award
- Indaba – Durban
- ITB – Berlin
- WTM – London
- Holiday Maker’s Expo – Johannesburg – Silver Award

MARKETING COLLATERAL
- Brochures – DL corporate brochures, regional brochures and electronic brochures were compiled and distributed at shows.
- SANParks DVD – containing marketing information on 14 national parks.

BUSINESS DEVELOPMENT
It has been four years since SANParks awarded 12 concession sites and the outsourcing of 19 shops, seventeen restaurants and four picnic sites to private operators in return for a payment of concession fees and rentals.

While many challenges are still being faced with regards to the implementation of the commercialisation strategy, SANParks has the core competency and ability to manage such challenges for the overall benefit of the institution, its partners and conservation in general.

Of the 12 concession sites, eight are currently fully operational. Of the remaining four, one is partially operational, two are busy with their environmental impact analysis and the remaining concession is still in the construction phase.

Due to financial constraints experienced by the concessionaires, a relief mechanism was implemented during the year. The fixed concession fee commitments were dropped to provide flexibility to the concessionaires, enabling them to adapt to fluctuating market conditions. While this has led to a considerable drop in the income for 2005, it is anticipated that the benefit for SANParks’ in the long term will surpass the initial decline in concession fees.
The relevant post-transaction details of the various concessions are as follows:

<table>
<thead>
<tr>
<th>Concession Area</th>
<th>Income 2003</th>
<th>Income 2004</th>
<th>Income 2005</th>
<th>Income Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tinga Private Game Lodge - Kruger</td>
<td>739 821</td>
<td>1 427 952</td>
<td>1 139 093</td>
<td>3 306 866</td>
</tr>
<tr>
<td>Jock Safari Lodge – Kruger</td>
<td>828 053</td>
<td>1 662 174</td>
<td>574 373</td>
<td>3 064 600</td>
</tr>
<tr>
<td>Lukimbi Safari Lodge – Kruger</td>
<td>287 112</td>
<td>404 780</td>
<td>359 109</td>
<td>1 051 001</td>
</tr>
<tr>
<td>Imbali Safari Lodge – Kruger</td>
<td>424 867</td>
<td>987 057</td>
<td>629 429</td>
<td>2 041 353</td>
</tr>
<tr>
<td>Rhino Walking Safaris – Kruger</td>
<td>37 500</td>
<td>101 365</td>
<td>160 700</td>
<td>299 565</td>
</tr>
<tr>
<td>Singita Leombo - Kruger</td>
<td>1 192 107</td>
<td>7 186 310</td>
<td>1 813 080</td>
<td>10 191 496</td>
</tr>
<tr>
<td>Shishangeni Lodge - Kruger</td>
<td>825 638</td>
<td>1 268 386</td>
<td>1 348 011</td>
<td>3 442 036</td>
</tr>
<tr>
<td>Brandwag Hotel - Golden Gate</td>
<td>812 885</td>
<td>1 588 932</td>
<td>1 210 050</td>
<td>3 611 867</td>
</tr>
<tr>
<td>Gorah Elephant Camp - Addo</td>
<td>836 084</td>
<td>642 885</td>
<td>405 652</td>
<td>1 884 622</td>
</tr>
<tr>
<td>Addo Nyati Concession - Addo</td>
<td>191 900</td>
<td>360 303</td>
<td>479 055</td>
<td>1 031 258</td>
</tr>
<tr>
<td>Roundhouse Concession - Table Mountain</td>
<td>65 109</td>
<td>255 628</td>
<td>155 868</td>
<td>476 604</td>
</tr>
<tr>
<td>Koeel Bay Concession - Table Mountain</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6 241 076</strong></td>
<td><strong>15 885 772</strong></td>
<td><strong>8 274 420</strong></td>
<td><strong>30 401 268</strong></td>
</tr>
</tbody>
</table>

The outsourced restaurant and retail facilities have, from a financial perspective, led to a significant increase in income with R18.2 million received in 2005, R18.69 million in 2004 and R17.8 million in 2003.

The core focus continues to be the management of the Concessions and Outsourced Operations involving the refinement of contracts, entrenching of relationships with operators, ensuring that monitoring mechanisms are implemented as intended, environmental impacts are mitigated and the social benefits are maximised. In addition, new Public-Private Partnership opportunities, such as that in the Knysna Lake Area and various other eco-adventure activities, together with numerous other business development opportunities, are being investigated and project managed.
<table>
<thead>
<tr>
<th>PARK</th>
<th>UNIT NIGHTS SOLD</th>
<th>% OF TOTAL</th>
<th>UNIT OCCUPANCY</th>
<th>BED NIGHTS SOLD</th>
<th>% OF TOTAL</th>
<th>CAMPING -PERSON NIGHTS SOLD</th>
<th>% OF TOTAL</th>
</tr>
</thead>
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<tr>
<td>ADDO</td>
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<td>4.4%</td>
<td>79.5%</td>
<td>46138</td>
<td>4.3%</td>
<td>59.4%</td>
<td>18033</td>
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<td>18728</td>
<td>4.1%</td>
<td>89.4%</td>
<td>44156</td>
<td>3.9%</td>
<td>64.2%</td>
<td>13293</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Previous year</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>AUGRABIES</td>
<td>11195</td>
<td>2.6%</td>
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<td>24537</td>
<td>2.3%</td>
<td>39.1%</td>
<td>15916</td>
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<td>50.0%</td>
<td>23795</td>
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<td>2261</td>
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<td>7587</td>
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<tr>
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<td>473</td>
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<td>1589</td>
<td>0.1%</td>
<td>24.2%</td>
<td>7838</td>
</tr>
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<td>GOLDEN GATE</td>
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<td>43.5%</td>
<td>16228</td>
<td>1.5%</td>
<td>28.4%</td>
<td>12478</td>
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<tr>
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<td>7311</td>
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<td>38.4%</td>
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<td>21728</td>
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<td>43.1%</td>
<td>12742</td>
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<td>9528</td>
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<td>70.4%</td>
<td>23995</td>
<td>2.1%</td>
<td>51.2%</td>
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<td>Kgalagadi</td>
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<td>42945</td>
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<td>39.3%</td>
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<tr>
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<td>44800</td>
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<td>49.4%</td>
<td>35249</td>
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<td>KRUGER</td>
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<td>76.2%</td>
<td>66.5%</td>
<td>820922</td>
<td>75.9%</td>
<td>52.9%</td>
<td>267753</td>
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<td>77.2%</td>
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<td>Marakele</td>
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<td>0.5%</td>
<td>42.7%</td>
<td>10499</td>
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<tr>
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<td>49.8%</td>
<td>6053</td>
<td>0.5%</td>
<td>29.1%</td>
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<td>4777</td>
<td>0.4%</td>
<td>19.0%</td>
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<tr>
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<td>1083</td>
<td>0.1%</td>
<td>11.6%</td>
<td>0</td>
</tr>
<tr>
<td>MOUNTAIN ZEBRA</td>
<td>4728</td>
<td>1.1%</td>
<td>69.6%</td>
<td>13813</td>
<td>1.3%</td>
<td>49.1%</td>
<td>6180</td>
</tr>
<tr>
<td>Previous year</td>
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<td>1.0%</td>
<td>60.6%</td>
<td>11016</td>
<td>1.0%</td>
<td>37.6%</td>
<td>3206</td>
</tr>
<tr>
<td>Namaqua</td>
<td></td>
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</tr>
<tr>
<td>Previous year</td>
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</tr>
<tr>
<td>Richtersveld</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
<td>9591</td>
</tr>
<tr>
<td>Previous year</td>
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<td>29.4%</td>
<td>489</td>
<td>0.0%</td>
<td>13.4%</td>
<td>11145</td>
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<tr>
<td>Table Mountain</td>
<td>428</td>
<td>0.1%</td>
<td>37.3%</td>
<td>1668</td>
<td>0.2%</td>
<td>18.2%</td>
<td>0</td>
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<tr>
<td>Previous year</td>
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<td>0.0%</td>
<td>32.5%</td>
<td>1318</td>
<td>0.1%</td>
<td>22.5%</td>
<td>0</td>
</tr>
<tr>
<td>Tankwa Karoo</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previous year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tsitsikamma</td>
<td>22655</td>
<td>5.2%</td>
<td>67.3%</td>
<td>55988</td>
<td>5.2%</td>
<td>52.6%</td>
<td>50876</td>
</tr>
<tr>
<td>Previous year</td>
<td>23972</td>
<td>5.2%</td>
<td>74.3%</td>
<td>67719</td>
<td>5.9%</td>
<td>60.4%</td>
<td>42001</td>
</tr>
<tr>
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<td>% OF TOTAL</td>
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<td>42.7%</td>
<td>22.2%</td>
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</table>
The key deliverable of the Communications division comprising the Public Relations, Internal Communications and E-Commerce units, is to create and maintain a positive image for SANParks across all 20 national parks.

In addition, the Communications division implements an effective communications strategy aimed at strengthening the organisation’s profile as the custodian of choice for South Africa’s natural heritage.

In the period under review, the support and assistance from SANParks’ leadership for projects and initiatives navigated by the Communications division has been commendable. This commitment has seen the Communications division firmly inculcated within the organisation’s business processes resulting in a well structured, streamlined and effective communication mechanism.

In the past financial year, the Communications division has attained much success by integrating communication efforts across all 20 national parks and ensuring that South African National Parks speaks with one voice! Through the Communication Protocol and the Crisis Communication Strategy, new policies approved by both the Board and Executive Management, the division has also attested to being a critical auxiliary structure for the entire organisation.

The notice and adherence afforded to this policy by management has firmly ingrained the Communication Protocol policy as custom within the entire organisation’s communication landscape and this is leading to better facilitation of the division’s functions.

It is imperative to note at this stage that parks such as the KNP and TMNP continue to enjoy a mixture of positive and negative publicity. For the most part, positive publicity results from efforts by the organisation’s initiatives and attempts to keep the public informed.

Other national parks also received positive and negative media coverage. Inadequate communications competencies pose the greatest challenge within the parks in ensuring that certain issues in the media are dealt with before they become uncontrollable. The Communications division is in the process of putting creative measures in place to address such shortcomings.

However, the publicity that the media coverage has generated has been enormous, and is estimated at a value of over R3m for three quarters of the period under review. This is considered to be a good sign as it sets SANParks as one of the notable players in the public eye, and a major player in the conservation sector.

The establishment of the E-Commerce Unit and the launch of the newly designed website, have done much to bolster SANParks’ public image.
Compared to the previous website, the E-Commerce Unit managed to attract and amass visitors exceeding all possible expectations within the period under review, as indicated in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Old website (Oct 2004)</th>
<th>New website (June 2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hits</td>
<td>3 122,241</td>
<td>21 123 293</td>
</tr>
<tr>
<td>Page views</td>
<td>521 883</td>
<td>1 417 539</td>
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<tr>
<td>Visitor sessions</td>
<td>75 119</td>
<td>160 501</td>
</tr>
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</table>

In line with the organisation’s communication strategy, combined efforts by the E-Commerce and Internal Communications units have also managed to streamline and co-ordinate all internal communication efforts, thereby lessening the ever-incessant electronic information overload problem which previously plagued the organisation.

The year under review also saw numerous instances necessitating the successful use of SANParks’ recently adopted Crisis Communication Strategy.

Of particular note was the soon to be finalised Elephant Management Framework highlighted at the Great Elephant Indaba which was held at the Kruger National Park from 19 to 21 October 2004.

Although still under consideration, the Indaba highlighted the immense support that SANParks currently enjoys from the broader conservation fraternity in implementing an Elephant Management Plan. With SANParks’ leadership having applied its mind to the well contrived process, there is much confidence and support from within the organisation and from other key stakeholders as well.

The Indaba also displayed the SANParks leadership’s immense ability to deal with pressure, while remaining resolute in the face of challenges. The ultimate consensus at the Indaba was that even though something needs to be done as a matter of urgency, the process must be one that is transparent and consultative.

In other developments, the Communications division was instrumental in the successful launch of the Mapungubwe National Park. Launched on 24 September 2004 (Heritage Day), the event saw the park previously known as Vhembe/Dongola being renamed Mapungubwe and receiving new tourism infrastructure. As the Mapungubwe National Park is a World Heritage Site and this brings the total number of heritage sites under SANParks estate to two (02), along with Table Mountain National Park.
ELEPHANT INDABA

Recent legislation governing national parks stipulates that SANParks must consult with interested and affected parties when formulating plans to manage threatened species. SANParks also believes that elephant management in South Africa must be part of a process that is supported by the public.

It is with this in mind that the SANParks Elephant Indaba was convened and took place at the Berg-en-Dal Conference Centre in Kruger National Park between 19 and 21 October 2004.

Invitations were extended to all nature conservation agencies, non-governmental conservation organisations, academic institutions, provincial and national conservation bodies, and interested nature conservation stakeholders in South Africa and neighbouring countries.

The theme of Finding an African Solution to an African Problem was inspired by SANParks’ Chief Executive, Dr David Mabunda, who stated that, “For too long, Africans have let decisions which affect them, be taken by people with values that are outside of Africa’s own reality, and the time has come to correct this.” He also believes that the challenge of managing elephant populations is not just a SANParks or South African issue but that it cuts across the country and the region, hence the need to include representatives from neighbouring countries who are similarly affected by escalating elephant populations.

THE OBJECTIVES OF THE INDABA ARE TO:

• initiate wider public participation and understanding of issues pertaining to elephant management in protected areas;
• consult on the draft management plan for elephants in national parks and other protected areas;
• review, in particular, the existing Kruger Elephant Management Plan which was drawn up in 1999; and
• suggest inputs for the compilation of a draft management plan for submission to the Minister of Environmental Affairs and Tourism for approval.

ROOMSEEKER

The RoomSeeker Project went live on 12 June 2004. The RoomSeeker application replaced the previous reservations and property management solution (RAFOS). The objectives of this project are to:

• maximise the automation of the organisation’s operations which includes, central reservations, front desk and property management;
• ensure hospitality best-practice for the total management of all parks; and
• centrally manage the reservations and activities at the various rest-camps and reservation agents.

The overall project has been a success and the system has been accepted by the majority of users, but it still requires changes, in order for all objectives to be met.

The rollout has, however, not been without its teething problems. The following are key lessons learned:

• When undertaking an Application Customisation Project, ensure that the stakeholders involved in the specification of the changes has an in-depth understanding of the ‘vanilla’ product.
• Middle management buy-in or ownership is essential to determine if hospitality best practice or SANParks policies and procedures should receive priority during decision-making.
• From the beginning, ensure that the correct stakeholders are
involved in the process of defining specifications and application testing.

• Allow enough time to get functional specifications with the appropriate level of detail.

• The compilation of a fully comprehensive policy and procedure manual can only be done if an in-depth understanding of all operations within the new application and enhancements is understood.

• Comprehensive training should be done only when the system is stable, when there are no further developments in progress and when a training manual is available with information extracted from the comprehensive policy and procedure manual.

WILD CARD
The WILD Card was launched in May 2003. In the 2004/2005 financial year, 82 000 cards were sold, earning revenue of over R27-million (an increase of R10 million or 59%, compared to 2003/2004). The WILD Card contributed approximately R17-million to net profit for the current financial year (an increase of R8 million or 89%).

The concept of the WILD Card is a combination of a season ticket, where the cardholder pays a once-off annual fee and thereafter enjoys free access to the national parks, and a consumer loyalty programme.

PARK ACCESS FOR PEOPLE WITH DISABILITIES
SANParks continues to include access for people with disabilities as one of the considerations in providing a universally accessible tourism plant.

There are, however, still shortcomings throughout the parks’ tourism infrastructure. Most of these shortcomings can be attributed to old facilities. The pending launch of the Tourism Grading Council’s Accessibility Guidelines should assist in future efforts to provide appropriate facilities.

New accommodation in the Addo, Golden Gate, Kgalagadi and Mapungubwe national parks and the Punda Maria camp in the Kruger National Park all offer one or two units that are designed for those who are mobility impaired. Tsitsikamma has also overhauled its camping ablutions to allow access to the mobility impaired.

Exciting new facilities that have been designed to facilitate wheelchair access include the riverine boardwalk and hide, the path to the viewpoints at Mapungubwe, the new walkway and view-point at Augrabies Falls and a forest boardwalk at Nature’s Valley in Tsitsikamma. The latter facility was constructed with support from the park’s Honorary Rangers and Metropolitan Life.

SANParks has increased its marketing efforts to people with disability in the last year, advertising and carrying editorial in the Gauteng Access Guide and Rolling Inspiration, the quarterly lifestyle publication for the mobility impaired.

HONORARY RANGERS
The Honorary Rangers Corps is SANParks’ formalised volunteer force and they operate in 23 regions nationwide. Their members are private individuals who give of their time, knowledge, energy and fundraising in support of SANParks. They are not the only private individuals or groups who contribute to SANParks, but with over four decades of existence they are an effective and committed body and a vital support structure to the parks.
At their 2003 and 2004 AGMs (Indabas), SANParks management challenged the Honorary Rangers to reach a variety of targets. Some of these targets included creating better communication channels between the Corps and SANParks, improving on the coordination of projects, using private contacts to involve influential business persons and focusing on environmental education and increasing park awareness, particularly amongst the youth and disadvantaged groups. Additionally a pivotal aim was to help SANParks create a volunteer support base that is representative of our country’s demographics and hence to re-evaluate their barriers to entry and to speed up their transformation.

Membership of people of colour at the senior level remains low, although some regions have proved to be very successful at transformation. Involvement at the junior level is much more representative and it is hoped that this will lay a foundation for a more demographically representative make-up at senior level in the future. The low numbers at senior level can be attributed to several factors, but essentially they mirror the domestic tourism demographic in the parks and the ownership of WILD Cards. The Honorary Rangers are very proud of the dedication that is required to attain their status, both in terms of time and effort given to SANParks and knowledge gained through completing various environmental courses. However, there is a realisation that in order to involve more people in supporting SANParks, they need to embrace and recognise other forms of volunteering, which will increase the involvement of people of colour.

Historically the biggest occasion of the year was the 40-year anniversary of the founding of the Honorary Rangers in May 1964. An initial celebration was held at Pretoria Zoological Gardens in May 2004 with television cameras in attendance. This was followed by further celebration at the Honorary Rangers’ October Indaba at Skukuza. Jamie Stevenson-Hamilton, son of the first Kruger warden Colonel James Stevenson-Hamilton, was the guest of honour and he spoke of some of his childhood memories of growing up in the park.

The contribution that the Honorary Rangers make to SANParks is manifested in many ways. As individuals they may perform various regulated duties, patrols, fence maintenance and even stock-taking, always travelling at their own expense. But within the various regions and national project teams, their efforts at fundraising and sponsorship sourcing, infrastructure and equipment donation; environmental education and the raising of public awareness, park peripheral community empowerment, and coordination of events, have made a massive contribution. More detail on the nature of the Honorary Rangers’ contribution can be viewed on the Honorary Rangers pages on the SANParks website.

EXPANDED PUBLIC WORKS PROGRAMME

The implementation of the Expanded Public Works Programme (EPWP) of the 2001-2005 cycle was finalised at the end of March 2005. This programme has assisted tremendously in the upgrade and creation of infrastructure in parks, whilst the Working for Water-, CoastCare- and Working for Wetlands programmes focused on the improvement of biodiversity and rehabilitation of areas in parks and along the coastline. The following deliverables were achieved by the different programmes:
TABLE 1: DELIVERABLES ACHIEVED BY THE SANPARKS EXPANDED PUBLIC WORKS PROGRAMME

<table>
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<th>Deliverable</th>
<th>Achieved</th>
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<td>DEAT Poverty Relief Programme</td>
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<tr>
<td>Expenditure</td>
<td>R 257 million</td>
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<td>Person Days Achieved</td>
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<td>Number of People Employed</td>
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<tr>
<td>Amount paid to SMME’s</td>
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<tr>
<td>Removal of alien vegetation</td>
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<td>Upgrade &amp; construct perimeter fences</td>
<td>804 km</td>
</tr>
<tr>
<td>Upgrade &amp; construct roads</td>
<td>254 km</td>
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<tr>
<td>Removal of redundant structures</td>
<td>490 units</td>
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<td>Construct new rest camps</td>
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<tr>
<td>New tourism beds created</td>
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<tr>
<td>Construct new entrance gates</td>
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<tr>
<td>Construct new staff accommodation</td>
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<tr>
<td>Upgrade, convert, maintenance of staff accommodation</td>
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<tr>
<td>Working for Water</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>R 29 million</td>
</tr>
<tr>
<td>Initial hectares cleared</td>
<td>32,106 ha</td>
</tr>
<tr>
<td>Follow up hectares cleared</td>
<td>85,939 ha</td>
</tr>
<tr>
<td>Person days achieved</td>
<td>165,081</td>
</tr>
<tr>
<td>Training days achieved</td>
<td>26,167</td>
</tr>
<tr>
<td>Working for Wetlands</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>2,5 million</td>
</tr>
<tr>
<td>Cubic meters</td>
<td>11,300</td>
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<tr>
<td>Person days achieved</td>
<td>14,175</td>
</tr>
<tr>
<td>Coast Care</td>
<td></td>
</tr>
<tr>
<td>Expenditure (R million)</td>
<td>R 3,4 million</td>
</tr>
<tr>
<td>Person days achieved</td>
<td>36,500</td>
</tr>
<tr>
<td>Training days achieved</td>
<td>3,006</td>
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FUTURE IMPLEMENTATION OF EPWP PROJECTS

During the year under review, SANParks submitted proposals for continuation of the respective EPWP programmes funded by DEAT and DWAF. Projects to the value of R 328 million were approved for the next MTEF cycle and implementation started 1 April 2005. All parks received funding for infrastructure development projects, while funding of the Working on Water-, CoastCare- and Working on Wetlands programmes was allocated according to follow-up needs and priority rehabilitation projects.
KRUGER NATIONAL PARK

The period under review held many high moments for the Kruger National Park (KNP). Not only were important People and Conservation projects launched during the period, but a number of key developments took place. These included various upgrades of tourist facilities and further work on the Great Limpopo Transfrontier Park initiative. Unfortunately, there were also low points, such as when staff in the park took time to mourn the death of Lance Corporal Wilson Ndlovu after he was attacked by an elephant during February 2005. The year under review was also characterised by consolidation of the research and management objectives, so that they were in line with the new Protected Areas Act.

