



Conservation, Partnerships & Ecotourism

# ANNUAL REPORT 2022-2023



## TABLE OF CONTENTS

### **1. PART A: GENERAL INFORMATION**

- 1.1 Ezemvelo KZN Wildlife's General Information.
- 1.2 Ezemvelo Protected Estate
- 1.3 List of Abbreviations
- 1.4 Foreword by the CEO
- 1.5 Statement of Responsibility and Confirmation of the accuracy of the Annual Report
- 1.6 Strategic Overview, Legislative and Other Mandates

### **2. PART B: PERFORMANCE INFORMATION**

- 2.1 Annual Performance Report.
- 2.2 Biodiversity Conservation.
- 2.3 Commercial Operations.
- 2.4 Infrastructure and Special Projects
- 2.5 Internal Audit and Forensic Investigation Services.

### **3. PART C: GOVERNANCE**

- 3.1 Introduction
- 3.2 Board Composition
- 3.3 Board Charter

### **4. PART D: CORPORATE SUPPORT SERVICES**

- 4.1 Human Resources Management

### **5. PART E: FINANCIAL INFORMATION**

- 5.1 Report of the Auditor-General
- 5.2 **Consolidated Annual Financial Statements**
  - 5.2.1 Accounting Authority's Responsibilities and Approval.
  - 5.2.2 Audit and Risk Committee Report.
  - 5.2.3 Accounting Authority's Report.
  - 5.2.4 Consolidated Statement of Financial Position.
  - 5.2.5 Consolidated Statement of Financial Performance.
  - 5.2.6 Consolidated Statement of Changes in Net Assets.
  - 5.2.7 Consolidated Cash Flow Statement.
  - 5.2.8 Consolidated Statement of Comparison of Budget and Actual Amounts
  - 5.2.9 Consolidated Accounting Policies.
  - 5.2.10 Notes to the Consolidated Annual Financial Statements.





## **PART A: GENERAL INFORMATION**







## 1.1 Ezemvelo KZN Wildlife's General Information

Ezemvelo's mandate is derived from the KwaZulu-Natal Nature Conservation Management Act (Act No.9 of 1997), which is to direct the management of nature conservation within the Province including protected areas (PAs). This includes the development and promotion of ecotourism facilities within the PAs.

Ezemvelo, as a state-owned entity, remains committed to deliver on the priorities of Government which include job creation. This is achieved by the organisation either entering into partnerships or implementing programmes that enable job creation. These programmes are also aligned to further conservation efforts.

Community development has been high on Ezemvelo's agenda as conservation must create tangible benefits to people, especially for those who reside in the buffer zones i.e. adjacent to PAs.

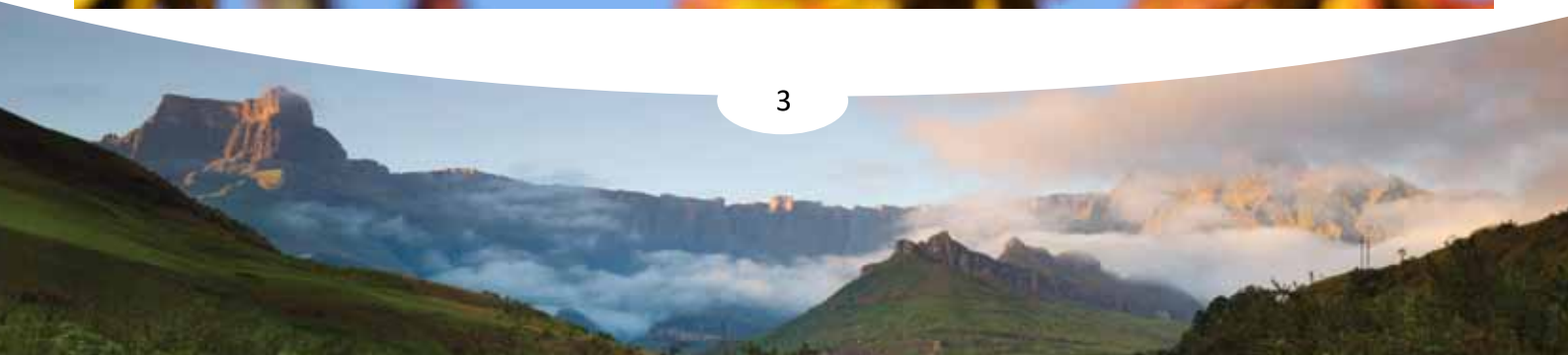
Management plans continue to be implemented

by Ezemvelo to stabilise key species, many of which have been considered vulnerable or were once on the brink of extinction. Examples of such species include vultures, white and black rhino, loggerhead turtles and wattled cranes.

Ezemvelo is entrusted with the responsibility for managing the uKhahlamba Drakensberg Park World Heritage Site as well as performing conservation and ecotourism activities within the iSimangaliso Wetlands Park World Heritage Site. The organisation also manages a number of Ramsar sites (wetlands of international importance), such as Ndumo Game Reserve, Kosi Bay and Lake Sibaya.

Ezemvelo, considered to be one of the leading conservation authorities in South Africa by its peers, is forging a distinctive identity in the field of Community Conservation as part of its integrated approach to enable job creation, community development as well as environmentally sensitive land use activities.

Ezemvelo is cognisant that conservation is a land use in direct competition with other land uses.





## 1.2 Ezemvelo Protected Estate

Description	No	Hectarage	Exclusions/Inclusion
Number Of Consolidated Protected Areas Vested With Ezemvelo As The Management Authority.	66	509864.338 ha (UDP included) 276380ha (excluding UDP)	Excluding the undeclared Farm Fairview, and to be declared Inkonjane Nature Reserve.
Number Of Individually Declared Properties Vested With Ezemvelo As The Management Authority.	92	275473.9081 ha	Excluding World Heritage Sites, community nature reserves, and two properties owned by the Board, one of which is about to be declared a nature reserve and Makassa Nature Reserve.
Number Of Individually Declared Parcels Of Land/Sea For Which Ezemvelo Is A Management Authority	144	2481823.769 ha	Excluding Makassa Nature Reserve, Farm Fairview, and to be declared Inkonjane Nature Reserve, including the UDP and Isimangaliso WHS.
Number of consolidated declared protected areas for which Ezemvelo is a Management Authority	76	2598932.3 ha	Including the MPAs and Isimangaliso WHS, excluding Makassa Nature Reserve, Rarm Fairview, and to be declared Inkonjane Nature Reserve
Number of consolidated declared protected areas for which Ezemvelo is the sole Management Authority	75	1107526.55 ha	including the MPAs and UDP, excluding Makassa Nature Reserve, Farm Fairview, and to be declared Inkonjane Nature Reserve
Number of consolidated declared protected areas for which Ezemvelo is a co-Management Authority	1	1359656.543 ha	Isimangaliso WHS - including its MPA
Number of MPA for which Ezemvelo is the sole Management Authority	4	597 661.88 ha	Excluding Isimangaliso WHS MPA
Number of declared community nature reserves Ezemvelo is the sole Management Authority	3	5111 ha	Excluding Makassa Nature Reserve
Number of declared nature reserves owned by Ezemvelo	2	1107.43 ha	Excluding Farm Fairview, and to be declared Inkonjane Nature Reserve



### 1.3 List of Abbreviations

<b>AA</b>	Accounting Authority
<b>AFS</b>	Annual Financial Statements
<b>AG</b>	Auditor General
<b>APC</b>	Animal Population Control
<b>APP</b>	Annual Performance Plan
<b>BE</b>	Biodiversity Economy
<b>BEI</b>	Biodiversity Economy Initiative
<b>BRREP</b>	Black Rhino Range Expansion Programme
<b>CATHSSETA</b>	Culture, Arts, Tourism, Hospitality And Sports Sector Education Training Authority
<b>CBS</b>	Critical Biodiversity Areas
<b>CCMA</b>	Commission For Conciliation & Arbitration
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CITES</b>	The Convention On International Trade In Endangered Species Of Wild Fauna And flora
<b>COGTA</b>	Department Of Cooperative Governance And Traditional Affairs
<b>DEVCO</b>	Development Committee
<b>DFFE</b>	Department Of Forestry, Fisheries And The Environment
<b>DOH</b>	Department Of Health
<b>EDTEA</b>	Economic Development, Tourism And Environmental Affairs
<b>EIA</b>	Environmental Impact Assessment
<b>EKZNW</b>	Ezemvelo Kwazulu Natal Wildlife
<b>EPIP</b>	Environmental Protection And Infrastructure Programmes
<b>ESRI</b>	Environmental Systems Research Institute
<b>FMD</b>	Foot & Mouth Disease
<b>GBF</b>	Global Biodiversity Framework
<b>GRAAP</b>	Generally Recognised Accounting Practice
<b>HIP</b>	Hluhluwe Imfolozi Park
<b>IDPS</b>	Integrated Development Plans

<b>IEM</b>	Integrated Environment Management
<b>IMP</b>	Integrated Management Plan
<b>IUCN</b>	International Union For Conservation Of Nature
<b>KZN</b>	Kwazulu-Natal
<b>MEC</b>	Member Of Executive Council
<b>METT</b>	Management Effectiveness Tracking Tool
<b>MOU</b>	Memorandum Of Understanding
<b>MPA</b>	Marine Protected Areas
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NEM:PAA</b>	National Environmental Management: Protected Areas Act 57 Of 2003
<b>NGO</b>	Non Government Organisation
<b>NPA</b>	National Prosecuting Authority
<b>OHS</b>	Occupational Health And Safety
<b>OTP</b>	Office Of The Premier
<b>PA</b>	Protected Areas
<b>PSCBC</b>	Public Service Co-Ordinating Bargaining Council
<b>RLCC</b>	Regional Land Claims Commission
<b>SABC</b>	South African Broadcasting Corporation
<b>SANBI</b>	South African National Biodiversity Institute
<b>SANPARKS</b>	South African National Parks
<b>SAPPI</b>	South African Pulp And Paper Industries
<b>SAPS</b>	South African Police Services
<b>SITA</b>	State Information Technology Agency
<b>TGCSA</b>	Tourism Grading Council Of South Africa's
<b>THP</b>	Traditional Health Practitioners
<b>TIKZN</b>	Tourism Kwazulu Natal, Durban Tourism
<b>TOPS</b>	Threatened Or Protected Species
<b>TOR</b>	Terms Of Reference
<b>UDP WHS</b>	Ukhahlamba Drakensberg Park World Heritage Site
<b>WOT</b>	Wild Oceans Trust
<b>YTD</b>	Year To Date





## MESSAGE FROM THE MEC

The depletion of natural resources in the province and the impacts associated with the decline in resource quality are of major concern as they threaten the future well-being of people and the economy. We are cognisant of the unfortunate reality that people experiencing poverty will be the first to bear the brutal brunt of climate change. The recent global economic crisis presents an opportunity to replace the previous economic paradigm with one that is more resilient and not obsessed with profits before people and the environment.

In a world characterised by global natural resource depletion and growing social inequality, there is increasingly global agreement on the need for action plans on sustainable development, a concept that forms the cornerstone of a wide variety of global commitments.

There has been a growing awareness and concern about the impact of human activities on the world's environmental systems. The Constitution now informs and underlies the entire legal system in South Africa. The Bill of Rights is of prime importance, with its explicit provision for environmental rights and equitable access to resources.

The challenge of conserving biodiversity whilst meeting increasing demands for ecosystem services will involve changes in values, policies, institutions, and practices. Biodiversity, ecosystem goods and services must be prioritised, and policy-makers, decision-makers, planners and society must recognise their values and importance. The value of our unique biodiversity and its role in providing ecosystem services should be recognised by expanding such programmes as 'working for water' to 'working for biodiversity' and clearing alien invasive plants from priority areas for biodiversity.

Ezemvelo KZN Wildlife is mandated to direct the management of nature conservation and promote ecotourism in KZN. The entity has previously been affected by challenges of governance and sound management. I am pleased to report that we have turned around the situation as, in June 2022, we appointed a board of



directors with the requisite skills and expertise to discharge its fiduciary duties of providing oversight and strategic guidance to the entity. I also seconded Mr Siphesihle Mkhize, a seasoned administrator from ED-TEA, to act as the CEO of the entity. As a result of these changes, we have seen a significant improvement in the entity's functioning.

During the period under review, the entity was able to fill all the critical vacant senior management positions. The revenue collected by the entity surpassed the set target mainly due to the focused and aggressive marketing campaigns geared to attract clients to our ecotourism facilities. The entity stabilised the relations with the neighboring communities and strengthened its stakeholder management. We appointed the local boards, including all local stakeholder groups, to help us manage the protected areas.

The entity also implemented some key infrastructure initiatives, creating much-needed jobs in the province. We are grateful to all the non-governmental organisations who have generously donated to our cause. With their contributions, we were able to achieve our targets.



Unfortunately, we have continued to be under siege regarding rhino poaching. The syndicates seem to be focusing their efforts on Hluhluwe Imfolozi Park. This matter has been escalated to the level of the President, who has instructed all relevant bodies to work together to fight the scourge of rhino poaching. We have also intensified awareness sessions with the neighbouring communities to support us in this fight. We established a drone unit to increase our capability of monitoring our vast protected areas against poachers. Safeguarding the KZN's rich biodiversity, such as rhino and coastal marine, is key and important.

The incorporation of the Sharks Board into Ezemvelo is currently on track. The incorporation will only happen once our provincial legislature has passed the Bill. The administrative process of the development of the Bill has been concluded. When the legislative process, which would have resulted in the provincial legislature approving the Bill, was about to begin, Ezemvelo requested that the process be delayed so that we could include the compensation of adjacent communities

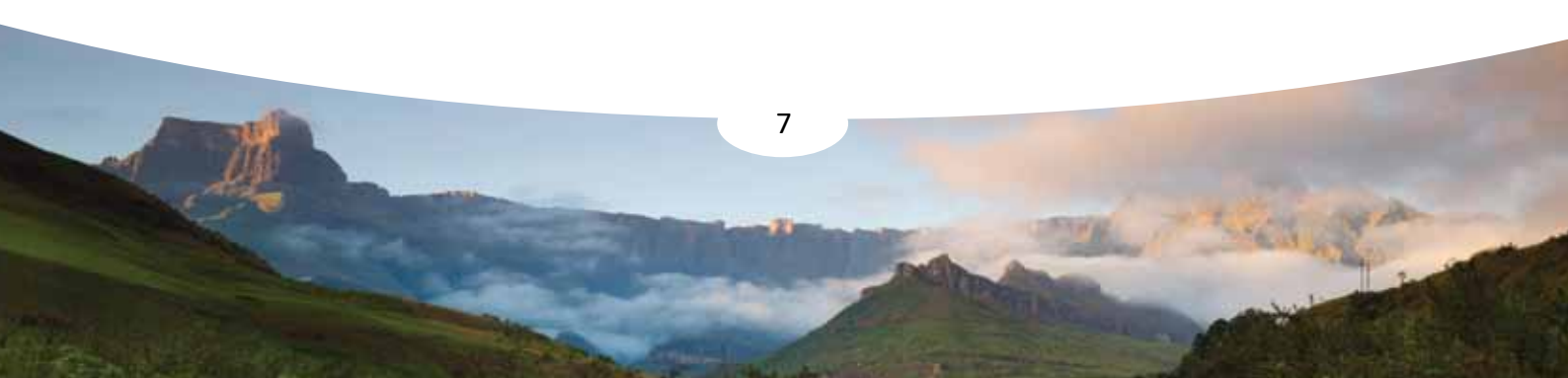
due to damage causing wildlife escaping the protected areas.

It is a fact that Ezemvelo is the face of government in rural areas. We have intensified our appeal to provincial government departments to increase the provision of their services to rural areas. To further improve government delivery in rural areas, Ezemvelo will be supporting 180 rural communities that are adjacent to protected areas to participate in the biodiversity economy meaningfully. This initiative aims to assist local entrepreneurs in accessing training, incubation, funding, and market opportunities. It is integral to the provincial Township and Rural Economies Revitalization strategy.

My office closely monitors the issue of Ezemvelo's withdrawal from managing ISimangaliso eco-tourism facilities. When I met with the Minister of Forestry, Fisheries, and the Environment (DFFE), and Chairperson of ISimangaliso Wetland Authority, both agreed that the officials should prioritise this issue.

**Hon. Siboniso Duma**

Executive Authority: Member of Provincial Legislature  
Department of Economic Development, Tourism, and  
Environmental Affairs







## FOREWORD BY THE CHAIRPERSON

I am pleased to present the KwaZulu-Natal Nature Conservation Board (Ezemvelo KZN Wildlife) Annual Report for the 2022/2023 fiscal year.

The report contains the organisation's performance against pre-determined objectives outlined in the Annual Performance Plan, including Annual Financial Statements (AFS) for the year under review. The report reflects on the organisation's achievements, challenges, and future outlook in pursuit of our vision of being a leader in connecting people and nature for a better world.

The year 2022/23 has undoubtedly been one of the most challenging for our country and the province amid ever-changing global and domestic economic, social, and ecological conditions. That being said, our organisation has not been immune to these challenges.

While acknowledging the aforementioned challenges as the custodian for biodiversity conservation and promoting ecotourism in the province of KwaZulu-Natal, one is not oblivious of the unwavering support received from various stakeholders who made it possible for us to realise our achievements relating to our mandatory and legislative obligations.

Having been appointed in the middle of the year, the Board quickly assumed its fiduciary duty of providing strategic direction, establishing management policies, overseeing entity governance, and making critical decisions to bring stability to the organisation. Thus, the Board immersed itself in some of the critical issues the organisation was faced with.

The secondment of Mr Siphesihle Mkhize from the Economic Development, Tourism, and Environmental Affairs (EDTEA), as the Acting CEO of the entity, came at a time when the organisation was in dire need of stability and improved performance at various fronts. Thus, his secondment has contributed immensely to providing much-needed administrative stability to the organisation. His leadership is evident through the overall improvement in the organisation's performance, including, but not limited to, addressing com-



munity issues, filling the approved critical vacancies, and formulation of a strategy to address the various administrative challenges at Ezemvelo. Most notably, he has established a seamless synergetic relationship between the Board and Executive based on mutual respect and clear role clarification.

One of the critical issues the Board had to deal with was the issue of human-wildlife conflict around our protected areas, which saw the organisation recording more than 180 human-wildlife conflict incident cases. The severity of this happened around the Hluhluwe iMfolozi Park.

Fortunately, with the interventions and expertise of some Board members, the organisation was able to effectively address some of the critical conflict issues in consultation with various Amakhosi, traditional authorities, and co-management structures of affected communities. To further enhance relations between our protected areas and local communities, several consultative works have been undertaken with communities to establish a mutual Compensation Policy.

Wildlife crimes, such as rhino poaching, continue to be a persistent challenge despite various initiatives



undertaken by the organisation. Despite a growth of 12.2% in the rhino population between 2016 and 2022, resulting from various conservation programmes, 244 rhinos were poached at various sites across the province in 2022. This is an increase of 71.8% (equivalent to 102) when compared to 142 rhinos poached in 2021.

With one of its responsibilities being to oversee the organisation's performance, the Board undertook to conduct site visits to various ecotourism facilities. Following the aforementioned visits, the Board further prioritised overseeing regular progress on the organisation's Infrastructure and Maintenance Plans.

While acknowledging the organisation's infrastructure challenges, particularly the tourism infrastructure, the organisation has been on a recovery trajectory post-COVID-19 pandemic. As such, for the period under review, the organisation has recorded an improvement of 4.5% (equivalent to 163 749) in visitor numbers to its protected area to realise a total of 619 043. In the same breath, it is worth noting a significant increase in the international market, which recorded a total of 66 128 for the period under review as compared to 10 720 in 2021/22. This has also been the case with our unit occupancy rate, which was recorded at an average of 33.1% against 29.5% in 2021/22.

As part of the continuous improvement, the Board recognises Commercialisation as a critical component of the organisation's strategy for turning around the organisation's financial success. This is undertaken by capitalising on the organisation's business capabilities, eradicating non-productive enterprise, and establishing a wider choice of viable products and services for business to meet market demands.

That being the case, the Commercialisation Policy was developed and subsequently approved by the Board. Furthermore, a Commercialisation Task Team, comprising Ezemvelo, EDTEA, and KZN Provincial Treasury, has been appointed to oversee the development of the organisation's Commercialisation Strategy. This process will further see the conceptualisation of various commercialisation projects to be considered and implemented by the organisation in the short, medium, and long term. While there is an urgency in rolling

out the aforementioned Commercialisation Strategy, Board continues to work with management to ensure that all legislative requirements related to Commercialisation are appropriately attended to.

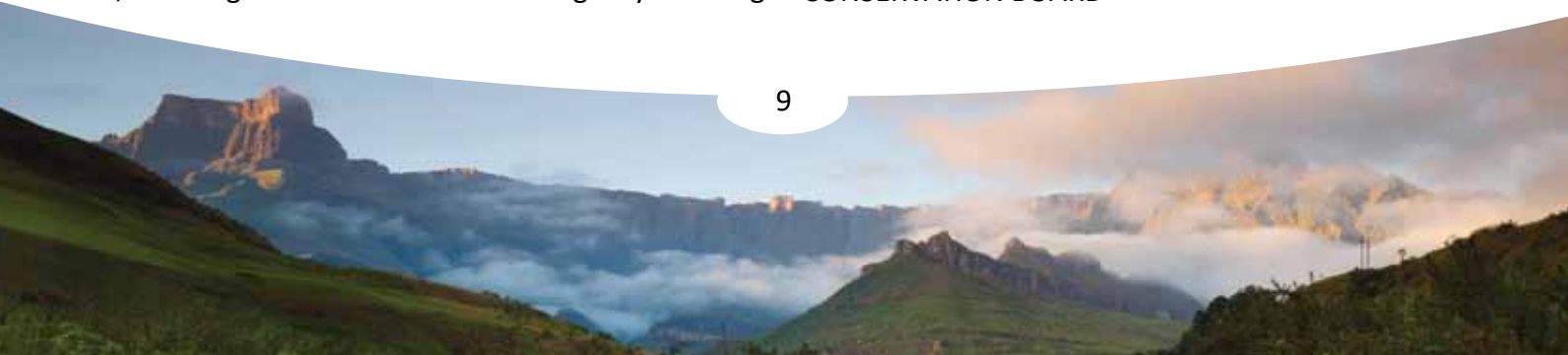
While the organisation prepares itself for the Rationalisation process of public entities, following the Executive Council's resolution in 2017, the organisation continues to experience the challenge of a high vacancy rate. However, for the period under review, management has been working tirelessly to fill some of the critical vacancies to close the gap. The established trajectory will continue in the next financial year in an effort to bring stability to the organisation's administration.

Ezemvelo's success depends on continuous support from various stakeholders, including but not limited to, communities adjoining its protected areas. During the year, the organisation received enormous support from its honorary officers, including national and international non-government organisations, in pursuit of its mandate. On that note, I would also like to relay our collective gratitude as the Board.

While I also acknowledge the unwavering support given by our Honourable MEC: EDTEA, Mr Siboniso Duma MPL, the Head of Department (EDTEA), and the Board of Ezemvelo, and the Acting CEO, my gratitude will be incomplete without acknowledging our Ezemvelo staff who worked tirelessly to turn the tide, despite the challenge of the daily working conditions, and at times, life-threatening. I salute all for your sacrifices and tireless patriotic spirit.

Ezemvelo has a long conservation history; its future depends on the commitment of these men and women. The Board will continue to work towards improving working conditions by reviewing and introducing supportive policies.

Ms Lydia Johnson  
CHAIRPERSON: KWAZULU-NATAL NATURE  
CONSERVATION BOARD







## FOREWORD BY THE CEO

It gives me much pleasure to present the 2022/23 Annual Report. With all the challenges the organisation faced during the 2022/23 financial year, I am pleased we obtained a complete report from the AG. We are also moving closer to achieving a clean audit, and with additional hard work, we shall soon realise it. A journey of thousand miles begins with a single step and, as said by Dwayne Johnson, “Success is not always about greatness. It’s about consistency. Consistent, hard work gains success.”

The 2022-23 financial year was tough for us. The historical budget cuts meant we had to reprioritise our plans and re-channel our resources to what we felt were critical. We continued to feel the impact of Covid 19 as some of our facilities, like the popular Kranskloof Nature Reserve, remain closed. The insurance claim process had taken longer than anticipated, negatively impacting our profit margins. We spent and committed 100% of our budget for the year under review. A massive chunk of our budget was used to compensate employees, making up 64%. The goods and services came up to 31% of the actuals. Assets made up 4% of the actuals spent.

We exceeded the tourism revenue budget set at the beginning of the financial year by 15%. However, we are still below the actuals achieved for tourism revenue in 2019/20, the last year pre-Covid. I am pleased that during the year under review, we managed to provide the necessary maintenance to limited facilities. In protected areas like Injisuthi, we managed to finalise the 7km road maintenance project, Harvey tile thatching at Royal Natal Nature Reserve continued and re-thatching of the reception building at HiP’s Hiltop Resort, refurbished the Mahai wastewater treatment plant and Ndumo water project to name just a few successful projects. However, the 4% budget allocated for maintenance proved insufficient to upgrade and maintain all our facilities.

We need to secure additional funding to maintain and upgrade our facilities to the standard that we want to increase visitor numbers. The recently re-established



internal Road Maintenance Unit will help us not only reduce road maintenance costs but also enable us to maintain more kilometres of our road infrastructure. The Unit is still in its inception stage. Our aspiration is that it grows both in terms of human resources and machinery until it is able to swiftly repair our roads before they become difficult to drive on due to potholes.

We observed growing numbers of people who camped in our facilities due mainly to our marketing campaign implemented in partnership with several radio stations and print media, including uKhozi, Radio 2000, iSolezwe, iLanga, iGagasi as well as 1KZNTV and various SABC’s TV programmes. I am grateful to these media houses for their support, particularly in promoting our camping sites. It is thus not surprising that Tour Operators, including glamping companies like Glamping Adventure and Camping Retreats, have made the Mahai campsites one of their destination of choice.

As indicated above, most of the entity’s challenges stem from its financial position. The budgets are





reduced annually, but we are expected to do more than the previous years. I have noticed that most of our staff are forced to claim overtime due to staff shortages. I am grateful for their commitment. Also, I know that such an arrangement is not sustainable. If it continues, most people working overtime will suffer burnout.

We must mitigate against human-wildlife conflict that continues to place our protected areas in danger of destruction. Our officials, in particular the field staff, trained to take care of wildlife, find themselves dealing with community protests aimed at destroying Ezemvelo infrastructure. At times, such protests emanate from the animals escaping from the Park. In some cases, the animals escape the Park through the holes cut down by some community members to draw government attention to their socio-economic situation. I organised several community workshops where I brought various government departments to explain their mandates and advise how the community could access their services. These workshops calmed the situation, and I trust the invited departments will succeed in providing the required assistance.

Having joined the organisation in the middle of the reporting period, I was humbled by the reception I received from various Amakhosi I visited. They are some that I met as part of my programme to introduce myself, and unfortunately, I met some under difficult conditions emanating from human-wildlife conflict. For example, I visited iNkosi Nyawo of Nyawo Traditional Council while dealing with the issue of elephants belonging to the Pongolo Private Game Reserve and made Ezemvelo's Pongolo Nature Reserve their home. In Hluhluwe iMfolozi Park, we faced the cutting of fences and the escape of wild animals to the communal land. In both problematic instances mentioned above, we successfully and peacefully resolved the issues we faced and, in the process, strengthened our relationship. Establishing the Local Boards will be critical in reducing the conflict between the entity and the local communities. The Local Boards will be launched during the 2023/24 financial year.

Unfortunately, the tide of the rhino poaching rate

increased during the year under review to 244 poached, an increase from 2021 of 142 rhinos. As shocking as the 2022 poaching numbers were, I am pleased to announce that, through various conservation programmes we implemented, the provincial rhino population grew from 2845 between 2012 and 2016 to more than 3191 rhinos in 2022.

During the year under review, the staff turnover rate reached 119. What makes matters worse is that more than 80 officials who left the organisation exited through retirement. With their retirement, the entity lost years of knowledge and skills experience, which could not be passed to upcoming officials as most had no subordinates who could be their understudies. The impact of their retirement will be with us for long as conservation requires time to grasp.

As demonstrated above, the survival of the entity depends on it doing more with less. It also depends on the support we receive from the communities adjacent to our protected areas as well as the support we receive from the NGOs and the private sector. I am appreciative to several NGOs that continue to support Ezemvelo projects as well as several of the private sector companies that have committed to support Ezemvelo. When I was appointed, I met a few private sectors who indicated their willingness to financially support conservation in the province. It is through these partnerships that we shall succeed in protected our natural resources for future generations.

Finally, I hope that during the upcoming financial year we shall be able to finalize or at least move towards the finalization of a few critical milestones. As indicated in the previous annual reports, the organisation has adopted a strategy that aims to commercialize some of its facilities. Through this strategy, the Ezemvelo will collaborate with the private sector in the running of its facilities. Some of Ezemvelo facilities will be given to the private sector to run for an agreed period. During that agreed period, the successful company will be expected to make necessary improvements on the facilities.

The other two milestones that I hope will see some movement is the handing over of the eco-tourism







facilities to iSimangaliso Wetland Park. The handing-over of these facilities will result in some staff being transferred to needy Ezemvelo facilities in other areas. The discussions continue with a clear project plan that has been developed.

Ezemvelo PAs scenery is breath-taking and relaxing. During the year under review we have seen more international filming companies descending on our protected areas to shoot their films. Some of the international stars that chose our facilities include Tom Cruise and his crew who spent more than three months preparing and shooting in our facilities. Didima Nature Reserve welcomed the Mannhattans who serenaded the audience with their unforgettable tunes like “Let’s just Kiss and say good bye” We are thrilled that we hosted these international artists and I hope that in the near future we shall see more and more artists choosing our facilities to recharge. A number of local artists like have realised the beauty of our protected areas. Musicians like Big Zulu used our facilities to do cover for their albums. We trust that, through their albums, we shall see more and more artists visiting our facilities.

Siphesihle Mkhize  
ACTING CEO: EZEMVELO KZN WILDLIFE





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

Ezemvelo is committed to integrated reporting and disclosure. This will be enhanced in subsequent years to enable stakeholders to make an informed assessment of our ability to deliver services in a sustainable manner.