CONSERVATION

The third, annual Scientific Networking Meeting in Skukuza took place between 4 and 7 April 2005. A total of 151 delegates attended the meeting and 93 presentations were made on research currently being conducted in KNP and on related issues.

A very successful launch of the SAEON Ndlovu node was held at Phalaborwa on 21 September 2004 and a Memorandum of Agreement (MoU) was signed between SANParks and the National Research Foundation (NRF). This is an important, long-term research and monitoring collaborative venture that has the aim of generating long-term datasets and making them available to science. SANParks is the host organisation and it partners with the NRF, the Witwatersrand University, the Agricultural Research Council (ARC) and any other interested collaborators.

A Junior Scientist Programme initiated with funding received from the Andrew W. Mellon Foundation is making good progress.

The GIS and Database section successfully implemented JSTOR, a searchable electronic database accessible via the internet by all SANParks scientists. They also developed an intranet-based system that allows for searching for references available in the scientific services archives as well as for downloadable electronic documents where available. By April 2005 a total of 150 research projects were active and this research resulted in 42 scientific publications, 12 internal research reports and nine theses.

The above-average rainfall experienced between January and March 2004 resulted in a large build-up of grass fuel loads in certain areas. This led to widespread fires during the latter part of the fire season. The rivers flowing through the KNP were all above the Instream Flow Requirement (IFR) levels at the beginning of the report period, but flows decreased drastically in some rivers in the later part of the reporting period. The Olifants, Letaba and Crocodile Rivers, which are characterised by heavy mining and irrigation abstraction further upstream, remain major areas of concern.

STATE OF THE PARK REPORT

Although fence maintenance improved slightly along the western boundary, large stretches of this fence remain dilapidated, especially in the area north of the Letaba River towards Punda Maria. Numerous reports of lion, elephant, buffalo and a few rhino exiting the park into neighbouring areas were received. Cattle also entered the park at the Stolsnek, Mahlangeni and Shangoni sections on numerous occasions and had to be chased out and in some instances, shot.
A total of 1,240 million KL of potable water was purified and/or consumed by tourists and personnel during this financial year. A total of 0,461 million KL of water was abstracted for irrigation and 0,290 million KL of ground water was consumed by tourists and personnel. A total of 1,991 Million KL of water was therefore used during this financial year. Two new boreholes were drilled at Tsende, three at the Pafuri gate, two at the Stolzneck ranger station and one at the Numbi gate. At Mopani, the water softener’s resin was replaced and the softener was serviced.

The purification of sewerage effluent was carried out on an on-going basis at all restcamps in the Kruger National Park. New reed beds were constructed at the Pafuri gate, Punda gate and Giriondo border post.

The processing of waste was carried out on an on-going basis at all restcamps in the park. A total of 26,080 cubic metres of solid waste was processed and incinerated. 981 tonnes of glass was recycled and removed from the park. 194 tonnes of tin was recycled and removed from the park.

The preventative maintenance programme is still the backbone of Electro-Mechanical Services and this programme is implemented in the decentralised business units. The mechanical workshop continued with the maintenance of all the water and sewerage pumps and windmills as well as the standby generators. Due to the age of the mechanical equipment, an accelerated replacement programme will be necessary in the future.

The Greater Kruger Fire Protection Association (GKFPA) was formed and registered with the Department of Water affairs and Forestry. A Steering Committee was formed which is chaired by the KNP and includes surrounding private reserves and farms.

The Poverty Relief fencing project along parts of the western boundary fence was completed and the new sections of fence were handed over to the maintenance contractors sourced from the neighbouring communities.

Generally, wildlife is in good condition and there were no major causes for concern. In the Far North Region 22 buffalo were captured for a disease-free buffalo breeding programme. Buffalo with bovine tuberculosis (BTB) were found near Nwarihlangari. In a survey conducted during the period under review only 6.67% of buffalo were found to be infected with (BTB), pointing at a remarkable improvement in the control of the disease.

Overall, poaching in the park has been under control with isolated incidents, for example, three White rhino were poached in the Crocodile Bridge section in October 2004. The syndicate involved was later identified and arrested.

TOURISM
Projects completed include the renovation of the Nshavu guesthouse at Olifants, The Fish Eagle guesthouse, four A-circle bungalows, and two family cottages at Letaba and the guesthouse at Mopani. Other projects completed include the re-thatching of the Phalaborwa Club facility, the building of new ablution facilities at the Olifants Camp, the provisioning of additional ablution facilities at the Olifants Trails Camp, the re-thatching of family cottages at Mopani camp, thatch roof repair at the Olifants Camp, and the replacement of the swimming pool surface at the Mopani camp. The Giriondo border post project has also been completed. New staff units at Phalaborwa were completed in September 2004.
The construction of the Linen room at Lower Sabie has been completed, and the facility is now in use. The new ablution facility at Crocodile Bridge, funded by the Poverty Relief Project (PRP) has been completed. The construction of PRP housing at the following places has been completed and the keys have since been handed over: Malelane and Numbi gates, Pretoriuskop, Berg en Dal, Biyamiti and Lower Sabie camps. The construction to the damaged shop at the Lower Sabie camp has been completed, and the shop re-opened for business on 23 September 2004. The relocation of the filling station at the Lower Sabie camp is progressing well and construction work is nearing completion.

The KNP/Vuswa Fleet Services Outsource Service Agreement has been in place for a period of 31 months. KNP operators currently hire 189 vehicles from Vuswa on a full maintenance contract on a monthly basis.

**TECHNICAL SERVICES**

The GIS project has progressed slowly, due to other commitments by the planning section and due to a lack of funding. The maintenance and renovations database for the rest camps has progressed and forms a large part of the GIS database for Technical Services.

No roads were re-gravelled this year. Extensive gravel loss occurred over a wide spread area in the park. Selective grading occurred because of excessive rainfall and flood damage. Drainage structures were upgraded and repaired throughout the park during the report period.

A total of 10.5 km was resealed on the S63 road due to delays with the tender process. Repairs on the road shoulder, gravel loss and tar edge graveling took place on seven roads.

Repair of flood damages at low level water bridge approaches was completed at the Letaba River H14. The Giriyondo access road was re-constructed after rain damage.

**PUBLIC RELATIONS AND COMMUNICATION**

- The Pafuri entrance gate was launched on 2 June 2004. Various community-based organisations and the media attended the event.
- The newly constructed Punda Maria entrance gate was launched on 10 November 2004.
- The KNP special Getaway Magazine in August was one of the media relations department’s highlights.
- The arrival of a baby rhino, Hanna, in the KNP also generated a lot of media coverage for the park during this period.
- The issue of animals that cause damage continued to be a prominent subject in the media during this report period.
- Two SABC radio stations, Ligwalagwala and Munghana Lonene FM, broadcasted from the park between 6 and 7 May and 28 and 29 May 2005 respectively. The KNP also received extensive coverage on Freek Robinson’s Fokus magazine programme during June 2004.
- The Kruger Times newspaper was established in conjunction with Matumi Media during this period.
PEOPLE AND CONSERVATION

Relations with surrounding communities

The number of villages that form the first level of KNP neighbours totals 188. The forums have increased from six to seven with the inclusion of the Nkomazi Forum which is associated with the Malelane Gate.

- On 10 September 2004, the park donated medicinal plants and samplings to the local traditional healers in order to assist them with their need for medicinal plants.
- On 4 February 2005, two buses were donated by Shell SA to facilitate the Take Kruger to Kassie project, which will be implemented in the next financial year.
- KNP, in conjunction with the local communities around the Shangoni gate, embarked on a project to rehabilitate the area after it was degraded through excessive farming activities.
- With DBSA-funding the People and Conservation Division managed to initiate a project which seeks to create awareness on rare and invasive species in various communities, a project which is still current.
- Arts and craft facilities at the Phalaborwa, Kruger and Numbi gates generated an amount of R631 122 for the various communities around the park during this financial year.
- The two car wash programmes at Skukuza and Satara generated an amount of R46 078 for the community representatives who operate them.

Relations and Initiatives with Local Government Structures and Local Business

Efforts were made during this financial year to include Municipality structures on the existing forums in various areas. The Community Economic Empowerment Council was launched during this financial year.

The southern region has been actively involved in constituency building by engaging constantly in monthly meetings with members of the community forums in neighbouring villages. These include the Lubambiswano, Ntithisano and the recently formed Nkomazi community forums. A garden services contract was awarded to a BEE company by the name Ikageng Gardening Services. A pest control services contract was awarded to Matla Pest control and Impilo Pest Control Services.

The bigger renovation work done on the huts at the Masorini archaeological site were completed in the northern region with the assistance of members from the Ba-Phalaborwa communities. Approximately 88,907 guests visited the Letaba Elephant Hall over the past year and 254 wildlife films were shown with 3,874 people in attendance. The Letaba Environmental Educational Centre accommodated 84 schools groups during the past year. These groups included 5,494 learners and 511 teachers. The Masorini educational and information programme at the archaeological site has hosted approximately 2,712 guests over the past year.

A total of 19 schoolgirls and five educators from the communities neighbouring the far northern region participated in the Take a Girl Child to Work day. Forty-five University of Venda students and two Lecturers also visited the region as part of the environmental education programme. Eight primary schools, comprising 434 learners and 16 educators visited the region as part of the Kids in Kruger project.
Sixteen educators attended a workshop on My Acre of Africa that was held at Punda Maria. A total of 841 South Africans, including learners from schools, visited the Thulamela Heritage Site. A total of 94 foreigners visited Thulamela, bringing the total amount of visitors to 911. A total of 2314 learners and 235 educators visited the Far North region.

The Eco-Training Camp in the Makuleke region was completed. It is a small, low impact development. Regular Hlanganani Forum meetings were attended. The traditional healers’ medicinal plant propagation site has been identified. Funds were allocated through DBSA for the development of the Hlanganani Arts and Crafts Centre.

The second Emerging Contractor Development Programme (ECDP) in the north was completed at the end of March 2004. The third ECDP in the south was initiated and twelve candidates have been entered into the programme. The Development Bank of Southern Africa together with CETA are the co-founders of the third programme. The Expanded Public Works Programme will be integrated into the third Contractor Development Programme.

Various Poverty Relief-funded projects were initiated and implemented during the financial year. The programme was launched during March 2004 and will cease at the end of March 2007.
TABLE MOUNTAIN NATIONAL PARK

The current size of the park is 25,000 ha, and once fully consolidated it will be a projected 30,000 ha. The contract for the Grootkop property was signed and a portion of Erf 7818 at Constantia Nek was acquired. The first five-year Strategic Management Plan has been completed.

The various concessions are being re-negotiated to the advantage of SANParks. Halcyon has been taken over by Akani Leisure, an empowerment company.

Table Mountain National Park was declared a world heritage site, one of the core sites of the Cape Floral Kingdom. The Table Mountain National Park Marine Protected Area has been proclaimed and covers an area of approximately 1,000 km.

The Tokai and Cecilia plantations have been assigned by the Department of Water Affairs and Forestry to SANParks, effective 1 April 2005. The Table Mountain National Park will manage the eco-tourism and the private operator, Mountain to Oceans (MTO) will manage the commercial timber harvesting over a 20-year period. The areas cleared will be transferred to Table Mountain National Park as per the agreement.

The Oudekraal development has not yet been resolved and SANParks, together with the City of Cape Town and SAHRA, has lodged an application to the Supreme Court of Appeal to rescind the development.

The Hoerikwaggo Trail was officially launched by the Minister of Environmental Affairs and Tourism on 16 June 2005. Several other tourism and/or picnic facilities have been completed or are in the process of completion.

The Table Mountain National Park received R35m for the Expanded Public Works Programme (Poverty Relief) through the DEAT for biodiversity projects, infrastructure development and maintenance and a visitor safety programme.

TOURISM

The Hoerikwaggo Trail is partially completed and at this stage covers four trails with the following amenities: an upmarket three-day and two-night trail, a six-day self-catering accommodation trail and a peoples trail for PDI groups.

There are currently three different accommodation facilities available in the Cape of Good Hope area. An active marketing campaign is planned for these facilities. Various other tourism facilities in the park have been upgraded or are in the process of completion. The Buffelsfontein Homestead will be marketed as a conference facility.

Through a grant received from the Development Bank of South Africa, the Graduate School of Business at the University of Cape Town was commissioned to undertake an assessment of the economic contribution of Table Mountain National Park to Cape Town, the Western Cape and South Africa. The presentation of the study was presented in January 2005.
CONSERVATION

The five-year GEF grant for alien clearing ended in September 2004. An area representing 85% of the Table Mountain National Park received alien clearing treatment during this period. Funds have been made available through the Working for Water Programme to continue with alien clearing.

Twenty-five workers have been trained to conduct gap rehabilitation in the afro-montane forests of the park.

The removal of the Himalayan tahr was successfully accomplished, although not without some controversy. Cape Nature donated 25 klipspringer and 13 grey rhebok to the park in October 2004 to replace the Himalayan thar.

A research programme to monitor the success of the introduction of the klipspringer to Table Mountain National Park was initiated in March 2005. The vision for Groote Schuur Estate is to enlarge the game enclosure from 54ha to 365ha and to re-introduce eight indigenous species of buck to the area. Removal options for the remaining exotic species have to be finalised.

Baboon monitors have been successfully managing baboon troops and fewer incidents have been reported. The management of the Cape Point troop has been taken over by the monitors. The penguin colony at Boulders has exceeded the carrying capacity, with increasing tension between residents, Table Mountain National Park and animal welfare agencies.

As a result of drier weather conditions the park responded to 37 fires. The largest fire was reported on 13 January 2005. It destroyed approximately 600ha of vegetation. Helicopter flying hours have also increased drastically. The circum peninsula firebreak has been completed with the assistance of the City of Cape Town. It has been agreed that the City will prepare a map indicating the responsibilities for the management of the roads, as well as the width of all road reserves.

The Table Mountain National Park Strategic Management Plan is completed and the Heritage Resources Management Plan has been submitted to SAHRA for consideration to declare the park as a Grade 1 National Heritage Site.

PEOPLE AND CONSERVATION

With the co-operation of community leaders an invasion of the park was avoided. Six shacks were removed from the park near Masiphumelele after a series of negotiations and workshops. A People and Parks workshop, arranged by the World Conservation Union (IUCN) and DEAT was attended by two community representatives and a People and Conservation officer. Four community workshops were held to discuss opportunities arising from the Poverty Relief projects. The Khanyisa Drama Group performed for one week at Cape Point during December. After a devastating fire in the Joe Slovo settlement, a visit to the park was arranged for 150 children. Donors provided each child with two meals and an ice cream.

Various environmental education workshops were held for teachers and other interested parties. The Park arranged a training lecture at the University of Cape Town for teachers and a field trip to Cape Point. Ten groups of physically disabled youth and one group of adults from the Miracle Workshop visited the park.
The Ocean View Fire Prevention Campaign arranged for 200 boys to visit the park. A campaign on fire prevention was launched at the Ocean View schools.

A meeting with the Western Cape Department of Education was held to discuss plans for 2005/2006 and to ensure continued support from them.

Volunteers have been assisting in various capacities in the park with regards to visitor safety, environmental education, light maintenance, etc. These volunteers make a valuable contribution towards the management of the park.

PUBLIC RELATIONS AND COMMUNICATION

The removal of the tahr and re-introduction of the klipspringer and grey rhebok was successfully campaigned in the media. The FFEM funded the Interpretive Guide to Table Mountain and the video entitled People and the Mountain was launched and well received.

AGULHAS NATIONAL PARK

The current size of the park remains at 16 806 ha. The consolidation of the park is of the utmost importance as it is currently divided into three separate sections.

Negotiations with the Penwill (Dirk Uys Kraal) property owner reached a deadlock and a legal opinion has been sought to determine the future of these negotiations. The Soetendals Vlei land dispute is still pending and the case was first postponed to February 2005 in the Cape Regional Court. It was then postponed further to May 2005. The Parks Trust is handling the Soetendals Vlei case. Contact has been made with the Theron Trust for the crucial portions 20 and 21 at the Southernmost Point area (Paapekuitfontein 281). The properties have been valued and further meetings were held with the Theron family which culminated in an official offer for the property. No further developments have been recorded.

The proposed 60-bed restcamp and access road to Pietie se Punt will be re-submitted to DEAT for approval. The development is part of the Poverty Relief Programme and the Expanded Public Works Programme. This development also forms a significant part of the counter-funding portion of the GEF-funded ABI project to which the park has committed itself.

Infrastructure planning proposals for the lighthouse have been developed in a series of meetings by both a steering group and a working group consisting of stakeholders, local authorities and technical staff. The outcome of these meetings clearly indicates that further discussions are necessary with regards to the development and incorporation of infrastructure.
The Agulhas Biodiversity Initiative has secured financial support from the Development Bank of South Africa for the planning of the Nuwejaars Wetland Special Management Area to consolidate large sections of wetlands into some form of conservation.

TOURISM
The Park currently remains an open access system with the only controlled tourism point in existence at the Cape Agulhas lighthouse and museum. This southernmost tip of the African Continent remains the most visited spot in the park. Visitor patterns to the Agulhas region indicate an increase in visitors and there is a clear indication of continued growth in the area.

On a provincial and regional basis, the road infrastructure in the area is in an advanced stage of planning. A road is planned that will connect Gansbaai, Elim and the Bredasdorp provincial road. This development will have a major effect on tourism, development and economic growth in the area. The Park is well-positioned to benefit from this development and in turn it will contribute to sustainable tourism and the economic empowerment of local communities.

The Agulhas Biodiversity Initiative and the park itself have been involved in key tourism and marketing initiatives and the Agulhas Plains Tourism Forum (APTF) has been established through these initiatives.

CONSERVATION
The main activities in the park remain focused on the stabilisation and rehabilitation of existing natural and transformed habitat/land.

The Working for Water Programme focuses on alien vegetation clearing which is the biggest threat to the biodiversity of the area. The Working for Wetland programme focuses on the rehabilitation of the wetland systems in the park and the region. The Coast Care programme focuses on the clearing of the marine and terrestrial interaction zone with beach cleanups, dune stabilisation and general coastal zone rehabilitation.

The relatively drier conditions over the past year were clearly reflected in the general state of the vegetation. The floral displays were not as abundant as in previous years. Despite the dry conditions, the park did not experience any veld fires during the period under review.

Although there have been no formal game introductions to the park, smaller, endemic species were sighted more frequently. This is a direct result of the removal of old farming fences and alien clearing.

PEOPLE AND CONSERVATION
The vacancy for a People and Conservation Officer was approved and advertised. A suitable candidate was appointed to take office in April 2005.

Good work was done through the ABI project initiative and awareness programmes on biodiversity, conservation and sustainable harvesting were initiated. The performing arts were used as an alternative communication method to create general awareness of conservation.

Good relations were forged with local, regional and provincial government. Contact was also made with various provincial and national heritage agencies, which led to discussions on restoration, cultural mapping and management.
CAPE PARKS CLUSTER

BONTEBOK NATIONAL PARK
The management of the Bontebok National Park is focused on the planning and re-development of the tourism facilities, with the R11m that has been allocated through the Expanded Public Works Programme (poverty relief). The re-development of the infrastructure will include a new entrance gate complex, new access road from the N2 and a 40-bed restcamp. With funds channelled through the Poverty Relief Programme extensive erosion-repair work, the removal of redundant and unsightly structures throughout the park and the replacement of 20 km of fence were completed. Several staff members completed various short courses funded with Poverty Relief funds and with funds from NGO’s.

A Conservation Development Framework (CDF) was prepared to guide developments for the next five years. With the assistance of the South African Defence Force further progress was made on the removal of the steel and concrete buffalo barriers across the Breede River. These barriers severely impacted on the natural ecology of the river.

Several key portions of land were incorporated into the park, including the local airfield property. Negotiations to acquire further properties are ongoing.

The park manager, Mr J Mkosana, resigned in February 2005 to take up a position with the Provincial Government.

TOURISM
There has been a slight decline in visitor numbers for the year, but it is anticipated that the tourism potential for the park will be realised once the new tourism infrastructure has been completed through the Extended Public Works Programme (EPWP). Three staff members received in-house training in the RoomSeeker application.

CONSERVATION
The winter of 2004 was mild and fairly dry, with the whole province experiencing drought conditions during the summer.

The sarcoid virus in the Cape mountain zebra continues to be evident and research continues to address the problem. Forty bontebok were removed and sold to private land owners.

Several new bird species have been recorded in the park, including the Cape eagle owl, thick-billed lark and the African jacana. A honey badger was observed in the park for the first time.

PUBLIC RELATIONS AND COMMUNICATION
The park featured in events such as the Lighthouse to Lighthouse mountain bike race. This race takes place between the Cape Agulhas Lighthouse and the Danger Point Lighthouse at Gansbaai. The Overberg Region of the Honorary Rangers was established and approved and they were involved as marshalls in the annual Geelstert Festival’s maiden mountain bike race, which traversed across sections of the park.
The burning programme for the park was revised with the assistance of Scientific Services and the focus has moved from bontebok management to overall veld management.

PEOPLE AND CONSERVATION
A Joint Protected Areas Forum for Swellendam, incorporating representatives from the park, the provincial nature reserve, farmer representatives, SAPS and various community bodies, was elected. The Park Forum is developing a programme of nature-based educational activities, a volunteer task force and a number of community initiatives.

WEST COAST NATIONAL PARK
A portion of Elandsfontein was purchased and a number of properties were proclaimed. The proclamation of Langefontein as part of the West Coast National Park will be signed by the Minister of Environmental Affairs and Tourism on receipt of the approval Minister of Minerals and Energy, which will hopefully be in the near future.

Capital projects undertaken included the R2m re-sealing of the tarred road, the repair of the Langebaan slipway, the re-surfacing of the Tsaarsbank road, the painting of Geelbek homestead and repairs to the thatching of the homestead. Other infrastructure projects included repairs to the Kraalbaai jetty, the renovation of Joanne’s Beach Farm and the creation of temporary access roads in Stofbergsfontein. The beach anti-erosion project initiated by the Saldanha Bay Municipality to the north of the park has enjoyed success and is an indicator for a solution to ongoing damage to the beaches lower down inside the park.

A new, inflatable rubber duck patrol boat was donated by the Honorary Rangers and new boat permit tariffs were introduced in April. A concession was granted to Langebaan Houseboats CC for the management of a houseboat in Kraalbaai and to Gravity Adventures for the operating of kayak trails on the lagoon.

For the new poverty relief cycle, funded by the DEAT, the following projects have been approved: a new restcamp at Kraalbaai, a water pipeline to Kraalbaai, the upgrading of Duinepos for tourist accommodation and the establishment of day visitor facilities at Preekstoel.

TOURISM
Joanne’s Beach Farm was renovated and reopened in December 2004. The new houseboat was launched in January 2005 and has added 12 extra beds to the park.

The Geelbek Restaurant continued its success, establishing itself by specialising in West Coast cuisine. The restaurant has also become very popular as a unique wedding venue, with links to the historic church in Churchaven.

Despite the late rainfall, the park had a relatively good flower season, albeit that the flowers only peaked for two weeks in September. The Postberg flower season was extended for two weeks, but added little benefit to gate takings.

CONSERVATION
Six game censuses, undertaken on foot, were completed during the year. During an aerial census in February 2005, twenty eland were herded by helicopter from Postberg to the park. The carrying capacity of Postberg was exceeded and further steps will be taken to reduce numbers.
CAPE PARKS CLUSTER

The red hartebeest and eland introduced in the park during October 2003 are doing well and are regularly sighted by tourists.

A programme was initiated with Marine and Coastal Management to monitor the extraction of fish in the lagoon. The influence of the ground water on the salt marshes in the southern end of the lagoon was assessed by the CSIR.

The Honorary Rangers continued their good work and hosted a very successful marathon and cycle race through the park in December 2004. They have also started a Junior Ranger Programme.

Efforts to link the park’s environmental education programmes to the Revised National Curriculum continue through teacher workshops and curriculum advisors.

A survey is in process to record historical information relating to original farms and lifestyles of the area. A replica of Eve’s footprints was donated by die Iziko museums and is on display at Geelbek.

The Kids in Parks programme was officially launched at Geelbek on 26 October 2004 by the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, the Minister of Education, Ms Naledi Pandor, Mr Raymond Ackerman and Dr David Mabunda. The event was well attended.

PUBLIC RELATIONS AND COMMUNICATIONS
A Park Open Day was held in May 2004 with a variety of craft stalls and children’s activities. Educational talks were given during the day and they were very well attended.

Media coverage included newspaper articles in Die Weslander, Cape Argus and articles in Leisure Boating, Caravan and Outdoor Life and Country Life, as well as a radio interview on Capetalk.

TANKWA-KAROO NATIONAL PARK
As part of the programme to consolidate the core area of the park, two farms which total 7 033 ha were purchased and incorporated into the park. Negotiations to acquire further farms in the area are underway and the park is now 78 121ha. The opportunity to acquire two key properties within the core area is ongoing.

RAINFALL SUMMARY
This past year proved to be another very dry year for Tankwa, but brief thunderstorms caused slightly higher rainfall figures than the previous year.

CONSERVATION
Nine mountain zebra were successfully introduced into the park. The existing springbok population is in healthy condition.

Due to relatively good rainfall experienced in March 2005, the veld responded well, but much more rain is needed for the recovery of the veld after last year’s drought.

PEOPLE AND CONSERVATION
Through the Community Development Committee, a job creation project, involving mainly women, was initiated. The project trains women in the production of T-shirts, T-shirt printing, needlework, weaving and mosaics.
A long-term research project by the University of Pretoria was initiated on the description, mapping and spatial distribution of vegetation in the park. A long-term research project by the University of Stellenbosch on the amphibian and reptiles survey was approved. The National Botanical Institute began a plant survey which has already identified 285 species within a 2000 ha portion of the park. Of these 123 were new species to the park’s list.

Through the Working for Water programme, 1 800 ha of 5% density Xanthium spinosum and 4 515 ha of 10% density Prosopis glandulosa were cleared. This provided employment to 14 previously unemployed persons.

**INFRASTRUCTURE DEVELOPMENT**

Maintenance and upgrading of 125 km of jackal-proof fencing was completed. This created eight jobs for unemployed persons. Ninety-five kilometres of redundant internal farm fences were removed. This created five job opportunities. Construction of a 12.5-kilometre game fence alongside the R355 was commenced and is currently 75% complete. 125 kilometres of gravel road was maintained and graded.

The Critical Ecosystem Partnership Fund (CEPF) approved a grant of $50 000 to establish new park headquarters. R2.5m from the Poverty Relief Programme was allocated for the development of a wilderness camp in the park.

**COMMUNITY RELATIONS**

Communications with the local councils of Sutherland and Calvinia took place on a continuous basis.

The park was included in the Integrated Development Plan of Hantam Municipality – an exciting new development that can promote job creation and local economic development.

Meetings with farmer unions are ongoing and have considerably improved relationships with neighbouring farmers.

Two local schools took part in the Marula Kids competition.

**ECONOMIC IMPACTS**

Approximately R 255 000 in salaries was paid to previously unemployed people in the area. Approximately R 210 000 worth of materials was bought through local businesses thus boosting the economy of the region. A Black Economic Empowerment enterprise was established giving local people the opportunity to create their own business opportunities in the future and to become financially independent.
GARDEN ROUTE CLUSTER

TOURISM
A tourism route was established between Sutherland and the park. This was complemented by a tourism brochure that was produced with CEPF funding.

Two former farmhouses have been converted into the first overnight visitor accommodation in the park.

The park’s Conservation Development Framework is currently in production and will be completed early in 2005.

TSITSIKAMMA NATIONAL PARK
During the period under review, the Tsitsikamma National Park celebrated its 40th anniversary, an important milestone in the park’s history.

Positive progress has been made with the Covie land claim. The original Memorandum of Understanding (MoU) was signed but excluded the Department of Water Affairs and Forestry (DWAF) and the Department of Environmental Affairs and Tourism (DEAT). Subsequently the MoU was revised to include both departments and was signed by all parties.

The current size of the park is 64 172 ha, with a projected 103 172 ha once the DWAF land has been transferred to SANParks. The 24 392 ha Soetkraal property is managed in terms of an agreement with the owners, although a process is underway to acquire this property.

Park management has spent a substantial amount of time consulting with various developers bordering the park. Consultations with the developers of Tsitsikamma Golf Estate have proved to be extensive, as the interpretation of the buffer zone still remains unresolved between the Provincial authorities and SANParks.

The contractual agreement for the Soetkraal 4 x 4 route expired in October 2004. A provisional extension for 12 months was negotiated pending the acquisition of the property and the condition of the second section of the trail.

A meeting was held with the Chief Director: Compliance of Marine and Coastal Management (MCM), Mr Shaleen Moolla, and Dr Colin Attwood (MCM – Marine Protected Areas) on 8 July 2004 to discuss a number of management issues relating to the Marine Protected Area (Consent Use Zone), which extends from the Groot River to Grootbank. The MCM is preparing a MoU for financial assistance with the management of the Tsitsikamma Marine Protected Area.

TOURISM
Visitor numbers have been lower than the previous year, due to a number of factors. Caravan and camping have, however, become more popular with overseas tourists and numbers were up as compared to the previous year.

The operators for the restaurant and the shop were replaced and this had a positive influence on the quality of service at this facility.
The Otter and Dolphin Trails proved as popular as the previous years and occupancy numbers have increased.

CONSERVATION
Abalone poaching, around the western sector of the park, declined during the latter part of 2004, but escalated again during the first quarter of 2005. Two separate arrests were made and 80 kg of shucked abalone was found during this reporting period. Coastal patrols were increased and the incidence of illegal fishing has also declined. No game census or capture was conducted in the park. Bovine TB was detected in cattle adjacent to the park and cattle herds were quarantined. Regular patrols in the park indicated no traces of infected animals.

An infrared camera was set up in De Vasselot, close to the Salt River, as part of a leopard monitoring project of the University of Pretoria.

The Central Firearm Registry from SAPS visited the park for inspection. All records were up to date.

Continued monitoring is executed on the Groot River estuary. During ongoing surveys the Salt River was identified as a unique river system. It contains a rich diversity of aquatic insect species and the richest known diversity of species in the mayfly family in Africa.

The Working for Water Programme managed to clear 750 ha of land and completed follow-up clearing of 1007 ha, with a budget expenditure of about R2,48 million. The Coast Care Programme has also been very successful.

PEOPLE AND CONSERVATION
The Park Forum was established on 1 December 2004.

Park management participated in the local municipality’s Integrated Development Plan Process. Representatives from the local communities attended the Griekwa National Conference during May 2004. Eleven local community guides received training in guiding trails for Imbewu camps and also received First Aid training. A series of skills development programmes were organised for staff and unemployed members of local communities. The Imbewu camps were very successful and a new site was developed. Eight activities were developed for four episodes for the SABC programme Run the Adventure.

A two-year research project on the attitudes of local communities towards SANParks is currently being conducted by the University of Stellenbosch. Various awareness campaigns were conducted during the year under review.

WILDERNESS NATIONAL PARK
The Wilderness National Park has not expanded during the past year, although erven 20, 227, 281 and 396 (which includes the North camp) are still to be proclaimed. This will be finalised within the coming financial year. The biggest challenge for the future consolidation of the park is the high land prices of surrounding areas. Proposed linkages to the recently acquired Department of Water Affairs and Forestry forests will prove problematic due to new developments and property prices.
GARDEN ROUTE CLUSTER

TOURISM
Although tourism in the region was down compared to previous years, the park managed to increase its occupancy rates.

The Park has a good working relationship with the Wilderness Eco-Tourism Association (WETA), which resulted in the construction of a new bird hide on the Touw River. Funding for this project was sourced by WETA from the District Municipality. The park has also forged strong links with the George Tourism Bureau and will in future be sharing a stand at the annual Tourism Indaba.

CONSERVATION
The area received a higher than average rainfall during the past year, peaking from December 2004 to March 2005.

The Department of Environmental Affairs and Tourism has registered Swartvlei beach as a boating launch site. Stringent conditions were set for the access and management of the site.

Environmental management plans for dog walking on beaches is nearing completion. A draft plan for paragliding and hang-gliding has been made available for public comment.

To prevent flooding, the Touw River mouth was breached on several occasions during the past year and is still open. Due to uncontrolled weed growth in the linking channels, the water level of the Serpentine, Langvlei and Rondevlei rivers has not dropped. This has led to heavy sedimentation of the lower Touw River which can have a significant environmental impact. Unfortunately the park does not have access to a reed cutter, which would help to control the problem.

The clearing and follow-up operations by the Working for Water teams have been completed and they are now busy clearing in the upper catchment areas of the upper Touw River.

With the transfer of the DWAF forestry areas it has become necessary to establish a Fire Protection Association for the Wilderness area.

KNYSNA NATIONAL LAKE AREA
A representative from the Knysna Lakes Area has been attending the Garden Route Initiative meetings. The re-development of the state land on Thesen Island is still underway under the auspices of SANParks.

Severe storms and floods during December 2004 and early January 2005 caused a lot of damage to roads and other infrastructure in and around Knysna. Cleanup operations are ongoing and the Coast Care team is now responsible for the task and will also be responsible for maintenance of the Crabs Creek and Brenton-on-Lake jetty.

Through the Department of Environmental Affairs and Tourism R500 000 was allocated for a Poverty Relief project that would involve building a walkway at the old airfield. The walkway will be extended along the edge of the lagoon through funding and participation of the Knysna Rotarians. The liaison committee for Poverty Relief and Coast Care has been re-activated and workers have been recruited through these organisations.

TOURISM
SANParks does not have any accommodation facilities or other tourism infrastructure in the Knysna area. The new management plan for the area makes provision for the regulation of boat design and numbers as the larger boats have a much bigger impact on bank erosion.
CONSERVATION

The rainfall for this period was 10.5% more than the 50-year average and 130 mm of rain fell on 6 December 2004 bringing the total for the year to 1001.4 mm for the year. Due to the tsunami in South East Asia the sea level rose about 1.2 m at approximately 18:00 on 26 December 2004.

During December 2004 and January 2005 heavy rains caused flooding conditions. As a result of the floods large amounts of debris and litter has accumulated above the spring high tide mark. The silt trap was cleared after the floods; however large amounts of silt still entered the Ashmead channel via the storm water system. Additionally, silt from the Simola development entered the Knysna Lagoon via the Salt River Valley.

One of the issues resulting from the development explosion is the shortage of portable water. The dry conditions experienced during the last quarter served to highlight the water issue. It may just be that the biological reserve for the lagoon has already been exceeded by water withdrawal for town use. Municipal infrastructure is not coping with the increase in demand for services. This resulted in power cuts to outlying areas as well as numerous sewerage spills into the estuary. Bacterial samples have been taken at certain points around the lagoon. The results indicated elevated levels of bacteria.

Seven flamingos were observed at Leisure Island North during a routine patrol on 23 May 2004. African spoonbills, cattle egrets and cormorants have been observed feeding together on numerous occasions during the months of January to March 2004. Large schools of Baitfish have been observed this year. Monthly bird counts within the Knysna Lagoon around Thesen Island have been conducted by the Wildlife and Environment Society of South Africa.

During the extension and repair programme of the Leisure Isle boat harbour, approximately 800 seahorses (Hippocampus capensis) were rescued and removed from the area and relocated to a suitable habitat.

Working for Water has cleared 458 ha and the Coast Care team collected a total of 301 bags of litter in the course of two months.

PEOPLE AND CONSERVATION

The Rasta Square project was given a further boost with R500 000 allocated from the Knysna Municipality Poverty Relief funds. The project is managed by the municipality with technical assistance from SANParks. Phase one of the project was launched in 2004.

The Senior Section Ranger is still on the Board of Trustees for the Westford Bridge Nature Reserve. Regular meetings are held with the Knysna Quays Management Committee and the Lagoon Users Association. Regular Police Forum meetings are also attended by SANParks staff. Other meetings that SANParks is attending are the Knysna Environmental Forum and the Water Forum.

There is no People and Conservation Officer based at Knysna and the field rangers conduct various environmental education programmes in and around Knysna. Various schools are visited by SANParks staff and schools are also invited to visit the SANParks precinct.
ADDI ELEPHANT NATIONAL PARK
The size of the park increased to 141,835 ha with the purchase of the Palmietfontein (409 ha), Dwaas (262 ha) and Mountainside (470 ha) farms. Two contractual agreements with private landowners were signed (Riverbend and Langvlakte). This brings the contractual agreements in Addo to three. The dispute regarding grazing rights on the farm Toekoms has not been finalised and a court date has been set for 25 May 2005.

A Marine Protected Area (MPA) of one nautical mile around Bird Island was proclaimed in May 2004. This will hopefully have an effect on the abalone poaching around these islands. The two island groups namely

Bird Island and St Croix Island were proclaimed as part of Addo Elephant National Park and will be managed as such.

The $5.5 million World Bank Project commenced in July 2004. A Project Management Unit was appointed and commenced work.

The rainfall for the past year was above the long-term average at 439 mm, but was very sporadic. In general, the rainfall improved towards the end of the year and a major improvement was seen in the general condition of all veld types. Surface water bodies also improved remarkably. Due to the improvement in veld condition, the condition of animals improved remarkably towards the end of the report year.

From a tourism point of view, the opening of a new camp in the south near the N2 was a highlight. Camp Matyholweni, which means ‘between bushes’ in Isixhosa, consists of 12 units, 30 beds, a reception building and a new entrance gate. Although the occupancy for this camp was lower than expected for the first six months, it is foreseen that the occupancy will increase with the opening of the new entrance road, which will link Camp Matyholweni with the main camp. This new entrance road is currently under construction.

Several other tourism developments took place during the period under review. The old ablution block at the safari tents was enlarged and completely renovated. Upgrading, including the replacement of all carpets with tiles, the replacement of all kitchen tops, repainting of units and fitting of new artwork, was completed on the 24 family chalets. The remaining 12 camp sites that did not have power were electrified. The first overnight hut of the Alexandria Hiking Trail was rebuilt with Coast Care funding.

The first cycle of the Poverty Relief Programme was completed with the opening of Camp Matyholweni and the upgrading of the internal tourist roads. The second cycle, which entails building a new entrance road and the completion of a predator-proof fence in the Darlington Area, commenced in February and will be completed during the next report year.

TOURISM
Visitor numbers in Addo increased by 14%, while income from the conservation levy increased by 18%. These increases can be attributed to various developments, such as the upgrading and tarring of internal roads and the introduction of lions and spotted hyaenas during the pre-
FRONTIER PARKS CLUSTER

Vious year. The inhouse operation of the game drives turned out to be a financial success with a turnover increase of 146%.

CONSERVATION
Numerous conservation events took place during the period under review. Thirty-five buffalo, of which fourteen were young calves, were caught. These calves were introduced into a holding facility at Darlington Dam where they will be tamed and released. Five old bulls, as well as two family herds of seven each, were all sold on the Kirkwood Auction. Prices obtained at the auction were very high; the family groups were sold for R163 000, single animals were sold for R16 200 and the bulls were sold for between R70 000 to R90 000 each.

Numerous antelope species such as eland, springbok, red hartebeest, black wildebeest, mountain zebra, ostrich and two black rhino bulls were released into the Kuzuko contractual area. This forms part of the contractual agreement signed with the private landowner.

Another four hyaenas were caught in the Kruger National Park and released in Addo during October. This brings the number of hyaenas in the park to eight. The six lions are doing well and prey mainly on kudu, warthog and buffalo. Cubs were born on two occasions but did not survive.

The black rhino population in the park is doing well and several calves were born during the year. The number currently stands at 46. Seven rhino were moved between different sections of the park and one bull was introduced from Tswalu Private Game Reserve. The hand-reared rhino, Thandi, was successfully weaned and has been released into a 400 ha camp.

The Poverty Relief, Working for Water and Coast Care programmes continued in the park during the period under review. The first cycle of the Poverty Relief Programme was completed with the opening of Camp Matyholweni and the tarring of tourist roads. The new cycle started in February with the construction of the new entrance road from the south and the completion of the predator-proof fence at Darlington. The Coast Care Programme consists mainly of beach cleanups and maintenance on the Alexandria Hiking Trail. The Working for Water projects at Zuurberg and Woody Cape continued with excellent results, concentrating primarily on follow-up work.

Abalone poaching continued during the year. A Draft Management Plan for the Marine Protected Area around Bird Island and a Memorandum of Understanding between SANParks and Marine and Coastal Management were drawn up. These need to be finalised during the next report year.

PEOPLE AND CONSERVATION
A total of 5 966 learners from 156 schools/organisations visited the park. The Imbewu camps – a partnership with the Wilderness Foundation – involved 174 learners from local schools in 21 wilderness camps. Planning for the set-up of a second camp base in the coastal area of the park took place. A 34-seater bus, purchased through the World Bank project, became operational in early 2005 and was utilised to transport local schools to the park for environmental education on game drives. Twenty learners were hosted as part of “Take a girl child to work day”, experiencing the wealth of career opportunities open to them in national parks.
World Environment Day, Coastal Cleanup Day and National Marine Day were celebrated by involving local schools in beach clean-ups within the coastal part of the park. These clean-ups were also cultural exchanges for the learners, due to the involvement of Interact Club learners from schools in Uitenhage.

SMME development was pursued as part of the World Bank and Poverty Relief projects. Since November 2004, 16 SMME’s, all with 100% HDI ownership, have been employed in these projects, with a total contract value of R2 918 120. The total amount paid out to date is R357 414.80 and 227 workers have been employed from local communities.

Workshops were held to revise the constitution of the Mayibuye Ndlovu Programme and begin its transformation to a legal entity, the Mayibuye Ndlovu Development Trust, able to channel funds from the park to the community. The Trust will receive a 6 -12 percentage of the gross revenue from Camp Matyholweni, according to a sliding scale. These funds will be channelled into community projects by the Trust.