### SCOPE AND BOUNDARY OF THIS REPORT

The Annual Report covers the performance, financial and non-financial of Ezemvelo for the year ended 31 March 2023. The entity operates in the Province of KwaZulu-Natal within the Republic of South Africa.

Our financial reporting complies with Generally Recognised Accounting Practice (GRAP). Management has also considered the draft guidelines on integrated reporting provided by the Integrated Reporting Committee of South Africa.

### ASSURANCE

Assurance of this Annual Integrated Report is provided by the accounting authority and management of Ezemvelo. The Auditor-General has provided external assurance on the financial and non-financial performance reports and the report appears on page (86-100)

### APPROVAL OF THE ANNUAL INTEGRATED REPORT

The accounting authority acknowledges its responsibility to ensure the integrity of the Annual Integrated Report. The members of the accounting authority are satisfied with the content and have approved this Annual Integrated Report.

Ms Lydia Johnson  
Board Chairperson





## STRATEGIC OVERVIEW

### VISION

A leader in connecting people and nature for a better world.

### MISSION

For the benefit of the people of the province, working with our stakeholders and partners to:

- Conserve indigenous biological resources sustainably and promote the biodiversity economy.
- Manage human-wildlife co-existence and conflict.
- Promote ecotourism in support of inclusive economic growth.
- Monitor and enforce a sound biodiversity management regulatory framework.
- Generate revenue to enhance the delivery of the core mandate.

### LEGISLATIVE AND OTHER MANDATES

Ezemvelo, in terms of the KZN Nature Conservation Management Act 9 of 1997, is mandated to:

- a) Direct the management of
  - i. nature conservation within the province;
  - ii. protected areas; and
  - iii. the development and promotion of ecotourism facilities within the protected areas.
- b) Ensure the proper efficient and effective management of the Conservation Service.

### CORE VALUES

#### **Excellence - We shall:**

- Strive to apply best practices to always achieve the highest quality and standards.
- Perform at our best in the provision of the services we offer and do things right the first time and all the time.
- Perform our duties in a professional manner.

#### **Ubuntu - We shall:**

- Enhance interdependence and cordial relations premised on humility and respect.
- Create and maintain shared goals and work together towards improving delivery.
- Emphasise transformation, social unity, and generosity of spirit

#### **Integrity - We shall;**

- Provide a guarantee of consistency of actions and conduct.
- Display the highest ethical and moral conduct.
- Act transparently and with honesty in all we do.

#### **Innovation - We shall;**

- Undertake robust and credible research, and embrace a culture of learning, adaptation, and creativity at all times.
- Inspire others to action in order to create a better future and solve problems in new ways.
- Renew the implementation of programmes, operations, and projects in a systemic and holistic manner.

#### **Passion - We shall;**

- Be committed to the achievement of shared goals in a healthy working environment.
- Be passionate in what we do.




## **PART B: PERFORMANCE INFORMATION**






## 2.1 ANNUAL PERFORMANCE REPORT





Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Per- formance Indicators (KPI's)	Actual Audited Achieve- ment 2021/ 2022	Current Year (2022/2023)				
				2022/ 2023 Planned Target as per APP	2022/ 2023 Achieve- ment	Prog- ress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: OFFICE OF THE CEO</b>								
A sustain- able and high per- forming organisa- tion	Risk man- agement	Percentage of stations with effec- tive SHE committees	83.0%	90.0% (amended)  100.0% (original)	90.0% Target achieved.		For the reporting period 89 additional SHE com- mittees were established against planned 99 com- mittees., which translate to 90% achievement. This performance is at- tributable to improved communication on OHS rules and regulation to various stations to with the objective of reducing the organisation's Dis- abling Injury Frequency Rate (DIFR).	Training of SHE com- mittee members to be prioritised. Following the official ap- pointment of the CEO as a 16.1, the appointment of outstanding 16.2 will be prioritised.







Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Per- formance Indicators (KPI's)	Actual Audited Achieve- ment 2021/ 2022	Current Year (2022/2023)				
				2022/ 2023 Planned Target as per APP	2022/ 2023 Achieve- ment	Prog- ress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: OFFICE OF THE CEO</b>								
Increased visibility, accessibil- ity, and awareness of the mandate	Stakehold- er Commu- nications	Percentage of key stake- holders with satisfaction levels over 75.0%	0.0%	60.0%	36.8% Target not achieved.		For the period under review, 36.8% of stake- holders rated Ezemvelo satisfaction level above 75%. The performance is at- tributable to the poor response rate of 14.8% out of sixty one (61) sampling for invites to participate in the survey.	The organisation will continue to facilitate stakeholders' surveys for various stakeholders groups. The Customer Satisfac- tion Index system will be used to determine the customer satisfaction level of tourist visiting our protected areas. As such a reliable Customer Feed- back System has been acquired, to commence working in June 2023. The organisation will seek approval for the appoint- ment of a stakeholder personnel.





Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/2022	Current Year (2022/2023)				
				2022/2023 Planned Target as per APP	2022/2023 Achievement	Progress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: FINANCIAL SERVICES</b>								
Increased participation of historically disadvantaged groups in the value chain	Supply chain management	Percentage of procurement amount spent (incl. committed) on local suppliers	81.1%	45.0%	80.9% Target over achieved.		Cumulatively for the period under review, 80.9% (equivalent to R70.6 million) of organisation's R87.2 million in total procurement spending, was spent on local suppliers and service providers. This performance is attributable to the effective use of the Central Supplier's Database to source relevant local suppliers and services providers cross a wider spectrum of business.	The organisation will continue to its effort of acquiring business services and commodities from local enterprises to promote local economic development. Moreover, the SCM policy will be adjusted to provide clear preferential target to promote local economic development.
		Percentage of black SMEs participating in the global value chain	72.9%	60.0%	72.3% Target over achieved.		Cumulatively for the period under review, 72.3% (equivalent to R63.1 million) of R87.2 million in organisation's total procurement spending, was on empowerment suppliers and service providers. This performance is attributable to the effective use of the Central Supplier's Database to source appropriate empowerment suppliers and services providers cross a wider spectrum of business.	The organisation will continue to its effort of sourcing required business services and commodities from empowerment businesses as its commitment of transforming the industry. Moreover, the SCM policy will be adjusted to provide clear preferential target to promote local economic development.



Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Per- formance Indicators (KPI's)	Actual Audited Achieve- ment 2021/ 2022	Current Year (2022/2023)				
				2022/ 2023 Planned Target as per APP	2022/ 2023 Achieve- ment	Prog- ress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: FINANCIAL SERVICES</b>								
A sustain- able and high per- forming organisa- tion	Financial Manage- ment	Percentage of discre- tionary sub- sidy spent on mainte- nance	6.2%	4.0%	4.4% Target achieved.		For the year under review, a total of R35.4 million was spent on maintenance, which amounted to 4.4% of R805.1 million in discre- tionary subsidy budget. This slight over achieve- ment is due to the push for maintenance of our assets in their current state.	The organisation will con- sider more investment towards infrastructure maintenance to enhance its revenue generation capabilities.
		Percentage of budget spent (incl. committed)	99.0%	95.0%	100.0% Target achieved.		For the year under re- view, all of allocated was spent as planned. The organisation achieved its planned an- nual target of 95.0% or more spending. The plan is to efficiently spend as much of allocated budget as possible in the next financial years.	None






Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Per- formance Indicators (KPI's)	Actual Audited Achieve- ment 2021/ 2022	Current Year (2022/2023)				
				2022/ 2023 Planned Target as per APP	2022/ 2023 Achieve- ment	Prog- ress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: FINANCIAL SERVICES</b>								
	Gover- nance	Audit Opinion of the Auditor General	Unquali- fied Audit Achieved	Unqualified Audit	Qualified Audit Opinion		None at this stage. AGSA audit for the year 2022/2023 was in progress at the time of reporting.	Extensive monitoring & evaluation are being undertaken to ensure reliability of reported per- formance information. Moreover, development and review of various policies and operations' procedures are under- taken on regular basis to enhance governance.
<b>PROGRAMME: INFRASTRUCTURE &amp; SPECIAL PROJECTS</b>								
Increased participa- tion of historically disad- vantaged groups in the value chain	Communi- ty benefi- ciation	Number of work opportuni- ties created through en- vironment sector pub- lic employ- ment pro- grammes	11 751	9 350	14 685 Target over- achieved.		For the period under review 14 685 work op- portunities were created through environment & public sector employ- ment programmes. This is 57.1% (equivalent to 5 335) better performance against the annual target of 9 350. This is 25.0% (equivalent to 2 934) better perfor- mance when compared to the same period last year. This project is attribut- able to early receipt of project funds from funders to enable earlier implementation of proj- ects.	None



Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/2022	Current Year (2022/2023)				
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<b>PROGRAMME: INFRASTRUCTURE &amp; SPECIAL PROJECTS</b>								
Increased participation of historically disadvantaged groups in the value chain	Community benefit	Percentage of PDI receiving green accredited skills	19.3%	22.0%	18.4% Target partially achieved.		For the year under review, 1 721 were trained on green accredited skills, against 9 350 people to be employed. This brought our performance to 18.4%, which is 3.6 percentage points below planned annual target of 22.0%. This performance is attributable to delays in the implementation of some major programmes, resulting in delayed training.	Various funders are being engaged to timeously avail funding to enable programmes to commence on time. Additional training will be undertaken in the next second quarter of the next financial year, as this is a multi-year programme.
<b>PROGRAMME: CORPORATE SUPPORT SERVICES</b>								
A sustainable high - performing organisation	Human resource management	Percentage of approved critical vacancies filled	49.0%	80.0%	59.1% Target partially achieved.		For the year under review, a total of 68 critical vacancies were filled against a target of 115, amounting to 59.1% achievement. This performance is attributable to delays in recruitment and appointment of boundary monitors resulting from community disputes around our protected areas.	More positions are planned to be concluded in the financial year, as more than 20 appointments are awaiting vetting results. Continuous engagements with various community leaders are being undertaken to come with amicable solutions.



Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Per- formance Indicators (KPI's)	Actual Audited Achieve- ment 2021/ 2022	Current Year (2022/2023)				
				2022/ 2023 Planned Target as per APP	2022/ 2023 Achieve- ment	Prog- ress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: CORPORATE SUPPORT SERVICES</b>								
A sustain- able and high - per- forming organisa- tion	Human resource manage- ment	Percentage of employ- ment equity targets met within Ezemvelo	1.73%	90.0%	98.5% Target over- achieved.		For the year under re- view of the 68 positions filled, 67 were in line with our employment equity plan. Resulting to performance of 98.5% equity with the following demographic spread: - African Female = 32 - African Male = 30 - Indian Male = 1 - Indian Female = 2 - White Female = 2 - White Male = 1 This performance is at- tributable to the organ- isation's equity based recruitment and appal- ment of critical vacan- cies.	The organisation will continue to prioritise all its future recruitment and appointment of critical vacancies to be in line with the employment equity plan.






Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/2022	Current Year (2022/2023)				
				2022/2023 Planned Target as per APP	2022/2023 Achievement	Progress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: COMMERCIAL SERVICES</b>								
Increased participation of historically disadvantaged groups in the value chain	Promoting ecotourism and society access	Total number of visitors to Ezemvelo parks	592 379	470 500	619 043 Target over-achieved.	😊	For the year under review, there were 619 043 visitors to Ezemvelo parks. This performance is 31.6% (equivalent to 148 543) more visitors against the set annual target of 470 500, and 4.5% (equivalent to 163 749) more visitors when compared to the same period last year. The performance is attributable to a better recovery of both our domestic market.	Various marketing initiatives will be undertaken to promote domestic and international marketing. Thus, enabling recovery of our tourism performance. Moreover, the organisation will continue to collaborate with various tourism stakeholders such as Durban Tourism, Tourism KZN, and other conservation agencies.





Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/2022	Current Year (2022/2023)				
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<b>PROGRAMME: COMMERCIAL SERVICES</b>								
Increased participation of historically disadvantaged groups in the value chain	Promoting ecotourism and society access	Percentage accommodation unit occupancy rate	29.50%	35.0% (amended) 40.0% (original)	33.1% Target partially achieved.		For the year under review, the organisation had a unit occupancy of 33.1%. This is 1.9 percentage points less than the set annual target of 35.0%, however, 1.3 percentage points improvement compared to the same period last year's performance of 31.8%. This performance is primarily attributable to the slower recovery of our international market, unfavourable economic conditions such a high fuel prices and continuous power blackouts which put more pressure on consumers' spending. Thus, discouraging leisure tourism.	Various marketing initiatives will be undertaken to promote both domestic and international marketing. Thus, enabling recovery of our tourism performance. A 5-Year Marketing Strategy has been developed and approved by the Board for aforementioned initiatives. Furthermore, an infrastructure and maintenance plan has been put in place for the organisation to prioritise the Top 6 (six) performing resorts for better yielding revenue over-time.





Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/2022	Current Year (2022/2023)				
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<b>PROGRAMME: COMMERCIAL SERVICES</b>								
Increased participation of historically disadvantaged groups in the value chain	Promoting ecotourism and society access	Customer Satisfaction Index	None (this is a new indicator for 2022/23)	70.0%	88.0% Target over-achieved.		For the reporting period, the organisation's Customer Satisfaction Index was 18.0 percentage points better than set target of 70.0% to realise actual of 88.0%. The achievements is attributed to the fact that usually guests would complete the surveys when they are extremely unhappy or are extremely happy and given the efforts and attempts made by our team. In addition, the report is based only on two months of the last quarter.	Plans have been put in place for the acquisition of a computerised Customer Satisfaction measuring system that would incorporate the organisation's loyalty programme for synergy with customer's information.







Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/ 2022	Current Year (2022/2023)				
				2022/2023 Planned Target as per APP	2022/ 2023 Achieve- ment	Progress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: COMMERCIAL SERVICES</b>								
A sustainable and high performing organisation	Business development	Percentage of rand value of new business realised (incl. Commercialisation)	0.0%	Set a baseline	R27 372.40 as baseline Target achieved.		The organisation has achieved a baseline of R27 372,40 in revenue from new businesses. This, therefore, will then be used to measure improvement on revenue from new businesses as means to improving the organisation's revenue position over time. This performance attributable to three (3) glamping initiatives the organisation undertook as new business realised for the year under review.	Specifications for various initiatives to be implemented in 2023/24 are being developed. This includes completion of the Commercialisation Strategy, in which at least ten (10) additional commercial initiatives will be considered for implemented.
		Number of efficiency assessment reports on resource utilisation	1	1	1 report Target achieved.		One energy efficiency report was produced as planned. This has enabled the organisation to improve on its energy efficiencies under as part of cost-curtailment	The energy efficiency report will continue to be enhanced to include other critical variables relating to efficient use of resources within the organisation.



Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Per- formance Indicators (KPI's)	Actual Audited Achieve- ment 2021/ 2022	Current Year (2022/2023)				
				2022/2023 Planned Target as per APP	2022/ 2023 Achieve- ment	Prog- ress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Protected and con- served species, ecological communi- ties, eco- systems, habitats, and biological diversity in the prov- ince	Protected area man- agement	Percentage of area of state man- aged pro- tected areas assessed with a METT score above 67%	0.0%	45.0%	0.0% Target not achieved.		For the period under review one (1) protected area was assessed to attain a METT score of 67.0%. The 2021/22 score was used as a baseline a full METT assessment was not un- dertaken in the 2022/23 owing to lack of neces- sary resources (including Human Capital) required to achieve desired METT scoring.	The organisation will pri- oritise the appointment of the METT specialist in the new financial year to undertake an indepen- dent assessment. Sec- ondly, work is underway to improve areas that were highlighted in the 2022/23 METT report which includes poor infra- structure, filling of critical vacancies, and addressing health and safety issues.
	District manage- ment	Number of districts managed to the mini- mum ef- fectiveness standard	11	9	5 Target partially achieved.		For the period under review, the organisation had a total of five (5) dis- tricts who were managed to the minimum effec- tiveness standard. This performance is attribut- able to the confirmed signed verification portfolio of evidence for five (5) districts.	The organisation will prioritise the appoint- ment of the specialist in the new financial year in order to undertake an independent assessment.





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				2022/2023 Planned Target as per APP	2022/2023 Achievement	Progress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Protected and conserved species, ecological communities, ecosystems, habitats, and biological diversity in the province	District management	Percentage of biodiversity legislative compliance levels	95.4%	90.0%	95.7% Target over-achieved.		For the year under review, a total of 1 279 compliance inspections were conducted by Ezemvelo, of which 55 compliance actions were undertaken. This performance is attributable to a number of people that have complied and owing to increased awareness in this regard.	None
		Number of compliance inspections conducted	None (this is a new indicator for 2022/23)	800	1 279 Target over-achieved.		For the year under review, a total of 1 279 compliance inspections were conducted. This indicator is a demand driven indicator that was reported on for the first time this reporting year, hence the target was set conservatively and in line with the desired achievement of it being higher than planned. The result was in line with the intention of the measure. This performance can be attributed to our exercise of rationalising regional effort has assisted with consolidating effort where it's needed.	The organisation is investigating the option of using the web based Cmore system which will address the issue of real time reporting. This is envisaged to remove the risk of late submissions.






Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/2022	Current Year (2022/2023)				
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<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Protected and conserved species, ecological communities, ecosystems, habitats, and biological diversity in the province	District management	Number of administrative enforcement notices issued for non-compliance with environmental management legislation	None (this is a new indicator for 2022/23)	10	3 Target over-achieved.		For the year under review, a total of three (3) administrative enforcement notices were issued for non-compliance against the annual target of 10. Please note that a lower number than the set target denotes positive performance as this means that there is high compliance in relation to inspections conducted.	None
		Number of climate change response interventions implemented	None (this is a new indicator for 2022/23)	2	0 Target not achieved.		Although the development of climate change response interventions has commenced, none was completed for implementation. The non-achievement is attributable to human resource shortages to undertake the implementation of climate changes response interventions, and poor performance by the Manager.	Consequence management to be implemented. Planning has been undertaken to identify on the priority climate change response interventions to be implemented in the new financial year. More time and staff have been allocated to ensure that this deliverable is achieved in the 2023/24 financial year. A warning letter to be issued to manager.




Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/2022	Current Year (2022/2023)				
				2022/2023 Planned Target as per APP	2022/2023 Achievement	Progress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Protected and conserved species, ecological communities, ecosystems, habitats, and biological diversity in the province	District management	Percentage of registered human/wildlife conflicts resolved timely (Determining baseline for the year 22/23)	None (this is a new indicator for 2022/23)	Baseline determined	24.5% baseline Target achieved.		For the period under review a total of 188 human-wildlife conflict incident case were registered by Ezemvelo, of which 46 were resolved timely. Thus, resulting to setting of 24.5% as a baseline for future reference in this regard. This performance is attributable to the establishment of a reliable Master Database for monitoring and evaluation of DCA cases and associated compensation claims.	A standardized template has been developed and approved for implementation in the 2023/24 financial year, which will allow for standardized reporting. Furthermore, a Standard Operating Procedure outlining the business process will be developed in quarter 2 of the 2023/24 financial year.
	Conservation services	Percentage development applications within 2km around PAs processed timely	66.7%	50.0%	75.0% Target achieved.		For the year under review, a total of 24 land use transformation applications were received, of which 18 comments were submitted timely. This amount to 75.0% performance against the annual target of 50.0%. The performance is attributable to new additional resources allocation in this area of performance.	None




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<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Protected and conserved species, ecological communities, ecosystems, habitats, and biological diversity in the province	Conservation services	Percentage of complete biodiversity management permits issued within legislative timeframes	86.9%	80.0% (amended) 95.0% (original)	84.6% Target achieved.		For the year under review, a total of 3 772 complete permits applications were finalised, of which 3 192 were issued within the required timeframes, resulting to a annual performance of 84.6% against a planned target of 80.0%. This performance is attributed to an increase in demand in the fourth quarter, caused by the increase of permit renewals which require minimal review resulting in rapid finalisation. Additional resources that were allocated in the form of two interns also contributed to increased performance in this area.	The organisation's IT will be engage to work on an amicable solution of extending the power backup system to also cover the permit administration as a critical operational function.







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<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Protected and conserved species, ecological communities, ecosystems, habitats, and biological diversity in the province	Conservation services	Number of functional environmental information management systems maintained	None (this is a new indicator for 2022/23)	2	3 Target achieved		For the reporting period, three (3) functional environmental information management systems were maintained. Those are cMore, Isambani, and Integrated Environmental Management Databases, of which all are in use and functional. The maintenance of functional environmental information management systems is fulfilled by a number of staff and such actions, however limitations with staff vacancies have led to setting the target conservatively and encourage staff to go beyond the call of duty in maintaining undertaking additional work. Thus, the number of maintenance efforts may fluctuate from year-to-year, however in this year we also added cMORE given the fact that we were also testing it for potentially reporting on human wildlife conflict incidences.	It is accepted the number of maintenance exercises will fluctuate. Exceeding the minimum is desirable.



Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/2022	Current Year (2022/2023)				
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<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Protected and conserved species, ecological communities, ecosystems, habitats, and biological diversity in the province	Conservation services	Number of hectares of land under conservation	960 496 ha	940 000 ha	951 021.95 ha Target achieved.		For the reporting period, the number of hectares acquired for land under conservation was 1 734.79 ha. Cumulatively, this amounts to 951 021.95 ha for the 2022/23 financial year. The correct baseline (ha. of the protected areas at the start of the financial year) used to calculate is 949 287.16 ha. For the year in review we added 1 734,79 ha. of proclaimed land. As a result the sum total of hectares to be recorded on the annual report is 951 021,95 ha for the 2022/23 financial year. The declaration of land depends on the availability of willing landowners who volunteer their land for conservation, availability of funds and the facilitation support to engage the Stewardship declaration process.	None





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<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Protected and conserved species, ecological communities, ecosystems, habitats, and biological diversity in the province	Conservation services	Number of legislated tools developed	None (this is a new indicator for 2022/23)	2	3 Target over-achieved.		For the year under review, three (3) legislated tools were developed, namely, - The Ukhahlamba Drakensburg Park Integrated Management Plan (IMP), - The Sexual Orientation & Gender Identity and Expression Policy; - Policy on the Drafting Policies Version 1,0 - drafting of Ezemvelo policies.	The correction needed is for the legislative tool to be listed as part of the APP and other reports generated. This is an ongoing strategy to be implemented in 2023/24 financial year.
		Number of completed criminal investigations handed to the NPA for prosecution	None (this is a new indicator for 2022/23)	2	0 Target not achieved.		The dockets were never handed over to the SAPS because Ezemvelo staff are not able to open a docket without the required Environmental Management Inspector (EMI) designations, which prevented us from the legal opening, registration and investigating of any docket. As such, there was no criminal investigation that was handed to the National Prosecuting Authority (NPA), except for cases shared with SAPS at engagement meetings.	Management is in the process of designating Ezemvelo's EMI staff. Once this process is completed, Ezemvelo can setup the document management system that will enable docket opening, registration, and investigation within the organization. This is the only instance when the completed criminal investigations can be handed to the NPA for prosecution.






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<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
	Conservation services	Number of Biodiversity Economy initiatives implemented	None (this is a new indicator for 2022/23)	3	3 Target achieved.		For the reporting period, three (3) Biodiversity Economy initiatives were implemented.	None
Increased participation of historically disadvantaged groups in the value chain	Conservation services	Number of PDI benefiting from natural resource uses from PAs (i.e., income, meat, clean water, etc.)	516	1 000	2 289 Target over-achieved.		For the period under review, a total of 2 289 PDI were beneficiaries of natural resource uses from protected areas. This is 128.9% (equivalent to 1 289) more beneficiaries against planned quarterly and annual target of 1 000 beneficiaries. However, it is worth noting that some of natural resources accessed by beneficiaries entailed fish, tree bark, thatch grass, fresh water, and game meat. The number of PDIs benefitting from natural resources from Ezemvelo protected areas depends on the availability of the resources, and the number of harvesters that decide to partake during harvest days. Additionally, more benefits in the database were added.	As part of the business process, there needs to be quality assurance performed in order to re-check the calculated figure in the future.



Outcomes (Strategic Goals)	Outputs (Strategic Objectives)	Key Performance Indicators (KPI's)	Actual Audited Achievement 2021/2022	Current Year (2022/2023)				
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<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Increased visibility, accessibility, and awareness of the mandate	Conservation services	Number of conservation leadership and innovation publications	15	7	22 Target over-achieved.		For the year under review, a total of twenty-two (22) publications pertaining to conservation leadership and innovation were completed. The publications are variable, particularly when co-authoring where contributions can be small (generally a higher publication) to large (lower publication rate). Also, as research projects come to an end, publication rates go up. These variables, along with others make the number of publications per year difficult to predict. Lastly, publication dates are dependent on Journals and their timelines. It takes between 5 to 8 months to get a research paper published.	All types of publications will be captured on an online system (Ms Teams) where authors can update information for proper reporting.
		Number of environmental research projects completed	None (this is a new indicator for 2022/23)	20	20 Target achieved.		A total of twenty (20) environmental research projects were completed as planned.	None



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				2022/2023 Planned Target as per APP	2022/2023 Achievement	Progress Rating	Challenges, Comments & Achievements Against Planned Outputs	Planned Interventions
<b>PROGRAMME: CONSERVATION OPERATIONS</b>								
Increased visibility, accessibility, and awareness of the mandate	Conservation services	Number of environmental awareness activities conducted	None (this is a new indicator for 2022/23)	3	15 Target over-achieved.		For the year under review, a total of fifteen (15) environmental awareness activities were conducted, namely: <ul style="list-style-type: none"> <li>- Happy Earth Forum Festival.</li> <li>- Corridor of Hope Clean-up Event.</li> <li>- World Habitat Day.</li> <li>- Sea Turtle Awareness Campaigns.</li> <li>- General Awareness (Umzinto).</li> <li>- Biodiversity Day.</li> <li>- Wild Oceans Briefing Day.</li> <li>- Illegal Hunting Awareness.</li> <li>- Weed Buster Day.</li> <li>- Wildlife Conservation Day.</li> <li>- Wetlands Day - Hippopotamus Day.</li> <li>- World Animal Day</li> <li>- Water Week.</li> <li>- General Awareness (Kosi Bay).</li> </ul> <p>Good working relationship with other departments, entities and other organisation have led to an increased number of awareness programmes under their support. Hence a substantial increase in a number of awareness activities undertaken this year.</p>	The Community Conservation will continue to form partnerships with entities of the same vision to change community's perception on biodiversity conservation. The plan is to look at the possibility of increasing the target to be more realistic for the 2023/24 financial year.





## 2.2 BIODIVERSITY CONSERVATION

### ENVIRONMENTAL AWARENESS AND COMMUNITY CONSERVATION

#### Environmental Awareness Activities

Given the necessity to improve public perception and understanding of biodiversity conservation and the many human-wildlife conflict challenges, Ezemvelo had to deal with in the previous financial year (2021/22). We set out to focus more on improving awareness and community activation initiatives. For the year under review (2022/23), there were more than fifteen (15) environmental awareness activities conducted and celebrated, including the Happy Earth Forum Festival, the Corridor of Hope Clean-up Event, World Habitat Day, Sea Turtle Awareness Campaign, Biodiversity Day, Wild Oceans Briefing Day, Illegal Hunting awareness, Weed Buster Day, Wildlife Conservation Day, Wetlands Day, Hippopotamus Day, World Animal Day, Water Week and other general awareness campaigns. We showcase a few here as part of our reporting.



Figure 1: Celebrating Biodiversity Day



Figure 2: Celebrating Arbour Day, 23 September 2022. In addition to the Ezemvelo Board, there were four (4) schools that participated, comprising of eighty (80) learners.

#### Community Engagements

As part of increasing our visibility and reaching out to communities adjacent to protected areas, the year in review saw an astounding increase of community engagements outside of the normal community awareness programmes. The focus was on schools around protected areas. As part of this initiative, we dedicated much time on career guidance involving twenty (20) schools around the province, debate competition involving eight schools in the Drakensburg, the donation of clothing to families within the community, and attending community engagements such as the graduation of disabled youth and the Miss Hlabisa Big 5 event.

#### Local Boards

The re-establishment local boards after challenges presented by Covid-19, were a necessary objective that had to be completed in the year in review. This started with briefing the new executive authority to enable the MEC of Economic Development, Tourism and Environmental Affairs (EDTEA), to make an appointment as contemplated in Chapter 5 of the KwaZulu-Natal Nature Act. We are pleased that local boards have eventually been appointed, with the vetting process having been completed, and they are set to be launched during 2023/24 financial year.

#### KZN Provincial and National People and Parks Programme

People & Parks structure is an important stakeholder structure as it includes land claimants against protected areas. As part of ensuring the monitoring of co-management implementation we normally hold regular meetings with this key structure. Quarterly provincial meetings were convened during the year under review and reports submitted to the Department of Forestry, Fisheries and the Environment (DFFE) on the efficacy of the structure. Some of the most significant issues that became topical this year were the need to review co-management agreement to ensure that benefits are shared more equitably, the importance of recognising land claimants and other formal community structures such as traditional leaders and iZinduna, the need to



prioritise settlement agreement and associated grants with the regional land claims commission, addressing issues related to processing permits on Threatened or Protected Species (TOPS) and CITES species. Given human wildlife conflict issues, mainly in HIP, these also took a lions share of discussions and challenges that had to be addressed. Several workshops were held with the structure including on Game Meat Strategy policy, TOPS species, and the finalisation of human wildlife conflict and compensation policy.



*Figure 3: People and Parks Provincial Forum (04-05 August 2022)*

### **Land Claims and Co-management**

One of the important land claims that Ezemvelo dealt with is the Vergelegen Land Claims. There were various engagements convened during the year involving the Regional Land Claims Commission (RLCC), the South African Police Services (SAPS), with regards to land claimants occupying the reserve due to the snail pace at which their matter with the RLCC was being finalised, as well as the demand of compensation for their land. The approach to resolving this matter has led to a number of incidences where communities invaded the reserve and initially had to be evicted, with the second attempt leading to a court order. The Local Traditional Councils has had to play a mediatory role between the RLCC and Land Claimants.

### **Traditional Health Practitioners (THPs)**

We also held a number of traditional health practitioners engagements throughout the province. These multiple workshops and meetings during the year centred around identifying working relations, as well as areas for collaboration between THPs and stakeholders such as Ezemvelo, EDTEA, Department of Cooperative Governance and Traditional Affairs (COGTA), and the Department of Health (DoH). Ezemvelo was highlighted to be the important stakeholder that would help pave a way forward in terms of the provisioning of the requisite guidance to accessing and sustainably harvesting medicinal plants, and adhering to associated permit conditions, as well as the importance of conservation and biodiversity.