The Resettlement Action Plan was finalised for roll-out and the Resettlement Working Group met to discuss the Resettlement Policy. A total of 34 farm workers from the communities of Addo, Paterson, Kinkelbos and Darlington were employed in Poverty Relief projects, as part of the resettlement programme.

Community Leadership Training for Mayibuye Ndlovu members took place at the park as part of the INTAC programme. Eight staff members participated in the INTAC programme Hospitality training.

The learnerships commenced in March 2005, involving six unemployed and five employed people in the Conservation, Hospitality and Tour Guiding fields.

PUBLIC RELATIONS

Camp Matyholweni was officially opened by the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk. Much media exposure was generated. Media exposure on SABC News, as well as radio and print media coverage was also received when elephant twins were born. Further media exposure centred on black rhino, large predators and the World Bank project.

The park was represented at eight shows and exhibitions and 21 media visits took place.

KAROO NATIONAL PARK

The current size of the park is 87 000 ha, with a projected 90 000 ha, which will be fenced in with the EPWP funding. An agreement has been concluded with the owner of Leeurivierpoort and transfer was effected in March 2005. This property was crucial in order for the Karoo National Park to reach its full potential. Two other landowners have been contacted regarding the acquisition of certain small portions for alignment of the perimeter fence. All these deals will be concluded within the first quarter of the new reporting period.

Park Management and Scientific Services have started the Conservation Development Framework (CDF) process, which is at an advanced
stage. All new developments are informed by the draft CDF. The business plans submitted for EDWP funding have been approved and the projects should start within the first quarter of the new financial year. This funding will cover a 177 km predator-proof perimeter fence and 50 km of gravel tourist roads.

Severe problems were experienced with the high-tension power cable network in the restcamp area, with a number of blow-outs occurring. These were resolved with much effort. Re-tilling of chalets 1 to 28, as well as re-painting of the interiors, has been completed. An old 260-kilo-litre reservoir was restored and fitted with a centrifugal pump at Bulkraal picnic site to ensure that the unpredictable supply of water from the municipal pumps can be controlled and managed effectively.

CONSERVATION
The vegetation throughout the park is in fair condition despite some very dry spells. Veld recovery is visible, especially in fenced off areas with very little game. A vegetation survey of the eight exclusion camps was conducted during May as part of an ongoing monitoring project to determine the effect of herbivory on the vegetation. Results were outstanding by the close of the period. The presence and location of five red data book plant species was verified as part of the sensitivity analyses.

A joint fire operation was conducted with a neighbouring farmer in the western section of Puttersvlei. The point-ignition method was used and approximately 1 000 ha of moribund sourveld was burnt in a desirable patch-mosaic pattern.

Thaba Manzi Wildlife Services completed mass game capture during the period. Game numbers removed included 313 gemsbok; 158 red hartebeest; 77 eland; 116 kudu and 139 ostrich. The total value of game sold was R1 192 668.

Thirty-eight Cape mountain zebra and 17 Burchell’s zebra were removed and translocated to other parks. A five-year old black rhino bull (Diceros bicornis bicornis) from Tswalu was released in the Stolhoek area in March 2005 and is doing well.

An aerial census of game was conducted during February. The Working for Water project ran for about four months, during which an area of 54.55 ha in the Leu River and around the farmstead at Grantham was cleared of Atriplex nummularia.
TOURISM
The year under review saw a slight decline of 0.8% in visitor numbers. After comparisons with other tourism establishments in the Central Karoo Region, this seemed to be the general trend. Despite the added burden of the inclusion of the compulsory breakfast in the rates, there was still a slight increase in accommodation revenue. Camping showed a 10% increase in occupancy. Game drive revenue also increased by 12.8% for the year. The drop of 3.16% in conservation fees is a result of the lower visitor numbers.

A major maintenance programme was started during the year under review. New tiles were laid in the chalets and the walls were repainted. The upgrading process will continue in the new financial year. The Karoo National Park was graded as a three-star establishment by the grading council during the year under review.

PEOPLE AND CONSERVATION
As this was the 25th year of existence for the park, the main aim was to market the park and its amenities to the local community. Part of this included offering community members free access into the park for a period of eight months. The process of establishing the Park Forum is progressing well and key stakeholders to be represented on the Forum were identified. The finalisation of the forum, for approval by executive management, should happen by the end of May 2005. Regular meetings are held with local government and other stakeholders. The Park is represented on the Integrated Sustainable Rural Development Planning Forum and other planning forums in the district.

The number of learners visiting the park has increased tremendously since the SAPS availed its vehicle for the transport of learners to the park. A total of 3 516 learners and 355 adults visited the park during this year. National Environmental Week as well as National Marine Week was celebrated in collaboration with the Department of Environmental Affairs and Tourism. Six hundred learners from five different schools attended the programme on Marine Biology during National Marine Week. A proposal for Kids in Parks was submitted.

The Fossil Trail has been upgraded within the budget limitation. Further upgrades will be undertaken during the new financial year. A detailed cultural resources mapping exercise will commence early in the next financial period.

Several local SMMEs were used during this period to complete maintenance work in the park. A local crafter is sponsored with natural by-products on a regular basis. A total of 18 young adults were selected for the learnership programme which commenced in March 2005.

PUBLIC RELATIONS
The park gained marketing exposure in a number of travel magazines with advertisements and editorials. Several freelance journalists visited the park and wrote editorials. Layouts for a new park brochure and conference brochure were finalised.
The park celebrated its 25th birthday with the opening of a new interpretive centre in March 2005. The Deputy Minister of Environmental Affairs and Tourism, Ms Rejoice Mabudafhasi, opened the centre. The event was broadcast live on SABC 2 Morning Live - a major marketing and communications action. A cycle tour took place in September with 95 participants.

The park took part in the annual Cape Learning Festival, which focuses on career opportunities for learners in the area. The Park also hosted the Karoo National Park cycle tour, half marathon and a fun day for the staff and their families on 16 June.

MOUNTAIN ZEBRA NATIONAL PARK

The Mountain Zebra National Park had a very productive year with lots of changes that took place. With the addition of the farm Toekoms (Sonnedal), 2 300 ha in size, the total area of Mountain Zebra National Park increased from 25 700 to 28 000 ha. The main section comprises 21 000 ha while five satellite farms to the west of the main section comprise 7 000 ha. These five farms are leased on a five-year contract basis to farmers for grazing purposes until further land purchasing can link all the properties in one unit.

Above average rainfall was received during the period under review. The lowest minimum temperature recorded was –8°C while the highest maximum temperature recorded at the weather station was 37°C. Temperatures in the northern section of the park measured as high as 40°C. The long-term average rainfall for Mountain Zebra was updated for the period 1962 till end of 2004. It will be noted that the annual long-term average increased from 398 mm to 405 mm indicating that the rainfall for Mountain Zebra gradually increased over the years. The average veld condition during the year was very good and this was also reflected in the good condition of all large herbivores in the park.

Major infrastructure development focused on the upgrading of tourist roads. The park was fortunate to receive a welcome donation of R1 million from the Chris Hani District Municipality for the tarring of a section of the entrance road towards the restcamp. A total of four kilometres has been tarred with this donation. The resurfacing of the road towards Rooiplaat and Kranskop was completed with Park funds. Concrete strips were constructed on steep inclines on the Kranskop loop. A further 9 km of gravel road on the Rooiplaat loop was resurfaced. A 6.7 km 4x4 loop was opened to the public in the Doornhoek section of the park. This loop gives visitors access to the Acacia thickets favoured by buffalo and black rhino.

The long overdue maintenance of the park manager’s house was also completed. A shed was moved from Addo Elephant National Park to accommodate the technical stores and workshop area, while the old workshop was transformed into an administrative building that consists of seven offices, a boardroom, stores and strong room. The camping area was revamped. A new lawn was planted and terraces were constructed to level out uneven slopes.

The park manager, Mrs Phumla Mzazi-Geja, left the service of SANParks and joined the provincial conservation authority in the Eastern Cape.

TOURISM

The general interest of the public in the Mountain Zebra National Park was very positive in 2004/5. This can be seen in the increase in occupancy and visitor numbers. The local newspapers were utilised to attract the local community. Information offices from as far as Port
Elizabeth and Knysna were constantly supplied with information brochures and pricelists. In the last quarter there was a significant increase in the total of conferences and night drives in the park. The feedback from guests about tourism facilities in Mountain Zebra was generally positive. The total visitor numbers were boosted by the fact that a late arrival fee was introduced in November 2004, enabling more visitors to overnight in the park.

With the upgrading of the caravan park, camping occupancy increased marginally. The most important factor for the positive reaction of the public should, however, be attributed to a constant focus on service delivery by the staff and management of Mountain Zebra National Park.

**CONSERVATION**

No large herbivore surveys were executed during this financial year. The survey schedules were changed and the next survey is only planned for June 2005.

During the annual game capture operation, a total of 422 animals were captured. Bushbuck was introduced to the Berghof area of the park. Although the park provides marginal habitat for these species, previous sightings and records do indicate that they occurred in this area. The existence of a leopard on neighbouring farms was good news to the park and indicates that leopard are moving back into the Bankberg Mountain range after years of absence.

The Cape buffalo population is doing exceptionally well and the estimated population is approximately 100 animals. One buffalo bull broke out of the park on two occasions. The bull was returned to the bomas and later released back into the veld. On the second occasion, the bull was herded back into the park after spending a whole evening along the R61 public road to the north of the Welgedacht section.

Two Cape mountain zebra stallions suffering from sarcoid tumours were destroyed. Another two zebras (one stallion and one mare) with sarcoid tumours were reported in the Salpeterkop section of the park. The occurrence of sarcoid tumours is a growing concern for mountain zebra conservation nationally.

The black rhinos adapted well after their release in 2002 and the first calf was born in December 2004. The sex of the calf is still unknown. Monthly black rhino monitoring continued and all the rhinos were found to be in excellent condition. The bat-eared fox population increased remarkably and frequent sightings were reported.

The Working for Water Programme continued and reached its targets. An additional R200 000 was allocated to the project. Jointed cactus and prickly pear are the two major species currently controlled. The project employed 80 people from the local community.

Vegetation surveys were conducted as part of long term veld monitoring. Erosion control took place in the De Rust section to combat major donga erosion. Two block burns were executed on the Rooiplaat section to promote rotational grazing. Grazing was sufficient during the year.
PEOPLE AND CONSERVATION
A total number of 664 learners with 18 educators visited the park on environmental education trips. A further 63 Port Elizabeth Technikon students visited the park. Farm schools around Cradock, Middelburg, Steynsburg as well as Hofmeyer were also accommodated in the environmental education programs.

An HIV and AIDS workshop was organised for the staff while other staff attended HIV and AIDS peer educator training in Wilderness National Park.

The park has secured jobs for community members as contractors within the Working for Water Programme, while another 19 local people have been employed in the road construction programme. The total number of local beneficiaries currently employed during the year was 115.

PUBLIC RELATIONS
The park received television broadcast exposure through the well-known nature programme 50/50. The programme focused on the conservation successes of black rhino, including the Mountain Zebra National Park’s contribution.

The park was represented at the Somerset East Biltong Festival and regular promotional events were organised locally.
The Kgalagadi Transfrontier Park was fortunate to receive R27m through the Special Public Works Programme managed by the Department of Environmental Affairs and Tourism. The money was used to complete three wilderness camps, to build a new reception building for Mata Mata, to upgrade three picnic sites, to upgrade water reticulation for the main restcamps and to supply the caravan/camping sites for all three restcamps with electricity. Other developments included the establishment of new staff accommodation at Nossob and Mata Mata and the Klein Skrij Lodge which was built at the homonymic pan for the benefit of the San/Mier Communities. The lodge will be managed according to the trilateral agreement between SANParks and the SAN/Mier Communities.

The Siyanda District Municipality started upgrading the 60 km gravel entrance road to the park during November 2004. To date ten kilometres have been prepared and are ready for tarring.

A well-known tracker and legend of the Kalahari, Vetpiet Kruiper died in April 2004 and special permission was granted for him to be buried inside the park.

The new reception building at Mata Mata will also serve as a control point when the new gate opens between South Africa and Namibia.

TOURISM
Tourism numbers are down and occupancies are lower than the previous year. The reason for the decline is due to the opening of the three wilderness camps which were only operational for the last four months of the period under review. Camping showed a substantial decline, -27.3%, compared to the previous year. The decline in tourist numbers is attributed to the condition of the last 60 km of the road leading to the park.

Activities also showed a marked decline compared to the previous year. This could be attributed to the difficulties in obtaining guides. The Nissan 4x4 trail has also recorded a decline.

CONSERVATION
The general condition of fauna in the park is very good. A healthy recruitment of offspring was recorded in most species. The amount of springbok lambs in September 2004, gemsbok calves during the summer, blue wildebeest at the end of 2004 and ostrich chicks throughout the year was noticeable. Predators such as lion were often spotted with cubs and the survival rates of the cubs seemed to be high.

Good rains fell during the reporting period. Most of the rain fell from January onwards. At Klein Skrij, southwest of the park, 374.8 mm was recorded in comparison of an average of 210 mm.

The veld is in a good condition due to the good rains.
PEOPLE AND CONSERVATION
During September and October 2004 a pilot programme, Kids in Parks, was launched. Grade 3 and Grade 6 students were targeted. The aim of this programme is to expose these children to the southern Kalahari ecosystem and to create an awareness and better understanding of conservation in this area. The programme is also aligned with the revised national curriculum which provides for activities to be completed in the classroom as well as in the park.

Various schools were visited throughout the year to present Environmental Education programmes. The GVI volunteer developed an EIE programme for Kids in Kgalagadi. A cultural centre/museum was opened at Auchterlonie in October 2004. Information was also collected on cultural sites within the park. A local school from Askham participated in the Business Trust Run celebrations and also provided a choir at the opening of the Auchterlonie Cultural Site. The Park Forum was established and signed off by the Executive Director: Parks and People and Conservation. To date three meetings were held. A Joint Management Board was established to manage the San and Mier Heritage Land. The land is incorporated into the park on a contractual basis. Advisory Forum meetings were held regularly regarding the DEAT poverty relief projects. Three Nature Conservation students, who are currently completing their experiential training, participated in a two-week induction course.

PUBLIC RELATIONS AND COMMUNICATION

Editorials appeared in the following magazines and newspapers:
- Rapport
- Die Burger
- Beeld
- Die Gemsbok
- Volksblad
- Getaway
- Weg
- Any Time Magazine (Nationwide Airlines)
- One Time Magazine (One time Airlines)

Radio talks and television coverage:
- Radio Sonder Grense
- OFM
- SAFM
- 50/50
- SABC 2 Morning Live (live coverage of The Business Trust long run from Auchterlonie in Kgalagadi to Skukuza in the Kruger National Park).

Brochures:
Thompson’s Tours
- Northern Cape brochure
- Green Kalahari brochure
- Budget Car Rental map – Northern Cape and Namibia
- Namaqua and Northern Cape brochure

Advertising on big billboards and plasma screens at:
- Cape Town International Airport
- Johannesburg International Airport
- N1 on route

The travel guide for the Kgalagadi Transfrontier Park was printed in Afrikaans and the English version was reprinted.
ARID PARKS CLUSTER

AUGRABIES FALLS NATIONAL PARK

The Augrabies Falls National Park has seen the development of 56 km of new roads, the construction of a new entrance gate and the erection of 117 km of fencing, with funding from the Poverty Relief Programme managed by the Department of Environmental Affairs and Tourism. The construction of phase one for a new boardwalk and viewing points has been completed and completion is scheduled for the next financial year.

To finalise the fencing and current consolidation of the park, a small piece of land, 634 ha of the Klindt farm, needs to be purchased. No other land purchases are planned for the near future.

President Thabo Mbeki and several ministers visited and stayed over in the park during his Imbizo to the Northern Cape.

TOURISM

The park recorded a slight increase in visitor numbers and is expecting the numbers to increase in the new year. The challenge is to improve accommodation facilities to sustain and promote further growth and development.

CONSERVATION

The rainfall over the last three years has been below average and the veld is not in a good condition. However, with the dropping of fences, new areas for grazing and browsing became available. The grasses in particular did not flower as favourably as in the previous year.

The flow of the Orange River was very constant during the year under review, and there were no major fluctuations. The borehole at the Waterval house still supplies water for household consumption.

An alien clearing project in the park in February 2005 was completed, but large tracts of ‘Suidwes Doring’ still remain which must be removed. This has been mapped.

The animals are in good condition and there were sufficient numbers of newborn animals. Since the reduction of the dassie population, there has been a marked improvement in the vegetation of the restcamp.

Twenty-nine Hartmann’s zebra and 17 giraffe were relocated from the northern banks to the southerly section, Blouputs and Zeekoesteek, of the park.

WILDLIFE CENSUS

The next census will be done in October 2005.

PEOPLE AND CONSERVATION

The Park Forum has been elected and approved by the Executive Director: Parks and People and Conservation. One member of the Park Forum attended the People and Conservation Congress in Hoedspruit.

The Melkbosrant area was de-proclaimed (but not registered) after the successful Riemvasmaak land claim. In terms of the de-proclamation of Melkbosrant, Integrated Development Programme Poverty Relief funding was secured from the Siyanda District Municipality, to develop the land in the best interest of the community.
A successful youth symposium, in conjunction with various government departments was held to celebrate Youth Day. The Department of Educational Support Services launched a Career Exposure Project for young female Grade 9 learners which focused on careers in SANParks. Conservation Soccer, which is based on special rules according to nature conservation, was played between four groups of boys from the Augrabies community.

HIV and AIDS training workshops were held for staff. A Local Economic Development seminar was attended and a COWEF/DWAF workshop was attended to institute a water efficiency project for the community. Training of temporary workers for the Working for Water project was done.

ENVIRONMENTAL EDUCATION

<table>
<thead>
<tr>
<th>EIE activity</th>
<th>April 2004 – March 2005</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guided group tours</td>
<td>29</td>
<td>15</td>
</tr>
<tr>
<td>Imbewu camps</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No of children</td>
<td>1089</td>
<td>700</td>
</tr>
<tr>
<td>No of adults</td>
<td>219</td>
<td>200</td>
</tr>
<tr>
<td>Other PAC events</td>
<td>12</td>
<td>6</td>
</tr>
</tbody>
</table>

Cultural Resource Management and Indigenous Knowledge (IKS) is an ongoing process in the park. Continuous awareness is also promoted at EIE programmes.

PUBLIC RELATIONS AND COMMUNICATIONS

- Live broadcast from the park on SABC 1, YO-TV, with the youth as target group, as part of the Business Run initiative.
- The Annual Augrabies Extreme Marathon, which is an international event, was covered on DSTV (Super Sport TV channels).
- Afrikaans documentary filmed by KykNet for the programme Groen, on the klipspringer, dassie, etc. in the park.
- Travelling programme on SABC 3, Going Nowhere Slowly, which highlighted the park as a travelling destination.
- Articles published in two magazines: Wegbreek, with the focus on the eco-adventures in the park, and Country Life, which focused on the park in general.

NAMAQUA NATIONAL PARK

The Namaqua National Park continues to make a contribution to the conservation of the Succulent Karoo Biome, the world’s arid biodiversity hotspot.

The Regional Manager of the Department of Public Works has informed the Department of Environmental Affairs and Tourism that they have already handed in a submission to their Minister to approve the Admiralty Zone, to uphold the unsurveyed farm 497 (Spoegrivier) and the Admiralty Zone from the north-western corner of the farm Mitchell’s Bay (495) southwards, to the northern boundary of the farm Groenrivier (599).

Negotiations with de Beers for a contractual agreement, to link the current Namaqua National Park with the proposed Namaqua Coast between the Groen and Spoeg rivers, are still ongoing. The Park will then be linked with the recently gazetted Marine Protected Area planned for the Namaqualand Coast, which covers 9 700 km. Negotiations with other land owners are still ongoing.
The tourist route through the park has been upgraded and a predator proof perimeter fence has been constructed. A new building was erected with a visitor reception area, people and conservation office and storerooms.

**TOURISM**

The circular drive in the Skilpad flower viewing area was upgraded as well as a scenic route from the Skilpad section through the park to the Soebatsfontein exit gate. Improvements have also been made to visitor information facilities.

**CONSERVATION**

The Namaqua National Park falls within the Succulent Karoo and it has experienced extremely dry conditions. However, good rains were recorded during January 2005. The Park has managed to obtain almost 100% of the Riethuis quartzfields.

**PEOPLE AND CONSERVATION**

The Park Forum has been elected and three meetings were held since its inception. The Park Forum consists of 23 members. These members represent all the different constituencies in the area. The park falls within the boundaries of two local municipalities and both are represented on the Park Forum.

Several meetings were held with different community leaders to discuss issues affecting the park. A meeting was held with the community of Hondeklipbaai which might be affected by the development of the park to the coast.

The SKEP team requested the park to assist them with building linkages with the local communities. A group of people from Leliefontein was organised to perform for visiting photographers from the USA and Canada. Valuable links were established for community tourism. Special environmental days are promoted amongst communities to create awareness for conservation.

On International Mother Language day on 22 February, 16 elderly people from Soebatsfontein, Kamieskroon and the neighbouring farming community were invited to attend a programme on the art of language. This programme was part of Cultural Resource Management for 2005. A survey on the Nama language was also started. Representatives from the park, together with a community member, visited Koeroebies, one of the last persons who grew up in the old clay houses. A survey of each existing house was conducted to establish the use of each building and to identify former residents. All other information of historical value was also collected. This survey has not been completed yet and will eventually be used for the cultural historical route.

400 children from 20 various schools in total; Children visiting the park numbered 104 from 2 schools; 32 Children from 4 different schools visited the Imbewu camps.
IAI-IAis/RICHTERSVELD TRANSFRONTIER NATIONAL PARK

The Richtersveld National Park is one of SANParks’ most complex areas to manage. The challenge is to ensure that the park is managed to preserve and sustain the biodiversity as well as the unique cultural heritage of the area.

The downscaling of mining in the area has raised concerns in the communities and there are some expectations that tourism could be viewed as an alternative income.

Through the Department of Environmental Affairs and Tourism funds were made available for the Special Public Works Programme (poverty relief) and various new tourism facilities were constructed, a 28-bed camp at Sendlingsdrift, two Wilderness lodges at Tatasberg and Ganakourieb and a hiking trail camp at Hakkiesdoring. A new camping site at Sendlingsdrift was developed and the camping facilities at Potjiespram, De Hoop, Richtersberg and Kokerboomkloof were upgraded.

The establishment of the Ai-Ais Richtersveld Transfrontier Park is an exciting development which could be the forerunner of increased tourism activities in the area. The opening of the new border post at Sendlingsdrift is scheduled for 2005/2006, depending on the completion of the Customs and other buildings.

The challenge for this park is the successful implementation of the abovementioned tourist facilities and cross border activities with the opening of the border post between Namibia and South Africa.

TOURISM

There has been a general decline in tourism numbers in the region as well as in the park. However, with the construction of new tourism facilities it is hoped that tourist numbers will increase.

The investment in tourist facilities has not been confined to the park and facilities have also been built for neighbouring communities. These facilities have been handed over to the local Community Property Association and will be managed by them.

CONSERVATION

Conservation in the park is focused on the preservation of the rich plant diversity of over 700 different species, of which about three hundred are endemic to the park or immediate surroundings.

The biggest threat to the vegetation is the impact of stock farming, mining and unregulated off-road driving, particularly during the exceptionally dry years. Various research projects have been registered by national and international research institutions. The results are available on the completion of a project.

The first draft of the Richtersveld National Development Framework was completed.

Plans have also been submitted to the Poverty Relief Unit for the establishment of an indigenous nursery. This project will be twofold, a community-based business opportunity and a supplier of plants for the rehabilitation of mining areas.

The IAI-IAis/Richtersveld Transfrontier Park will also contribute to the conservation status of the area.
Elections were held in the communities of Kuboes, Lekkersing, Ekteensfontein and Sandrift for the Richtersveld Gesamentlike Bestuurskomitee (RGBK). Four of the five elected members are new representatives and together with the members of the SANParks committee they form the RGBK.

The RGBK had meetings on several occasions during the year, but there are still some unresolved issues that need to be discussed.

The post of Senior Social Ecologist is still vacant, but staff have been able to keep regular programmes going. The Environmental Education facilities were upgraded with Poverty Relief funds.

A Park Forum has not yet been established and discussions are underway with other stakeholders in the area, as well as the RGBK.

PUBLIC RELATIONS AND COMMUNICATIONS

A comprehensive brochure that includes information on all the new facilities has been compiled, and will be available at the International Tourism Indaba in Durban during May 2005.

Meetings were held on a regular basis with Namibia and other role-players in the area.

GOLDEN GATE HIGHLANDS NATIONAL PARK

The current size of the park is 12 000 ha. It will be a projected 34 000 ha once the park has been fully consolidated. The Qwa Qwa National Park is in the process of being amalgamated into the park, adding 22 000 ha. It is envisaged that SANParks will take over management of the Qwa Qwa National Park early in the new year.

The 94-bed Glen Reenen restcamp is completed and has been fully operational since September 2004. However, some terrain work including signage is still in the process of completion.

The eight luxury units at the new 32-bed Mountain Retreat restcamp are in the process of being furnished and fitted out. It is envisaged that this process will be completed early in the new year.

The 24 economy units at the new 72-bed Qwa Qwa restcamp are in the process of being furnished and fitted out. It is envisaged that this process will be completed early in the new year. Terrain work that is not part of the Poverty Relief Programme is still in progress.

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.

A first workshop on the Conservation Development Framework for the park was held in June 2004.

TOURISM

The upgraded and extended 94-bed Glen Reenen Restcamp was completed and has been fully operational in its new form since September 2004.

Visitor numbers are up by 9.7% for the year compared to the previous year.

The number of unit nights sold is up due to the extension of the Glen Reenen restcamp from 13 to 31 units. The number of bed nights sold is also up due to the extension of the Glen Reenen restcamp from 13 to 31 units and 52 to 94 beds. Unit and bed occupancies are down for the year compared to the previous year, mainly due to the expansion of Glen Reenen restcamp.

The two new Mountain Retreat and Qwa Qwa restcamps are to be completed and fully operational early in the new year as soon as the furnishing and fitting out is completed.
CONSERVATION
While the rainfall for the 12 months indicated above is higher than the long term average, it came late in the year and followed on a dry previous year. Water problems and very dry conditions were experienced in the park during the first half of the year. After being stagnant from more than a year, the Little Caledon River and Ribbokspuit started flowing again on 28 November 2004. The veld condition is very good after the long-awaited rains that started at the end of November.

TEMPERATURE (°C): APRIL 2004 TO MARCH 2005
The highest recorded temperature for the year was 31.3°C, recorded towards the end of January and the beginning of February 2005. The lowest recorded temperature was –7°C on 15 July 2004.

No aerial game census was held during this year. Game counts completed on foot and on horseback cannot be compared to the annual aerial game census, and are thus not reflected in the abovementioned statistical information. Generally the wildlife is in a good condition, due to the good condition of the veld.

ANIMALS TRANSLOCATED
Animals Trans-located in the months of April 2004 to March 2005, numbered 609 blesbok; 286 redhartebees; 188 eland; 148 zebra, with the final total adding up to 1 231.

The game capture operation was outsourced to Thaba Manzi. The game capture operation was executed in both the Golden Gate and Qwa Qwa national parks as it was already operating as one management unit. This was done with the consent of the Free State Department of Tourism, Environmental Affairs and Agriculture and regulated by an agreement between the two parties concerning the financial benefit.

ALIEN VEGETATION ERADICATION: APRIL 2004 TO MARCH 2005

<table>
<thead>
<tr>
<th>Working for Water projects</th>
<th>Area cleared</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANParks</td>
<td>307ha</td>
<td>285ha</td>
</tr>
<tr>
<td>Rand Water</td>
<td>628ha</td>
<td>593ha</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>935ha</strong></td>
<td><strong>878ha</strong></td>
</tr>
</tbody>
</table>

The target for alien clearing, including the follow-up work, was surpassed with 57ha.

The vulture conservation programme in the park, that forms part of the international vulture conservation programme in Southern Africa, is ongoing. Regular feeding, according to a feeding plan, takes place at the so-called vulture restaurant.
COMMUNITY RELATIONS
Six meetings of the Park Advisory Forum were held.

Preparatory work for the public participation process for the park’s Integrated Management Plan has been finalised in collaboration with the Protected Area Management Plan facilitator of the Maloti-Drakensberg Transfrontier Project (and SANParks’ Manager). The public participation process will take place from 10 May 2005 to 13 May 2005. During this process the initial groundwork for the establishment of a Park Forum will also be addressed. Some 178 potential stakeholder organisations and individual stakeholders were invited to this workshop.

Two community conservancy meetings were attended respectively in February and March where issues concerning the relationship between Golden Gate, the Free State Department of Tourism, Environmental Affairs and Agriculture and the conservancies were discussed.

The National Youth Development Programme’s coordinating team visited the park during March as part of a final site visit for the establishment of this programme in Golden Gate. Fine-tuning on outstanding matters is pending. A group of between 60 and 80 community youths are being targeted for this programme.

During a media visit to Golden Gate for the celebration of World Wetlands day on 1 May 2005 the delegation of visitors were catered for by the Basotho Cultural Village which is a community-supported business. A traditional community dancing group enhanced the event with dance and song. All benefits of this initiative went to these groups.

Continuous, combined efforts and interaction with the Maloti-Drakensberg Transfrontier Project’s socio-ecologist and regional community facilitator are in progress for the establishment of community liaison structures and the expansion thereof in the area.

The senior people and conservation officer accompanied the Maloti-Drakensberg Transfrontier Project’s socio-ecologist and an environmental education officer from Ezemvelo KZN Wildlife in March 2004 to Cape Town on behalf of the Maloti-Drakensberg Transfrontier Project for information gathering and networking. The following places were visited: Cape Town University of Technology – Community Informatics, Table Mountain National Park - Regional Manager for information on Community Liaison Structures and Park Forum Steering Committee, IUCN Taskforce representative, City of Cape Town - Environmental Manager and the Goldfields Environmental Education Centre in Kirstenbosch.

Sixteen SADC members from the Life Academy Programme, which is part of the SADC Regional Environmental Education Programme (REEP) Initiative, visited Golden Gate as part of their educational and training programme that commenced in Lesotho.

A Lesotho delegation from the Project Coordination Unit of the Maloti-Drakensberg Transfrontier Project visited the park on 12 October 2004. The members of this group are keen to establish cross-border exchange groups, possible partnerships and ties with the park.

The senior people and conservation officer was delegated to attend the People and Parks Workshop convened by the Department of Environmental Affairs and Tourism from 25 October 2004 to 27 October 2004 at the Swadini Resort as a follow-up of the IUCN World Park Congress that took place in September 2003. A community representative from the Qwa Qwa reserve’s residents, Mr Jan Skosana, also attended the workshop as a member of the community.

ECONOMIC IMPACTS
The Litabeng Adventure Activities Guides consisting of eight candidates have submitted a draft business proposal to Park management in the hope of establishing a business partnership with the park. Seven of these members, who are currently still in the process of establishing their own SMME, are now learners on the learnership programme for the certificate qualification in Tourism Guiding, to further enhance their initial training. The candidates were also nominated for a French Course for HDIs in the tourism guiding business. This is coordinated by the Free State Department of Tourism, Environmental Affairs and Agriculture and sponsored by the French Government.

The Litabeng Adventure Activities Guides assisted in running the holiday programme during December 2004. A total of 177 people participated in the different activities of the holiday programme.

Funding possibilities for a local crafter group, as well as the community adventure activity guides, are still under investigation.

The establishment of an indigenous nursery in the park, which is part of the Poverty Relief Programme and a developing SMME, is ongoing. The funding proposal was granted and the project will commence soon. An expansion of tandem funding for this project is also being considered and the approval outcome is pending.
CAPACITY BUILDING

The 22 learnership candidates who are participating in the 2004 programme completed their theoretical off-the-job training at the end of March. All 22 candidates were found to be competent during their final assessments. The fields of learning areas for the certificate qualification were Accommodation Services, Reception and Conservation. Of the 22 candidates 10 were non-employees from the communities and 12 were employees of SANParks.

Another 20 learnership candidates were registered with the Tourism, Hospitality, Sports Education and Training Authority (THETA) for the 2005/2006 programme that commenced on 1 March 2005. The learning areas that are being participated in are Tourism Guiding and Conservation. There are 13 non-employees from the communities and seven employees of SANParks.

Eight representatives, who participated in the Skills Development Programme during 2004/2005 that was coordinated by INTAC, attended the closing certification ceremony of INTAC in Durban at the end of March.

ENVIRONMENTAL EDUCATION

Continued links are kept up with the National Environmental Education Project – General Education and Training Band (NEEP-GET) of the Free State.

A total of 2 991 participants took part in 60 environmental education programmes at the Wilgenhof Environmental Education Centre. The target for the year was 2 000 participants.

Some 5 778 person education days were spent at Golden Gate during the year.

The Kids in Park Programme is well on its way and all arrangements are running according to the planning schedule. The programmes in Golden Gate will commence during the last week of July 2005 until the end of August 2006. Ten schools will take part in this programme.

Local schools participate in day programmes on a regular basis. Career orientation on possible careers within the broader exposure of SANParks is being conducted for schools that request this. The worksheets that were compiled for all the themes of the educational programme are in the process of being fine-tuned and aligned with the curriculum outcomes and assessment standards to support the Kids in Parks Programme.

The expansion of the reference library and development of more environmental education resources is under continuous review.

The GVI Programme for 2004 ended in January. The result of outcomes and cooperation with the GVI candidate was very fruitful. The senior people and conservation officer assisted during the training session of the new GVI candidates at the beginning of February.

The gala evening of the Morula Kids Competition was attended by the senior people and conservation officer, as well as the park manager, where a special certificate of appreciation was received for the exceptional number of more than a 1 000 entries that were submitted by schools around this park.
CULTURAL RESOURCE MANAGEMENT AND INDIGENOUS KNOWLEDGE SYSTEMS

Cultural heritage mapping of the park is currently underway. The draft document of the references and mapping of 64 cultural heritage sites has been passed through to the specialists at the National Museum, under guidance of Dr Zoë Henderson, to categorise the sites and to plan for a total survey and assessment of significance. A team of five specialists, consisting of two rock art specialists, two archaeologists and one anthropologist, as well as the cultural heritage specialist of the Maloti-Drakensberg Transfrontier Project, visited the park in February to plan for this extensive survey that should commence during the new year.

Dr Raath, from the University of the Witwatersrand, and Prof Reis, from a University in Canada, are leading a research team following up excavations in the Rooidraai area where the nest of eggs of the Massospondylus dinosaur was found. These eggs represent the oldest dinosaur eggs in the world. The research group was in the park for three weeks in March 2004.

MARAKELE NATIONAL PARK

The current size of the Marakele National Park is 67 000 ha. The Parrot’s contract was discussed at the Joint Management Board between Welgevonden Land Owners Association, SANParks and Marakele Park Limited.

The fence that divides Welgevonden and Marakele National Park will be dropped after a year. This will take place once Welgevonden has removed all their buffaloes. The test results of 15 Marakele buffaloes that were tested for theileriosis disease came back negative (including the one that tested positive previously). This means Marakele National Park does not have theileriosis disease.

The contract to purchase two neighbouring properties of 20 ha and 45 ha respectively, is currently being finalised. The agreement between Hunters and Marakele Park Limited was discussed with the park manager. Construction of the lodge has started.

CLIMATIC CONDITIONS

While the rainfall was lower than the long-term average, distribution was good and the veld condition was good.

CONSERVATION

The veld was very dry in October and three lightning fires were experienced in the park. In February 2005 the mountains on the Apiesrivierpoort section started to burn after lightning strikes. It is still difficult to map these fires because of mountainous terrain, but park staff are working with the Kruger National Park to try and obtain satellite images of these fires through the University of Maryland in USA.

Wild dogs are still getting in and out of the park at the Buffelspoort area. They were brought back twice in the third quarter. Five problem wild dogs have been relocated to Balule.

Through the working for water programmes 10973 ha of alien clearing was done.
INFRASTRUCTURE DEVELOPMENT
Additional funds were made available for the Sentech road reseal and the road was finished in October 2004. The park is receiving good feedback from the guests concerning the upgrade of this road. The problem of the bad 4x4 route still remains. Poverty relief funding allocated for the establishment of new roads and for upgrading existing ones will make a huge difference in this park.

Fences that were damaged between April and May 2004 were fixed using old material and the maintenance budget.

COMMUNITY RELATIONS
A Park Forum will be formed early in the new year. The target is for a Marakele National Park Forum to be established before the end of March 2006.

The Local Council has engaged with the park manager with regard to a possible joint venture development in Thabazimbi. The aim of this proposed development is to put Thabazimbi and Marakele National Park on the map through joint marketing and promotion of the park and the Thabazimbi region at large.

PEOPLE AND CONSERVATION
Environmental education activities conducted in the park in 2004/5 saw 734 children and 101 adults accommodated in a range of programmes.

TOURISM
Visitor numbers were up by 7.8%. Activities began in December in the 2003/4 financial year when a 4x4 was converted into a game drive vehicle. The differences between the two periods show the potential for these activities.

The suspension of the Modikela Bush Camp had an impact on the figures.
VAALBOS NATIONAL PARK

Vaalbos National Park is currently dealing with a valid land claim against the park and the process of moving the park to a new location within the Kimberley area. The new area has been identified and the valuation of this area has been completed. The negotiations with the landowners will start as soon as the Land Affairs Valuation Board has scrutinised the valuation document. The planned timeframe will be to start moving animals during 2005 and it should be finished during 2006. For this reason no new developments or projects have been planned for Vaalbos.

The Graspan Breeding Station, on the other hand, is not part of the land claim and a new entrance gate, new bomas and the upgrading of the existing road is planned as part of the Expanded Public Works Programme.

TOURISM

The occupancy rates in the chalets were down during the period under review while the camping figures increased, compared to the previous year. The visitors to the park increased by almost 88.5%. The increase in visitors can be attributed to the increase in camping and the publicity regarding the planned relocation of the park. The focus on positive media coverage for the park could also have contributed to the increase in tourism figures.

CONSERVATION

All animals in the park are in good condition. No cases of anthrax were reported during this period. Twenty-one buffalo were identified for auctioning in 2006. These will be the first disease-free buffalo that will be sold from this project. The roan antelope project is doing well and some of these animals will also be auctioned in 2006. The Back to Africa sable project is delivering good calving results and the total number of sable at Graspan is 13.

PEOPLE AND CONSERVATION

As a result of the current land claim against Vaalbos, no projects were initiated with the community. However, a good relationship exists with the surrounding communities and the park has been engaging with some of the local schools. Although the Dikgatlong Municipality is well aware of the planned closure of the park, good relations are still maintained.
PUBLIC RELATIONS AND COMMUNICATION
To minimise the effect of the land claim, a lot of positive information was made available to the media, with good results. Feedback from this coverage was very positive and most people are interested in the proposed move. As soon as the new land is purchased, aggressive marketing will have to be done for the new area.

MAPUNGUBWE NATIONAL PARK
The year 2004 was a momentous year in the history of the park. The park was successfully renamed the Mapungubwe National Park, tourism facilities were developed and the park was officially opened for tourists.

INFRASTRUCTURE DEVELOPMENT
The construction of all the tourism facilities through the Poverty Relief Project has been completed. Works completed include 107 km fencing; main camp - 40 beds; tented camp – 16 beds; trails camp – 8 beds; renovation of two lodges – 29 beds; 56 km of roads; entrance gate; Treetop Hide; game hide; bird hide; confluence picnic site and facilities; staff housing; interpretive facilities and rehabilitation. Poverty relief projects for next year include an Interpretive Centre and rehabilitation work.

PARK PLANNING
The current size of the park is 19 619 ha. It will be a projected 27 702 ha once the park has been fully consolidated. Negotiations for the farms Samaria 3 and 4 are well advanced. The farm, Samaria, has been acquired by SANParks. The owner still has farming rights for three years. This deal opens the way for negotiations with other land owners. Negotiations were initiated with Weipe. An Integrated Park Management Plan has been completed for the park.

TOURISM
The park, together with its facilities, was officially opened on 24 September 2004 by the Minister of Environmental Affairs and Tourism, Mr Martius van Schalkwyk.

Initial visitor numbers are low, as expected. The number of advance bookings has improved. There are also large numbers of official visitors to the park, which does not generate real income for the park. December 2004 was a very busy time for the park, particularly as far as day visitors are concerned. The occupancy rates at the Leokwe camp and the tented camp are slightly better then expected, but the trails camp is doing particularly badly. Other options are being investigated.

A number of marketing initiatives has been started, most notably the Mapungubwe Route, in conjunction with the local lodge operators. Specials on accommodation were also well received.

CONSERVATION
The park received scattered rains during the period under review. Only 143 mm of rain fell - the lowest amount in 15 years. The veld condition is average to very poor. The Sashe River and Limpopo River flowed briefly during December 2004. The park still has numerous active fountains. A tornado struck the northern section of the park on 8 December 2004, severely damaging the riverine vegetation and the Vhembe Trails Camp.

No game census was done during 2004. However, based on 2003 counts, impala numbers are substantially more than anticipated. Combined with high elephant numbers this can create severe problems. Game removals are planned for 2005.

Alien clearing through the Working for Water project started in June 2004. This clearing consists mostly of follow-up work on previously cleared areas. A total of 9 000 ha was cleared during 2004.
An Elephant Monitoring Project was initiated to establish damage to vegetation by elephants moving into the park from Botswana. This project is absolutely critical for elephant management and the establishment of the Transfrontier Conservation Area.

Four white rhino from the Kruger National Park were re-introduced on 22 July 2004. This was well attended by the media and went well. The rhinos are regularly tracked to check their condition. Re-introduction of red hartebeest and tsessebe was postponed to 2005.

An indigenous plant nursery was established for rehabilitation of disturbed areas. The young plants will be used for the next round of projects.

PEOPLE AND CONSERVATION

The Mapungubwe Park Committee is still functioning. It has been expanded so that it is more representative. A Park Steering Committee exists with the Musina and Alldays Local Councils. The main objective of this committee is to assist with employment issues for the poverty relief projects.

Relations with local government are good, and through their support, the access road to the park was re-tarred and signposted. A big point of discontent however is the SANParks policy of only considering internal applicants for lower graded posts, and thus, in the opinion of local government, SANParks is not fulfilling their mandate of upliftment to the local communities.

A post for a People and Conservation Officer was advertised during June 2004, but the successful candidate resigned from SANParks, soon after joining.

Very little environmental education activities took place due to infrastructure developments and lack of capacity.

The park is in the process of advertising the post of Cultural Resource Manager, as required by the World Heritage Committee.

The planning process for the interpretive centre has started, involving numerous disciplines and stakeholders. After some initial challenges, funding was obtained from the Department of Environmental Affairs and Tourism, via the Poverty Relief Programme.