There were various nursery material handover events that transpired during the year under review, including the THPs from the Isibani Sesizwe situated at Ndwedwe and Mabandla Community THPs. This involved Ezemvelo donating various nursery items, such as trees, plants, spades, forks, rakes, watering cans, compost and planting bags. This initiative is part of a drive to promote the planting of medicinal plants and indigenous trees for THPs to use in order to avoid excessive and unsustainable use with negative impact on critical and protected species.

Ezemvelo also contributed to a successfully held Annual Traditional Medicine Day celebrations on the 30th of August 2022, in the Amajuba District THPs. The event was graced by the presence of Ezemvelo, Department of Health, Local Municipality and relevant District members. Ezemvelo donated game meat as per the request of the THPs. The lengthy working relationship between the THPs of Amajuba and Ezemvelo was acknowledged, with Ezemvelo being commended for its efforts in stabilizing the programme. There was a call from the Chairperson for more awareness workshops to be convened in the future.





Figure 4: Traditional Health Practitioners celebrating the Amajuba District THPs Annual Medicine Day, 30 August 2022

## PROTECTED AREA MANAGEMENT

### Protected Area Management

Ezemvelo did not achieve its annual target for the 2022/23 financial year. There is a lack of systems and funding to implement and enhance protected area management effectiveness at an operational level. Although the assessments are conducted on an annual basis, there are insufficient resources and systems in place to implement what came out of the assessment in order to improve the METT scores.

The inability to timelessly fill vacant posts remains an ongoing challenge and although some posts were advertised and are being filled, it remains far too few. Many staff holding down more than one post or performing duties for which they are not adequately skilled for is contributing negatively to service delivery. The continual drain of manpower is threatening the effectiveness of both protected areas and district conservation management. This is coupled with the reduction of operational budgets year-on-year and the deterioration of assets over the years has seen the overall management effectiveness levels being negatively impacted.

In terms of the outlook for the 2023/24 financial year, it is envisaged that intervention planning will be conducted in the first quarter of the financial year and preceded by implementation for the remainder of the year. It is anticipated that this approach is likely

to improve effectiveness managements scores. Not only is this performance indicator critical, but there is a need for close monitoring of deliverables. This will increase overall operational efficiency, with focus on low hanging fruits considering existing budget constraints.

### Protected Area Road Network

The internal road Network of the Umlalazi Coastal Park was completely revamped via funding from the Projects division. This included the complete resurfacing of all the tar roads and parking areas. Road markings were also redone. This has made a huge difference to travelling conditions. The road leading to the Maphelane Resort has been submerged through the report period and this will remain as such until the problems surrounding the blocked Umfolozi Flats.

### Collaboration Efforts

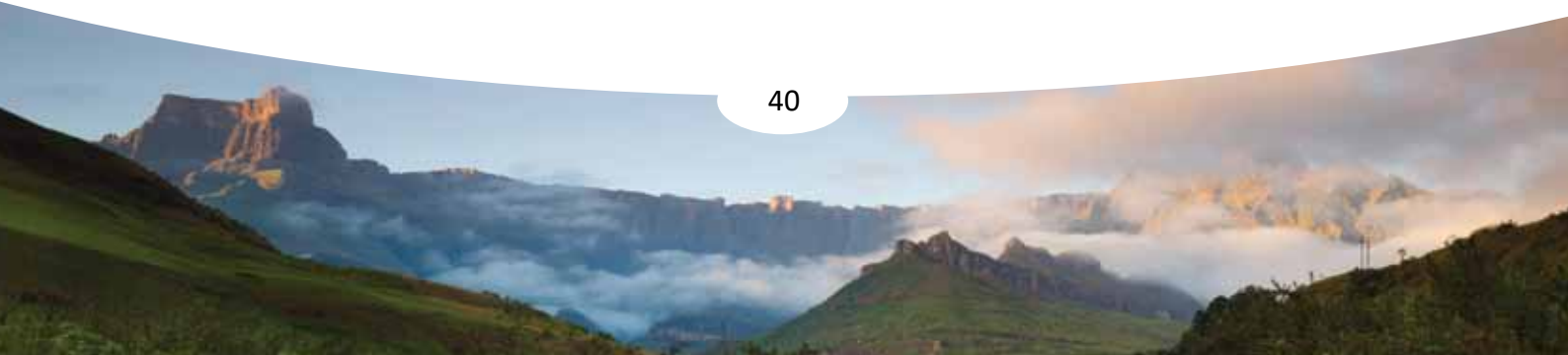
The continued sponsorship of Warbergia trees from the South African Pulp and Paper Industries (SAPPI) through the South African National Biodiversity Institute (SANBI) and South African National Parks (SANParks) project was enjoyed during the year under review. Trees were planted at schools, local municipalities and were also donated to the Traditional Health Practitioners (THP) in the region. Presentations were conducted at the schools and the trees were planted by the participants.

### World Heritage Sites

Ezemvelo continues to manage the iSimangaliso Wetland Park and the Maloti Drakensburg Park World Heritage Sites. The KwaZulu-Natal Nature Conservation Board was duly appointed the Management Authority for the uKhahlamba Drakensburg Park (which represents the Republic of South Africa part of the Maloti-Drakensburg Park World Heritage site of the uKhahlamba Drakensburg Park World Heritage Site) by the National Minister of DFFE, for another 5-year period.

### Marine Protected Areas

A very prosperous working relationship has been forged with the Wildtrust by means of a signed







Memorandum of Understanding (MOU) between Ezemvelo and the Wildtrust. This understanding is envisaged to assist with the ongoing management of the uThukela Marine Protected Area. With funding being received from the Blue Action Fund via the Wildtrust, Ezemvelo received donated assets to the value of R4,800,000.00. These comprised of three (3) new vehicles, two (3) sea-going boats and a side-by-side buggy. This strategic partnership will run for a duration of 5- years. With the funding and donations received from the Wildtrust, active law enforcement will be conducted within the uThukela MPA.

The year under review was the final year of the 5-year MoA between Ezemvelo and the DFFE to manage the four (4) Marine Protected Areas (MPA) within Ezemvelo's jurisdiction and mandate as per National Environmental Management Protected Areas Act (NEM: PAA). Ezemvelo is the appointed authority for the Operation Phakisa Marine Protected Areas, which includes that uThukela MPA. The new MoA has been duly concluded; and it is envisaged that the funds will be transferred accordingly. It is envisaged that vigorous implementation of the Marine Management MoA will be undertaken, depending on the availability of funding. This 5-year agreement is scheduled to terminate in 2027.

A collective MPA Management Plan is in final draft and will be signed off by the National Minister DFFE as soon as the iSimangaliso Integrated Management Plan (IMP) has been finalised.

In terms of the St Lucia Lake and Estuary, the estuary mouth was opened for the majority of the review period. This is mainly due to excellent rains over the past 3-years in the area. Unfortunately, residue in the form of mud banks, have restricted the effectiveness of the river mouth to act effectively. The uMfolozi Flats as well as the Umfolozi and Msunduzi rivers are blocked by mud and this does not allow excessive water to flow freely as it should, naturally. There has been little sea water entering the system because of the same reasons; as such, the estuary and narrows have remained fresh. The National Minister DFFE has set up a Task Group comprising of seven (7) entities,

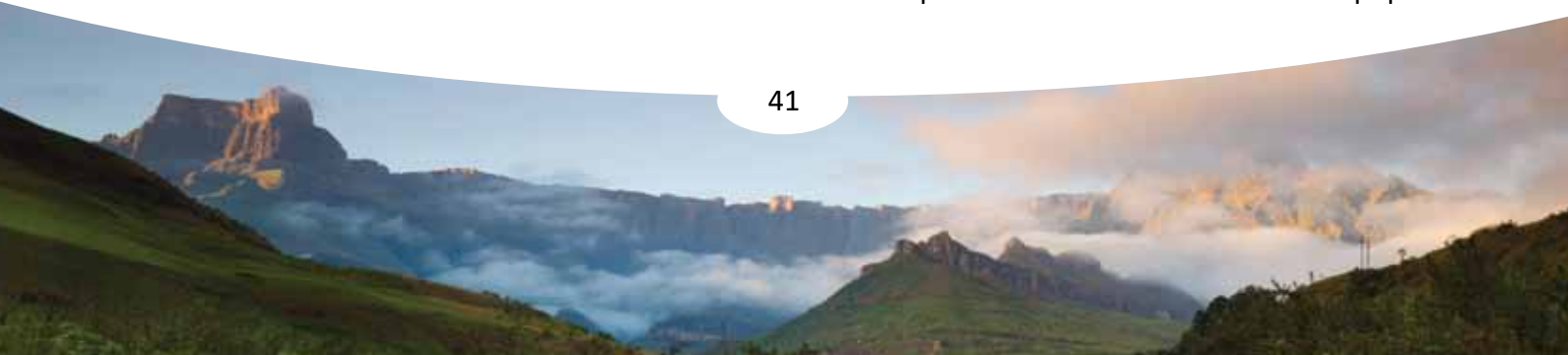
in order to discuss the estuary and mouth going forward. On the 9th of March 2023, the Park Manager undertook a site visit via helicopter with the National Minister DFFE.

The entire coastline within iSimangaliso falls under a proclaimed MPA. Controls are fairly good, except in the extreme southern section from the Umfolozi River to the St Lucia Light House. Poachers enter the park from the south and this is impossible to monitor by a very reduced staff compliment. St Lucia, Cape Vidal and Sodwana Bay remain extremely popular sites for both shore and offshore anglers. Due to the kind donations from the Wild Oceans Trust, the Bhanga Nek infrastructure was upgraded in 2022, and is currently in excellent condition. The WOT as well as iSimangaliso, assisted with the financing of the latest survey.

### **KZN Rhino Populations Performance and Poaching**

Ezemvelo manages two different species of Rhino populations in the province, which are managed according to their ecological status. These are black rhinoceros (*Diceros bicornis minor*) and white rhinoceros (*Ceratotherium simum simum*). The objective for our black rhino management approach is to conserve a free ranging viable meta-population of black rhinoceros throughout its historical range in KwaZulu-Natal, and in partnership with communal and private land owners. For white rhino, the purpose is to focus on conserving the demographically viable subpopulation of white rhino on State, communal and private land in KwaZulu-Natal. (Peter Goodman & John Craigie, 2023)

The year in review was difficult from the poaching point of view, but looked at against populations productivity level, the performance counterbalanced a really horrible poaching year which could have easily led to the decimation of swath of rhino population in the province. The release of the national rhino poaching figures by the Minister and the ever-increasing poaching pressure now being focused on KZN, it is important for concerned citizens to understand the broad context of the current trends and threats facing our provincial rhino stocks, including the performance of the species and efforts invested in population





growth in the light of all the information we have.

The provincial government, Ezemvelo KZN Wildlife, and a small number of private and communally owned reserves are singularly focused on trying to ensure that our population remains healthy and resilient. Accurate statistics of rhino performance is maintained and recorded and there is broad co-operation between public and private roleplayers in the province.

KwaZulu-Natal has been at the forefront of rhino conservation since the 1960's, and with the gradual demise of rhino in Kruger National Park, KwaZulu-Natal's black and white rhino population of over 3700 individuals, is now of critical National and International importance. Ezemvelo and its partners in the private and informal sector are acutely aware of this responsibility and have every intention of continuing to secure and improve the status of rhino in the province through applying best practice principles.

The Province has clearly defined provincial strategies for the management of rhino and it keeps, very detailed annual monitoring and assessment data on population numbers, performance and poaching statistics. The two species of rhino are managed separately not only because of their different status but also as the narrative around their trends and performance is different.

**Black Rhinoceros**

Black rhino, which are classified as critically endangered by the IUCN, have a much smaller population presence in the province than white rhino. Their population has shown a gradual increase in numbers from 412 at the end of 2003 to 613 at the end of 2022. This represents an increase of 49% over a 19 year period. The performance of this regional population has been affected by two main drivers namely, poaching and range expansion.

Metapopulation Population – overall the metapopulation has grown by 48.8 % since 2003 or a mean annual growth rate of 2.11 % per annum (Figure 5). Population growth has been at its highest between 2019 and 2021 averaging 5.7 % per annum and but grew just over 1 % in 2022 (Figure 5).

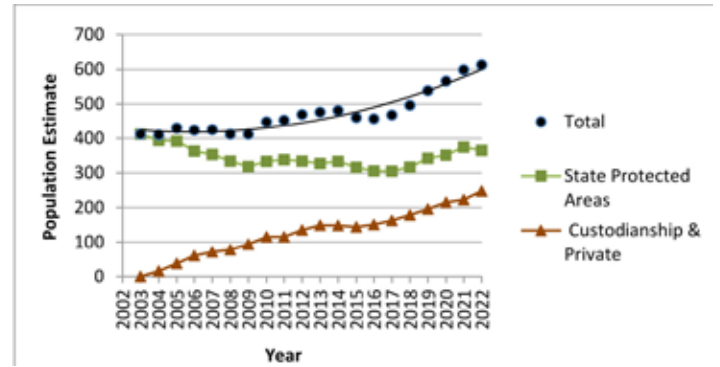


Figure 5. Trend in the KZN black rhino metapopulation estimate, KZN State Protected Area population estimate, and Custodianship and privately owned population estimates from 2003 to 2022.

State Protected Areas – The population declined between 2003 and 2009, remained relatively stable between 2010 and 2018 followed by an increase since 2019 (Figure 5). This trend is largely explained by a relatively aggressive live harvest for the first 3 years (5.07 %) followed by a moderate mean live harvest rate (3.39 % per annum), coupled with a poaching rate of 2.17 % per annum, a decline in the number of populations due to human invasion and poaching (Ndumo, Ozabeni), and an overestimation of carrying capacity (Eastern Shores, Tembe Elephant Park and Western Shores). Recent increases are associated with a series of above average rainfall years.

Custodianship sites – The number of populations on custodianship sites, facilitated through the BRREP programme have increased from nil in 2003 to eleven effective populations by the end of 2022. The population size on custodianship protected areas has grown steadily over the review period (both as a function of population establishment and growth), from zero in 2003 to 242 at the end of 2022 (Figure 5). 2022 saw the establishment of the first male only population on Bonamanzi.

**White Rhinoceros**

Unlike black rhino, white rhino occurs naturally at higher densities, have a faster growth potential and are easier to hunt or poach. In the graph below (Figure 6) we see the provincial population increasing to a peak of just over 3500 in 2012 from where it declined



to just under 2850 in 2016, followed by an increase in the population to the current level of 3190. The table below shows the KZN white rhino population at the end of 2022, which comprises 8 sub-populations (>4 individuals) on State protected areas and 28 sub-populations (>4 individuals) on private and communal protected areas. The total population size in the province is estimated to be 3191, comprising 2410 animals on state protected areas and 781 animals on private and communal land (Table 1).

Table 1. Numerical status of white rhino in KZN at the end of 2022.

	State Protected Areas	Private & Communal	Total
Number of sub-populations	8	28	36
Population Estimate	2410	781	3191

More precisely, the provincial population grew at an average rate of 3.9 % per annum between 2004 and its peak in 2012 (3530). From 2012 to 2016, the population of white rhino declined at 5.4 % per annum to 2845, but since 2016 has shown a gradual increase to its current level of 3191 (Figure 6).

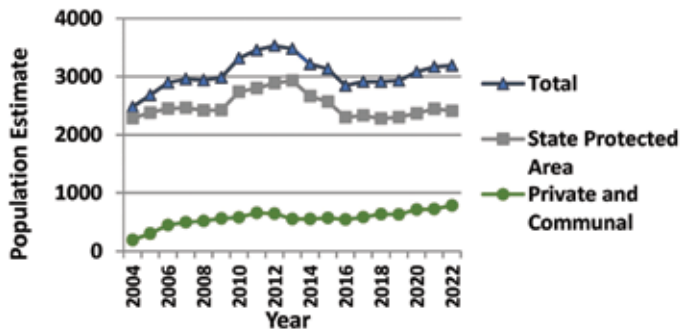


Figure 6. Trend in the population of white rhino in protected areas and on private and communal land in KZN 2004-2022.

### Black Rhino Poaching

The primary pressure and future threat to rhino populations is poaching, with potential future risks of a reduction in carrying capacity due to climate change

and habitat destruction due to land use change and the associated cost to benefit of keeping rhinos in private land. The poaching rate for 2022 was 2.84 % (Figure 7) for black rhino. Poaching pressure was relatively low (< 1 % of the population) between 2003 and 2011 but rose rapidly from 2012 onwards to 2017 with the mean annual poaching rate 2.81 % and a maximum in 2014 of 3.82 %. Since 2014 the poaching rate declined to 0.74 % in 2020 (the COVID year) aided by the National state of disaster which significantly curtailed movement and therefore made it more difficult for poachers to operate. 2021 and 2022 has seen a rapid increase in the poaching rate to 2.84 % in 2022. Both the 10 year (2.63 %) and 3-year (1.84 %) average poaching rates still exceeds the 1 % per annum threshold set by the KZN Black Rhino Management Strategy (Conway and Goodman, 2013) and as such is being urgently addressed.

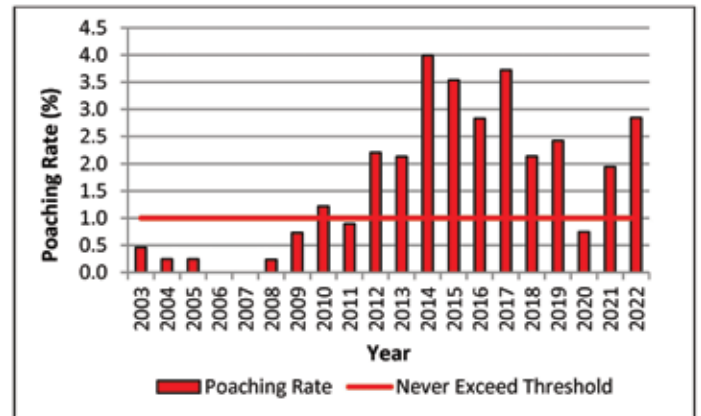


Figure 7. Trend in the rate of black rhino recorded as being poached on state protected areas, custodianship sites and privately owned over the last 20 years. NB: data adjusted to reflect estimated date of death not date of detection or case (CAS) date.

### White Rhino Poaching

Similarly with white rhino, poaching was generally low prior to 2008, but this situation has changed radically in the last 12 years indicating an exponential increase in poached mortality to a peak in 2017 at 7.07 % of the population. 2018, 2019, 2020 and 2021 have seen relative declines in this rate with an average rate of 3.4 % which still is above the 2 % threshold (Figure 8a). 2022 however has seen a rapid rise in poaching rate





to 7.26 % clearly more than the target threshold, and now approaching the sustainability threshold<sup>1</sup> (Figure 8a).

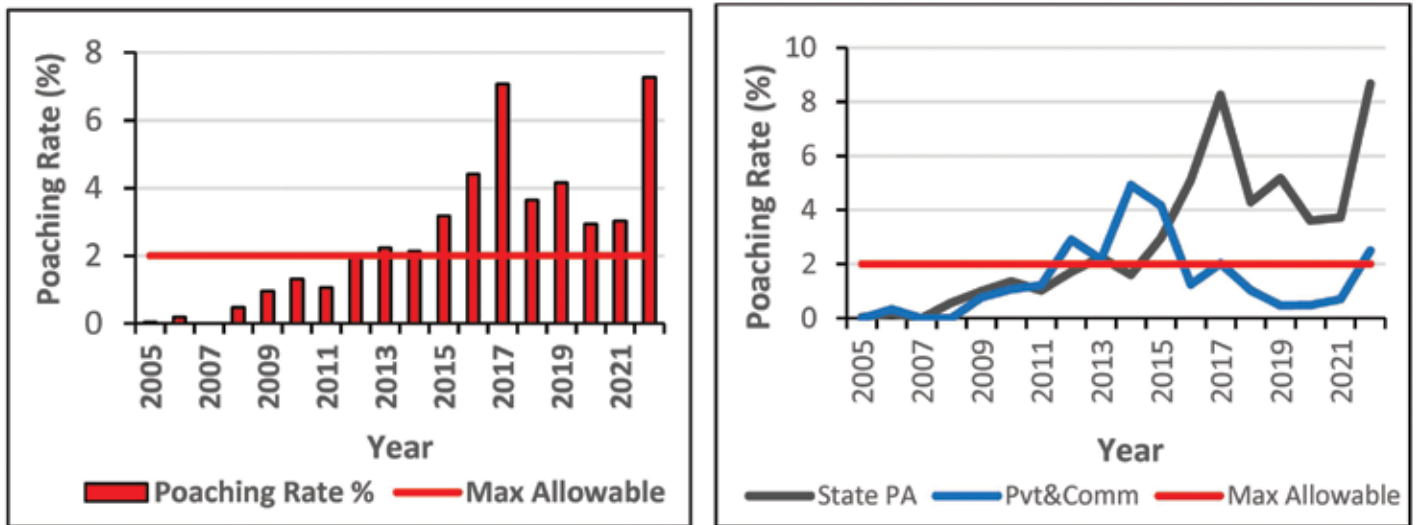


Figure 8a. Overall trend in the poaching rate of white rhino in KwaZulu-Natal, and b. Trend in the poaching rate separated for State and Private and Communal populations.

It is also clear that populations under private and communal management have managed the poaching threat (2.5 % poached in 2022) better than under State management (8.7 % in 2022) (Figure 8b).

Both black and white rhino have contributed hugely to the conservation and tourism economy of KwaZulu-Natal which accounts for a multitude of direct and indirect employment opportunities along the broader ecotourism value chain. The conservation value of the KZN population is now of global significance and needs to be recognised as a national priority.

In the absence of adequate State funding, rhino conservation is supported by the Department of Fisheries Forestry and the Environment, a growing number of International and National NGO's including the Peace Parks Foundation, World Wide Fund for Nature, Save the Rhino International, WildTrust Fund, Project Rhino, and the Ezemvelo KZN Wildlife Honorary Officer Corps who all play a valuable role in supplementing manpower, operational resource shortages for supporting staff in the field. The broader community has also played a role supported by ordinary citizens of this province who have baked cakes, knitted blankets, cycled and run all in the name

of rhino.

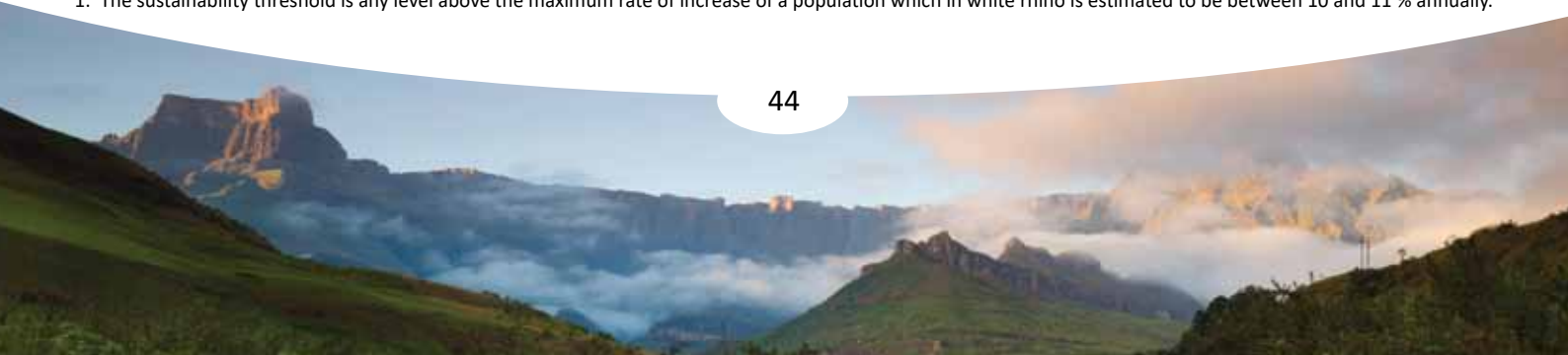
It is important to highlight that there are no immediate perceived risks to biodiversity with the continued growth and expansion of this population. However, the fight against poaching is diverting scarce resources away from other important conservation programmes negatively impacting on goal achievement in these equally important conservation efforts.

There has been significant work invested into improving rhino conservation work in the province. This includes new agreements for additional funding from NGOs, development of a new action plan from a report of the Premier's task team on rhino poaching, finalisation of the rhino strategy, improving community relations and intensifying collaboration with other law enforcement agencies to arrest poaching levels.

### Human-wildlife Conflict

In the year under review, human wildlife conflict incidences became prominent in areas adjacent to nature reserves. The trend of sporadic community protests from the Drakensburg, in the grasslands to Hluhluwe-Imfolozi Park in a BIG 5 protected areas and the many other areas in the province are becoming

1. The sustainability threshold is any level above the maximum rate of increase of a population which in white rhino is estimated to be between 10 and 11 % annually.





ubiquitous, and the situation is getting worse with Covid-19 having adversely affected businesses and led to closure of some to a spike in unemployment statistics. Leading to a huge growth of unemployment.

This unemployment scourge has greatly affected low-income households, who are in the main, majority of communities adjacent to protected areas. This has led to instances wherein communities start looking at protected areas in desperate appeal for jobs. This is particularly mentioned not to suggest that there has never been issues prior to Covid-19, but to highlight the exponential growth of pressure during and after Covid-19 owing the deteriorating levels of socio-economic conditions in communities adjacent to protected areas.

Realising that Ezemvelo has its nature reserves in areas adjacent to low-income communities, Ezemvelo has several programmes that seek to benefit communities adjacent to its nature reserves. These ranges from Community Levy Programme, Co-management agreement, People & Parks, Kids & Parks, and additionally, there are a few labour-intensive projects

geared towards providing jobs through government initiatives such as Alien Invasive Clearing, Firefighting, Fencing lining, and the many other internship programmes. This Ezemvelo does to contribute to developing local livelihoods. All these initiatives, and the jobs that are created through them, are mainly seasonal workers or temporary contract-based jobs for which communities are increasingly getting impatient with. Therefore, an increasing number of requests addressed to the office of the MEC, and portfolio committee on environment for a meeting, do not come as a surprise as there are others that came through Ezemvelo for similar reasons.

Ezemvelo has over 112 protected areas/reserves around the province, most if not all of them are a source of human wildlife conflict. These events are periodically recorded both monthly and annually. What gets recorded are both a number of incidences in each month over a year (see figure 9 – 2022/23), and the variety of human wildlife conflict incidences ranging from poaching, hunting, and many others.

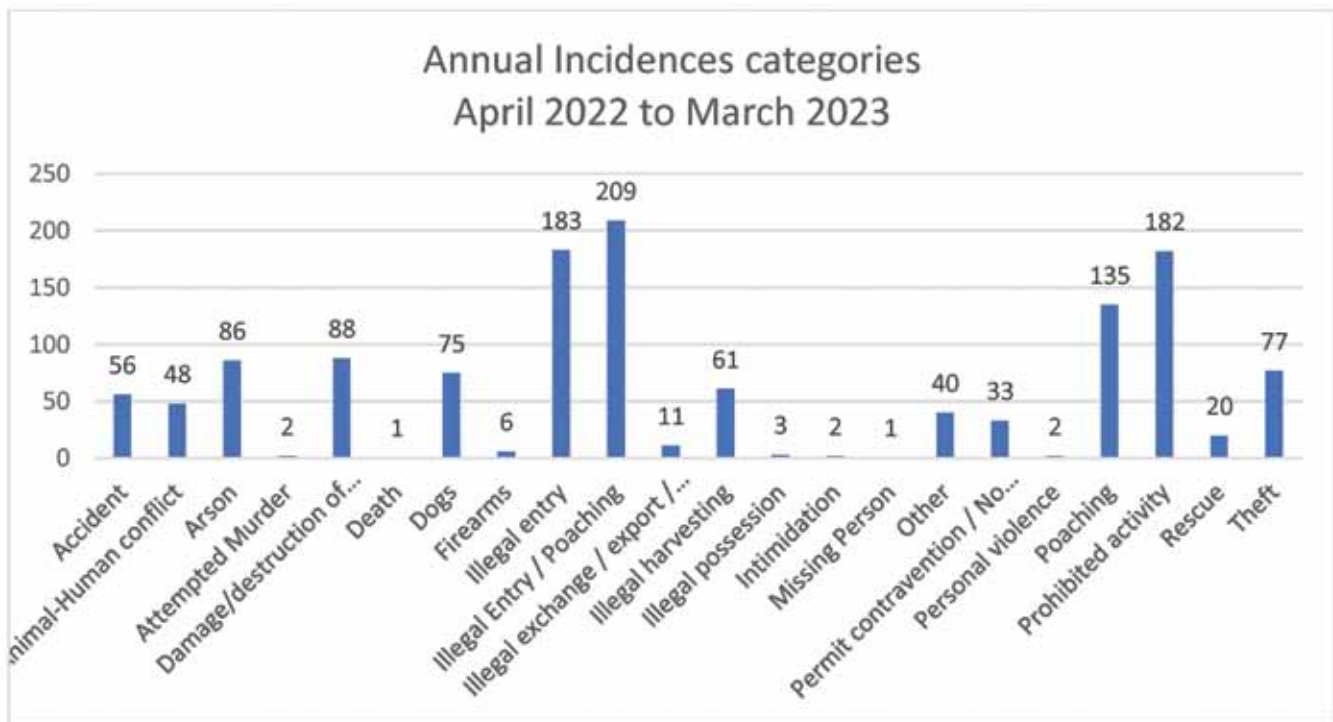


Figure 9. Annual human wildlife incidence reports



At HIP which encountered quite a substantial amount of human-wildlife conflict incidents with the community’s living adjacent to the park. The general poor condition of the fence (figure 10), particularly along the southwestern perimeter side of the park, as well as the over population of elephant, the proximity of community households too close to the fence, high unemployment levels within communities adjacent to the park, have all caused major disruption and conflict between Ezemvelo and the community. As a result, this has often driven communities to exert pressure on HIP to provide employment opportunities. Ezemvelo has made a number of interventions including facilitating alternative livelihoods options through bringing other government departments to communities. This has also included employing local communities when job opportunities arise, and this intervention has slightly alleviated the pressure off Ezemvelo.