A number of private lodges have started operations around the park. There is a tremendous need for people from the surrounding areas to make use of the park and its facilities, so as to add value to their own tourism products. Large numbers of tour guides and other people from the tourism industry have visited the park to establish possible routes etc. The park employed approximately 1 200 local labourers during the past Poverty Relief Cycle.

PUBLIC RELATIONS AND COMMUNICATION

Mapungubwe National Park featured regularly in the media in the past year. Issues that received media coverage included the following:

- Renaming of the park.
- The release of four white rhino on 22 July 2004. This was important
from a biodiversity as well as a symbolic viewpoint. A small group of dignitaries attended, and the event was well covered in the media.

- The opening of the park on Heritage Day, 24 September 2004, by Minister Marthinus van Schalkwyk. Approximately 600 people attended the launch. The event also received extensive media coverage, with Morning Live, SABC Radio and other media representatives attending.

Numerous articles have appeared in mainstream magazines since the opening of the park, with more to follow. Some television documentaries were also filmed.
In the second half of the financial year, SANParks embarked on a journey to review its corporate strategy with the aim of:

- ensuring the improvement of the strategic alignment throughout all levels in the organisation; and
- creating a significant focus on the improvement of overall organisational performance, and thus the inculcation of a performance driven culture in the organisation.

This strategy review led to the initiation of a process to implement the balanced scorecard business performance system.

A project team made up of virtually all internal staff members was tasked with this project – only one external professional consultant was engaged to coordinate and provide professional advice to the team.

The implementation of the balanced scorecard system, as well as the subsequent revision of the organisation’s performance appraisal system, will commence in the next financial year.
During the financial year, the organisation undertook an assessment and review of the Corporate Risk Management Strategy. As a result thereof, SANParks adopted a Risk Management Framework, the focus of which is to ensure coverage of all risk management issues across the organisation.

Acknowledging the fact that all organisations are exposed to all types of risks, the focus of SANParks’ Risk Management Framework is to shift the attention of the organisation towards a philosophy of optimising the balance between potential risks and the potential rewards that may emanate from both pro-active and conscious risk-oriented actions.

This framework provides an important foundation on which the culture of excellence in risk management can be promoted in the organisation.
GUIDELINES FOR MATERIALITY FRAMEWORK

Treasury Regulation, s28.1.5 requires that “for purposes of material (s50(1), s50(2) & s66(1) of the PFMA) and significant (S54(2) of the PFMA), SANParks' Board (accounting authority) must develop and agree on a framework of acceptable levels of materiality and significance with the Directorate in consultation with the external auditors”.

Statement of auditing standard SAAS 320 par 3 defines materiality as “information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful”.

SANParks deals with the framework under two main categories, being the qualitative and quantitative aspects.

QUANTITATIVE ASPECTS
The Auditor-General has provided guidelines, which provide the basis of establishing materiality limits. Using the guidelines, SANParks has a material amount as being R3,2 million. This has been determined by applying 0,75% on the gross annual turnover i.e. R419,3 million.

In determining the said materiality value of R3.2 million, we also took cognisance of the following:

• Nature of SANParks' business
• Statutory and disclosure requirements laid down by the PFMA and its regulations
• Control and inherent risks associated with the systems of internal control at SANParks

In cases where criminal conduct is involved, all instances are regarded as material. The necessary actions to ensure that proper disciplinary steps and criminal procedures against perpetrators are taken to recover all losses, and internal control measures are reviewed and enhanced where necessary to prevent similar occurrences.

QUALITATIVE ASPECTS
SANParks does not view materiality solely to the size and extent of misstatement of any elements in the financial statements. Where misstatements are large enough, either individually or in aggregate, which may effect the reasonable user’s judgement, these will be adjusted and disclosed in the financial statements.
The Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, requires the Board (accounting authority) to ensure that South African National Parks keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of South African National Parks, its financial results, its performance against predetermined objectives and its financial position at the end of the year in terms of Generally Accepted Accounting Practice (GAAP).

The members of the Board of South African National Parks are ultimately responsible for the preparation, integrity and fair presentation of the annual financial statements of South African National Parks. The Auditor-General is responsible for independently auditing and reporting on the financial statements. The Office of the Auditor-General through the appointment of external auditors, have audited South African National Parks’s financial statements and the Auditor-General’s report appears on page 87.

The annual financial statements presented on pages 92 to 111 have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and include amounts based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates made by management.

The Board has reviewed South African National Parks’s budgets and cash flow forecasts for the year ended 31 March 2005. On the basis of this review, and in view of the current financial position, the Board has every reason to believe that the organisation will be a going concern in the year ahead, however this is dependant on continued future funding from Government. The annual financial statements support the viability of South African National Parks. The going concern basis has therefore continued to be adopted in preparing the annual financial statements.

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

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

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

The Board has reviewed South African National Parks’s systems of internal control and risk management for the period from 1 April 2004 to 31 March 2005. The Board is of the opinion that South African National Parks’s systems of internal control and risk management were effective for the period under review.

In the opinion of the Board, based on the information available to date, the annual financial statements fairly present the financial position of South African National Parks at 31 March 2005 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 for the year ended 31 March 2005, set out on pages 92 to 111, were submitted for auditing on 27 May 2005 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, 27 May 2005

DR MD MABUNDA
Chief Executive
Pretoria, 27 May 2005
The Accounting Authority hereby presents its report, which forms part of the annual financial statements of South African National Parks for the year ended 31 March 2005.

**NATURE OF BUSINESS**

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

**FINANCIAL RESULTS**

Full detail of the financial results for the year under review are set out on pages 92 to 111.

**TURNOVER**

Turnover increased to R419,34 million in 2005 from R392,62 million in 2004. This represents an increase of 6,8%. The increase can be mainly attributed to daily conservation fees that now represent a full year as opposed to 10 months in 2004 and a growth in tourism income.

**NET INCOME BEFORE INVESTING ACTIVITIES**

In 2005 South African National Parks realised income before investing activities amounting to R40,05 million compared to R36,33 million in 2004.

The main contributing factors were:

- Improved gross revenue referred to above;
- an increase of R9,16 million in the sale of fauna and flora for land expansion;
- an increase of R5 million in donations received;
- a decrease of R8,10 million in the use of consultants;
- an increase of R9,85 million in the operational grants; and
- an increase of R9 million in the grant for land acquisition.

The improvements above are offset by:

- the effect of inflation on expenditure;
- a decrease of R7,28 million in income from lodge concession fees due to renegotiated concession contracts as approved by the Board and National Treasury;
- increased maintenance costs of R7,71 million due to continuous efforts to upgrade and refurbish tourism infrastructure; and
- an increase of R8,78 million in depreciation mainly due to the capitalisation of the reservation system software costs and the increased estate under management.

**EXPANDED PUBLIC WORKS PROGRAMME**

Many of the infrastructure development poverty relief projects of the 2001-2004 cycle received extension of time to allow completion by 31 March 2005. Construction and upgrade of all infrastructure was completed and the deliverables achieved include the following: 800 896 person days worked; 7 897 people employed; 61 082 training days achieved, 804 km fences upgraded and constructed; 254 km of roads upgraded and constructed; 490 redundant structures removed, 19 tourism camps with 392 new tourist beds created and the construction of 7 new entrance gates. During the year under review R57.4 million of the total budget was spent. This brings the amount spent to R250 million of the available R255,7 for the 2001-2004 cycle. The Agulhas project was not undertaken. The programme will still expend costs on finalisation of the audits whereafter the balance will be refunded to Department of Environmental Affairs and Tourism (DEAT).

The 2004-2007 cycle of projects started in April 2004, and an initial R97 million was made available for projects in three parks: Table Mountain National Park, Bontebok National Park and Kruger National Park. The remaining 17 parks each received funding for various projects in December.
ANNUAL FINANCIAL STATEMENTS - 2004/05

ACCOUNTING AUTHORITY’S REPORT FOR THE YEAR ENDED 31 MARCH 2005

2004, totalling R176 million. Expenditure of R14,5 million was achieved on these new projects. These projects focus on upgrade and construction of roads, fences, new tourism accommodation facilities, entrance gates and the rehabilitation of terrain.

WORKING-FOR-WATER, COAST CARE AND WORKING-FOR-WETLANDS PROGRAMMES

The Working-for-water programme for the 2004-2005 cycle was completed by 31 March 2005. Clearing of alien vegetation was done using development contractors. The deliverables achieved include the following: 165 081 person days worked; 26 167 training days achieved; 32 106 initial hectares cleared and 85 939 follow-up hectares cleared. During the year under review R29,1 million of the total Working-for-water allocation of R29,11 million was spent.

The Coast Care projects of the 2003-2004 project cycle received extension up to the end December 2004 and have been completed, but the audit reports have not yet been received in order to close down these projects. The deliverables achieved in the Coast Care projects include the following: 39 644 person days worked and 2773 training days achieved. A total amount of R3,56 million of the available budget of R3,64 million was spent.

The 2004-2005 Working-for-wetlands programme has received a one month extension up to the end of April 2005. This project has subsequently been completed and the following deliverables were achieved: 15 381 person days worked, 11 756 cubic meters of gabion construction and earth works completed and 783 training days achieved. Of the 2004-2005 budget of R2,66 million, R2,52 million has been spent.

The 2004-2007 Coast Care projects received approval and Coast Care projects with a total budget of R23,4 million has been approved for seven Parks.

ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

During the year South African National Parks acquired land at a cost of R39,27 million (2004 - R21,97 million) for the purpose of expanding land under conservation and the system of national parks.

RECOGNITION OF FAUNA AND FLORA

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

COMMERCIALISATION

South African National Parks, as part of its commercialisation strategy, outsourced the bulk of its retail and restaurant operations to third party operators in previous years. Income from the restaurant and retail operations was R18,04 million compared to R18,69 million in 2004.

In line with the strategy, a total of 12 sites were concessioned in four national parks. The concessions entail allowing private operators to build and operate tourism facilities within the national parks on the basis of long-term concession contracts. The contracts enable concessionaires to use defined areas of land over specified time periods in return for the payment of concession fees. Against these rights of occupation and commercial use of facilities there are set obligations on the part of the concessionaires regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, including termination of the contract, with improvements reverting to South African National Parks. Due to financial constraints experienced by the concessionaires, a relief mechanism was implemented during the year. The fixed concession fee commitments were dropped and the concession contracts amended accordingly. From 1 April 2004 the annual concession fees payable by the concessionaires to South African National Parks shall be the higher...
of a minimum rental as determined by the agreement for the concession year and a calculated annual fee based on a bidded percentage of gross revenue for the concession year. This has resulted in a considerable drop in the concession fees as reflected in the financial statements. Of the twelve sites, eight are currently fully operational, one partially operational, two busy with their Environmental Impact Analysis and the last busy with construction. The design and style of the developments vary in style and cater for market segments which are not serviced by South African National Parks. Management’s focus is to ensure that mechanisms are in place to monitor compliance with contractual obligations.

BOARD MEMBERS ATTENDANCE AT MEETINGS, THEIR REMUNERATION AND ASSOCIATED COSTS

<table>
<thead>
<tr>
<th>Board Meetings</th>
<th>Chairperson’s Committee</th>
<th>Conservation Committee</th>
<th>Finance Committee</th>
<th>Audit Committee</th>
<th>Tourism Committee</th>
<th>People &amp; Conservation Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Meetings:</td>
<td>4</td>
<td>5</td>
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<td>Carolus, C Ms 1 (Appointed Chairperson November 2004)</td>
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<td>Kwaaiman, B (Passed away March 2005)</td>
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<td>Nkosi, MS</td>
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<td>Nzimande, P Ms</td>
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<td>Samuel, J</td>
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<td>Sithole, Z 4 (Acting Chairperson September to November 2004)</td>
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<td>Sokutu, T 3</td>
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<td>Van Riet, WF Prof 2</td>
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<td>Vrahimis, S Ms</td>
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<td>14,332</td>
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<td>9,552</td>
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<td>3,687</td>
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</tbody>
</table>

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

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

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

EXECUTIVE MANAGEMENT’S INTEREST IN CONTRACTS

No material contracts involving Executive Management’s interests were entered into in the current year.
EXECUTIVE MANAGEMENT AND THEIR REMUNERATION

The following people served on the Executive Management of South African National Parks during the Financial Year:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Basic Remuneration</th>
<th>Allowances</th>
<th>Bonuses and Incentives</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mabunda, MD Dr</td>
<td>Chief Executive</td>
<td>706</td>
<td>232</td>
<td>327</td>
<td>1,265</td>
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<tr>
<td>Soundy, SCE</td>
<td>Chief Operating Officer (Appointed 15 August 2004)</td>
<td>342</td>
<td>136</td>
<td></td>
<td>478</td>
</tr>
<tr>
<td>Daphne, P</td>
<td>Executive Director: Parks</td>
<td>443</td>
<td>196</td>
<td>252</td>
<td>891</td>
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<tr>
<td>Magome, DT Dr</td>
<td>Executive Director: Conservation Services</td>
<td>389</td>
<td>202</td>
<td>261</td>
<td>852</td>
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<tr>
<td>Mkhize, I Dr</td>
<td>Executive Director: Kruger National Park</td>
<td>513</td>
<td>151</td>
<td></td>
<td>664</td>
</tr>
<tr>
<td>Phillips, G</td>
<td>Executive Director: Tourism</td>
<td>428</td>
<td>202</td>
<td>295</td>
<td>925</td>
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<tr>
<td>Soma, AK</td>
<td>Chief Financial Officer (Resigned 31 January 2005)</td>
<td>434</td>
<td>168</td>
<td>311</td>
<td>913</td>
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<tr>
<td>Fourie, DJF</td>
<td>Acting Chief Financial Officer (1 February 2005 to 31 March 2005)</td>
<td>62</td>
<td>27</td>
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<td>89</td>
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<tr>
<td>Wagiet, R Dr</td>
<td>Executive Director: People and Conservation</td>
<td>442</td>
<td>197</td>
<td>220</td>
<td>859</td>
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<tr>
<td>Chabani, J</td>
<td>Head: Human Resources (Appointed 1 April 2004)</td>
<td>478</td>
<td>219</td>
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<td>697</td>
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<tr>
<td>Mkutshulwa, W Ms</td>
<td>Head: Corporate Communications</td>
<td>365</td>
<td>197</td>
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<tr>
<td>Van Der Spuy, P Ms</td>
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<td>440</td>
<td>202</td>
<td></td>
<td>642</td>
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<tr>
<td>Fearnhead, PW</td>
<td>Head: Commercialisation (Resigned 30 April 2004)</td>
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<td>195</td>
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<td></td>
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<td><strong>2,129</strong></td>
<td><strong>1,861</strong></td>
<td><strong>9,053</strong></td>
</tr>
</tbody>
</table>

NOTE: The remuneration disclosed above excludes the cost of providing for post-retirement health benefits.

AUDITORS

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

APPROVAL

The annual financial statements set out on pages 92 to 111 have been approved by the Accounting Authority.

MS C CAROLUS
Chairperson
27 May 2005
South African National Parks subscribes and is committed to complying with the principles and standards of integrity and accountability as contained in the recommendations of the King report on corporate governance. During the year South African National Parks’ Internal Auditors, Deloitte & Touche, performed a detailed review of corporate governance practices at South African National Parks and compared these with the recommendations as outlined in the King II report. Their review indicated that South African National Parks’ governance structures and processes are adequate when benchmarked against the requirements of King II and other governance requirements contained in other legislation, e.g. Public Finance Management Act. In addition, South African National Parks compares favourably when benchmarked against other government organisations.

The Board is committed to providing timeous and meaningful information.

BOARD OF SOUTH AFRICAN NATIONAL PARKS
The Board of South African National Parks is established by the President by notice in the Government Gazette for the control, management and preservation of national parks and protection of public interest therein.

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

(i) one member, who is by virtue of his or her knowledge, capable of promoting the objectives of the Board in an unbiased and unprejudiced manner, shall be nominated by each of the Premiers of the respective Provinces; and

(ii) nine members shall be appointed in consultation with the Cabinet or a Cabinet committee after the Minister has by notice in the Gazette invited all interested persons to submit to him or her, within the period mentioned in the notice, the names of persons, who in the opinion of such interested persons, are suitable to be so appointed, stating the grounds upon which such opinion is based.

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

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

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

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

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

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

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

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

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

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

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

**CONSERVATION COMMITTEE**

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

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

**TRANSFRONTIER COMMITTEE**

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

**TOURISM COMMITTEE**

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

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

**REMUNERATION COMMITTEE**

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

**RISK MANAGEMENT**

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

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

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

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

All buildings are insured. The following inter alia, are not insured: roads, bridges, fencing (perimeter and other), dam walls and content, driveways, pavements, outdoor recreation surfaces, outdoor parking surfaces, aircraft runways, fauna and flora.
Risks of a possible catastrophic nature are identified and insured while acceptable risks of a non-catastrophic nature are self-insured through a dedicated Insurance Reserve. These risks are reviewed on an annual basis to ensure that cover is adequate. An amount of R10 million, as an Insurance Reserve, is allocated to cover these risks. This amount is included in capital and reserves in the Balance Sheet. Claims of a general nature are adequately covered.

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

**INTERNAL CONTROL SYSTEMS**

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

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

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

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets.
The audit committee has adopted appropriate formal terms of reference, which have been confirmed by the Board, and has performed its responsibilities as set out in the terms of reference.

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

The audit committee is satisfied that internal controls and systems have been put in place and that these controls have functioned effectively during the period under review. The audit committee considers the organisation’s internal controls and systems appropriate in all material respects to:
- Reduce the organisation’s risks to an acceptable level
- Meet the business objectives of the organisation
- Ensure the organisation’s assets are adequately safeguarded
- Ensure that the transactions undertaken are recorded in the organisation’s records

The audit committee has evaluated the annual financial statements of South African National Parks for the year ended 31 March 2005 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).

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

Z Sithole
Chairperson
Pretoria, 27 May 2005
1. AUDIT ASSIGNMENT
The financial statements as set out on pages 92 to 111, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 16 (3)(a) of the National Parks Act, 1976 (Act No. 57 of 1976). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE
The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:
• examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
• assessing the accounting principles used and significant estimates made by management, and
• evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

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

3. AUDIT OPINION
In my opinion, the financial statements fairly present, in all material respects, the financial position of the SANParks at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP) and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

4. EMPHASIS OF MATTER
Without qualifying the audit opinion expressed above, attention is drawn to the following internal control matters:

During the financial year, controls were not always operating efficiently and effectively as required by section 51(1)(a)(i) of the PFMA. The underlying cause of the weaknesses is a result of the fact that management has not implemented all aspects of policies and procedures, namely timely reconciliations and the monitoring thereof. This was attributed by management to the pervasive effect of the implementation of the new front office and property management system on automated as well as manual controls.

With regards to the information systems environment certain aspects of security procedures and disaster recovery planning were in place, however, comprehensive procedures did not exist and were not formally documented and approved by management. Management has indicated that they are giving ongoing attention to these matters.

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

FOR AUDITOR-GENERAL
Pretoria
31 March 2005
1. ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended.

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:

1.1 BASIS OF PREPARATION

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

1.2 REVENUE RECOGNITION

Tourism income

Accommodation is recognised as it is realised on a daily basis, net of Value Added Tax (VAT) and discounts.

Wild Card sales are amortised over the validity period of the Wild Card, net of Value Added Tax (VAT).

Sales

Sales are recognised upon delivery of the products, customer acceptance and performance of services. Sales exclude Value Added Tax (VAT) and discounts.

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 net of Value Added Tax (VAT).

Donations and special grant funding

Donations received for the acquisition of property, plant and equipment, are recognised in the income statement 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 a non-distributable reserve and amortised as a credit to the depreciation expense over the useful lives of the respective assets.

Interest

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

1.3 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.

1.4 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 charged against income in the period in which they are incurred.

1.5 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 income statement.

1.6 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 charged to the income statement in the year to which they relate.

1.7 GOVERNMENT GRANTS
Government Grants are recognised when it is probable that future economic benefits will flow to the organisation and these benefits can be measured reliably. The grants are recognised to the extent that there are no further obligations arising from the receipt of the grants.

1.8 EXTRAORDINARY ITEMS
All items of income and expense arising in the ordinary course of operations are taken into account in arriving at operational income. Where items of income and expense are of such size, nature or incidence that their disclosure is relevant to explain the performance of South African National Parks, they are separately disclosed and appropriate explanations are provided.

1.9 PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all costs directly attributable to bringing the asset to its working condition for its intended usage. Depreciation is provided on the straight-line method to reduce the value of each asset to its residual value over its expected useful life. South African National Parks has acquired the usage of certain land that is registered in the name of the State and which is incorporated as part of its national park system. This land is not reflected as an asset of South African National Parks.

The expected useful lives of the assets are:
- Buildings, roads and infrastructure: 8 to 50 years
- Vehicles, aircraft and mechanical equipment: 5 to 20 years
- Furniture, office equipment and computer software: 2 to 5 years

Land is not depreciated.

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 income statement.
1.10 CONSTRUCTION WORK IN PROGRESS
Incomplete construction projects are reflected at cost. Cost includes 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.

1.11 INVENTORIES
Inventory, which exclude fauna and flora, is stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out method compared to the weighted average cost method in prior years (refer Note 12). Net realisable value is the estimated realisable value in the ordinary course of business, adjusted for any selling expenses.