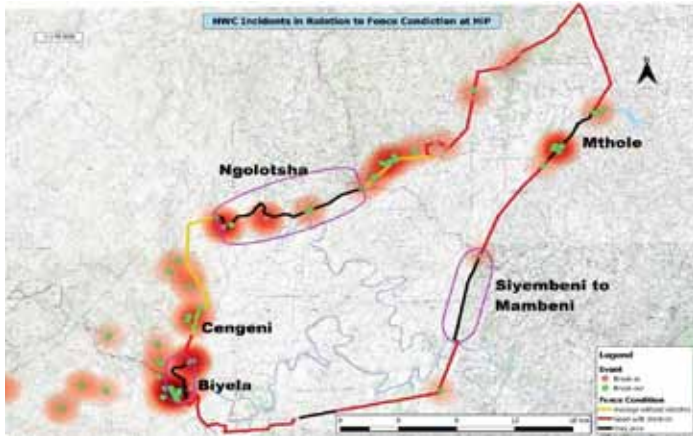


Figure 10: Map showing fence condition and HWC events for 2022

Associated with human wildlife conflict work was the dedicated effort in the year in review to finalised the human wildlife conflict policy. Much of the year was taken up by public participation process which commenced on the 20th of May 2022 in Dundee, and carried on including in the uMkhanyakude, Zululand and King Cetshwayo district. As at the end of the financial year, the Board had finalised a policy and had sought advise on the public protector’s remedial action of resourcing compensation for human wildlife conflict incidences.

## DISTRICT CONSERVATION MANAGEMENT

### Overall District Performance

For the period under review, Ezemvelo had a total of eleven (11) districts in the KZN province aligned to municipal districts, these had to be managed to the minimum effectiveness standard. The annual performance target set for the financial year was nine (9) out of 11 districts had to be effectively managed. Meaning that the level at which Ezemvelo’s efforts across different management variables had to be beyond satisfactory. The regional service delivery functions are being prioritised bearing in mind the resource constraints, with the number of compliance inspections undertaken in the region being constant year-on-year, and the resultant compliance levels to biodiversity legislation steadily increasing.

The general resource constraints have adversely affected delivery. Although several Conservation Management Districts (with their associated protected areas) and the UDP WHS reporting manpower shortages (vacant posts ranging from Managers, District Conservation Officers, Field Rangers, General Assistants, Maintenance staff, etc) have become a normality for district work, much has been attained with limited resources to ensure minimum service delivery.

Much efforts was invested in building cadet service involving bringing in new talent and bringing in “new blood” to address the skills drain. This will work continue onto the new year to imbue district and protected area work with young and skilled graduates. Ezemvelo has now finalised a new Graduate programme to counteract the high vacancy rates, and revenue diversification initiatives and opportunities are being investigated to pilot going forward.

### Fire Programme

The regions’ fire programme has shown an alarming trend over the last couple of years, in that although the regional hectares are being burnt, the effect of the reduced budget, the late approval of seasonal workers and the reduced period in which seasonal workers are being employed, has seen an increase in arson fire



events, this of which has resulted in areas being burnt either at the wrong time of the year or in the wrong sites. This can be demonstrated in the uKhahlamba Drakensberg Park World Heritage Site (UDP WHS) where the planned and actual ha burnt is showing an alarming trend of increasing and over the 4 years are being driven by arson fires. Acknowledging that the climate forecast indicates that we are going into a strong El Nino cycle, which will be more conducive for veld fires and will also negatively affect the water production of the UDP WHS, there is a need to ensure that fire management is a provincial priority, both from a budget and a human resource perspective, is an imperative as it will have a direct impact on people’s lives and livelihoods in the province.

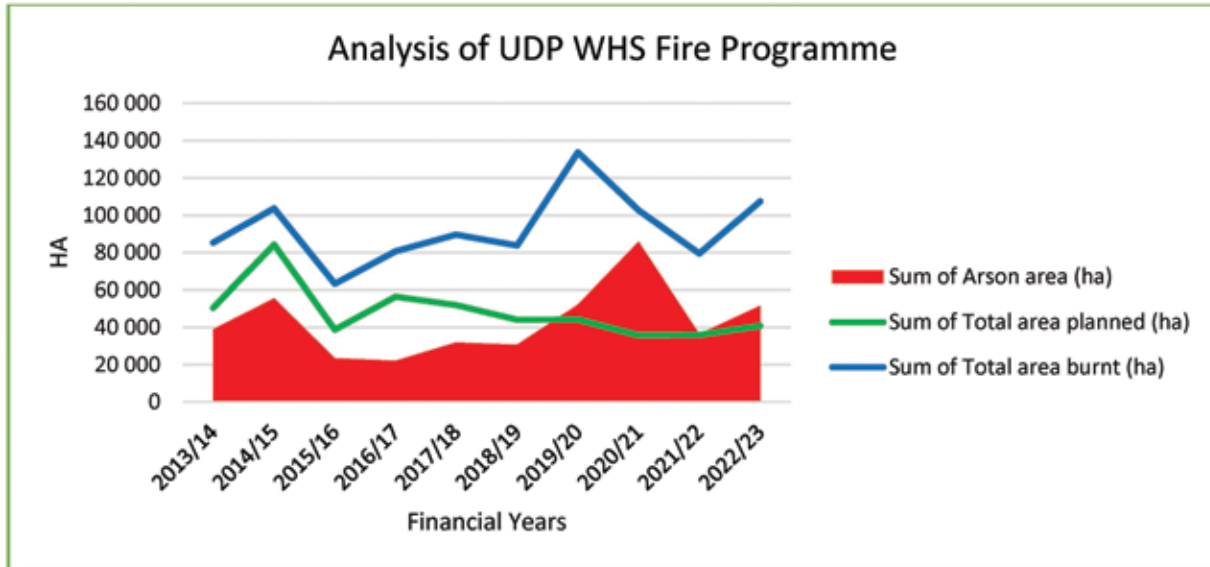


Figure 11: Analysis of the UDP WHS Fire programme from 2013 to present

## BIODIVERSITY ECONOMY AND STEWARDSHIP

### Biodiversity Economy (BE) Initiative

The biodiversity economy initiative is aimed at supporting black individuals or communities with an interest in establishing/running businesses in the wildlife economy and bioprospecting sectors. Ezemvelo is represented by the BE team on the National Game Donation Steering Committee where game donation plans are deliberated on. A total number of 321 game species were allocated for donation to BE beneficiaries in 2022/23, however only 65 heads of game were donated, and this is mainly on account of the negative impacts arising from Foot & Mouth Disease (FMD) that spread in the province, resulting in restrictions on game movements/translocations. Game donations involved various protected areas such as the Babanango Game Reserve, and the Kameelkop Nature Reserve.

During the implementation of these initiatives, Ezemvelo was involved in explaining the game donation custodianship agreement, highlighting game ownership and the responsibility of the game recipient in taking care of the donated game in their property. Ezemvelo is working on a draft post-game donation guideline document that will serve as a monitoring tool after donating game to BE beneficiaries. This will be done to ensure that game is properly managed and serves the objective for which it is donated. Projects of various natures have been initiated or are to be initiated, including the plan to establish an abattoir in Somkhanda, whilst the donated game is expected to assist in enhancing the visitor’s experience during game drives at the Kameelkop Nature Reserve. Project funding is being sourced from BioFin pilot project, as well as the Environmental Protection and Infrastructure Programmes (EPIP) funds as awarded by the DFFE.



Looking into the future, the BE team is working on developing a policy framework that could provide a basis for various partnerships between Ezemvelo and communities, within the space of wildlife economy, as a way of supporting communities. A total number of 271 species have been provisionally allocated for the 2023/24 financial year, depending on the availability of funds to capture and translocate game. There is also renewed hope for progress with the rolling out of Government programs such as the Rural and Township Economies Revitalization Strategy. Furthermore, the BE team is planning to conduct Municipal roadshows, specifically targeted at municipalities with prospective BEI projects. This will be done to present the program and the projects in the municipal vicinity so that they may be supported and included in their integrated development plans (IDPs).

### Resource Use

Protected areas are surrounded by communities that benefit from resources within the parks and it becomes essential to record data accurately to enable Ezemvelo to demonstrate its value as well as contributions towards sustaining the livelihoods of the people in the province. Natural resources include incema, ikhwane, umhlanga, thatch grass, catfish, water, izinkuni, impinda, ugonothi, to name a few resources used.

Looking into the future, Ezemvelo aims to engage communities and investigate finding sustainable avenues that can ensure that surrounding communities are able to benefit from protected areas, whilst ensuring that such activities do not interfere or hinder the biodiversity conservation efforts in place. The BE team intends on undertaking roadshows in the 2023/24 financial year, targeting Ezemvelo's top-10 protected areas that experience the most resource harvesting. This will afford Ezemvelo an opportunity to engage with beneficiaries, as well as address any shortfalls being encountered by the parks in the collection, recording and collation data. Furthermore, there is also renewed hope for progress with the rolling out of Government programs such as the Rural and Township Economies Revitalization Strategy.



Figure 12: Umlalazi NR Incema Reed Harvest, 09 to 13 May 2022

### Biodiversity Stewardship Programme

During the year under review, various biodiversity stewardship sites were managed by Ezemvelo. The Mun-Ya-Wana Conservancy/Phinda Private Game Reserve has progressed towards providing hands-on conservation experience to their visitors. The revenue generated from this stewardship site is used to advance conservation programs in place, including their Pangolin monitoring program. This is a progressive way of creating more income streams and could serve as a unique selling point in attracting tourists.

After 2-years of no Advisory Forum meetings, the Beacon Hill Protected Environment owned by the Umgeni Municipality was successfully hosted on 15 November 2022. The renewed commitment from the municipality has revived the maintenance of the partnership and ensures compliance with the requirements with the Protected Areas Act. In relation to Upper Thukela, the declaration process was revived for both the AmaNgwane as well as the AmaZizi sites; and a workplan was developed per site. Both the Upper Thukela and Nambiti Private Game Reserves are reviewing Management Plan's.

Approval has been secured by the Ezemvelo Board for it to stand as the Management Authority for the addition of the Spitzkop 2 property to the Karkloof Nature Reserve. The declaration is yet to be completed



in the new financial year, in terms of attaining authority from EDTEA. The Working Group has agreed on the need for the Management Plan to clearly define the obligation of management authorities. In terms of the future, it is envisaged that there will be four (4) sites to be declared, comprising of two privately-owned and two community sites.

### Biodiversity Stewardship Sites - KwaZulu-Natal -

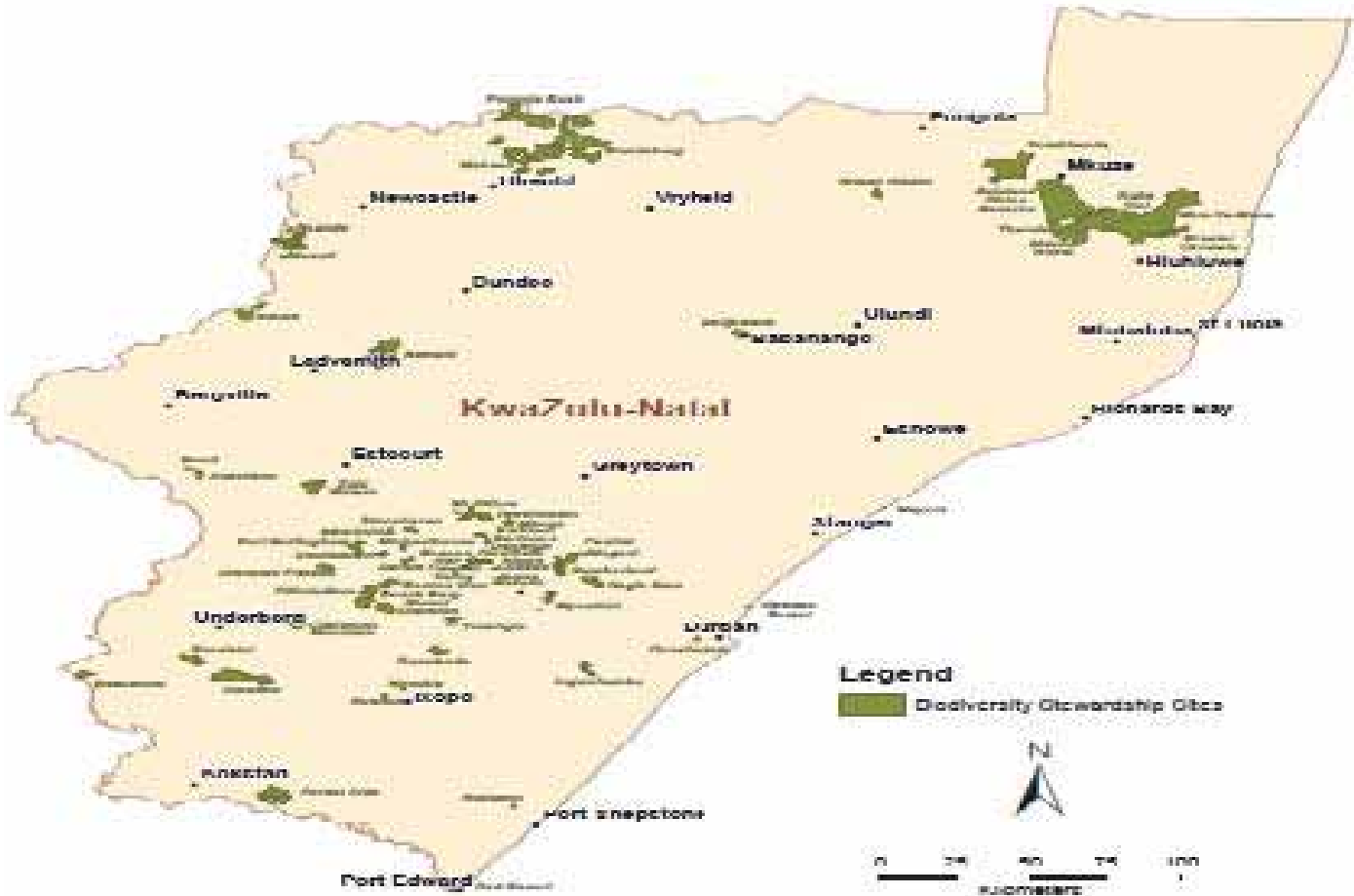


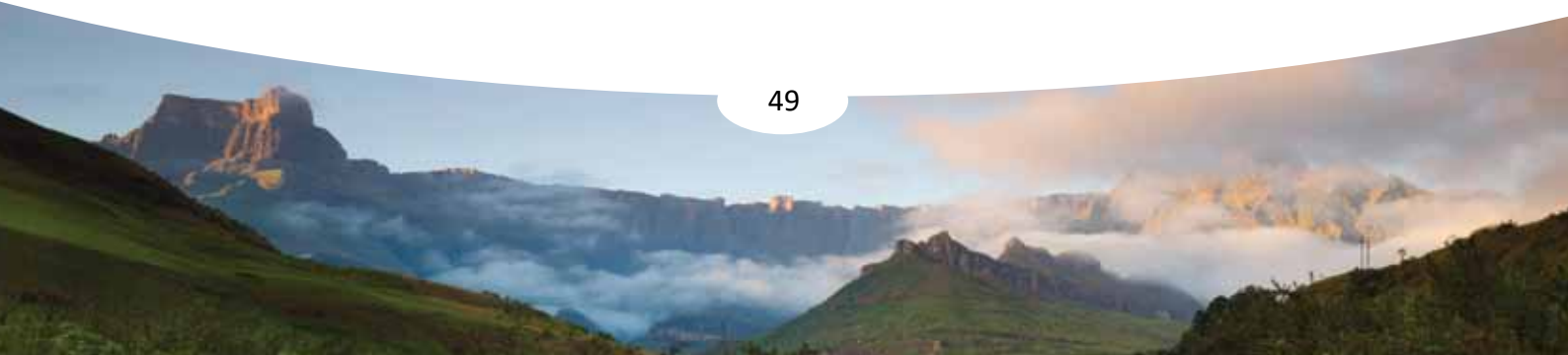
Figure 13: Biodiversity Stewardship map showing all the declared

## CONSERVATION PLANNING AND IEM

### Environmental Impact Assessment Listing Notice 3 Project for EDTEA

At the beginning of the financial year, we embarked on a significant undertaking, namely the EIA Listing Notice 3 project for EDTEA. The primary objective of this initiative was to identify the geographic areas that

trigger specific activities outlined in the EIA Listing Notice 3. The project was designed to address LN3-related queries, and EDTEA’s Environmental Officers will utilise the resulting product across various districts and other key stakeholders. Our primary goal was to provide LN3 maps per activity, which we achieved through GoogleEarth™ maps and ESRI packages. The completed project has been handed to EDTEA to







distribute to Environmental Officers.

### Mining Threats to Protected Areas and Critical Biodiversity Areas

Ezemvelo’s IEM Unit received approximately seventy (70) new Prospecting and/or Mining Right Applications this past financial year. Ezemvelo’s position to stakeholders has been boldly communicated - Ezemvelo is not “anti-mining”; we support mining, but not at the expense of Protected Areas, Wilderness, the health and wellbeing of our neighbouring communities, and Critical Biodiversity Areas (CBAs). Mining threats to two of KwaZulu-Natal’s premier wildlife destinations, namely the HiP and the Ithala Game Reserve, persist.

### EIA Comments on Development and Land Use Change Applications

The IEM unit received 244 land use change applications during the 2022/23 financial year. The vast majority (71) of these were mining related. Of interest, 4 alternative energy projects were received, and as many as 19 unlawful applications were received. Below is a map indicating the applications received in the last three years of the Medium-Term Strategic Framework (MTSF) reporting period of 2020/25, as well as Environmental Authorisations captured during the same period, indicating whether biodiversity concerns were included in the decision, or only partially, or not at all. The final category is where biodiversity issues were not assessed in the application and hence not assessed in the decision.

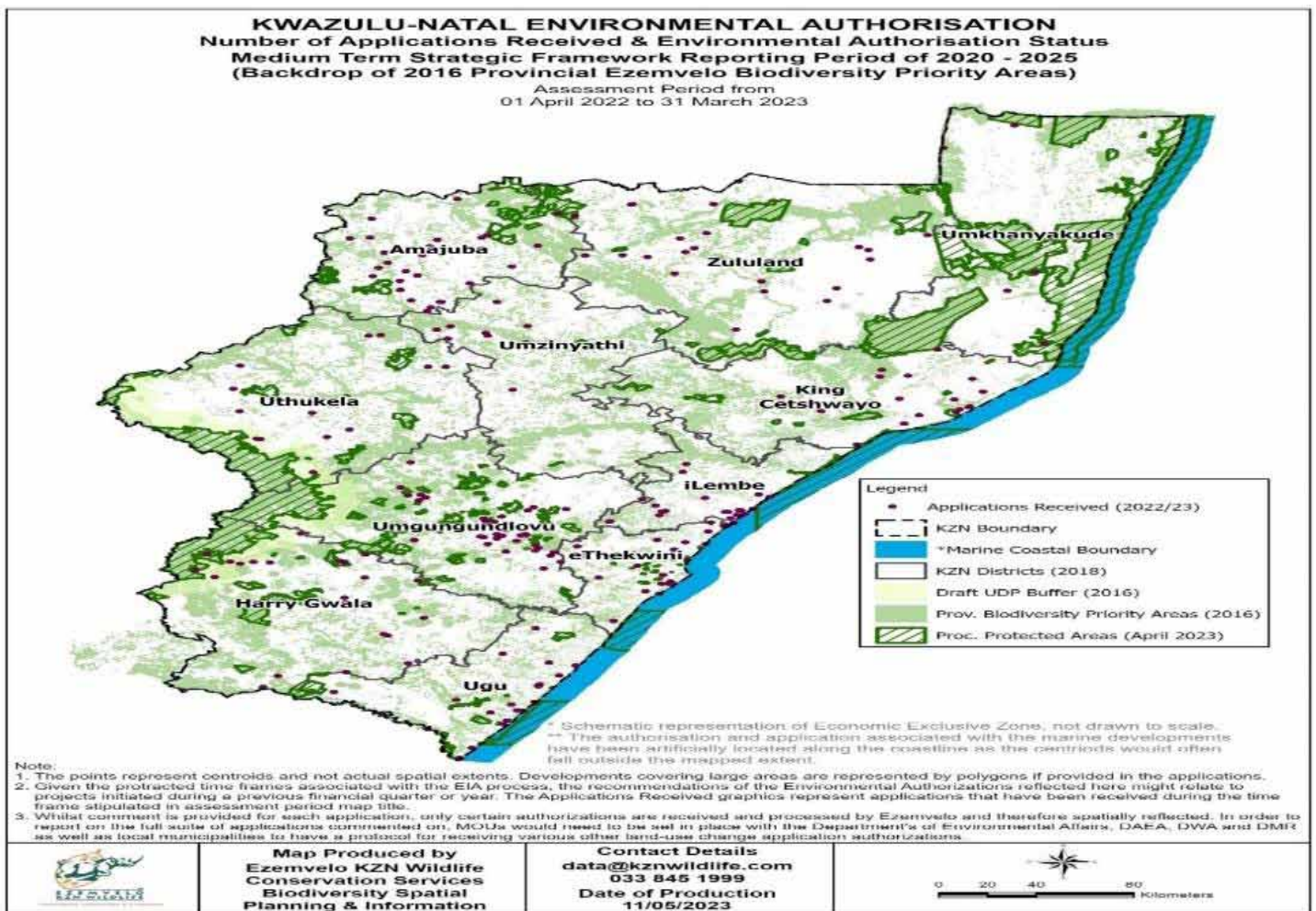


Figure 14: Environmental Authorizations Status



## **Integrated Environment Management (IEM) Workshops**

Throughout the year, IEM Workshops were convened with various Amakhosi during the year under review. This saw to various collaborations with Ezemvelo stakeholders, including COGTA. The contents on the workshop ranged from equipping Amakhosi with necessary skill to be able to make environmentally conscious decisions over land allocation for human settlement or development, as they are the first point of entry in communities; providing them with knowledge about their role in conservation; building collaborations with EDTEA, COGTA and Ezemvelo so that all stakeholders can work together towards resolving environmental issues such as mining threats; getting Amakhosi to understand compliance issues, wetlands, stewardship and Biodiversity Economy programmes.

## **GAME CAPTURE AND VETERINARY SERVICES**

### **Game capture species management**

As part of contributing to a financially viable Ezemvelo, the Game Capture unit is responsible for undertaking the capture and delivery of all game allocated to game sales. In the 2022 season, a total of R2,711,300.00 revenue was generated through the sale of live game. The Game Capture unit was responsible for the capture of 1098 animals. This was short of the Animal Population Control (APC) target of 2044.

The unit continued to provide critical services to the protected area network for the management of priority species. The unit was responsible for the deployment of fifty-one (51) collars during the reporting year. This includes the collaring of certain species for research such as elephant, blue wildebeest, and impala. Other collaring purposes include the monitoring and research of predators and TOPS species such as cheetah, lion, wild dog, black rhino and hyaena. The unit was also successful in dehorning a total of 66 rhino in support of Ezemvelo's rhino horn demand reduction strategy. In addition to the above, the unit was also successful in contracepting 616 elephant across Ezemvelo-managed elephant populations. This program is designed to

dampen the breeding rate of the populations, to manage the impact of over-population.

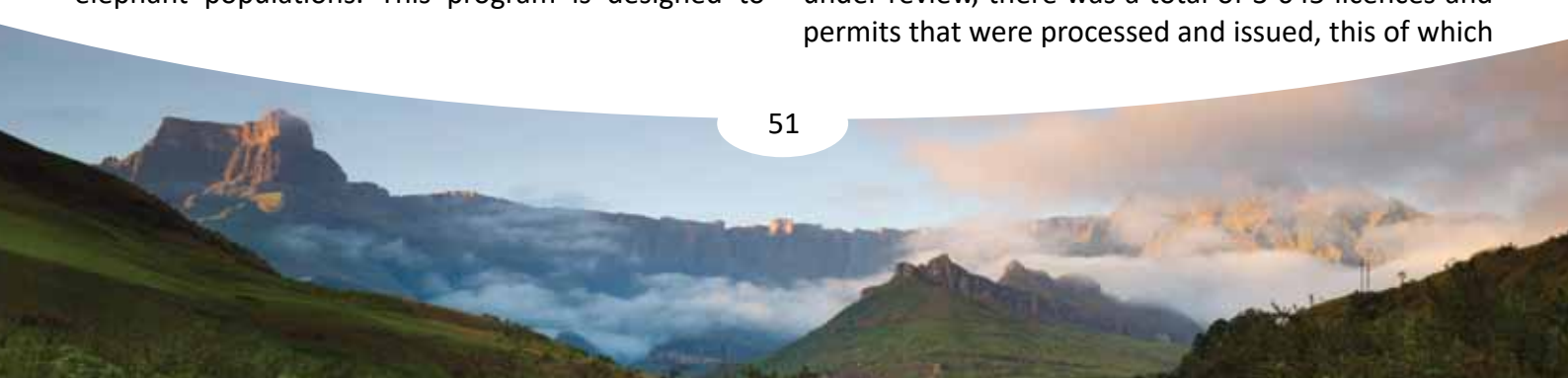
### **Disease Management**

The risk of game diseases remained prevalent throughout the year, including the Bovine Tuberculosis, Brucellosis, Foot and Mouth Disease, and Rabies. It was a difficult year for the unit, with capture operations being negatively impacted by the continuing effects of the FMD outbreak. The veterinary assistance provided to parks for the management and monitoring of priority species has been of enormous value to achieving key protected area management objectives. Sadly, rhino post-mortems continued to dominate veterinary work schedules, and this was in line with the exponential increase in the number of rhino lost to poaching during the year under review. There was a total of seventy (70) rhino post-mortems were conducted on state-owned land, with the majority of these being related to poaching mortalities in HiP. A total of sixty-seven (67) treatments were carried out on a variety of species during the year.

The outlook for 2023 is more positive with a number of FMD movement restrictions being lifted. This will allow for more animals to be captured, thereby improving the unit's performance. The perpetual budget and human capital reductions are eroding the unit's capacity to continue to implement its internal mandate. This is a perennial problem which has a compounding effect over time. Rhino poaching is likely to continue to be a challenge in the forthcoming year and this will continue to take up valuable veterinary resources.

## **REGULATORY SERVICES AND PERMITS**

The Regulatory Services division comprises of the Permits division and the Professional Hunting division. Regulatory services is responsible for issuing all provincial permits, national permits and licences for the regulation of trade, movement, and utilisation of biodiversity within KwaZulu-Natal. This includes all importation and exportation of fauna and flora, into and out of the province and country. For the year under review, there was a total of 3 645 licences and permits that were processed and issued, this of which







equates to an average of 303 licences and permits issued per month by the permit staff. The output from Regulatory Services for the financial year was as follows:

### **Professional Hunting verifications / Export of Trophies**

All professional hunting that takes place in the province is verified to ensure norms and standards are met and compliance with legislation is adhered to before the export of trophies can take place. During the reporting year 358 Professional hunts were verified within the province

### **Professional Hunting Licence Renewals**

All new hunting permit & licence applications and renewals are assessed and verified to ensure they meet approved requirements before being issued. 46 Hunting Outfitter and Professional Hunters licence applications and renewals were assessed to ensure hunters met the minimum legislative requirements for hunting within the Province of KwaZulu-Natal.

### **Registration of New Professional Hunters**

Legal and general hunting examinations written by Hunters wanting to register for their professional hunting licences in the province of KwaZulu-Natal are set, moderated, and marked by the Hunting Division. During the reporting year 32 candidates wrote and passed their law exams qualifying them to hunt within the province.

The national load shedding continues to hinder work performance with staff being unable to access permit databases and e-mails during these periods. Measures have been put in place to ensure that the permit staff are connected to the IT emergency back-up power system. To enhance efficiencies and service delivery of the permits process, an electronic online permit application system is currently being designed and developed, in partnership with the State Information Technology Agency (SITA). This will enable and drive the realisation of Ezemvelo's goal in developing and implementing an online application process for all its environmental permits. This project is in four phases. The first phase has been designed and user testing completed.

## **SCIENTIFIC SERVICES & PUBLICATIONS**

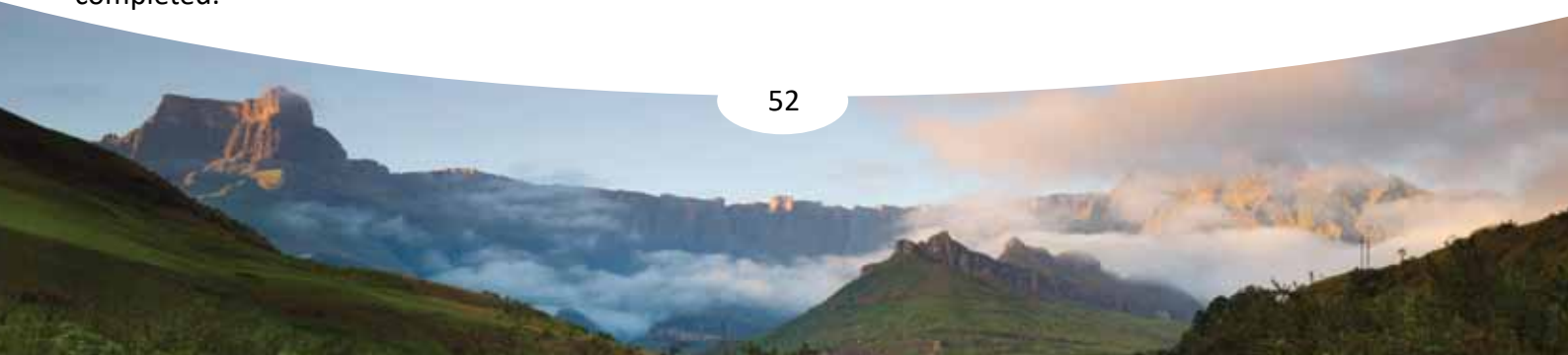
### **Conservation Research and Assessments**

The state of biodiversity content was finalized, and the team contributed in terms of ongoing monitoring projects for key species of birds, mammals, plants and invertebrates. The plans for priority species were implemented, including the Pickersgill's Reed frog (*Hyperolius pickersgilli*). In the outlook for the 2023/24 financial year, there is an intention to convene a workshop with different groups about the state of biodiversity, and how it can be improved. New components that will improve the state of biodiversity include genetic review, law and other regulatory components in managing biodiversity, socio-ecological indicators and highlights. This new financial year will see to this division focusing on cleaning species data for the biodiversity database and conservation planning.