1.12 POST-RETIREMENT HEALTH BENEFIT OBLIGATION
The South African National Parks provides post-retirement health care benefits by way of medical aid schemes to some of its retirees. The level of entitlement to post-retirement health care benefits is dependant upon the 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 income statement 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 income statement. The current service cost is determined by professional qualified independent actuaries, after taking into account the level of funding for the post-retirement benefits.

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

Assets held under finance leases are recognised as assets of the organisation at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet 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 income statement 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 income statement on a straight-line basis over the period of the lease.

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.

1.14 FINANCIAL INSTRUMENTS
Recognition
Financial assets and financial liabilities are recognised on the balance sheet when South African National Parks becomes a party to the contractual provisions of the instrument.

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

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

Measurement
Financial instruments are initially measured at cost, which includes 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 carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of the receivables is established when there is objective evidence that we will not be able 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 income statement.

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

Borrowings
In terms of section 66(3)(c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, South African National Parks may only through the Minister of Finance borrow money or, in the case of the issue of a guarantee, indemnity or security, only through the Minister of Labour, acting with the concurrence of the Minister of Finance.

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

Trade payables
Trade and other payables are stated at their nominal value.

1.15 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.

1.16 CASH AND CASH EQUIVALENTS
For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings.

1.17 COMPARATIVES
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.
## INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td><strong>Turnover</strong></td>
<td>2.1</td>
<td>419,336</td>
<td>392,622</td>
</tr>
<tr>
<td>Less cost of sales of retail operations</td>
<td></td>
<td>51,113</td>
<td>45,408</td>
</tr>
<tr>
<td><strong>Operating revenue</strong></td>
<td></td>
<td>368,223</td>
<td>347,214</td>
</tr>
<tr>
<td>Operational grants received</td>
<td>2.2</td>
<td>85,631</td>
<td>75,785</td>
</tr>
<tr>
<td>Income from special project grants</td>
<td>20</td>
<td>52,822</td>
<td>54,521</td>
</tr>
<tr>
<td>Other operating income</td>
<td>2.3</td>
<td>32,561</td>
<td>26,499</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td>539,237</td>
<td>504,019</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>3.1</td>
<td>179,280</td>
<td>149,287</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>3.2</td>
<td>72,927</td>
<td>69,121</td>
</tr>
<tr>
<td>Compensation of employees</td>
<td>3.3</td>
<td>256,538</td>
<td>233,970</td>
</tr>
<tr>
<td>Expenses relating to special project grants</td>
<td>20</td>
<td>52,822</td>
<td>54,521</td>
</tr>
<tr>
<td><strong>Operating loss from operations</strong></td>
<td>3.4</td>
<td>(22,330)</td>
<td>(2,880)</td>
</tr>
<tr>
<td><strong>Income received for specific purposes</strong></td>
<td></td>
<td>62,379</td>
<td>39,213</td>
</tr>
<tr>
<td>Land acquisition grant</td>
<td>4</td>
<td>41,000</td>
<td>32,000</td>
</tr>
<tr>
<td>Sale of fauna and flora for land expansion</td>
<td>5</td>
<td>14,802</td>
<td>5,639</td>
</tr>
<tr>
<td>Donations</td>
<td>6</td>
<td>6,577</td>
<td>1,574</td>
</tr>
<tr>
<td><strong>Net income before investing activities</strong></td>
<td></td>
<td>40,049</td>
<td>36,333</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td>1,690</td>
<td>7,601</td>
</tr>
<tr>
<td>Investment income</td>
<td>7</td>
<td>7,318</td>
<td>8,564</td>
</tr>
<tr>
<td>Adjustment to fair value of listed investments</td>
<td>1.052</td>
<td>1,966</td>
<td></td>
</tr>
<tr>
<td>Finance charges</td>
<td>8</td>
<td>(6,680)</td>
<td>(2,929)</td>
</tr>
<tr>
<td><strong>Net income for the year</strong></td>
<td></td>
<td>41,739</td>
<td>43,934</td>
</tr>
</tbody>
</table>
### ASSETS

<table>
<thead>
<tr>
<th>Notes</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>9</td>
<td>502,277</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td>10</td>
<td>239,136</td>
</tr>
<tr>
<td>Investments</td>
<td>11</td>
<td>1,125</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>12</td>
<td>11,759</td>
</tr>
<tr>
<td>Receivables and prepayments</td>
<td>13</td>
<td>34,877</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>14</td>
<td>288,671</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>1,077,845</td>
</tr>
</tbody>
</table>

### EQUITY AND LIABILITIES

<table>
<thead>
<tr>
<th>Notes</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Capital and reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td></td>
<td>304,391</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>255,731</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>193,880</td>
</tr>
<tr>
<td>Post-retirement health benefit obligation</td>
<td>16</td>
<td>128,997</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>17</td>
<td>64,883</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td>313,843</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18</td>
<td>62,205</td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>19</td>
<td>14,593</td>
</tr>
<tr>
<td>Short-term portion of long-term borrowings</td>
<td>17</td>
<td>11,403</td>
</tr>
<tr>
<td>Reservation deposits held</td>
<td></td>
<td>42,941</td>
</tr>
<tr>
<td>Funding by way of special project grants</td>
<td>20</td>
<td>182,701</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>507,723</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td></td>
<td>1,077,845</td>
</tr>
<tr>
<td>Notes</td>
<td>Accumulated surplus R'000</td>
<td>Insurance R'000</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Balance at 1 April 2004</td>
<td>262,671</td>
<td>10,000</td>
</tr>
<tr>
<td>Claims against insurance reserve</td>
<td>-</td>
<td>(19)</td>
</tr>
<tr>
<td>Transfer to insurance reserve</td>
<td>(19)</td>
<td>19</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>41,739</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31 March 2005</td>
<td>304,391</td>
<td>10,000</td>
</tr>
</tbody>
</table>

| Balance at 1 April 2003                   | 218,987                   | 10,000         | 228,987     |
| Claims against insurance reserve          | -                         | (250)          | (250)       |
| Transfer to insurance reserve             | (250)                     | 250            | -           |
| Net income for the year                   | 43,934                    | -              | 43,934      |
| Balance at 31 March 2004                  | 262,671                   | 10,000         | 272,671     |
## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Notes</th>
<th>31 March 2005 R'000</th>
<th>31 March 2004 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received from visitors and concessionaires</td>
<td>594,274</td>
<td>537,309</td>
</tr>
<tr>
<td>Cash paid to suppliers and employees</td>
<td>(516,333)</td>
<td>(521,662)</td>
</tr>
<tr>
<td><strong>Net cash generated by operations</strong></td>
<td><strong>77,941</strong></td>
<td><strong>15,647</strong></td>
</tr>
<tr>
<td>Investment income</td>
<td>7,048</td>
<td>7,871</td>
</tr>
<tr>
<td>Finance charges</td>
<td>(6,680)</td>
<td>(2,929)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td><strong>78,309</strong></td>
<td><strong>20,589</strong></td>
</tr>
<tr>
<td>Cash effects of specific purpose income items</td>
<td>62,379</td>
<td>39,213</td>
</tr>
<tr>
<td><strong>Net cash inflow from activities</strong></td>
<td><strong>140,688</strong></td>
<td><strong>59,802</strong></td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Notes</th>
<th>31 March 2005 R'000</th>
<th>31 March 2004 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(92,062)</td>
<td>(73,819)</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td>(46,338)</td>
<td>(149,998)</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(3,152)</td>
<td>(5,499)</td>
</tr>
<tr>
<td>Proceeds on disposal of property, plant and equipment</td>
<td>29,306</td>
<td>16,339</td>
</tr>
<tr>
<td>Proceeds on disposal of investments</td>
<td>12,127</td>
<td>3,661</td>
</tr>
<tr>
<td><strong>Net cash outflow from investing activities</strong></td>
<td><strong>(100,119)</strong></td>
<td><strong>(209,316)</strong></td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Notes</th>
<th>31 March 2005 R'000</th>
<th>31 March 2004 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from lease funding</td>
<td>5,703</td>
<td>7,949</td>
</tr>
<tr>
<td>Net cash received / (paid) as special project grants</td>
<td>60,255</td>
<td>135,292</td>
</tr>
<tr>
<td>Repayment of long-term borrowings</td>
<td>(6,562)</td>
<td>-</td>
</tr>
<tr>
<td>Payment of post-retirement health benefits</td>
<td>(7,128)</td>
<td>(6,775)</td>
</tr>
<tr>
<td>Repayment of lease obligations</td>
<td>(3,930)</td>
<td>(312)</td>
</tr>
<tr>
<td><strong>Net cash (outflow) / inflow from financing activities</strong></td>
<td><strong>48,338</strong></td>
<td><strong>136,154</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>31 March 2005 R'000</th>
<th>31 March 2004 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (decrease) / increase in cash and cash equivalents</td>
<td>88,907</td>
<td>(13,360)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>199,764</td>
<td>213,124</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td><strong>288,671</strong></td>
<td><strong>199,764</strong></td>
</tr>
</tbody>
</table>
2.1 Turnover

The following items have been included in Turnover:

**Retail activities conducted by South African National Parks**
- Shop and restaurant sales
  - 2005: 10,103
  - 2004: 8,601
- Filling station sales
  - 2005: 45,153
  - 2004: 42,259

**Tourism**
- Accommodation
  - 2005: 191,894
  - 2004: 176,696
- Conservation levies / Entrance fees
  - 2005: 109,031
  - 2004: 99,087
- Drives
  - 2005: 14,777
  - 2004: 13,441
- Trails
  - 2005: 12,556
  - 2004: 12,961
- Other tourism related activities
  - 2005: 8,967
  - 2004: 4,996

**Concessioning**
- Facilities rental on retail and restaurant operations (Refer Appendix Note 1)
  - 2005: 18,246
  - 2004: 18,695
- Lodge concession fees (Refer Appendix Note 2)
  - 2005: 8,609
  - 2004: 15,886

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Turnover</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail activities</td>
<td>55,256</td>
<td>50,860</td>
</tr>
<tr>
<td></td>
<td>10,103</td>
<td>8,601</td>
</tr>
<tr>
<td></td>
<td>45,153</td>
<td>42,259</td>
</tr>
<tr>
<td><strong>Tourism</strong></td>
<td>337,225</td>
<td>307,181</td>
</tr>
<tr>
<td>- Accommodation</td>
<td>191,894</td>
<td>176,696</td>
</tr>
<tr>
<td></td>
<td>109,031</td>
<td>99,087</td>
</tr>
<tr>
<td>- Conservation</td>
<td>14,777</td>
<td>13,441</td>
</tr>
<tr>
<td>- Drives</td>
<td>12,556</td>
<td>12,961</td>
</tr>
<tr>
<td>- Trails</td>
<td>8,967</td>
<td>4,996</td>
</tr>
<tr>
<td></td>
<td>26,855</td>
<td>34,581</td>
</tr>
<tr>
<td>- Facilities rental</td>
<td>18,246</td>
<td>18,695</td>
</tr>
<tr>
<td>- Lodge concession</td>
<td>8,609</td>
<td>15,886</td>
</tr>
<tr>
<td></td>
<td><strong>419,336</strong></td>
<td><strong>392,622</strong></td>
</tr>
<tr>
<td><strong>Concessioning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Facilities rental</td>
<td>18,246</td>
<td>18,695</td>
</tr>
<tr>
<td>- Lodge concession</td>
<td>8,609</td>
<td>15,886</td>
</tr>
</tbody>
</table>

2.2 Operational grants received

Department of Environmental Affairs and Tourism

- Conservation
  - 2005: 73,631
  - 2004: 62,823
- Road
  - 2005: 12,000
  - 2004: 12,000
Local Authorities
- 2005: 962
- 2004: 962

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td><strong>Operational grants</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Conservation</td>
<td>73,631</td>
<td>62,823</td>
</tr>
<tr>
<td>- Road</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Local Authorities</td>
<td>962</td>
<td>962</td>
</tr>
<tr>
<td></td>
<td><strong>85,631</strong></td>
<td><strong>75,785</strong></td>
</tr>
</tbody>
</table>

During the previous year the operational grants from local authorities were replaced with grants for special projects.

2.3 Other operating income

Rent received
- 2005: 12,999
- 2004: 13,563

Services rendered
- 2005: 8,849
- 2004: 2,123

Sundry income
- 2005: 5,819
- 2004: 4,300

Income from conservation management
- 2005: 2,113
- 2004: 1,725

Commission received and filming rights
- 2005: 1,524
- 2004: 2,933

Rebates received
- 2005: 1,132
- 2004: 1,279

Water and electricity recoveries
- 2005: 125
- 2004: 576

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Rent received</td>
<td>12,999</td>
<td>13,563</td>
</tr>
<tr>
<td>Services rendered</td>
<td>8,849</td>
<td>2,123</td>
</tr>
<tr>
<td>Sundry income</td>
<td>5,819</td>
<td>4,300</td>
</tr>
<tr>
<td>Income from</td>
<td>2,113</td>
<td>1,725</td>
</tr>
<tr>
<td>conservation management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission received</td>
<td>1,524</td>
<td>2,933</td>
</tr>
<tr>
<td>and filming rights</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebates received</td>
<td>1,132</td>
<td>1,279</td>
</tr>
<tr>
<td>Water and electricity recoveries</td>
<td>125</td>
<td>576</td>
</tr>
<tr>
<td></td>
<td><strong>32,561</strong></td>
<td><strong>26,499</strong></td>
</tr>
</tbody>
</table>
### 3.1 Operating expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease payments (Note 3.4)</td>
<td>36,926</td>
<td>35,151</td>
</tr>
<tr>
<td>Depreciation (Note 9)</td>
<td>24,167</td>
<td>13,217</td>
</tr>
<tr>
<td>Charge for the year (Note 3.4)</td>
<td>24,901</td>
<td>16,122</td>
</tr>
<tr>
<td>Less: Transferred from other reserves (Note 3.4)</td>
<td>734</td>
<td>2,905</td>
</tr>
<tr>
<td>Marketing and promotions</td>
<td>21,566</td>
<td>17,986</td>
</tr>
<tr>
<td>Operating costs</td>
<td>21,124</td>
<td>20,015</td>
</tr>
<tr>
<td>Consumables</td>
<td>16,909</td>
<td>14,163</td>
</tr>
<tr>
<td>Voice communication costs</td>
<td>11,628</td>
<td>7,558</td>
</tr>
<tr>
<td>Vehicle and aircraft operating costs</td>
<td>9,727</td>
<td>8,681</td>
</tr>
<tr>
<td>Information technology outsourced services</td>
<td>8,820</td>
<td>10,072</td>
</tr>
<tr>
<td>Water and electricity costs</td>
<td>8,813</td>
<td>8,920</td>
</tr>
<tr>
<td>Bank charges</td>
<td>5,426</td>
<td>4,363</td>
</tr>
<tr>
<td>Software assurance costs</td>
<td>4,381</td>
<td>3,312</td>
</tr>
<tr>
<td>Data communication costs</td>
<td>4,006</td>
<td>4,290</td>
</tr>
<tr>
<td>Losses and net shortages</td>
<td>2,963</td>
<td>375</td>
</tr>
<tr>
<td>Net loss on sale of property, plant and equipment (Note 3.4)</td>
<td>1,470</td>
<td>173</td>
</tr>
<tr>
<td>Auditors’ remuneration (Note 3.4)</td>
<td>1,354</td>
<td>1,011</td>
</tr>
<tr>
<td><strong>Total Operating expenses</strong></td>
<td><strong>179,280</strong></td>
<td><strong>149,287</strong></td>
</tr>
</tbody>
</table>

### 3.2 Administration expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance, repairs and running costs</td>
<td>43,459</td>
<td>35,752</td>
</tr>
<tr>
<td>- Property and buildings</td>
<td>27,641</td>
<td>25,161</td>
</tr>
<tr>
<td>- Machinery and equipment</td>
<td>6,810</td>
<td>2,398</td>
</tr>
<tr>
<td>- Office and computer equipment</td>
<td>472</td>
<td>1,469</td>
</tr>
<tr>
<td>- Consumables utilised in maintenance programs</td>
<td>8,536</td>
<td>6,724</td>
</tr>
<tr>
<td>Subsistence and travelling costs</td>
<td>11,520</td>
<td>11,858</td>
</tr>
<tr>
<td>Minor assets not capitalised</td>
<td>6,909</td>
<td>3,300</td>
</tr>
<tr>
<td>Consultants, contractors and special services</td>
<td>5,419</td>
<td>13,516</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>3,620</td>
<td>3,106</td>
</tr>
<tr>
<td>Legal costs</td>
<td>1,555</td>
<td>1,209</td>
</tr>
<tr>
<td>Interest paid</td>
<td>445</td>
<td>380</td>
</tr>
<tr>
<td><strong>Total Administration expenses</strong></td>
<td><strong>72,927</strong></td>
<td><strong>69,121</strong></td>
</tr>
</tbody>
</table>
3.3 Compensation of employees

<table>
<thead>
<tr>
<th>Wages and Salaries</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Salaries</td>
<td>131,652</td>
<td>118,859</td>
</tr>
<tr>
<td>Performance awards</td>
<td>3,417</td>
<td>1,446</td>
</tr>
<tr>
<td>Periodic payments</td>
<td>9,026</td>
<td>7,514</td>
</tr>
<tr>
<td>Other non-pensionable allowances</td>
<td>46,019</td>
<td>43,611</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Contributions</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension costs - Defined contribution plans</td>
<td>15,268</td>
<td>13,297</td>
</tr>
<tr>
<td>Medical</td>
<td>8,472</td>
<td>7,283</td>
</tr>
<tr>
<td>UIF</td>
<td>1,485</td>
<td>1,361</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,411</td>
<td>2,115</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other salary related costs</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff development costs</td>
<td>2,980</td>
<td>3,104</td>
</tr>
<tr>
<td>Recruitment and placement costs</td>
<td>864</td>
<td>1,303</td>
</tr>
<tr>
<td>Other costs</td>
<td>13,562</td>
<td>12,731</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Post-retirement health benefit obligations</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service costs</td>
<td>2,833</td>
<td>3,657</td>
</tr>
<tr>
<td>Interest costs</td>
<td>12,807</td>
<td>13,706</td>
</tr>
<tr>
<td>Actuarial loss for the year</td>
<td>5,742</td>
<td>3,983</td>
</tr>
</tbody>
</table>

| Total Compensation of Employees | 256,538 | 233,970 |

3.4 Operating loss from operations

Operating loss from operations has been arrived at after taking into account the following:

**Auditors’ remuneration**

- External audit fees | 915 | 1,011 |
- Special audits | 439 | - |

**Total Auditors’ remuneration** | 1,354 | 1,011 |

Auditors’ remuneration for special audits relates to an audit conducted on Special Projects as approved by the Auditor-General.

**Depreciation (Note 9)**

- Land, buildings and infrastructure | 7,934 | 7,180 |
- Vehicles, aircraft and mechanical equipment | 5,716 | 5,456 |
- Furniture, office equipment and computer software | 11,251 | 3,486 |

**Total Depreciation** | 24,901 | 16,122 |
**Net loss on sale of property, plant and equipment**

The net loss on sale of property, plant and equipment relates primarily to a land swap transaction at Addo on which a loss of R1,542 million was realised. The swap transaction was important for South African National Parks insofar a portion of land, although smaller in size, but of larger biological diversity importance was obtained.

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>1,471</td>
<td>173</td>
</tr>
</tbody>
</table>

**Amortisation of deferred income in respect depreciable assets acquired with government special grants during the year**

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>734</td>
<td>2,905</td>
</tr>
</tbody>
</table>

**Operating lease payments**

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>36,926</td>
<td>35,151</td>
</tr>
</tbody>
</table>

**Total future minimum lease payments**

- Current
  - 31 March 2005: 17,837
  - 31 March 2004: 20,492
- Between 1 and 5 years
  - 31 March 2005: 21,910
  - 31 March 2004: 39,747

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>39,747</td>
<td>60,239</td>
</tr>
</tbody>
</table>

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

(i) AXIS Finance Company. The lease is for the rental of digital switchboard equipment at the corporate office and Skukuza support offices. The minimum monthly rental of R45 thousand is payable in advance and expires on 1 July 2005. At the termination of the lease, South African National Parks has the option to acquire the equipment.

(ii) South African National Parks rents office space at Westlake for the Table Mountain National Park operations. There are two agreements that govern the right of use. Both rentals are payable monthly in advance and escalate annually with 12%. The first rental expires on 1 August 2005 and the other on 1 March 2006. The current monthly rental payment amounts to R70 thousand (2004 - R63 thousand).

(iii) The rental agreement with VUSWA Fleet Services (Pty) Ltd provides for the provision of a vehicle fleet in the Kruger National Park. The agreement is for a period of five years which terminates on 1 August 2007. The minimum future monthly rental premium amounts to R1,326 million (2004 - R1,326 million).

**Irregular expenditure**

No material irregular expenditure were incurred during the year ended 31 March 2005.

**Fruitless and wasteful expenditure**

No material losses through criminal conduct were incurred during the year ended 31 March 2005.
### Land acquisition grant
Department of Environmental Affairs and Tourism

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>41,000</td>
<td>32,000</td>
</tr>
</tbody>
</table>

### Sale of fauna and flora for land expansion
The sale of fauna and flora is used for land acquisition and related expenses to expand the national park system. It is therefore not reflected as part of normal operating income.