### **HiP Game Count Programme Supported by Earthwatch Institute**

A line transect game census was undertaken in HiP between July and September 2022. The 35 transects distributed throughout the park were walked and data were collected using the Distance sampling protocol. The same methods have been used in HiP since 1986, which allows for the assessment of trends over time. Since 1994, these biennial game counts have been conducted by Ezemvelo staff with financial and volunteer support from the Earthwatch Institute.

All costs relating to the game count and to supporting the volunteers are funded by the Earthwatch Institute. This includes funding to pay temporary staff from surrounding communities to prepare 22 cut transects, prepare the camps for the volunteers and prepare food and clean the volunteer camps while the volunteers are walking transects. In addition, the funding covers the maintenance of all relevant equipment, overtime and camping allowance for the field rangers involved in "guiding" the volunteers, food for the camp staff and volunteers, and all running costs. In 2022, approximately R1,298,400 was received from the Earthwatch Institute.







Usually, one volunteer walked a transect with one field ranger which allowed each transect to be repeated several times over the 3-month period. In total, 2791.33 km were walked. This would not have been possible without the support of the Earthwatch Institute (providing 31 volunteers split between 4 groups) and the field rangers provided by the HiP management team, West Region's APU and the Wilderness Leadership School who provided guides for one the groups. The current MoU with the Earthwatch Institute is valid until 2025. Dates for the 2024 program have been finalised with the Earthwatch Institute and a draft budget for their consideration has been submitted.

### Sea Turtle Monitoring in the Season

Ezemvelo experienced the leatherback and logger head turtle nesting season, during the year under review. The annual nesting turtle survey was undertaken from 1st November 2022 through to the 15th of March 2023, covering the roughly 90km stretch of beach between the South African/Mozambique border and Sodwana Bay within the iSimangaliso Wetland Park World Heritage Site. The successful completion of the monitoring this season marked 60 years of Ezemvelo implementing the dedicated conservation project of these iconic species, placing it amongst the longest-running programmes of its kind in the world. Overall, the programme has been critical in the recovery of the nesting loggerhead turtle population as well as the initial recovery and maintenance of a stable nesting leatherback turtle population.

Central to the success of this programme is the relationship of the management authorities with the communities within and adjacent to the iSimangaliso MPA. Close to 40 local community members are employed annually and trained to collect the turtle nesting data. This provides a vital source of income in an area where employment opportunities are scarce. In addition, the recovery of this population has allowed for the creation of a viable tourism opportunity centred around nesting turtles. Local and international tourists pay for the privilege of viewing nesting turtles and the benefits become accrued to the local economy.

Communities are aware and educated on the benefits of protecting these endangered species and have become more protective over them.



*Figure 15: Community monitors trained and ready to collect turtle nesting data.*

### Monitoring a nesting leatherback turtle

Data capture and verification for this season, which ended in March 2023, is underway but preliminary results look quite positive. Preliminary results (up to the end of January 2023) of nesting activity indicate close to 4000 loggerhead emergences with 2327 of those resulting in successful nesting events. Approximately 435 loggerhead turtles contributed to this nesting effort. For leatherbacks, there were 163 emergences recorded this season up to the end of January 2023 with 155 of those resulting in nests. Approximately 32 individual leatherbacks contributed to this nesting effort. The previous season (2021/2022) was the best nesting season for both species in the past 7 seasons and we are hoping that this season surpasses that.

### Research and Innovation

During the past year, Ezemvelo undertook independent applied research to ensure monitoring and



conservation of the province's unique biodiversity. Ezemvelo's scientific staff have produced many peer-reviewed publications, demonstrating that the province has world-renowned scientists collaborating with other scientific organisations nationally and globally. The entity hosts and collaborates with world-renowned researchers and technicians annually to monitor threatened and protected species within and outside provincial protected areas.

The province showcased its biodiversity conservation leadership when Ezemvelo, with key partners, convened The Conservation Symposium in a hybrid format. This followed two years of virtual hosting due to Covid-19 restrictions. The symposium integrated high-quality research from academia, non-governmental organisations, and the private sector working towards the conservation of biodiversity and its benefits to people. A total of 434 participants from 22 countries attended, with 156 presentations on innovative and applied conservation research. The symposium is an important platform to bridge the research-implementation gap on biodiversity conservation with an African focus. The entity remains a knowledge hub on environmental impact assessments, conservation management, threatened species management and permitting, amongst others.

The entity plans to publish the provincial State of Biodiversity Report, which indicates the status and trends of key species, landscapes and ecosystems in the province. The report is a five-year assessment and will provide a timeous baseline from which the province can contribute towards the recently adopted Kunming-Montreal Global Biodiversity Framework (GBF). The GBF aims to address biodiversity loss, restore ecosystems and protect indigenous rights. The framework includes concrete measures to reduce and reverse nature loss, including putting 30 per cent of the planet and 30 per cent of degraded ecosystems under protection by 2030. It also contains proposals to increase finance to developing countries such as South Africa.

The entity plans to develop a ten-year research strategy to enhance its research activities. This will

include key themes on all aspects of biodiversity, linking biodiversity and people, as well as addressing and mitigating threats to biodiversity in the province, including land use change, climate change and adaptation, pollution, invasive alien species, and unsustainable harvesting of species.

The entity plans to complete Phase 2 of the ePermit System in preparation for adopting and implementing new provincial biodiversity legislation. This will integrate decision-making and issuing processes where the province has a mandate to implement national legislation. A key focus is on improving decision making, enhancing permit efficiency, and streamlining application processes for applicants.

### **Publications**

The following publications were made by Scientific Services during the year under review:

Peer-reviewed journal articles and Book chapters

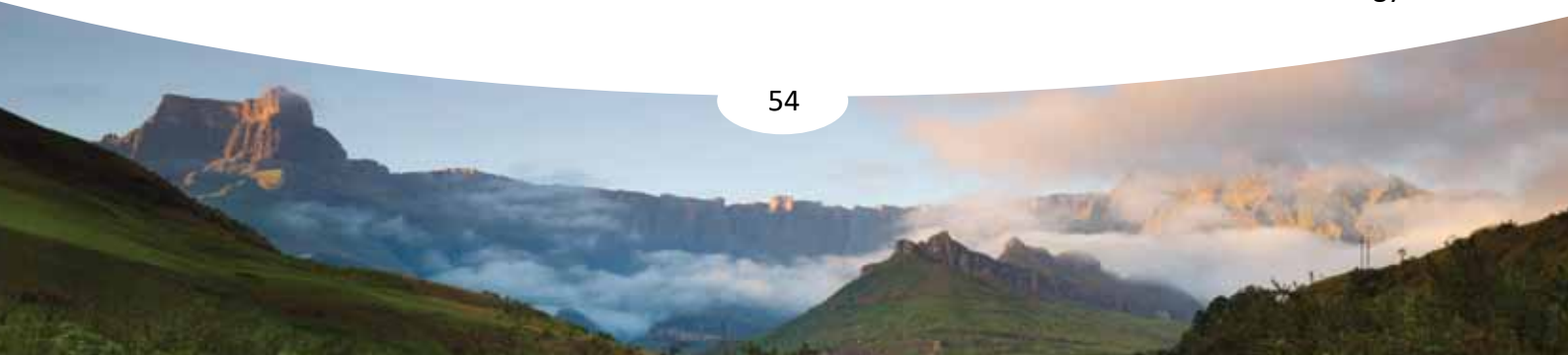
Beaumont, S.N., Ehlers Smith, D.A., Ehlers Smith, Y.C. and Downs, C.T., 2022. The influence of environmental factors on the detection of gamebirds by pointing dogs in the KwaZulu-Natal Midland grasslands of South Africa. *African Journal of Wildlife Research*, 52(1), pp.72 – 82.

Blackmore, A., 2022. Concurrent national and provincial legislative competence: Rethinking the relationship between nature reserves and national parks. *Law, Democracy and Development*, 26, pp.26 – 47.

Blackmore, A., 2022. To be or not to be a protected area: a perverse political threat. *Bothalia-African Biodiversity & Conservation*, 52(1), pp.1 – 9.

Carbutt, C. and Kirkman, K., 2022. Ecological grassland restoration—A South African perspective. *Land*, 11(4), p.575.

Krüger, S.C., Botha, A., Bowerman, W., Coverdale, B., Gore, M.L., van den Heever, L., Shaffer, L.J., Smit-Robinson, H., Thompson, L.J. and Ottinger, M.A., 2022. Old World Vultures Reflect Effects of Environmental Pollutants Through Human Encroachment. *Environmental Toxicology and*





Chemistry, 41(7), pp.1586 – 1603.

Ngcobo, S.P., Ehlers Smith, D.A., Gumede, S.T., Sosibo, M., Ehlers Smith, Y.C. and Downs, C.T., 2022. Using a multifaceted approach to reveal avian community responses to natural and anthropogenic effects in a fragmented Southern Mistbelt Forest system, South Africa. *Landscape Ecology*, 37(7), pp.1885 – 1903.

Shaffer, L.J., Hurst, J.G., Johnston, S., Barron, T., Bowerman, W.W., Krüger, S., Thompson, L.J. and Ottinger, M.A., 2022. Urban Nesting of Black Vultures in Houston, Texas, USA.

Popular article (s)

Dobson, J., 2022. African Butterfly News. Newsletter of the Lepidopterists Society of Africa, 1 January, Issue 1, pp. 1 – 93.

## Q2

### Peer-reviewed journal articles and Book chapters

Beaumont, S.N., Ehlers Smith, D.A., Ehlers Smith, Y.C. and Downs, C.T., 2022. The development and application of a method for estimating Red-winged Francolin population density with pointing dogs in the Midlands, KwaZulu-Natal, South Africa. *African Journal of Wildlife Research*, 52(1), pp.122 – 133.

Blackmore, A., 2022. Concurrent national and provincial legislative competence: Rethinking the relationship between nature reserves and national parks. *Law, Democracy and Development*, 26, pp.26 – 47.

Marneweck, D.G., Druce, D.J., Cromsigt, J.P., le Roux, E. and Somers, M.J., 2022. The relative role of intrinsic and extrinsic drivers in regulating population change and survival of African wild dogs (*Lycaon pictus*). *Mammalian Biology*, pp.1 – 15.

Phadima, L.J., Memela, B., and Land, S. and 2022. Community education and the crisis of biodiversity loss: Reflections from the hall of mirrors of past projects, in *Adult education and learning access: Hope in times of crisis in South Africa*

Sosibo, M.T., Ehlers Smith, Y.C., Ehlers Smith, D.A. and Downs, C.T., 2022. Some perspectives on the use and

value of Southern Mistbelt Forests to surrounding rural communities in northern Eastern Cape, and southern KwaZulu-Natal, South Africa. *African Journal of Wildlife Research*, 52(1), pp.103 – 121.

## Q3

### Peer-reviewed journal articles and Book chapters

Cordier, C.P., Smith, D.A.E., Smith, Y.E. and Downs, C.T., 2022. Camera trap research in Africa: A systematic review to show trends in wildlife monitoring and its value as a research tool. *Global Ecology and Conservation*, p.e02326.

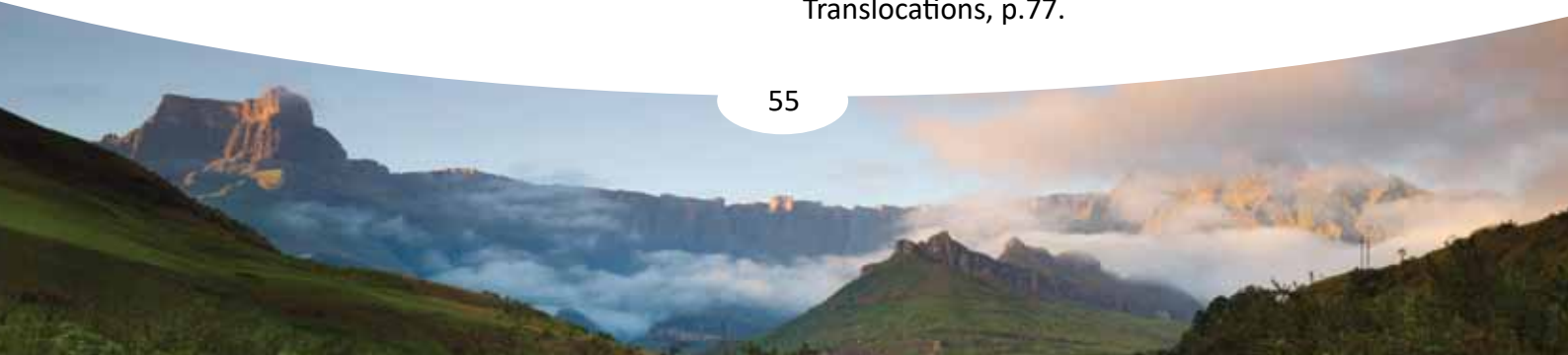
Ehlers Smith, D.A., Ehlers Smith, Y.C., Davies-Mostert, H.T., Thompson, L.J., Parker, D.M., De Villiers, D., Ricketts, D., Coverdale, B., Roberts, P.J., Kelly, C. and Macfadyen, D.N., 2023. The impacts of a global pandemic on the efficacy and stability of contemporary wildlife conservation: South Africa as a case study. *Ambio*, 52(3), pp.598 – 615.

MacFadyen, S., Allsopp, N., Altwegg, R., Archibald, S., Botha, J., Bradshaw, K., Carruthers, J., De Klerk, H., de Vos, A., Distiller, G. and Foord, S., 2022. Drowning in data, thirsty for information and starved for understanding: A biodiversity information hub for cooperative environmental monitoring in South Africa. *Biological Conservation*, 274, p.109736.

Stone, D.W., Kelly, C., Marneweck, D.G., Druce, D.J., Hopcraft, J.G.C. and Marneweck, C.J., 2022. Fence management and time since pack formation influence African wild dog escapes from protected areas in South Africa. *Journal for Nature Conservation*, 70, p.126291.

Swartz, E.R., Bragança, P.H., Rall, J.L., Kubheka, S.P., Bloomer, P., Skelton, P.H. and Chakona, A., 2023. Conservation of evolutionary patterns and processes in the Maloti minnow, *Pseudobarbus quathlambae* (Cyprinidae, Smiliogastrini), a narrow-range stream fish imperiled by water transfer scheme developments in the Lesotho Highlands. *Hydrobiologia*, 850(2), pp.301 – 313.

Trouwborst, A., Blackmore, A., Blyth, S., Fleurke, F., McCormack, P. And Gaywood, M.J., 2022. Conservation 3t Translocations and the Law. *Conservation Translocations*, p.77.







## Popular articles

Carbutt, C., 2022. The imperilled alpine grasslands of the Afrotropic realm.

## Q 4

### Peer-reviewed journal articles and Book chapters

Cervantes, F., Murgatroyd, M., Allan, D.G., Farwig, N., Kemp, R., Krüger, S., Maude, G., Mendelsohn, J., Rösner, S., Schabo, D.G. and Tate, G., 2023. A utilization distribution for the global population of Cape Vultures (*Gyps ciprotheres*) to guide wind energy development. *Ecological Applications*, p.e2809.

Russo, I.R.M., de Jager, D., van Wyk, A.M., Klopper, A.W., Uiseb, K., Birss, C., Rushworth, I. and Bloomer, P., 2023. The contribution of digital sequence information to conservation biology: a Southern African perspective. *Advanced Genetics*, p.2200032.

## CHALLENGES

The year under review was different to other years with more challenges and less resources to be utilized on station to reach the objectives of various protected areas. All operations had to be carefully considered due to the complete lack of operational budget. Some of the challenges encountered included the following:

**Lack of capacity and human capital:** Some stations such as HiP, had to operate at less than 70% capacity. The key vacancies included Section Rangers, Duty Officers, Corporal, Field Rangers, Drivers and General Assistants. The implications of staff shortages have affected productivity, as well as the integrity of the parks adversely. Due to the high staff turnover, as well as the inability to expedite the filling of vacancies, this created an impediment in the reaching of station objectives.

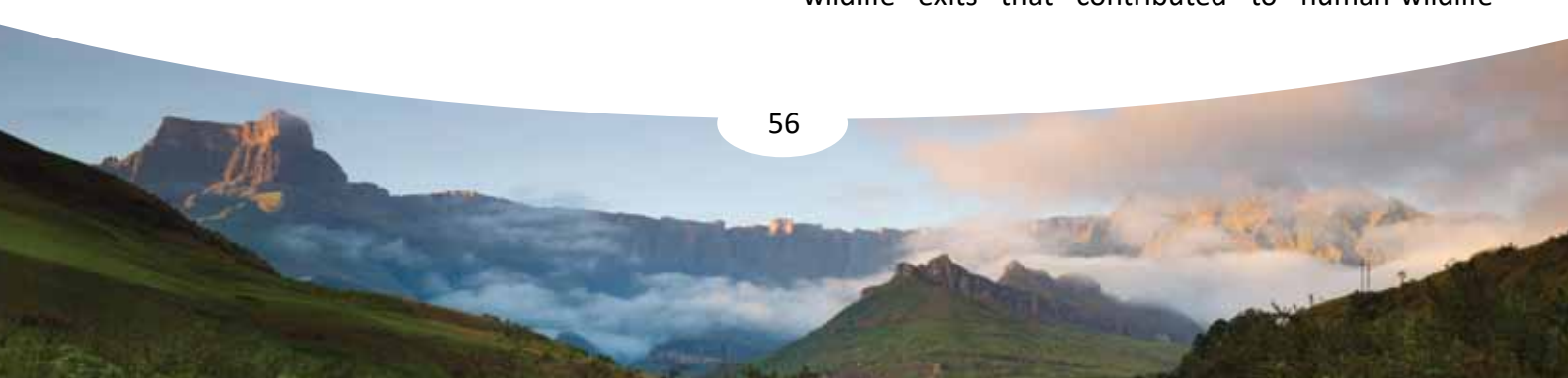
Furthermore, the issue of employing short term Contract workers during the fire season proved to be very challenging. There was no budget to employ these staff. As the burning of fire breaks is a legal requirement, managers were forced to employ contract workers which had to be paid from the stations operating budget.

**Budget constraints:** The budget shortfall for the year, impacted negatively on the day-to-day operations. The management of protected areas is becoming increasingly difficult with no budgets available to carry out day to day tasks including maintenance of buildings and other assets. This gave rise to a heavy reliance on Non-Government Organization (NGO) assistance in order to make ends meet. Budgetary constraints hindered the maximum capability of the districts. Staff on the ground are hoping for sufficient financial and human resources, to enable better performance in the new financial year.

**Lacking health and safety budget:** The Health and Safety budget must be available to assist in complying with Occupational Health and Safety (OHS) Act requirements, including funding for signs, refurbishment of fire extinguishers, repairs to electricity fitting and gas pipes, rubbish storage unit, and of course asbestos roof with materials. The lacking budget makes it extremely difficult to comply with demands.

**Poor asset and equipment condition:** In terms of vehicle maintenance, there is a lack of good quality mechanics following major vehicle issues and poor maintenance plans. The resulting vehicle shortages have had a negative effect on operations, as single vehicles are being used for multiple tasks. Amidst the current situation of ageing infrastructure, as well as insufficient funding for maintenance and repairs; the old and unsuitable (outdated) vehicles were still being used to meet mandatory obligations. Not only is this a safety risk, but also creates a gap that leaves the stations exposed on daily basis. The outdated fire management equipment requires total replacement and upgrade to current and effective equipment. This ranges from tractors, bakkie sakkies and compressors/generators.

**Theft of boundary fence:** The theft of boundary fencing remains a big challenge in the management of protected areas. The integrity of fencing in protected areas is very poor and compromised. During the year under review, there were various incidents of wildlife exits that contributed to human-wildlife





conflict. Managers are struggling to prevent the theft of fencing around the park boundaries. Such incidents are reported at the South African Police Service (SAPS).

**Rhino poaching:** The scourge of rhino poaching remains a challenge. Over R8,000,000 was spent on overtime costs, to sustain field ranger operations due to the large escalation in rhino poaching levels in protected areas.

**Increasing Elephant Population:** The elephant population continues to be a problem in terms of population growth. Elephant contraception is being undertaken; however, despite the success rate, there are still calves being born annually. Management continues to seek alternative live removal homes for the excess animals however this is not currently possible in the country. Using NGOs to seek alternative homes in neighbouring countries is the only viable solution. There is no doubt that culling will have to be considered in a few years and management would need to start preparing for this inevitability, as most of the protected areas in the province, both State and Private, are experiencing similar challenges.

**Natural Resource Use:** The illegal harvesting of natural resources has been noted. This includes palm tapping, medicinal plant and bark collection, illegal use of land for crop planting (this comes with the illegal removal of swamp forests and other vegetation in wetlands), illegal grazing of goats and cattle, illegal harvesting or poaching of game and predators, illegal fishing (fishing in Lake St Lucia without permits).

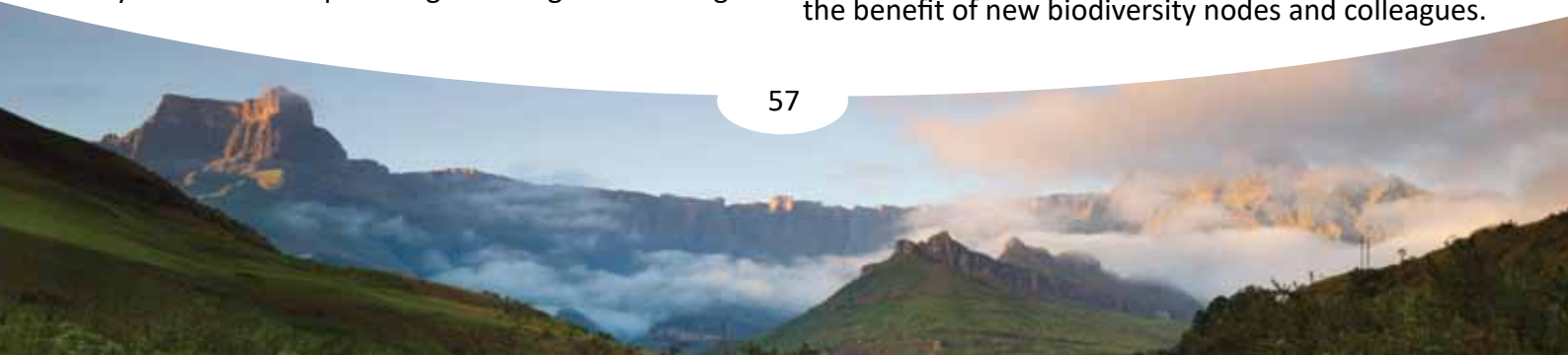
**Vandalism and Arson:** Ezemvelo encounters cases of vandalism, such as at the Nkandla Forest Reserve. On the 26th of October 2022, the Department of Labour (DoL) issued a compliance notice letter to the Nkandla Forest Reserve Conservation Management in relation to a certificate of temporary closure of the Nkandla Forest Reserve. All staff were instructed as per the compliance notice to vacate the station. It is after the staff had all vacated the station and re deployed to other protected areas that Nkandla Forest reserve infrastructure was severely vandalized and damaged. This resulted in this protected area being very vulnerable to poaching and illegal harvesting of

indigenous timber from the forest. The illegal setting of fires within the protected area has also become a major issue.

**Poor staff accommodation:** The staff accommodation that is used by staff is dilapidated, leaking and cannot cater for the current staff. In some instances, the state of staff accommodation is not fit for human inhabitation. This includes aged rondavels, with no funding to maintain the structure in terms of thatching and leakages. Many of the staff accommodation units have had to be condemned due to them being considered unsafe. This accommodation is in a poor state and is causing a major problem as managers are now being forced to live off the protected areas. The issue of asbestos roofs remains an issue.

**No Staff Uniform:** There was a lack of staff uniform due to Ezemvelo having no supplier. It is crucial for Ezemvelo employees to be identifiable, neat and tidy at all times. There were, however, some uniforms that were received from donors during the year under review. There is a need for uniform supply lines to be re-established in order to ensure that staff are fitted out. The availability of uniform for both existing and new staff is an aspect that should be attended to in the new year.

**Collaborative effort in implementing biodiversity economy initiatives in the province:** The lack of sufficient financial and human resources to support communities with an interest in establishing BE projects remains a challenge. Most prospective projects in the UBEN are at inception stages, they need financial assistance to be able to carry out activities that will make the projects investor ready. There needs to be strengthened communication within Government and amongst stakeholders. All communication gaps are to be closed. This can be encouraged by fostering more collaborations and partnerships with the likes of Municipalities and NGOs, to support BE projects. A special purpose vehicle involving Government, is to be established. Government is expected to take the lead, with private partners ensuring implementation in BE nodes. There needs to be constant presentations about the program, in terms of challenges and lessons, for the benefit of new biodiversity nodes and colleagues.



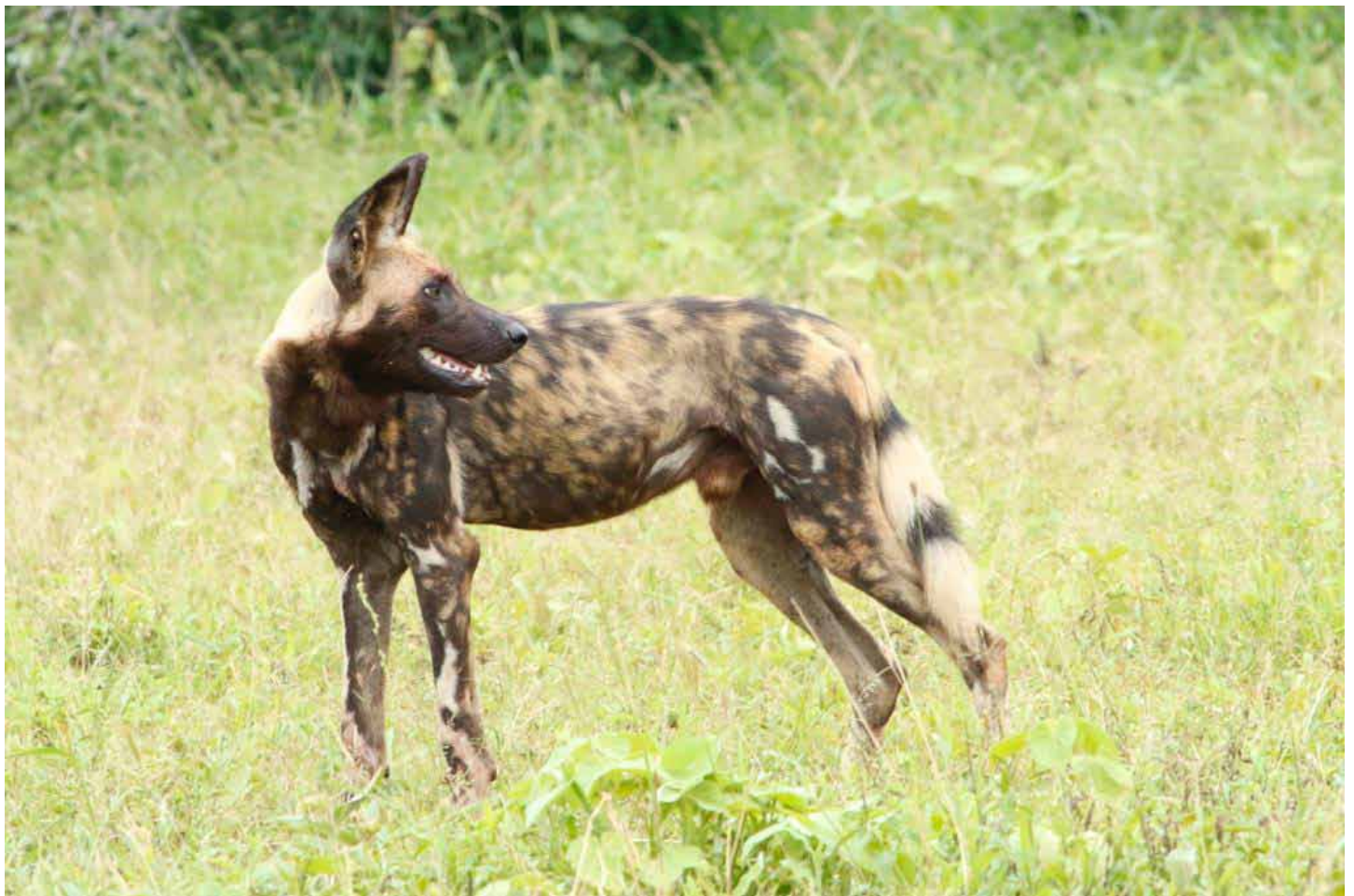




**Ongoye Forest 24G application:** The Ongoye Forest Reserve Tourism Development Project remains under investigation, with a pending 24G application in hand. A Steering Committee that was instructed to be formed from the outcome of a Development Committee (DevCo) meeting was constituted to investigate the way forward on how best to deal with the Ongoye Tourism Development Project. The Steering Committee comprises of members from the Planning, Eco-tourism, Management, Eco-advice and

Projects. Other Departments are Co-opted as and when needed for input.

**Loadshedding:** The ongoing Eskom power outages has severely affected field operations. These included long periods of downed communications, loss of real time tracking of animals, damage to equipment like cold storage units at abattoirs, let alone the effect it has had on visitor experience.







## 2.3 COMMERCIAL OPERATIONS

### INTRODUCTION

Cumulatively for the year under review, Ezemvelo realised 619 043 visitors to Ezemvelo parks. This performance is 31.6% (equivalent to 148 543) more visitors against the set annual target of 470 500, and 4.5% (equivalent to 26 664) more visitors when compared to the same period last year. Despite the slow economic recovery in the tourism industry due to the effects of the COVID-19 pandemic, for the reporting period, Ezemvelo's Unit Occupancy was 1.9 basis points below the revised target of 35.0%, to realise an actual target of 33.1%, and 1.3 basis points better compared to the same period last year's performance of 31.8% occupancy. This performance is primarily attributable to the slower recovery of the international market, high domestic fuel prices, experienced flood and continuous power blackouts which collectively put pressure on consumers' spending. Thus, discouraging leisure travel and lodging by both local and international markets. It is pleasing however, that despite the above mentioned challenges the organisation still managed to achieve an average of 33.1% in unit accommodation occupancy rate while camping occupancy reached 9.3% average per annum.

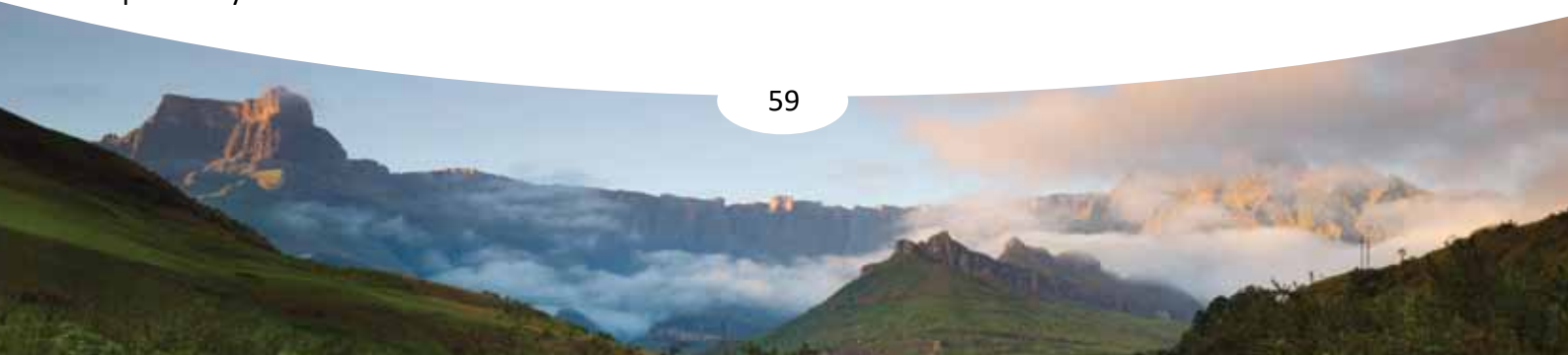
### KEY ACHIEVEMENTS

While the year under review has been one of the most challenging for businesses, the organisation managed to drive successful initiatives to address revenue shortages, which included the development of a five years Sales and Marketing strategy (2023-2027). Subsequent to the above the division further developed a marketing annual plan which will serve as a guide to the division's strife in attracting additional visitor numbers to our park and ultimately afford the division the potential of generating much needed revenue. In no order of priority, the following key achievements can be noted:

- Our collaborative efforts with various partners, although not formalised has to continue to yield positive collective results which contributed positively to the achievement of the visitor numbers

alluded to above. The organisation will continue collaborating with partners such as iSimangaliso, Tourism KwaZulu Natal, Durban Tourism, and TIKZN to mention but a few. The Russian-Ukrainian war remains a concern, particularly with the pressure being placed on South Africa to make a pronouncement as to which side they belong between the two mentioned countries.

- Due to the seasonality of the business and the fact that we operate in a cut throat industry, our division has, first of all, updated the organisation's tariffs through the tariff committee structure whose terms of reference (TOR) were developed for the first time and authorised accordingly in 2023/24 financial year, for the implementation of the fees structure.
- In order to improve occupancy in our resorts, various promotional initiatives and yielding analyses continue to be undertaken to optimise and close possible revenue gaps. Furthermore, Commercial Services, through the guidance of the CEO'S office has embarked on strategically targetting its top 6 resorts, with a view to meet the Tourism Grading Council of South Africa's (TGCSA) required criteria in order to meet the three (3) "Star grading". The available funding were channeled to the respective resorts and the work done in the 2022/23 fiscal year has enabled Commercial Services to achieve three star grading in various resorts which include Didima, Giant's Castle, Royal Natal, Gqoyeni Bush Lodge, respectively, whilst Nselweni Community Conservation Bush Lodge Company (Owned and managed by the ten Inkosi's adjacent to Hluhluwe iMfolozi Park), Mahai campsite, and Kamberg achieved their 2 Star grading respectively.
- Added to the above the organisation has once again successfully managed and spent all its 4% allocations towards improving strategically earmarked facilities and will continue working towards the same direction to improve its standard as well as the look and feel of its facilities. During 2022/23 the organisation has also successfully managed to host events such as the Midmar Mile,





the Mannhattans at Didima resorts, family fun and face painting at Wagendrift, as well as partnering with strategic media including uKhosi FM, Lotus FM who conducted broadcasting in some of our facilities, just to mention but few.

### COMMERCIAL SERVICE PERFORMANCE

Emanating from our strategic objectives, the commercial services had three (3) strategic goals: to position Ezemvelo as a wildlife destination of choice; increase visitor numbers to Ezemvelo resorts, and managing customer satisfaction index in order to optimise revenue generation. Although targets set in the 2022/23 Annual Performance Plan (APP) were achievable, the organisation is appreciating the fact that the world has yet to recover fully from the negative devastating impact of the COVID-19 pandemic, the public unrest in the province, load shedding, escalating interest rate, as well as the unstable fuel prices which continue to hamper our future sales prospects. More performance information has been provided in this report to illustrate a complete picture of Ezemvelo Commercial Services performance.

#### Visitor Numbers to Ezemvelo Resorts

##### Visitor Numbers

In the 2022/23 financial year, the total number of visitors to our protected areas increased by 7.4% from 592 379 to 619 043 compared to the same period last year.



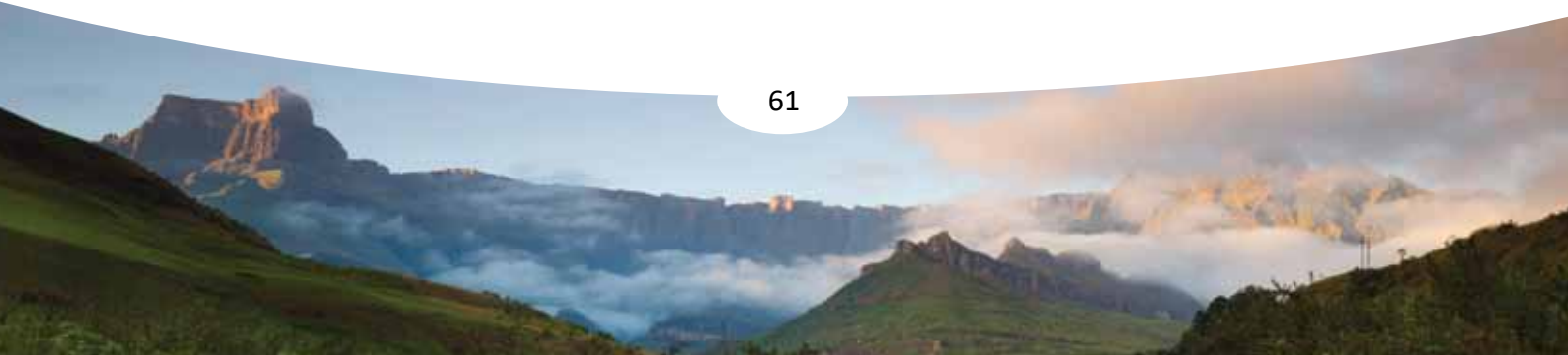
The most visited areas were Hluhluwe-iMfolozi Park (26% of total visitors), Midmar (17%) and Umlalazi (12%) of the total visitor numbers, followed by Royal Natal (8%). Each of the remaining protected areas were less than 5% of the total.

Krantzkloof remains closed due to damage caused by the April floods. Estimates were provided for Royal Natal; Cape Vidal and Vergelegen.



**YTD summary of total visitors per 42 listed protected areas:**

TOTAL VISITORS	YTD 2021/22	YTD 2022/23	Variance	% Variance
<b>EAST</b>	<b>274 274</b>	<b>328 395</b>	<b>54 121</b>	<b>19,7%</b>
Hluhluwe	68 261	95 164	26 903	39,4%
Umlalazi	42 168	73 198	31 030	73,6%
Imfolozi	44 451	66 871	22 420	50,4%
Kosi Bay	29 488	21 565	-7 923	-26,9%
St Lucia	12 224	19 164	6 940	56,8%
Cape Vidal	9 716	9 708	-8	-0,1%
Kenneth Stainbank	11 121	9 193	-1 928	-17,3%
Tembe	6 401	6 858	457	7,1%
Mpenjati	7 090	6 041	-1 049	-14,8%
Enseleni	6 283	5 597	-686	-10,9%
Sodwana	6 732	5 007	-1 725	-25,6%
uMkhuze	5 916	3 989	-1 927	-32,6%
Oribi Gorge	2 817	2 257	-560	-19,9%
Umtamvuna	1 125	681	-444	-39,5%
Harold Johnson	446	636	190	42,6%
Vernon Crookes	1 303	633	-670	-51,4%
Ndumo	800	596	-204	-25,5%
Krantzkloof	16 940	550	-16 390	-96,8%
Bluff	414	349	-65	-15,7%
False Bay	380	233	-147	-38,7%
North Park	198	105	-93	-47,0%
Opathe	0	0	0	#DIV/0!
<b>WEST</b>	<b>318 105</b>	<b>290 648</b>	<b>-27 457</b>	<b>-8,6%</b>
Midmar	100 842	106 203	5 361	5,3%
Royal Natal	52 656	51 137	-1 519	-2,9%
Monks Cowl	29 273	20 202	-9 071	-31,0%
Giants Castle	17 197	16 935	-262	-1,5%
Chelmsford	18 896	16 158	-2 738	-14,5%
Wagendrift	22 416	15 993	-6 423	-28,7%
Didima	15 121	14 059	-1 062	-7,0%
Ithala	10 270	9 179	-1 091	-10,6%
Spioenkop	11 318	9 049	-2 269	-20,0%
Injisuthi	6 965	6 070	-895	-12,8%
Garden Castle	8 876	5 031	-3 845	-43,3%
Phongolo	4 098	4 510	412	10,1%
Mount Currie	4 989	4 163	-826	-16,6%
Weenen	3 623	3 363	-260	-7,2%
Highmoor	4 404	2 920	-1 484	-33,7%
Cobham	2 324	2 295	-29	-1,2%
Lotheni	2 777	2 093	-684	-24,6%
Kamberg	1 608	1 103	-505	-31,4%
uMkhomazi	409	166	-243	-59,4%
Vergelegen	43	19	-24	-55,8%
<b>Total</b>	<b>592 379</b>	<b>619 043</b>	<b>26 664</b>	<b>4,5%</b>







### Day Visitors

Compared to the previous financial year, the total number of day visitors increased by 11.0% from 453 344 to 487 778.

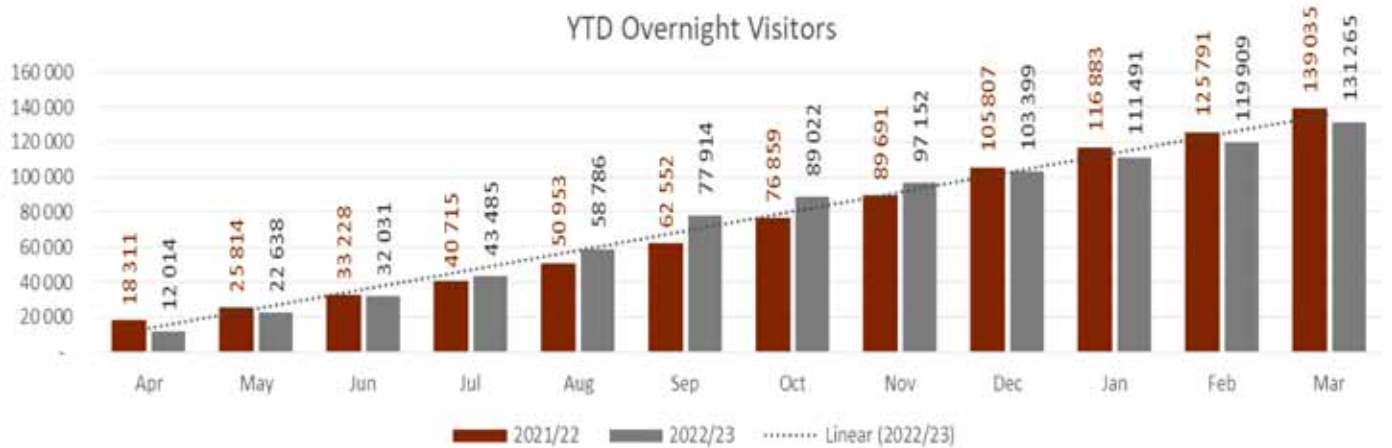


Hluhluwe-iMfolozi Park; Midmar; uMlalazi; and Royal Natal have the highest number of day visitors, while Vergelegen and Opathe have the lowest.

Day Visitor stats exclude info from the gates that belong to iSimangaliso Wetland Park. The following protected areas showed a year-on-year increase in the day visitor numbers uMlalazi (+31 284); Hluhluwe-iMfolozi Park (+37 490); St Lucia (+9 383); Midmar (+5 361); Chelmsford (+1 728); Ithala (+1 624); Tembe (+688) and Phongola (+366) and Harold Johnson (+181).

### Overnight Visitors

The number of overnight visitors decreased by 4.7% from 139 035 in 2021/22 to 131 265 in 2022/23.



Hluhluwe-iMfolozi Park, Midmar; Royal Natal; Giants Castle; Cape Vidal; and Didima had the highest number of overnight visitors for the reporting period, while Harold Johnson; Vergelegen and uMkhomazi have the lowest. The following protected areas were the only ones with a year-on-year increase in overnight visitor numbers, Hluhluwe-iMfolozi Park (+631); Giants Castle (+224); Harold Johnson (+44); Didima (+32) and Mount Currie (+4).



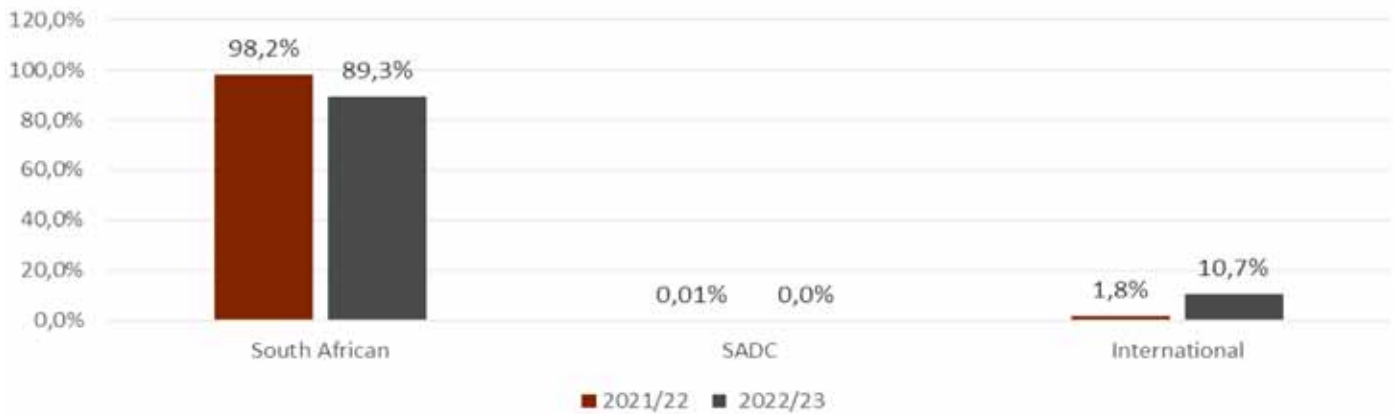
### Visitors by Country of Origin

The majority (89.3%) of visitors to Ezemvelo protected areas remain South African citizens, while visitors from SADC and other international countries constitute 0.02% and 10.7% respectively.

#### Summary of the number of visitors per country:

	2021/22	2022/23	YoY Var	YoY % Var
Total Local	581 603	552 776	-28 827	-5,0%
Total SADC	56	139	83	148,2%
Total International	10 720	66 128	55 408	516,9%

### Visitors for Country of Origin

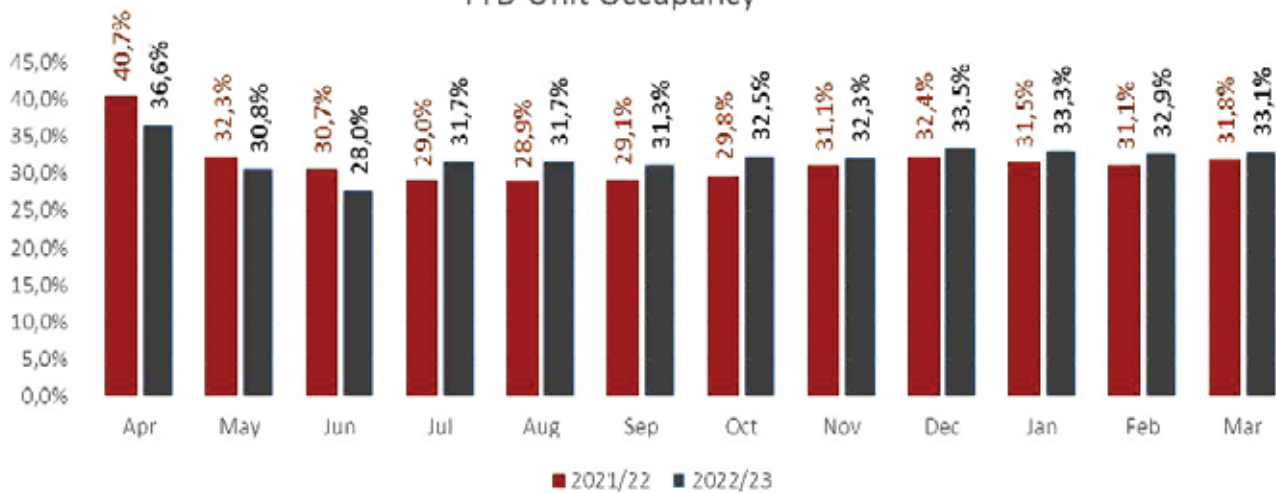


### Accommodation Occupancy

#### Unit Occupancy

Ezemvelo had an average unit accommodation occupancy rate of 33.1% for the 2022/23 financial year, which is an increase of 1.3 basis points compared to the previous financial year.

### YTD Unit Occupancy



**Summary of YTD average unit occupancy for 21 listed protected area:**

UNIT OCCUPANCY	YTD 2021/22	YTD 2022/23	Variance	Unit Nights Booked	Unit Nights Offline
<b>EAST</b>	<b>39,1%</b>	<b>36,8%</b>	<b>-2,3</b>	<b>29 368</b>	<b>4 664</b>
Imfolozi	58,6%	67,7%	9,1	9 106	59
Kosi Bay	46,7%	43,4%	-3,3	475	-
Cape Vidal	51,5%	38,2%	-13,3	3 812	732
Sodwana	44,1%	37,7%	-6,4	2 489	334
Hluhluwe	37,8%	35,4%	-2,5	8 395	1 806
Umlalazi	28,6%	34,5%	5,9	1 133	1 095
uMkhuze	34,3%	28,3%	-6,0	3 124	180
Oribi Gorge	25,4%	27,9%	2,5	611	365
Ndumo	3,5%	3,8%	0,4	180	93
Vernon Crookes	4,6%	2,0%	-2,6	43	-
False Bay	0,0%	0,0%	0,0	-	-
<b>WEST</b>	<b>25,5%</b>	<b>29,4%</b>	<b>4,0</b>	<b>24 257</b>	<b>29 685</b>
Royal Natal	46,0%	48,7%	2,7	4 914	496
Midmar	18,2%	45,1%	26,9	3 119	10 236
Weenen	34,9%	34,5%	-0,4	252	-
Giants Castle	32,6%	30,4%	-2,2	4 776	-
Chelmsford	37,3%	29,2%	-8,2	852	-
Didima	28,5%	28,8%	0,4	5 204	6 032
Injisuthi	18,2%	27,3%	9,1	1 785	758
Lotheni	23,6%	21,3%	-2,3	1 164	3
Ithala	13,8%	14,9%	1,0	2 047	11 795
Kamberg	12,5%	7,2%	-5,4	131	365
Wagendrift	5,8%	3,6%	-2,2	13	-
<b>Grand Total</b>	<b>31,8%</b>	<b>33,1%</b>	<b>1,3</b>	<b>53 625</b>	<b>34 349</b>

The protected areas with the highest number of unit nights booked are Hluhluwe-iMfolozi Park; Didima; Royal Natal and Giants Castle. The lowest number of unit nights booked were at Wagendrift, Vernon Crookes and False Bay. Estimates were provided for Cape Vidal because no information was received, due to a problem with their servers.

The only areas with a year-on-year increase in unit nights booked were iMfolozi (+1228); Royal Natal (+799); Injisuthi (+596); Midmar (+486); uMlalazi (+130); Ndumo (+39); Oribi Gorge (+54); and Didima (+43).





## SALES AND MARKETING

The Sales & Marketing Business Unit under Commercial Services embarked on a brand-repositioning strategy that saw the focus shift to adventure tourism instead of conventional accommodation. This strategy was inspired by the growth of a new niche market segment that became popular during the advent of the pandemic, which saw activities like hiking and camping become popular. The year 2022/3 was an opportune time for Ezemvelo to showcase the pristine destinations with the hiking routes and promote some of its camping facilities aggressively. That meant zooming into the destination focused approach, where we packaged a variety of activities offered within each region in order to become competitive.

New activities, brought by our different Tour Operators, like Glamping Adventures and Camping Retreats were also leveraged to take advantage of the captive audience that attend these tours from all over South Africa, Swaziland, Botswana and even Ghana. We introduced and unveiled Mike's Pass, our only 4x4 Adventure Route in Cathedral Peak. Various campaigns, including site brand activations were executed through different media partnerships as part of our Trade Exchange Agreements as well as paid media, which allowed us more brand visibility. Familiarisation and Educational Trips with Travel Agents, Destination Marketing Companies and Tour Operators were also conducted to enable our Trade Partners to experience and sell Beach2Bush and Bush2Berg packages that were successfully launched in 2022/3.

In partnership with Communications Services, Community Conservation and the Private Sector, we embarked on a Social Corporate Investment initiative, that saw us donate the school shoes to the communities in and around the Drakensberg area, this was a great start as it allowed Ezemvelo to bridge the gap between the communities and the organisation.

Co-marketing initiatives that seek to promote Ezemvelo KZN Wildlife's destinations with various stakeholders like Durban Tourism, TKZN, TIKZN, Ithala FDC, KZN Sharks board and EDTEA as well as other relevant media partners to promote different destinations

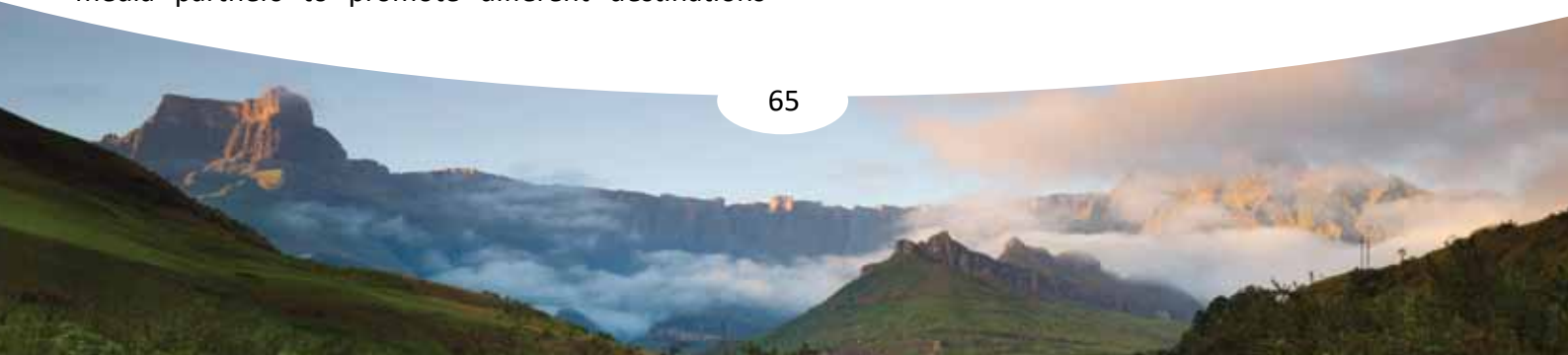
enabled our brand exposure through different media platforms from a Public Relations perspective. With more direct flights being launched at the King Shaka International Airport, Ezemvelo utilised the platform to showcase its products in different media launches for SADC and other African Countries. By being part of the Route Development Committee, our product offering was promoted in all the Roadshows that took place beyond South African Borders.

### Ezemvelo Loyalty Programme

Ezemvelo has loyalty programme product, namely the Rhino Card and also participates in a WildCard programme, with other strategic partners such as SANParks, Swaziland, Cape Nature, etc. Our primary loyalty programme (Rhino Card) is currently under review to enhance its value to our customers while ensuring better returns for the organisation. Similarly, negotiations with the South African National Parks (SANParks), as owners of the WildCard programme, were concluded in 2022/3 and we now have a signed agreement. Collectively, these programmes are expected to improve the frequency of customers who are repeat visitors and introduce more visitor numbers to our resorts. Our Customer Loyalty Programme has also exceeded our financial target by just over 10%. In an effort to improve our customer centricity, the Customer Care Unit is now part of Hellopeter.com. This is a well-known portal that enables one to interact with our guests through the use of the quick response (QR) Code the system that generates questions about each guest's experience, instantly giving us feedback after each visit to any of our Nature Lodges.

### Travel Trade

Our Travel Trade Policy is currently being reviewed while our traders' database is being cleaned-up to enhance cohesion between Ezemvelo and travel trade enterprises. This process will be followed by the new commission structure, which will be informed by the business that we derive from the Travel Agents, Tour Operators, Wholesalers, as well as other Destination Marketing companies. There has been a steady improvement in our international markets, owing to the reintroduction of various travel trade shows. These





have enabled the organisation to showcase its tourism products and services while accessing prospective marketing for recovery post-COVID-19 pandemic.

## **TRADE OF NATURAL RESOURCES**

Responsible wildlife sales and controlled hunting have been part of Ezemvelo's conservational methods of controlling excess fauna in its protected areas. This has enabled the organisation to establish a balanced ecosystem for biodiversity. On the other hand, these undertakings have enabled the organisation to raise much-needed revenue to sustain its mandatory and legislative conservation obligations. The division is happy to announce that of the 4 hunting areas, it has now added 2 additional ones being Spioenkop and Chelmsford, the above additions will be monitored and trace their performance.

### **Controlled Hunting**

Although Ezemvelo has four (4) controlled hunting areas within its game reserves, hunting for the period under review was only conducted in two (2) areas due to the outbreak of the foot-and-mouth disease in the Northern part of the province.

## **BUSINESS DEVELOPMENT**

### **Utility Savings**

Ezemvelo has achieved a total savings of R9 057 987 since the project inception 3 years ago. It must also be noted that savings split between Ezemvelo and Venn Diagnostix have reached its finality and that Ezemvelo will now be pocketing all savings thereof. The above will continually be monitored and reported on a regular basis.

### **Challenges**

Bad weather and the effects of loadshedding have wreaked havoc on utilities; mainly electricity and water resulting in most tourism facilities being unable to deliver good customer experience, especially at Sodwana Bay, Hilltop and Cape Vidal. Electricity transformers and water purification systems were greatly affected and the cost of repairs and providing alternatives were high. Challenges with connectivity

are among the biggest risks to our Resorts due to the remote locations, affecting all resorts but especially Cape Vidal and Hilltop.

As unemployment rate is increasing the communities adjacent to the park are putting more pressure on Ezemvelo to create job opportunities. The above therefore means that the organisation at large has not been exempted from community strikes. In the year 2022/24 we witnessed unrest mainly around Giants Castle, Hluhluwe iMfolozi Park. It is pleasing though the the organisation though its Executive have put lots of effort to address these challenges by reviving the stakeholder engagement to improve the relationship. Thanks to our Acting CEO for taking the lead.

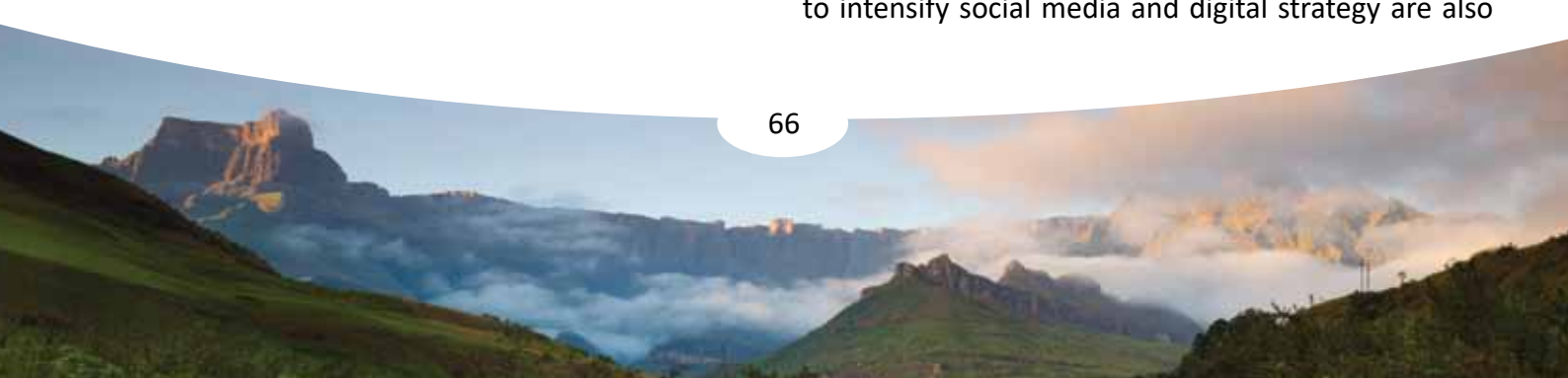
## **OUTLOOK FOR 2023/24**

### **Tourism Infrastructural Upgrade**

Through funding received from various government stakeholders, plans have been put in place to upgrade and renovate some of our tourism facilities. This will include the continued modernisation of Midmar chalets and through partnering with strategic private and other relevant SEO's, Commercial Services will continue sourcing funds to pursue its drive of shifting from thatch to durable Harvey thatch as we did at Royal Natal during 2022/3. From hereon, Hluhluwe iMfolozi resort, Giants, Didima, and other resorts, will also be targeted. More renovations are being undertaken to facilities such Hilltop, Mpila, Royal Natal and Giants since they are subjected to a continual reassessment in our strive for them to remain 3 Star facilities. In addition, plans are afoot to reopen Ntshondwe resort's Conference facility in 2023/4 fiscal year. Both Mshopi camp site and the seven old accommodation units at Ndumo Game Reserve will soon be put back on the reservation system so they could be officially open after minor renovations which included en-suite bathrooms.