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>14,802</td>
<td>5,639</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>6,577</td>
<td>1,574</td>
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</tbody>
</table>

### Investment income
Interest income

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>6,813</td>
<td>7,478</td>
</tr>
</tbody>
</table>

Marketable securities
- Dividend income
- Net surplus on disposal of marketable securities

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>221</td>
<td>321</td>
</tr>
<tr>
<td>270</td>
<td>693</td>
</tr>
</tbody>
</table>

Net foreign exchange transaction gain

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>14</td>
<td>72</td>
</tr>
</tbody>
</table>

Net foreign exchange transaction gain

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>7,318</td>
<td>8,564</td>
</tr>
</tbody>
</table>

### Finance charges
Borrowings

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>5,742</td>
<td>1,852</td>
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</tbody>
</table>

Leases

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>938</td>
<td>1,077</td>
</tr>
</tbody>
</table>

Net foreign exchange transaction gain

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>6,680</td>
<td>2,929</td>
</tr>
</tbody>
</table>
### Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Land, buildings and infra-structure R'000</th>
<th>Vehicles, aircraft and mechanical equipment R'000</th>
<th>Furniture, office equipment and computer software R'000</th>
<th>Total R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended 31 March 2005</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening book value</td>
<td>394,088</td>
<td>26,378</td>
<td>19,055</td>
<td>439,521</td>
</tr>
<tr>
<td>Additions</td>
<td>72,762</td>
<td>7,262</td>
<td>12,038</td>
<td>92,063</td>
</tr>
<tr>
<td>Disposals</td>
<td>(4,322)</td>
<td>(22)</td>
<td>(61)</td>
<td>(4,406)</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>(7,934)</td>
<td>(5,716)</td>
<td>(11,251)</td>
<td>(24,901)</td>
</tr>
<tr>
<td><strong>Closing book value</strong></td>
<td><strong>454,594</strong></td>
<td><strong>27,902</strong></td>
<td><strong>19,781</strong></td>
<td><strong>502,277</strong></td>
</tr>
</tbody>
</table>

|                      |                                           |                                                  |                                                        |             |
| **At 31 March 2004** |                                           |                                                  |                                                        |             |
| Cost                 | 522,160                                  | 74,569                                           | 58,313                                                 | 655,042     |
| Accumulated depreciation | (67,566)                           | (46,667)                                         | (38,532)                                               | (152,765)   |
| **Book value**       | **454,594**                              | **27,902**                                       | **19,781**                                             | **502,277** |

|                      |                                           |                                                  |                                                        |             |
| **Year ended 31 March 2004** |                                         |                                                  |                                                        |             |
| Opening book value   | 348,029                                  | 31,555                                           | 2,457                                                  | 382,041     |
| Reclassification adjustment | 7,306                                    | (10,280)                                         | 2,974                                                  | -           |
| Additions            | 45,953                                   | 10,712                                           | 17,154                                                 | 73,819      |
| Disposals            | (20)                                     | (153)                                            | (44)                                                   | (217)       |
| Depreciation charge  | (7,180)                                  | (5,456)                                          | (3,486)                                                | (16,122)    |
| **Closing book value**| **394,088**                              | **26,378**                                       | **19,055**                                             | **439,521** |

|                      |                                           |                                                  |                                                        |             |
| **At 31 March 2004** |                                           |                                                  |                                                        |             |
| Cost                 | 453,779                                  | 68,555                                           | 46,933                                                 | 569,266     |
| Accumulated depreciation | (59,691)                                | (42,177)                                         | (27,878)                                               | (129,745)   |
| **Book value**       | **394,088**                              | **26,378**                                       | **19,055**                                             | **439,521** |

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

Certain land included above is registered in the name of the State.
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

(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).

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Cost</td>
<td>79,098</td>
<td>51,676</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>61,765</td>
<td>38,219</td>
</tr>
<tr>
<td><strong>Book value</strong></td>
<td><strong>17,333</strong></td>
<td><strong>13,457</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Cost</td>
<td>16,990</td>
<td>13,918</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>7,444</td>
<td>3,363</td>
</tr>
<tr>
<td><strong>Book value</strong></td>
<td><strong>9,546</strong></td>
<td><strong>10,555</strong></td>
</tr>
</tbody>
</table>

10 Construction work in progress

*Opening balance*

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Cost incurred during the year</td>
<td>110,304</td>
<td>165,298</td>
</tr>
<tr>
<td>Capitalised during the year</td>
<td>(63,967)</td>
<td>(15,300)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td><strong>239,136</strong></td>
<td><strong>192,799</strong></td>
</tr>
</tbody>
</table>

11 Investments

*Listed investments*

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>-</td>
<td>6,656</td>
</tr>
<tr>
<td><strong>Unlisted investments</strong></td>
<td>1,125</td>
<td>1,478</td>
</tr>
<tr>
<td>Insurance policies and annuities</td>
<td>-</td>
<td>51</td>
</tr>
<tr>
<td>Deferred remuneration policies</td>
<td>1,125</td>
<td>1,034</td>
</tr>
<tr>
<td>Term investments</td>
<td>-</td>
<td>393</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>1,125</td>
<td>8,134</td>
</tr>
<tr>
<td>Adjustment to fair value of listed investments</td>
<td>-</td>
<td>1,965</td>
</tr>
<tr>
<td><strong>Fair value</strong></td>
<td><strong>1,125</strong></td>
<td><strong>10,099</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value of listed investments</td>
<td>-</td>
<td>8,621</td>
</tr>
<tr>
<td>Fair value of unlisted investments</td>
<td>1,125</td>
<td>1,478</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,125</strong></td>
<td><strong>10,099</strong></td>
</tr>
</tbody>
</table>
### 12 Inventory

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail goods and fuel</td>
<td>5,991</td>
<td>4,411</td>
</tr>
<tr>
<td>Consumables</td>
<td>5,768</td>
<td>6,620</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,759</strong></td>
<td><strong>11,031</strong></td>
</tr>
</tbody>
</table>

### 13 Receivables and prepayments

<table>
<thead>
<tr>
<th></th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concession debtors</td>
<td>11,637</td>
<td>19,692</td>
</tr>
<tr>
<td>Value Added Tax</td>
<td>8,475</td>
<td>10,446</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>12,243</td>
<td>5,801</td>
</tr>
<tr>
<td>Other receivables</td>
<td>4,618</td>
<td>1,773</td>
</tr>
<tr>
<td>Prepayments</td>
<td>195</td>
<td>2,945</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37,168</strong></td>
<td><strong>40,657</strong></td>
</tr>
<tr>
<td>Less: Provision for doubtful debts</td>
<td>2,291</td>
<td>1,856</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34,877</strong></td>
<td><strong>38,801</strong></td>
</tr>
</tbody>
</table>

### 14 Cash and cash equivalents

- Expanded public works programme: 156,602
- Special projects: 93,577
- Land acquisition: 14,609
- Insurance: 10,000
- Operational: 13,883

**Total:** 288,671

On 31 March 2005 the South African National Parks had short term general banking facilities that amounted to R25 million (2004 – R25 million). The interest rate on 31 March 2005 is prime (currently 10.5%). The facilities are unsecured.

### 15 Other reserves

Funded by way of special grants:
- Property, plant and equipment: 55,240
- Construction work in progress: 204,495

**Total:** 259,735

Less: Amortised:
- 4,004

**Total:** 255,731
16 Post-retirement health benefit obligation

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability provided for at the beginning of the year</td>
<td>114,743</td>
<td>100,172</td>
</tr>
<tr>
<td>Expense reflected in income statement (Note 3.3)</td>
<td>21,382</td>
<td>21,346</td>
</tr>
<tr>
<td>Contributions paid</td>
<td>(7,128)</td>
<td>(6,775)</td>
</tr>
<tr>
<td>Liability provided for at end of year</td>
<td>128,997</td>
<td>114,743</td>
</tr>
</tbody>
</table>

Principal assumptions of the latest actuarial valuation are:
(i) An escalation of 6.5% (2004 - 10%) per annum in terms of contribution rates.
(ii) A rate of 8.5% (2004 - 12%) was used for discounting.
(iii) A decremental rate equal to the published SA 72-77 (2004 - SA 56-62) Mortality Tables for pre-retirement members, discounted by 3 years for females, was used.
(iv) For post-retirement members the PA(90)-2 (2004 - PA(90)) Mortality Tables were used.
(v) The effect of HIV AIDS has not been taken into account in the calculation as the prevalence of HIV AIDS cannot be established with reliable accuracy.

17 Long-term borrowings

**Secured borrowings**

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Industrial Development Corporation - Land acquisition</td>
<td>27,702</td>
<td>29,850</td>
</tr>
<tr>
<td>(ii) Industrial Development Corporation - Commercial development</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td>(iii) Wesbank Limited - Lease Obligations</td>
<td>10,584</td>
<td>8,810</td>
</tr>
</tbody>
</table>

**Unsecured borrowings**

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>(iv) Registered stock loans</td>
<td>3,000</td>
<td>3,000</td>
</tr>
</tbody>
</table>

**Total borrowings**

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Short-term portion transferred to current borrowings</td>
<td>11,403</td>
<td>5,215</td>
</tr>
<tr>
<td></td>
<td>64,883</td>
<td>71,445</td>
</tr>
</tbody>
</table>

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

(i) The land acquisition IDC long-term loan was entered into to acquire land to the value of R29,85 million.
    The loan is repayable in 83 equal monthly instalments of R0,358 million from 1 October 2004 with a final instalment of R0,286 million. The loan bears interest at prime less 4% (At 31 March 2005 the interest rate was 7.5% (2004 - 7.5%)) subject to a minimum rate of 7.5%

(ii) The commercial development IDC long-term loan was entered into for development of new infrastructure to a total value of R35 million.
    The loan is repayable in 119 equal monthly instalments of R0,292 million commencing 1 October 2006 with a final instalment of R0,252 million. The loan bears interest at prime less 2.5% (At 31 March 2005 the interest rate was 8.5% (2004 - 9%)) 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 9.4% (2004 - 8.9% and 15.25%) per annum.

(iv) The unsecured registered stock loan bears interest at 16.90% per annum and the capital is repayable on 31 December 2005. This loan was used to fund the erection of tourism facilities inside national parks.

**Maturity of long-term borrowings**

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Between 1 and 5 years</th>
<th>After 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,296</td>
<td>2,148</td>
<td>29,448</td>
</tr>
<tr>
<td></td>
<td>2,148</td>
<td>2,148</td>
<td>28,794</td>
</tr>
<tr>
<td></td>
<td>25,958</td>
<td>36,908</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65,702</strong></td>
<td><strong>67,850</strong></td>
<td></td>
</tr>
</tbody>
</table>

**The present value of capitalised finance leases are as follows:**

<table>
<thead>
<tr>
<th></th>
<th>Within 1 year</th>
<th>Later than 1 year but not later than 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,107</td>
<td>3,067</td>
</tr>
<tr>
<td></td>
<td>9,477</td>
<td>5,743</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,584</strong></td>
<td><strong>8,810</strong></td>
</tr>
</tbody>
</table>

18 **Trade and other payables**

- Trade payables: 24,316, 46,665
- Accrued expenses: 37,889, 34,214

Total: 62,205, 80,879

19 **Provisions for liabilities and charges**

- **Leave liability**
  - Balance at beginning of year: 14,497, 7,960
  - Increase in provision: 96, 6,537

- **Fire disaster commission inquiry costs**
  - Balance at beginning of year: 1,378, 1,378
  - Unused amount released: (1,213), -
  - Costs incurred during the year: (165), -

**Total provision**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14,593</td>
<td>15,875</td>
</tr>
</tbody>
</table>

**Leave liability**

Employee entitlements to annual leave are recognised as and when it accrues to employees. A provision is made for the liability for annual leave as a result of past services rendered by employees to the balance sheet 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.
20 Funding by way of special project grants

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

<table>
<thead>
<tr>
<th></th>
<th>2004/05</th>
<th>2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>114,784</td>
<td>156,810</td>
</tr>
<tr>
<td>Funding received</td>
<td>193,143</td>
<td>170,453</td>
</tr>
<tr>
<td>Department of Environmental Affairs and Tourism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Expanded public works programme</td>
<td>119,623</td>
<td>99,386</td>
</tr>
<tr>
<td>- Coast Care</td>
<td>700</td>
<td>1,125</td>
</tr>
<tr>
<td>- Limpopo Transfrontier Park</td>
<td>4,612</td>
<td>-</td>
</tr>
<tr>
<td>Global Environmental Facility</td>
<td>17,664</td>
<td>4,457</td>
</tr>
<tr>
<td>French Environmental Management</td>
<td>3,029</td>
<td>510</td>
</tr>
<tr>
<td>Rand Water - Golden Gate</td>
<td>4,152</td>
<td>978</td>
</tr>
<tr>
<td>Working-for-water</td>
<td>25,285</td>
<td>14,826</td>
</tr>
<tr>
<td>Cape Metropolitan Council</td>
<td>5,759</td>
<td>12,791</td>
</tr>
<tr>
<td>Other</td>
<td>12,319</td>
<td>36,380</td>
</tr>
<tr>
<td></td>
<td>5,579</td>
<td>19,326</td>
</tr>
<tr>
<td>Interest earned</td>
<td>313,506</td>
<td>346,589</td>
</tr>
<tr>
<td>Expenditure</td>
<td>130,805</td>
<td>231,805</td>
</tr>
<tr>
<td>- Operational</td>
<td>52,822</td>
<td>54,521</td>
</tr>
<tr>
<td>- Advanced</td>
<td>-</td>
<td>13,571</td>
</tr>
<tr>
<td>- Assets under construction</td>
<td>58,568</td>
<td>145,927</td>
</tr>
<tr>
<td>- Property, plant and equipment</td>
<td>19,415</td>
<td>17,786</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>182,701</td>
<td>114,784</td>
</tr>
</tbody>
</table>

Balances of significant projects at year end

<table>
<thead>
<tr>
<th></th>
<th>2004/05</th>
<th>2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanded public works programme</td>
<td>144,951</td>
<td>55,333</td>
</tr>
<tr>
<td>Limpopo Transfrontier Park</td>
<td>7,697</td>
<td>11,725</td>
</tr>
<tr>
<td>Coast Care</td>
<td>(1,226)</td>
<td>1,577</td>
</tr>
<tr>
<td>Global Environmental Facility</td>
<td>(374)</td>
<td>(1,894)</td>
</tr>
<tr>
<td>Working-for-water</td>
<td>(11,262)</td>
<td>(3,789)</td>
</tr>
<tr>
<td>Other</td>
<td>42,915</td>
<td>51,832</td>
</tr>
<tr>
<td></td>
<td>182,701</td>
<td>114,784</td>
</tr>
</tbody>
</table>
### Net cash generated by operations

**Operating loss from operations**

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>(22,330)</td>
<td>(2,880)</td>
</tr>
</tbody>
</table>

**Adjustments for non-cash items:**

- Net loss / (surplus) on disposal of property, plant and equipment: 1,470 / 173
- Depreciation: 24,901 / 16,122
- Provision for post-retirement health benefit obligations: 21,382 / 21,346
- Other reserves: (4,004) / (2,905)
- Reimbursement of insurance reserve for claims: (19) / (250)

#### Changes in working capital

- Inventory: (729) / 935
- Receivables and prepayments: 3,924 / (12,118)
- Trade and other payables: (18,675) / 30,565
- Provisions for liabilities and charges: (1,282) / 856
- Funding by way of special project grants: 67,917 / (42,026)
- Reservation deposits held: 5,386 / 5,829

**Cash generated by operations**

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>77,941</td>
<td>15,647</td>
</tr>
</tbody>
</table>

### Cash effects of specific purpose income items

- Land acquisition grant: 41,000 / 32,000
- Sale of fauna and flora for land expansion: 14,802 / 5,639
- Donations: 6,577 / 1,574

**Total**

<table>
<thead>
<tr>
<th>31 March 2005</th>
<th>31 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>62,380</td>
<td>39,213</td>
</tr>
</tbody>
</table>

### Financial risk management

**Liquidity risk**

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

**Interest rate management**

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

**Interest rate risk reprising profile:**

<table>
<thead>
<tr>
<th>Borrowings R'000</th>
<th>% of Total borrowings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 6 months</td>
<td>7,328</td>
</tr>
<tr>
<td>7 - 12 months</td>
<td>4,202</td>
</tr>
<tr>
<td>Beyond 1 year</td>
<td>64,756</td>
</tr>
<tr>
<td><strong>Total borrowings</strong></td>
<td><strong>76,286</strong></td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Concentration of credit risks</th>
<th>Exposure R‘000</th>
<th>% of Total exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rated agencies</td>
<td>289,796</td>
<td>89.3%</td>
</tr>
<tr>
<td>Government</td>
<td>8,475</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other parties</td>
<td>26,402</td>
<td>8.1%</td>
</tr>
<tr>
<td></td>
<td>324,673</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Fair value of financial instruments

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

Financial instruments traded in an organised financial market

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

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

Interest bearing debt

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

South African National Parks retirement funds

South African National Parks joint retirement funds

The South African National Parks joint retirement funds consist of the South African National Parks Joint Provident Fund and the South African National Parks Joint Pension Fund. Both these funds were founded on 1 November 1993.

Contributions by employees are allocated to the South African National Parks Joint Pension Fund, whilst the employer contributions are allocated to the South African National Parks Joint Provident Fund. The funds are defined contribution plans which are controlled by the Pension Funds Act, 1956 and administered by a financial institution. During the year South African National Parks contributed an amount of R12,66 million for 1 864 employees (2004 - R10,03 million for 1 753 employees), to the joint retirement funds. The main reason for the increase is members from the South African National Parks Provident Fund that transferred on the termination of the fund to this fund.
SACCAWU National Provident Fund

The fund is a defined contribution plan, which is controlled by the Pension Funds Act, 1956, and administered by a financial institution. The fund was terminated during the year and the members opted to transfer to the other two funds available. Retirement benefits are based on the accumulated credits as contributed by both employer and employee. During the year South African National Parks contributed an amount of R5,94 million for 935 employees (2004 - R3,21 million for 958 employees). The main reason for the increase is members from the South African National Parks Provident Fund that transferred on the termination of the fund to this fund.

26 Contingent liabilities

26.1 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.

26.2 Land claims

A number of land claims have been instituted on land owned or managed by South African National Parks. Whilst South African National Parks is supportive of the process of returning land to its disenfranchised communities, it also proposes that the conservation status of land be protected.

26.3 September 2001 fire disaster in the Kruger National Park

On 4 September 2001 the Kruger National Park experienced a devastating fire in the Pretoriuskop - Napi region. These fires led to the death of twenty four persons. A judicial commission of inquiry was ordered by the President. Although the commission has completed hearing evidence, its verdict is still awaited.
1 Facilities rental on retail and restaurant operations  
(Refer Note 2.1)

The concession contracts for retail and restaurant operations entail allowing private operators to operate South African National Parks’ existing facilities on the basis of a medium-term operating agreement. Investors manage and upgrade existing retail and restaurant facilities. The agreements enable the operators to use a defined area over a 9 ½ year term in return for payment of concession fees. Against the right of occupation and commercial use of facilities, there are set obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, including termination of the contract with the assets reverting to South African National Parks.

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

The operators have provided South African National Parks with Performance Bonds equivalent to 3 months fixed rental in the form of Performance Guarantees that secure the operators performance under the Operating Agreement on the basis set out in the Facilities Rental Agreement. The Performance Bonds do not apply to Picnic Site concessions.

The operators have provided South African National Parks with Performance Bonds equivalent to 3 months fixed rental in the form of Performance Guarantees that secure the operators performance under the Operating Agreement on the basis set out in the Facilities Rental Agreement. The 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:

<table>
<thead>
<tr>
<th>Operator</th>
<th>Commissioning Date</th>
<th>Termination Date</th>
<th>Minimum Rental</th>
<th>% of Gross Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tigers Eye</td>
<td>15 Oct 2000</td>
<td>31 Mar 2010</td>
<td>1,575,000</td>
<td>R</td>
</tr>
<tr>
<td>Natures Group</td>
<td>15 Oct 2000</td>
<td>31 Mar 2010</td>
<td>1,544,400</td>
<td>6 - 12%</td>
</tr>
<tr>
<td>EJ Viljoen and Associates</td>
<td>15 Oct 2000</td>
<td>31 Mar 2010</td>
<td>189,600</td>
<td>5 - 13%</td>
</tr>
<tr>
<td>Salt and Pepper Restaurants</td>
<td>1 Dec 2003</td>
<td>31 Mar 2010</td>
<td>12,000</td>
<td>7%</td>
</tr>
</tbody>
</table>

2 Lodge concession fees (Refer Note 2.1)

The lodge concession contracts entail allowing private operators to build and operate tourism facilities within national parks on the basis of long-term concession contracts. Investors either take over and upgrade identified existing lodge facilities or build and operate new lodges. The contracts enable the concessionaires to use defined areas of land including any buildings that may already exist on that land over a 15 to 20 year term in return for payment of concession fees. Against the right of occupation and commercial use of facilities there are set obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, including termination of the contract, with the assets reverting to South African National Parks.

Due to financial constraints experienced by the concessionaires, a relief mechanism was implemented by dropping the fixed concession fee commitments and the concession contracts were amended accordingly, effective from 1 April 2004. The annual concession fee now payable by the concessionaire to South African National Parks for any given concession year shall be the higher of a minimum rental as determined by the agreement for the concession year or a calculated annual concession fee based on a percentage of gross revenue for the concession year. This has resulted in a considerable drop in concession fees as reflected in the financial statements.

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

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

APPENDICES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005
VISION
National parks will be the pride and joy of all South Africans and the world.

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.