### **Sales and Marketing Strategy**

As part of rolling out our five years Sales and Marketing Strategy, the Ezemvelo website is currently being redesigned to be more customer-focused, while efforts to intensify social media and digital strategy are also







underway with the development of the Ezemvelo app to go with the new website. Further to the above, and in efforts to enhance guests experience, Commercial Services has committed itself to introducing mystery customers services.

## TOP 6 RESORTS TARGETING

### Resort Managers Management Toolkit

The Business Development has developed and workshopped the management toolkit for Resort

Managers. This is aimed at enhancing the managers' capacity to lead the ecotourism business better. The 2023/2024 financial year will see all resorts employees being mentored and workshopped on the toolkit so as to ensure that all Ezemvelo guests receive standardised high level customer service. In addition more training, especially compliance training as detailed in the Top 6 resorts plan which include the initiatives will also be implemented during the 2023/24 fiscal year.







## 2.4 INFRASTRUCTURE AND SPECIAL PROJECTS

### 2.4.1 PROJECTS

#### 2.4.1.1 MIDMAR REVAMP

##### Background

Involving upgrading and revamping of 32 tourism chalets, with the capacity to accommodate more than 170 visitors in varying format of two, four and six beds per unit and Gate Security.

##### Status

Three of the chalets have been successfully completed and the contractor is currently working on the next nine (9) chalets as done in the phases in approach.

- The project's completion date is 30th of April 2024
- External works are complete. All finishes such as plaster, paint, tiling etc. are complete. The kitchens and bathroom have been fitted. Air conditioners are installed.



*The final structure for the first three units*



*Finished structure of Braai Area*



*The Kitchen final product*



*Shower and the Wall Behind the Toilet & Sink*



### 2.4.1.2 GIANTS' CASTLE

#### Background

The project is for the demolition and construction of the Meander Hut and the conversion of the 6-sleeper chalet into an events facility.

#### MEANDER HUT

##### Status

The Meander Hut has successfully been completed.



*Meander Hut roof installation completed*



*Deck completed*

### 2.4.1.3 THENDELE ROOFING

#### Background

The roofing using Harvey-thatch tiles was coated with element proof natural stone-chip at Thendele with tender Value R15 446,281,35.

##### Status

The project chalet at Lower Camp is 100% Completed with the Upper Camp currently at 99 % completion.

The whole Harvey-tile thatch is sitting at a progress of 95 %. The estimated project completion date 30th of June 2023.

#### 73 EPWP Beneficiaries



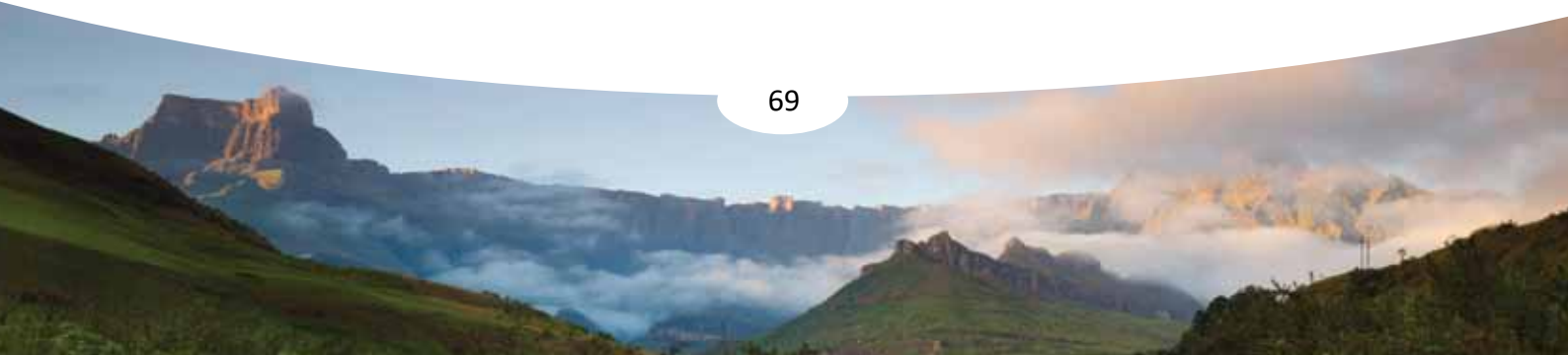
*Upper Camp chalets Harvey tile installation completed.*

### 2.4.1.4 MALUTI DRAKENSBERG TRANS-FRONTIER PARK PROJECT

#### Background

The project entails the 100 kilometers of fencing the Maloti Drakensberg Trans-Frontier Parks boundary in the following Reserves:

- Royal Natal - Rugged Glen
- Cathedral Peak
- Witterberg-Hillside
- Monk's Cowl – Culfargie - Injesuthi
- Lotheni uMkhomazi
- Vergelegen – Cobham
- Highmoor – Kamberg
- Garden Castle







**Status**

227 participants employed across all the affected reserves at Maluti Drakensberg Trans-frontier Parks, participants are on-site carrying out their duties.

Cathedral Peak 15km and Culfargie 10km, Lotheni 10km Fencing have been completed, while the 15 km in Witterberg is still work in progress. Site handover in Highmoor 8km and Royal Vergelegen of 8km was held on the 12th of September 2022 with the expected completion date end of November 2022.

Overall Project progress is at 92% and Project Completion Date: 31 December 2023



*Highmoor old Fence*



*Participants' difficulty in accessing the site*

**2.4.1.5 EZEMVELO NDUMO TEMBE PROJECT**

**Background**

Demolition of the existing abattoir, Construction of Abattoir at Tembe Elephant Park. Construction of 5 Staff bachelor accommodation at Ndumo Reserve, Construction of 5 Staff bachelor staff accommodation at Tembe Elephant Park.

**Status**

The implementation of the project is progressing well with the Ndumo staff accommodation at 100% to completion. Tembe Elephant Park staff accommodation on 95% to completion with the estimated completion date of 30 June 2023.

Recruitment of 60 Expanded Public Works Programme participants been concluded, participants are on-site carrying out their duties.



*Ndumo staff accommodation*



*Tembe staff accommodation*





### 2.4.1.6 S’FUNDIMVELO ENVIRONMENTAL EDUCATION PROGRAMME

#### Background

S’fundimvelo Environmental Education Programme engages primary schools that are situated in the communities on the borders of Ezemvelo KZN Wildlife Protected Areas. The main objective of S’fundimvelo Environmental Education Programme is to educate learners and teachers about the importance of biodiversity conservation, inspiring them to take ownership and responsibility for conserving their own environment. The goal is to increase the level of the public’s perception of the value of biodiversity in KwaZulu-Natal.

In 2022/2023, S’fundimvelo Environmental Education Programme has covered iLembe District Municipality, Harry Gwala District Municipality, uGu District Municipality, uMkhanyakude District Municipality, uMgungundlovu District Municipality, uThukela District Municipality and Zululand District

#### Summary of participants

The total number of schools that participated was + 250.

The total number of learners that participated was + 12000.

The total number of educators that participated was + 750.

This was achieved by commemoration of environmental calendar days through school visits, protected area day visits, overnight trips, festivals and educators’ environmental education excursions.



*Happy earth celebration in commemoration of world earth day*



*Julukandoda Primary School overnight trip in Wagendrift and day visit in Giants Castle Nature Reserve*

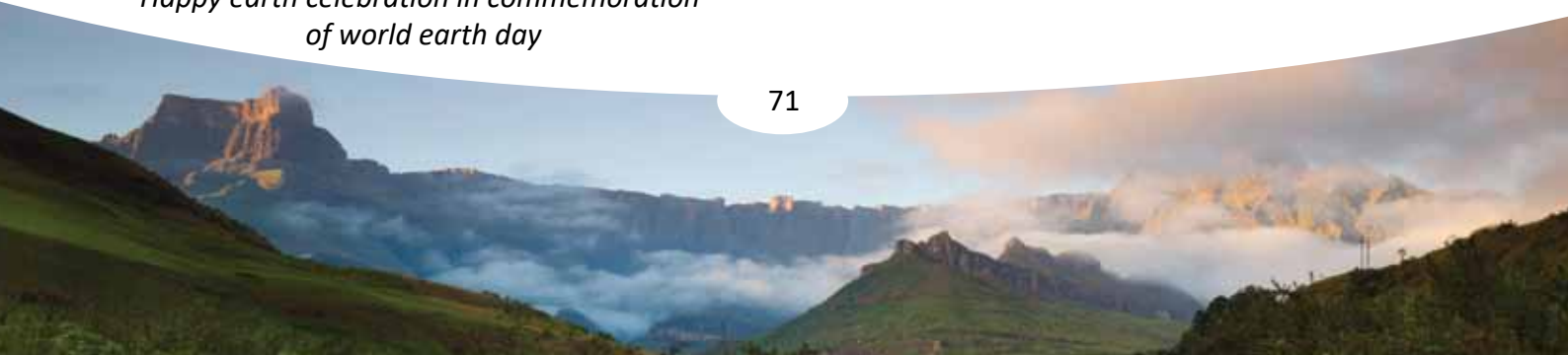
### 2.4.1.7 ENVIRONMENTAL MONITORS PROGRAMME

#### Background

The project relates to youth employment initiatives, introduction of Environmental Monitors to deal with environmental threats in protected areas, including the scourge of rhino-poaching nationally. Through this Programme, young people are employed to strengthen the fight against rhino poaching, research, and other environmental challenges.



*Patrols – security and anti-poaching related functions*







Clean up campaign in Port Dunford beach.



Environmental Education – Communities and School

### 2.4.1.8 WORKING FOR THE COAST

#### Background

The Project focuses on the cleaning of rivers (source to sea), dune rehabilitation, environmental education awareness, cleaning of the coastal area, control of invasive plants, monitoring, and compliance.

#### Status

The project has ongoing deliverables of monthly beach cleaning, trails maintenance, alien plant removals and cleaning of the rivers (source to sea). The Department of Forestry, Fisheries and Environment has approved the extension of the duration of the project for seven (7) months, the new project end date is now the 30th of June 2023. All the training has been completed and the certificates have been delivered to the participants.



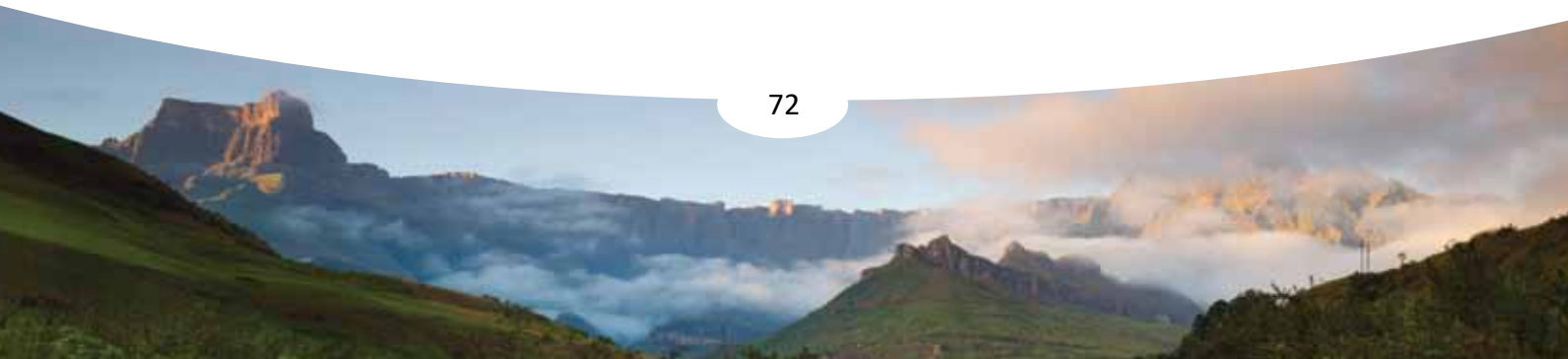
### 2.4.1.9 INVASIVE ALIEN SPECIES PROGRAMME

#### Background

The programme entails the removal of alien plants inside EKZNW protected areas, as well as on identified buffer areas.

#### Status

The programme has performed well in the financial year under review despite challenges that were faced. The country and the whole world have been hit by an increase in the cost of goods and services. This is





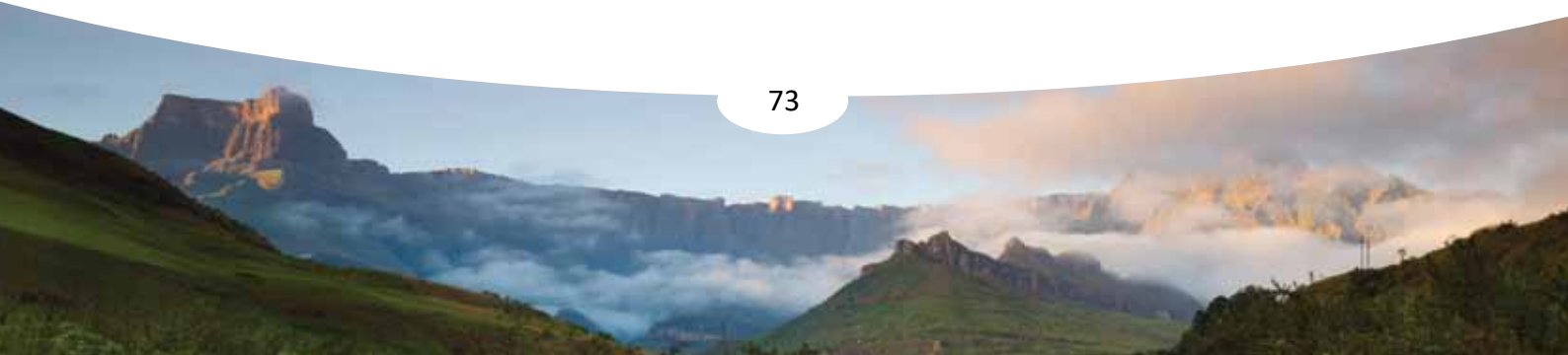


putting strain on the limited available resources. The financial year under review has had challenges such as the delays in receiving the allocation and delays in operations due to unavailability of armed guards in areas with Big 5 game.

The main programme was able to achieve a total expenditure of R 43 311 208,92. A total of R 6 842 469,58 was spent on the parthenium project. A total of R 1 887 914,71 was spent on the Mdletsheni project. The total person days achieved in the 2022/2023 financial year in the main project (120022) were more than the planned person days (96910). Of the total person days 27883 were training person days. Total hectares completed are 102203, these were all follow-up hectares.



*UP Herbicide Applicator*







## 2.5 INTERNAL AUDIT AND FORENSIC INVESTIGATION SERVICES

### 2.5.1 CURRENT SITUATION ANALYSIS

The Internal Audit and Forensic Investigation Services Division within Ezemvelo comprises two sub-units: the Audit Services and the Forensic Investigation Services.

#### 2.5.1.1 Audit Services

The Audit Services sub-unit continues to provide independent and objective assurance and consulting services in internal control, risk management and governance processes. To protect its independence as an Assurance Provider, the Unit reports functionally to the Audit and Risk Committee and operationally, to the Chief Executive Officer, in line with the IIA Standards. On an annual basis, the Unit develops a risk-based Annual Audit Plan, which goes through an extensive consultative process with various stakeholders involved in the audit process for input before its approval by the Audit and Risk Committee. As such, through the approved 2022/23 annual audit plan, the sub-unit performed and reported on 17 internal audits, which translated to 88% completion of the annual audit plan, with two (2) planned assignments referred to forensic investigations for further processing. One (1) ad-hoc request was implemented during the financial year.

The Unit also performed follow-up reviews to determine and report on the progress in addressing the audit issues raised in Auditor Generals' Reports and various Internal Audit Reports. Quarterly, the sub-unit also appraised the Audit and Risk Committee on the outcomes of the audits performed during the year and the implementation status of action plans against external and internal audit findings.

#### 2.5.1.2 Forensic Investigations Services

The Forensic Investigation unit provides services relating to the investigation of incidents of fraud and corruption reported through the existing Fraud Hotline and other platforms within the organisation. During 2022/23, thirty-seven (37) matters were on the active

case database. The following summary indicates how the 37 matters were attended to during the period:

#### A Matters still under investigation

A total of fifteen (15) investigations were still at various stages of investigation at the close of the financial year, as follows:

- Six (6) matters were still under investigation by the internal forensic team.
- One (1) matter that had been referred to the Office of the Premier (OTP) for investigation in 2020 was still being processed by the OTP.
- An external service provider was investigating eight (8) matters.

#### B Completed Investigations

- As at the end of the financial year, investigations into five (5) matters were completed and reported on by the Unit.

#### C Matters were referred to management for action, as a forensic investigation was not the appropriate avenue to resolve the matters.

- A total of eleven (11) matters were received and processed.
- As of the end of the financial year, eight (8) of the matters had been resolved, and three (3) matters still required management intervention.

#### D Follow on implementation of recommendations emanating from forensic investigation reports

- We continued to implement the follow-up processes to determine the progress in implementing the recommendations emanating from the completed investigation reports for 2022/23 and prior years.
- Six (6) matters were actively followed up on during the financial year, and by the end of the financial year, these matters had been processed as follows:
  - One (1) case was still under investigation by the South African Police Services (SAPS)
  - For one (1) case, a decision still to be made as to whether a criminal case was to be opened



as a civil route was impossible.

- One (1) case was referred to the National Prosecuting Authority (NPA), and the organisation still awaits a decision from NPA on whether the matter will be prosecuted.
- For one (1) matter, the internal disciplinary process was still pending.
- For one (1) matter, the disciplinary process for two (2) employees was finalised, and dismissal sanctions were imposed.
- For one (1) matter, the improvement of the system of internal controls was recommended, and management was in the process of actioning the recommendation.

### 2.5.2 CHALLENGES

Due to capacity constraints, the Audit Services sub-unit could not implement specialised audits, such as Information Systems (IS) and value-for-money audits. This challenge also extended to the ability to access forensic tools that would improve the capabilities of Forensic investigations. The delays in concluding the procurement process for establishing the panel of service providers to augment the current resource base negatively impacted envisaged progress in planning and executing specialised audit assignments.

### 2.5.3. OUTLOOK FOR 2023/24

#### 2.5.3.1 Audit Services

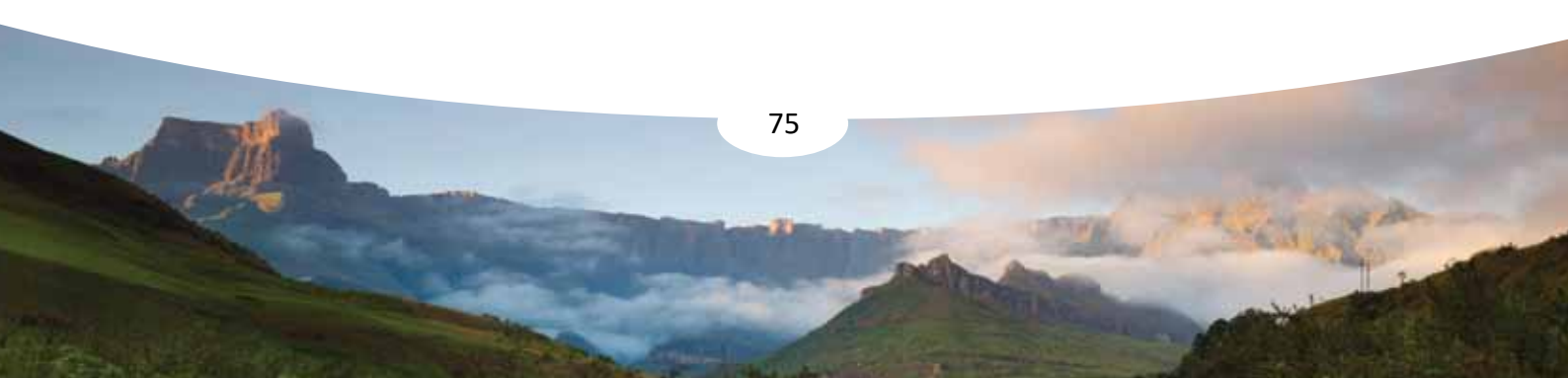
The Audit Services Unit will continue to implement its mandate with the envisaged finalisation of establishing the panel of service providers for internal audit, forensic

investigations, and risk management services to augment the current internal resource base. The panel will enable the Unit to access specialised resources (skills and tools) to facilitate the implementation of Information Systems Audit and other specialised audit assignments and investigations.

Cost-effective ways (i.e., internal training) to provide the internal staff with necessary training will continue to be implemented. Plans to embark on internal quality assurance reviews of project files will also be implemented in the anticipated move to have an external QAR implemented. The Unit will continue to provide assurance services, covering the areas relating to internal controls, risk management and governance processes in the form of full-scope audits and through follow-up reviews.

#### 2.5.3.2 Forensic Investigation Services

The Forensic Investigation sub-unit will continue to conduct investigations as and when the allegations are reported through the Hotline and other mechanisms. Furthermore, we will continue to implement the process of following up with management on the implementation of recommendations emanating from the forensic investigation reports. The Board and Legislature will be continually kept abreast of the above to allow these stakeholders to oversee governance issues and ensure that consequence management is implemented. The Unit's capacity constraints (i.e., specialised resources (skills and tools) in both audit and forensics) will be augmented by the appointment of a panel of service providers that is envisaged to be implemented in the 2023/24 financial year.







## **PART C: GOVERNANCE**







## INTRODUCTION

The entity is governed by the Board which operates under the KwaZulu-Natal Nature Conservation Management Act No. 9 of 1997. The Act sets out the primary functions of the Board as to ensure that in the performance of its activities, exercising its powers and carrying out its duties, Ezemvelo achieves its primary mandate to:

(i) Direct the management of nature conservation within the province and protected areas; and the development and promotion of ecotourism facilities within the protected areas; and

(ii) Ensure the proper, efficient, and effective management of Ezemvelo

### Board Composition

The composition of the Board is guided by Chapter 4 of the KwaZulu-Natal Nature Conservation Management Act No. 9 of 1997. The MEC for the Department of Economic Affairs, Tourism and the Environment Affairs appointed the Board which initially had 11 members. One member, Mr. Njabulo Mtolo resigned during the year under review leaving the Board with 10 members. The Department published an advert inviting the public to nominate more members. According to the Act, the Board can have a minimum of nine members and a maximum of 14 members.

Once appointed, the Board established the following Board Committees:

- Audit and Risk Committee
- Human Resources and Information Technology Committee
- Commercial Services Committee
- Operations and Community Affairs Committee
- Finance and Governance Committee

### Board Charter

The Board Charter for 2022/23 was signed for approval by the Chairperson, Ms. Lydia Johnson on the 28th of July 2022.

The purpose of this Charter is to set out the following:

- The statutory mandate, role, function, obligations, rights, responsibilities and powers of the Board.
- The policies and practices of the Board in respect of its duties, functions responsibilities and conditions of appointment.
- The appointment, composition and performance evaluation of the Board and its Sub- Committee
- Board development.
- Remuneration of the board.







**PART D:**  
**CORPORATE SUPPORT SERVICES**





## HUMAN RESOURCES MANAGEMENT

### EZEMVELO CURRENT DEMOGRAPHICS

The current demographics of Ezemvelo's permanent staff for 2022/2023 are as follows:

STAFF PROFILE as at 31 March 2023											
OCCUPATIONAL LEVEL	MALE					FEMALE					GRAND TOTAL
	A	C	I	W	TOTAL	A	C	I	W	TOTAL	
Top Management	1	0	0	0	1	0	0	0	0	0	1
Senior Management	7	0	2	2	11	2	0	0	0	2	13
Professionally Qualified	62	1	4	20	87	42	1	4	8	55	142
Technically Skilled	74	2	8	15	99	62	3	8	20	93	192
Semi-Skilled	721	2	1	1	725	229	4	12	5	250	975
Unskilled	333	0	0	0	333	182	0	0	0	182	515
<b>Total</b>	<b>1198</b>	<b>5</b>	<b>15</b>	<b>38</b>	<b>1256</b>	<b>517</b>	<b>8</b>	<b>24</b>	<b>33</b>	<b>582</b>	<b>1838</b>

### TOTAL ENGAGEMENTS AND EXITS

Sixty-eight appointments were made (41 new engagements while 27 were promoted to various positions). The entity lost different skills as 119 permanent employees exited the organisation during the 2022/2023 financial year. Of these, 80 retired, 15 were deceased, nine resigned, and 15 were dismissed.

### REVIEW OF HR POLICIES AND PROCEDURES

The Human Resources division ensures HR policies are up-to-date by continuously reviewing them to align with relevant legislation. A total of 9 HR policies were reviewed and approved. These were the Medical Surveillance policy, Medical Aid Policy, Subsistence and Travel Allowance Policy, Domestic and International Travel Policy, Attendance of Training and Conferences outside South Africa, Corporate, Protective and Promotional Uniform Policy, Acting Policy, Overtime Policy, and Danger Allowance policy.

### HUMAN RESOURCE DEVELOPMENT

The annual training report for 2021/2022 and the workplace skills plan for the 2022/2023 financial year were accepted and approved by the Culture, Arts,

Tourism, Hospitality and Sports Sector Education Training Authority (CATHSSETA), resulting in the organisation receiving 20% Mandatory Grant of the 1% paid as a skills levy. A discretionary grant was also received from the CATHSSETA, which paid for the Hospitality Receptionist Skills Programme for ten employees.

In total, 198 employees attended legal compliance courses during the period under review. There was no budget available to conduct any other kind of training. 1935 law enforcement mandatory re-training and assessment sessions were conducted on various firearms.

### INTERNSHIP AND WORK INTEGRATED LEARNING PROGRAMMES

As part of Ezemvelo's contribution to alleviating unemployment and developing skills among the youth in its neighbouring communities and the province of KwaZulu-Natal, 132 youth were hosted under its Internship programme and 53 under its Work Integrated Learning programmes. These programmes assist youth in gaining the necessary work experience to improve their employability and provide them with





an opportunity for workplace experience required to obtain various qualifications.

## SEASONAL WORKERS

Ezemvelo must burn firebreaks as a managing authority for various protected areas. Fire management is a legal requirement, and failure to manage these fires poses a risk to our properties and neighbours, potentially resulting in significant liability. Furthermore, during the visitor peak season, the resorts use much seasonal labour to ensure there is enough workforce in the resorts. To strengthen neighbour relations and create jobs for these communities, the organisation employs local communities adjacent to the parks as seasonal workers to assist with firebreaks and burning. The firebreaks project runs typically annually from February to October.

A total of 1501 seasonal employees were recruited from the neighbouring communities during peak seasons throughout the organisation. Of this total number, 1269 were for biodiversity conservation to burn fire and 232 for ecotourism peak season.

## TALENT MANAGEMENT

Talent management deals with the organisation's efforts to recruit, hire, retain and develop talent in line with Ezemvelo's employment equity plans. In the year under review, the organisation filled 68 (59.1%) vacancies against a target of 115. The organisation continued to experience significant losses concerning skills, talent and institutional knowledge, losing 119 critical skills which could not be replaced.

## EMPLOYEE HEALTH & WELLNESS

Medical Surveillance: 1751 pre-employment medicals for permanent employees, projects and seasonal workers were conducted during the year under review. The number of medicals increased as this process included the Allain Invasive Plants from the project unit.

There were 196 Periodic medicals conducted, most of which were medicals of staff living in asbestos-roofed staff accommodations. No abnormalities were detected. There were 22 transfer medicals, and 59 exit

medicals were conducted. The increase was due to the transfer for operational reasons from Mfabeni and HIP.

Awareness creation: Awareness creation with 40 sessions was conducted on all stations throughout the province in line with the Health calendar. Amongst other things, the following was covered: Sexually transmitted infections, condom use, PTB, cancer, GBV, HIV and AIDS and many more. The team collaborated with WFF to create awareness of Emotional Intelligence among managers and supervisors of Umkuze and HIP to assist in developing a balance of power and personal growth in managing Rangers in stressful environments.

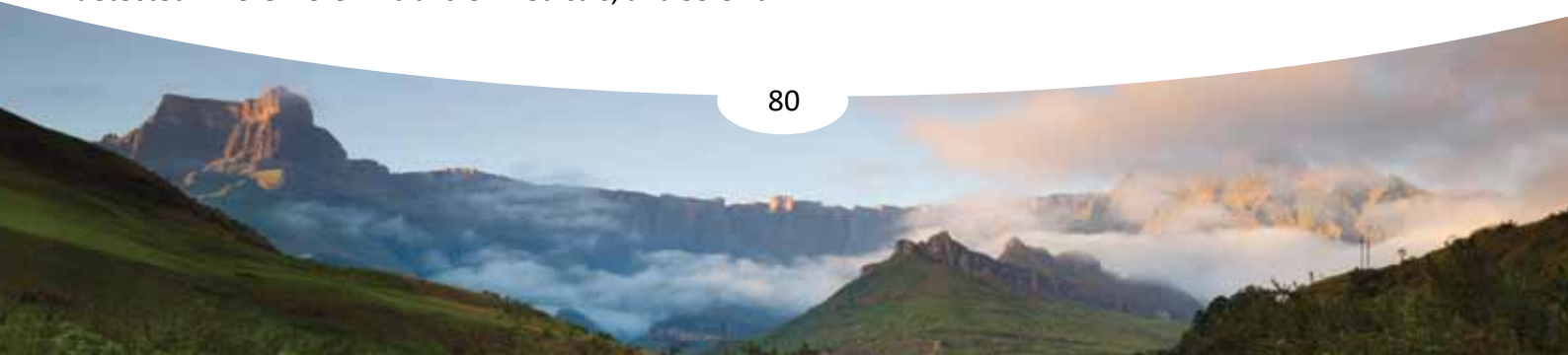
Incapacity Management: 12 employees are on incapacity paid by the insurer, and 10 cases are still in the assessment stage pending finalisation/approval by the insurer. However, 7 cases were closed as members returned to work, others retired, and others passed away.

Absenteeism Management and Primary Health Care – a total of 213 employees were seen at the clinic by Occupational Health Practitioners for various reasons through different referral processes. The Occupational Medical Practitioner attended 111 cases in 12 clinics with a file review of 10. These were for referrals to specialists and temporary incapacity leave endorsement.

Employee Wellness Programme – a total of 152 counselling sessions were held, dealing with social issues, work-related problems, marital problems, retirement counselling, financial counselling, and substance abuse counselling.

A total number of four (4) trauma debriefing-related cases were attended to. Some were trauma relating to the death of a colleague, armed robbery and rhino poaching. Affected employees have made good progress, and employees are back at work.

A total number of 37 pre-retirement program sessions with six home visits were conducted. As part of upskilling and creating awareness for employees due to retirement, Old Mutual has played a major role in driving awareness training, providing the "On the Money Roadshows" as part of retirement planning.





These workshops are not limited to those due to retirement but are open to all members.

World Aids Day was commemorated in St. Lucia in December 2022, attended by 115 employees.

**EMPLOYMENT RELATIONS**

The Employment Relations unit is responsible for keeping labour peace, managing grievances, discipline, collective bargaining, and dispute resolution. In addition, the unit is responsible for ensuring that the labour relations environment is stable and that conflict between management and employees is addressed and monitored timeously. The highlight was that the recognition agreement got tested by the minority union that emerged in the organisation and the effects on the two recognised social partners.

The following needs to be noted:

**Labour Court Cases**

No case was referred to Labour Court during 2022/2023.

**CCMA Cases**

A total of eighteen cases were referred to the CCMA during the 2022/2023 financial year, of which eleven were dismissals, two related to unfair precautionary suspension with full pay, one unfair labour practice pertaining to benefits, and four related to equal pay for work of equal value and one related to discrimination regarding promotion (discrimination). Two unfair dismissal cases were withdrawn and striking-off the roll. While two dismissals were finalised in favour of the Employer and one promotion dispute was settled

in favour of the Applicant, eleven disputes still needed to be completed.

Discrimination disputes pose a financial risk to the organisation.

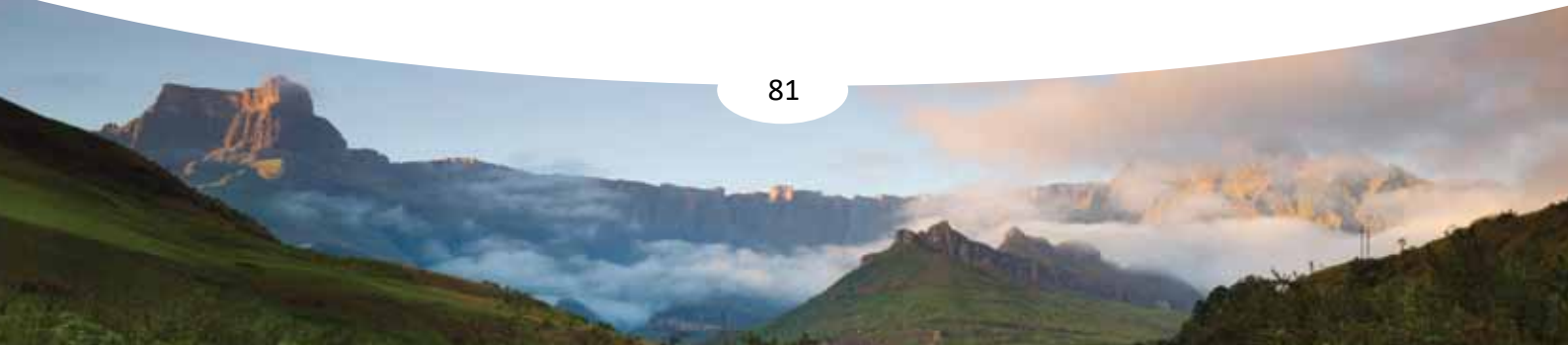
More than 61.11% of the disputes were related to dismissals, while more than 27.77% of the disputes were related to the organisation fighting with its internal employees at the CCMA, and more than 11.11% of the disputes were related to unfair precautionary suspension with no financial loss to employees.

The following cases relates to in limine, conciliation and arbitration were referred to the CCMA:

NATURE OF DISPUTE	TOTAL NUMBER
Unfair dismissal	11
Unfair labour practice relates to promotion	2
Unfair precautionary suspension with full pay	2
Equal pay for equal work of equal value and discrimination	3
<b>Total</b>	<b>18</b>

**Disciplinary hearings**

Thirty-seven (37) disciplinary inquiries were conducted during the 2022/2023 financial year, of which twenty-one resulted in dismissals; four were found not guilty, and two with a written/final warning. Six were issued with severe corrective measures and one to three months' salary suspension without pay, and four were not finalised during the reporting period.





The following cases were heard:

NATURE OF MISCONDUCT	TOTAL NO OF CASES
Abscondment	12
Illegal hunting or illegal gathering within a protected area	1
Failure to report injury on duty to fellow employee	1
Absent without reporting for less than 7 days	1
Neglect or improper performance of duties	3
Intimidation	2
Sexual harassment to fellow employee	1
Gross negligence in carrying out duties	6
Misappropriation/improper use of EKZNW property	4
Breach of employee's duty of good faith	9
Corrupt activities	2
Fraud	1
Negligence	7
False evidence	5
Unauthorized consumption of intoxicating liquor whilst on duty	1
Removal of property without permission	2
Physical assault	3
Under influence of alcohol whilst on duty	2
Malicious damage to property	1
Dishonesty	6
Repeated refusal to carry out lawful instruction	3
Bringing organization into disrepute	6
Theft	2
Physical/attempted physical assault to fellow employee	2
Deliberate violation of safety requirement	2
Leaving EKZNW premises while on duty without authorization	2
<b>Total</b>	<b>87</b>





The following grievances were lodged during 2022/2023

NATURE OF GRIEVANCE	TOTAL	STATUS
Unhappy with office space	1	Resolved
Re-instatement of standby allowance	1	Resolved
Grading/personal notch & alignment	2	Not resolved
Salary discrepancy and grading/acting allowance	1	Not resolved
Flouting selection and recruitment process	2	Not resolved
Transparency on transfer to vacant positions	1	Not resolved
Position grade and remuneration	1	Partly resolved
Victimization/unconducive work environment	2	Not resolved
Malicious accusations	1	Not resolved

**Collective bargaining**

The Public Service Co-ordinating Bargaining Council (PSCBC) resolution 2 of 2023 was duly signed for implementation in April 2023. The PSCBC creates labour peace from social partners. However, this bears a financial implication for the Organization moving forward. There were no labour-intensive demonstrations against the organisation, although the financial position has not improved. The employment relations unit will continue building and maintaining labour peace in the organisation.

The organisation has a recognition agreement with two unions, namely HOSPERSA and NEHAWU. A verification of union membership was concluded in March 2023.

The labour relations environment within the organisation was stable and manageable, and all collective bargaining meetings were held, although holding institutional arrangements remained a challenge.

**HR CHALLENGES FOR THE REPORTING PERIOD**

The high rate of exits is an area of concern. The major challenge is the high number of retirements, which indicates the organisation has an ageing workforce. The loss of critical skills and institutional knowledge is at high volumes.

The increased level of absenteeism became a concern; however, contained during the process. The increasing number of counselling cases due to work-related issues, substance abuse and financial related also required close attention.

The inability to fill some of the critical vacant positions and the failure to effectively develop staff due to budgetary constraints continue to pose a challenge. Currently, the reduced training budget allows only for limited legal compliance training.

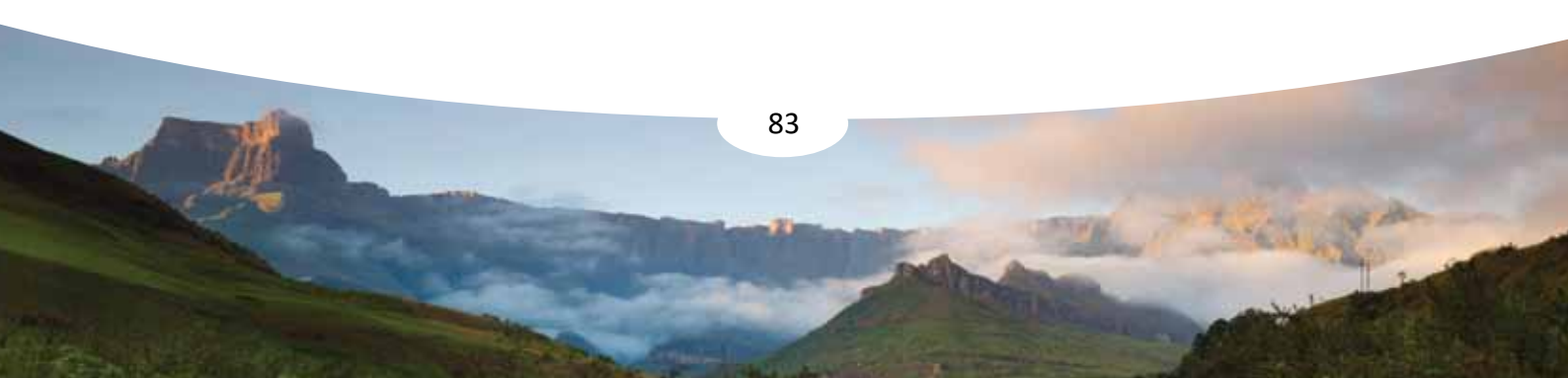
During 2022/2023, there was a considerable increase in misconduct in which more than eighty per cent (80%) were serious and had no opportunity for rehabilitation. Unfortunately, this kind of employee behaviour is alarming with serious concerns in one financial year. It was observed as a concern to see a trend in misconduct related to corrupt activities, sexual attempts amongst fellow employees, intimidation and malicious damage. Of the 37 cases, 21 misconduct cases warranted a dismissal, and 6 earned short dismissal sanctions. This trend also paints a worrying factor.

Collective bargaining: Organised Labour tabled their demands during quarter 3 of the financial year 2022/2023, and the Bargaining process was delayed following due diligence in verifying union membership.

**HR OUTLOOK 2023/24**

The HR division will continue with projects such as reviewing current policies and developing new HR policies, filling critical vacancies and structure stabilisation to improve governance and stability within the organisation.

To continue ensuring that policies are applied effectively and consistently.





# **PART E:** **FINANCIAL INFORMATION**







**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Index

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The reports and statements set out below comprise of the Consolidated Annual Financial Statements presented to the provincial legislature:

	<b>Page</b>
Report of the Auditor-General .	86
Accounting Authority's Responsibilities and Approval.	101
Audit and Risk Committee Report.	102
Accounting Authority's Report.	103
Consolidated Statement of Financial Position.	105
Consolidated Statement of Financial Performance.	106
Consolidated Statement of Changes in Net Assets.	107
Consolidated Cash Flow Statement.	108
Statement of Comparison of Budget and Actual Amounts	109
Consolidated Accounting Policies.	110
Notes to the Consolidated Annual Financial Statements.	119
Other information	151





# Report of the auditor-general to KwaZulu-Natal Provincial Legislature on KwaZulu-Natal Nature Conservation Board and its entity

## Report on the audit of the consolidated and separate financial statements

### Qualified opinion

1. I have audited the consolidated and separate financial statements of the KwaZulu-Natal Nature Conservation Board and its entity (the group) set out on pages 100 to 150, which comprise the consolidated and separate statement of financial position as at 31 March 2023, the consolidated and separate statement of financial performance, consolidated and separate statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for possible effects of the matters described in the basis for qualified opinion section of this report, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the group as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for qualified opinion

#### Property, plant and equipment

3. The group did not recognise all items of property, plant and equipment in accordance with SA standard of GRAP 17, *Property, plant and equipment*. The group did not recognise impairment on assets that were damaged or scrapped. In addition, certain assets were not recorded and assets that were recorded in the current year could not be located during the asset verification process. I was unable to determine the value of the misstatement as it was impracticable to do so. Consequently, property, plant and equipment stated at R847, 46 million included in note 4 to the consolidated and separate financial statements was misstated by an undeterminable amount. This also has an impact on the accumulated surplus.

#### Irregular expenditure

4. The irregular expenditure incurred during the current financial year under audit was not included in the notes to the consolidated and separate financial statements, as required by section 55(2)(b)(i) of the PFMA. Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. I was unable to determine the full extent of the irregular expenditure that occurred during the financial year as it was impracticable to do so.



## Context for opinion

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

## Material uncertainty relating to going concern

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.
9. I draw attention to note 26 to the consolidated and separate financial statements, which indicates that a deficit for the current and prior year was realised, adverse liquidity ratios and an increase in the net current liability position. As stated in note 26, these events or conditions, along with other matters as set forth in note 26, indicate that a material uncertainty exists that may cast significant doubt on the KZN Nature Conservation Board's ability to continue as a going concern.

## Emphasis of matters

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

## Uncertainty relating to the future outcome of regulatory action

11. With reference to note 24 to the consolidated and separate financial statements, there is a claim lodged against the state by land claimants in which the KZN Nature Conservation Board has implicit right for the use of the land. There remains a significant uncertainty as to the identity of the new owners as the title deeds have not been finalised. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the consolidated and separate financial statements.

## Rationalisation of public entities

12. As disclosed in note 27 to the consolidated and separate financial statements, in December 2017, the Executive council resolved that the functions of KZN Sharks Board and KZN Nature Conservation Board be merged as one function. The intended merger has warranted the development of a joint Business Case. Government Technical Advisory Centre (GTAC) has been approached to assist with the processes by ensuring that they adhere to the applicable national prescripts and have sound business cases. In a concurrent process, the draft Bill is currently undergoing official approval processes. Both entities shall remain as separate entities until the incorporation bill is passed by the KZN Provincial Legislature.



## Other matter

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

14. On 23 December 2022 National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes of the consolidated and separate annual financial statements. Only the current year and prior year figures are disclosed in note 28 to the consolidated and separate financial statements of the group. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the consolidated and separate annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the group. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.
15. Particulars of irregular expenditure included in the annual report is materially inconsistent with audit evidence obtained during the audit. The irregular expenditure in the annual report does not reflect the full extent of irregular expenditure incurred.

## Responsibilities of the accounting authority for the consolidated and separate financial statements

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





## Responsibilities of the auditor-general for the audit of the consolidated and separate financial statements

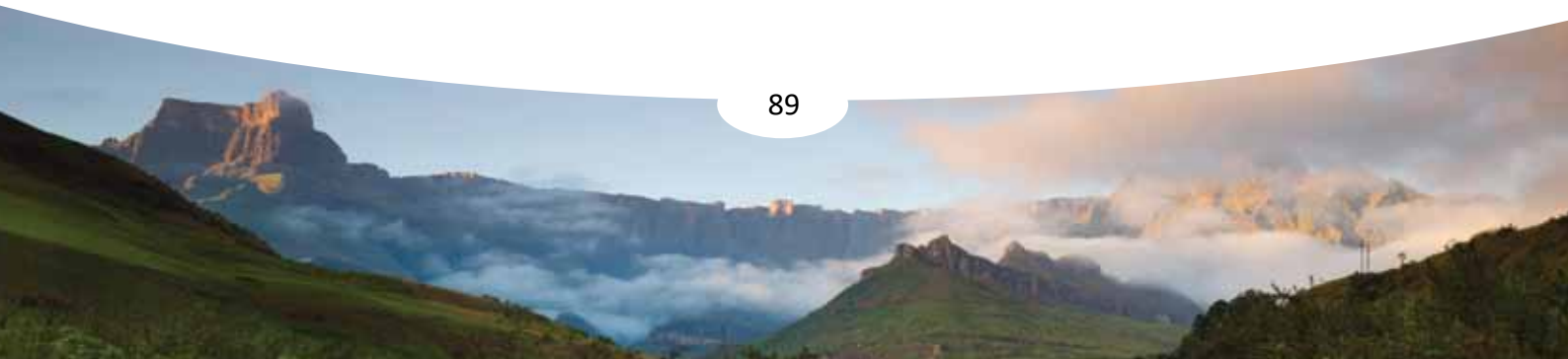
18. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance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

## Report on the audit of the annual performance report

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
21. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the entity’s performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
<b>Commercial services</b>	23 – 26	The Division is responsible for providing and implementing best business practices to maximise and optimise revenue resulting in Ezemvelo’s revenue generation ability being maximised.
<b>Conservation operations</b>	27 - 37	This programme is directly linked to Ezemvelo’s core mandate to ensure that conservation of the indigenous biodiversity in KwaZulu-Natal, both within and outside protected areas, is managed effectively, economically, and efficiently for the benefit of the people.

22. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity’s planning and delivery on its mandate and objectives.
23. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the entity’s mandate and the achievement of its planned objectives





- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

24. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

25. The material findings on the performance information of the selected programmes are as follows:

### Commercial services

#### Various indicators

26. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
Total number of visitors to Ezemvelo parks	470 500	619 043
Percentage accommodation unit occupancy rate	35%	33.1%

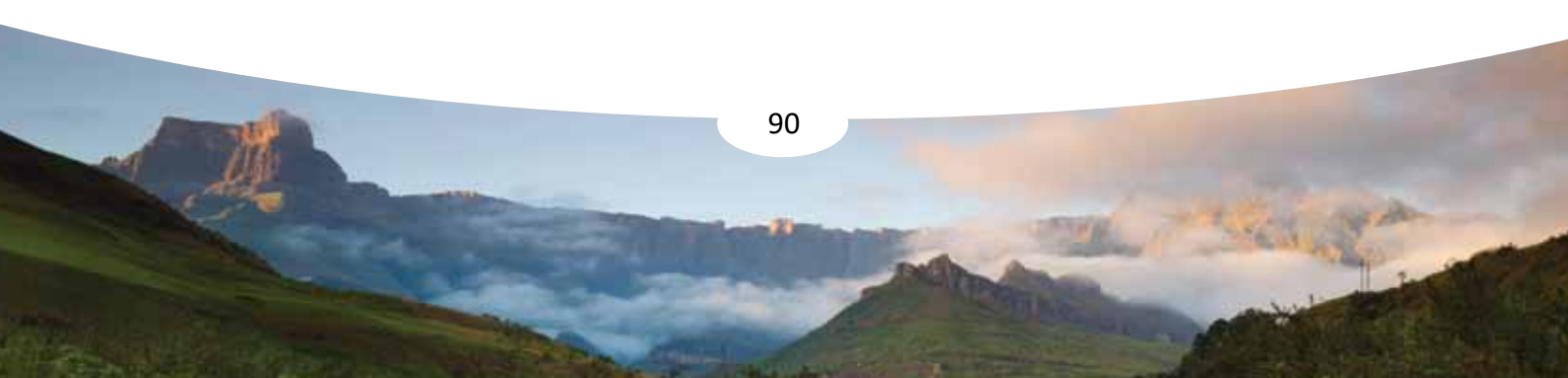
#### Customer Satisfaction Index

27. Evidence was not provided to confirm that processes had been established to consistently measure and reliably report on this indicator. This was due to insufficient measurement definitions and processes. Consequently, I could not confirm the reliability of the reported achievement.

### Conservation operations

#### Various indicators

28. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved





Indicator	Target	Reported achievement
Percentage of complete biodiversity management permits issued within legislative timeframes	80%	84, 6%
Percentage of registered human/wildlife conflicts resolved timeously	Baseline determined	24, 5% baseline
Percentage of biodiversity legislative compliance levels	90%	95, 7%

**Other matter**

29. I draw attention to the matter below.

**Achievement of planned targets**

30. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement. This information should be considered in the context of the material findings on the reported performance information.

**Material misstatements**

31. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of commercial services and conservation operations. Management did not correct all of the misstatements and I reported material findings in this regard.

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**Report on compliance with legislation**

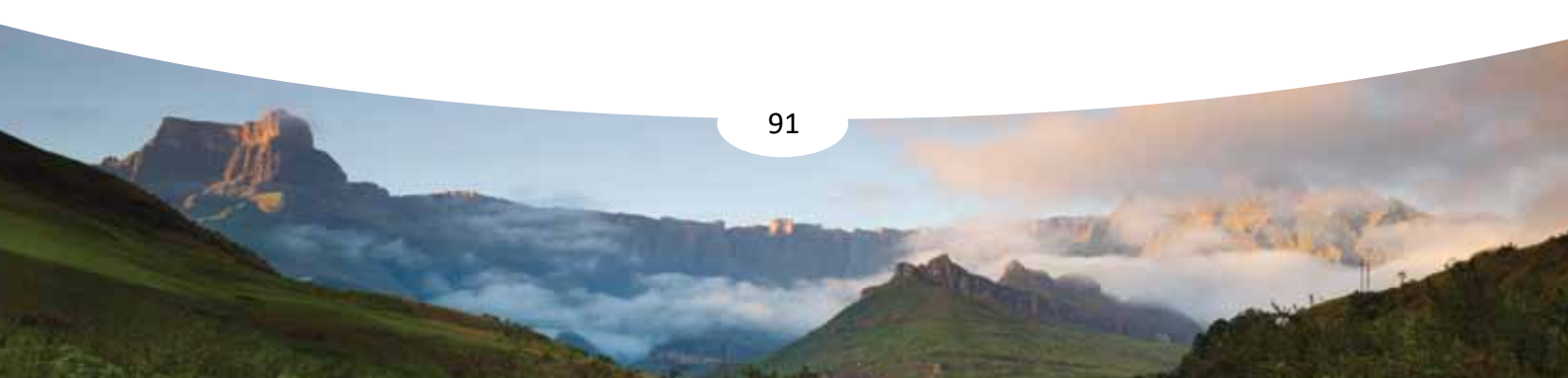
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32. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity’s compliance with legislation.

33. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

34. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor’s report.

35. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:







## Annual financial statements

36. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified opinion.

## Expenditure management

37. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. As reported in the basis for the qualified opinion the value disclosed in note 28 of the financial statements does not reflect the full extent of the irregular expenditure incurred which could not be quantified. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with supply chain management processes.

## Procurement and contract management

38. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by Treasury Regulation 16A8.4 and paragraph 4.1.2 of Practice Note 7 of 2009/2010. Similar non-compliance was also reported in the prior year.

39. Some of the quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16A9.1(d).

40. Some of the goods and services of a transaction value above R1 000 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by Treasury Regulation 16A6.1 and paragraph 3.3.1 of NTI 02 of 2021/22 and TR 16A6.4. Similar non-compliance was also reported in the prior year.

41. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and Treasury Regulations 8.2.1 and 8.2.2. Similar non-compliance was also reported in the prior year.



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## Other information in the annual report

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42. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
43. My opinion on the consolidated and separate financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
44. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
45. The other information I obtained prior to the date of this auditor's report is the irregular expenditure disclosure, and the draft annual report is expected to be made available to me after 31 July 2023.
46. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have concluded that the disclosures on irregular expenditure is materially misstated due to the material misstatement that has been identified in the basis for qualified opinion paragraph relating to irregular expenditure.
47. When I do receive and read the draft annual report (except for irregular expenditure), if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

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## Internal control deficiencies

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48. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
49. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
50. Effective supervision over the preparation of the consolidated and separate financial statements, the annual performance report and compliance with applicable laws and regulations was not provided.



51. Management did not implement adequate controls over asset management to ensure that assets are accounted for in line with the applicable accounting framework, as well as implementing audit recommendations made in previous years.
52. Management did not implement adequate reviews on the annual performance report to ensure that it is accurate, complete and supported by appropriate audit evidence.

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### Other reports

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53. I draw attention to the following engagements conducted. The report did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.
54. A forensic investigation was instituted at the entity by the Member of Executive Committee for the KZN Department of Economic Development, Tourism and Environmental Affairs on 10 July 2020; due to allegations of financial mismanagement and non-compliance with procurement processes. The investigation is being conducted by the KwaZulu-Natal Office of the Premier and was still in progress at the date of this report.

*Auditor-General*

Pietermaritzburg  
31 July 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*





## Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected programmes and on the entity's compliance with selected requirements in key legislation.

#### Consolidated and separate financial statements

In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the group to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated and separate financial state-



ments, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

### Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No. 1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii)  Section 53(4)  Section 54(2)(c’); 54(2)(d)  Section 55(1)(a); 55(1)(b); 55(1)(c)(i)  Section 56(1); 56(2)  Section 57(b);  Section 66(4)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 8.2.1; 8.2.2  Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e);16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1(b)(ii); 16A9.1; 16A9; 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii)  Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1  Treasury Regulation 31.1.2(c’)  Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a)  Treasury Regulation 31.3.3  Treasury Regulation 33.1.1; 33.1.3
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)

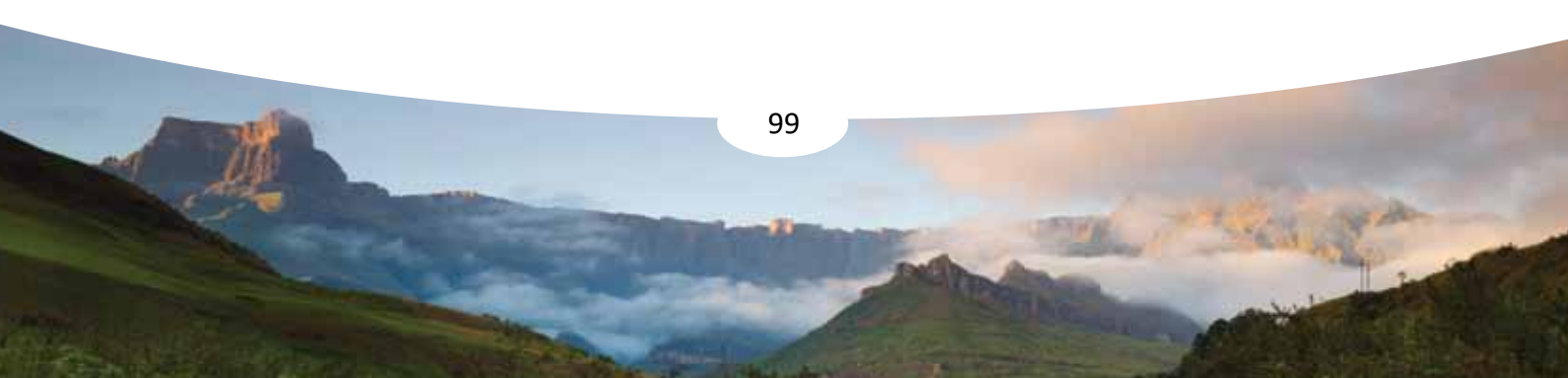




Legislation	Sections or regulations
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c ); 3.3 (e ); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4 (c )-(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3



Legislation	Sections or regulations
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1





## KwaZulu-Natal Nature Conservation Board

Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

### General Information

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Biodiversity Conservation, Ecotourism and Partnerships
<b>Accounting Authority</b>	Ms Lydia Johnson
<b>Chief Executive Officer</b>	Mr Siphesihle Mkhize (Acting)
<b>Registered office</b>	Queen Elizabeth Park No. 1 Peter Brown Drive Montrose Pietermaritzburg 3201
<b>Postal address</b>	P O Box 13053 Cascades 3202
<b>Controlling entity</b>	KwaZulu - Natal Department of Economic Development, Tourism and Environmental Affairs
<b>Bankers</b>	The Standard Bank of South Africa Limited
<b>Secretary</b>	Ms I Khuzwayo (Acting period ended - 28 February 2023 Ms P Puran (Acting) - 1 March 2023





## KwaZulu-Natal Nature Conservation Board

### Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

## Accounting Authority's Responsibilities and Approval

The Accounting Authority of the KwaZulu-Natal Nature Conservation Board, is responsible for the preparation and fair presentation of the Consolidated Financial Statements and Performance Information in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and in the manner required by the Public Finance Management Act (Act 1 of 1999), (PFMA) and the KwaZulu-Natal Nature Conservation Act, 1997 (Act No. 9 of 1997).

- Accordingly the Accounting Authority:  
has reviewed the Consolidated Annual Financial Statements and Performance Information of the entity;
- has a reasonable basis to concur that the Consolidated Annual Financial Statements and Performance Information are free from material misstatement and thus fairly present the financial position, performance and cash flows of the entity;  
is not aware of any material breakdown in the internal controls of the entity or any changes to such controls that may affect the effectiveness of the internal controls;
- has ensured that the internal controls are established and maintained during the current year, and that there is a functioning system of risk management;
- has ensured, in conjunction with the Audit and Risk Committee, that any significant breakdown in controls are addressed and where relevant are reported to Treasury and the Auditors;
- has ensured that the Consolidated Annual Financial Statements are prepared by applying appropriate accounting policies in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP), and in a manner required by the PFMA;
- has ensured that accounting policies have been consistently applied per major class of transactions and balances and are supported by reasonable and prudent judgements and estimates;
- has ensured that any deviations from GRAP have been sufficiently disclosed in the notes to the Consolidated Annual Financial Statements;
- has assessed the group's ability to continue as a going concern and there is no reason to believe that the group will not be a going concern in the year ahead.

The Auditor-General South Africa has audited the financial and non-financial performance and their report is presented as part of this report.

The Consolidated Financial Statements and Performance Information were approved by the Accounting Authority and signed on its behalf by:

**Ms Lydia Johnson**  
Accounting Authority



## KwaZulu-Natal Nature Conservation Board

Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

### Audit and Risk Committee Report

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#### Audit and Risk Committee Members and Attendance

For the year under review the following people served on the Audit and Risk Committee, which is expected to meet at least four times per annum as per its approved Charter. The Audit and Risk Committee met 6 times during the year

Name of member	Number of meetings attended
Mr B Dladla (Chairperson)	6
Mr N Mchunu (Term ended 31 August 2022)	3
Ms R Naidoo	6
Dr P Zulu	6
Ms K Mbonambi (Term started 01 May 2022)	4
Ms N Banda (Term started 01 June 2022)	5
Mr S Mkhize (Term started 01 June 2022)	4

#### Audit and Risk Committee Responsibility

The committee has complied with its responsibilities as set out in the Audit and Risk Committee Charter. The entity has a fully functional Internal Audit Division. The Head of Internal Audit report functionally to the Audit and Risk Committee and administratively to the Chief Executive Officer.

#### The Effectiveness of Internal Control

The entity monitors the effectiveness and efficiency of its internal control over financial and risk management through its Internal Audit Unit. This Internal Audit Unit reports to the entity's Audit and Risk Committee and the Board in compliance with the PFMA and the National Treasury Regulations. The entity also maintains a Risk Management Process which enables corrective action to be taken timeously.

#### Evaluation of Financial Statements

The Audit and Risk Committee has:

- reviewed and discussed the audited Consolidated Annual Financial Statements to be included in the Consolidated Annual Report;
- reviewed the Management Report prepared by the Auditor-General of South Africa's and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee concurs with the audit opinion of the Auditor-General of South Africa.

**Mr B Dladla**  
Chairperson of the Audit and Risk Committee



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Accounting Authority's Report

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### 1. Review of activities

Net deficit of the group was R 45,6 million (2022: restated deficit R 81.1 million).

### 2. Going concern

The Consolidated Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the group to continue as a going concern is dependent on a number of factors. The most significant of these is that the group continues to receive funding for on-going operations from the relevant government authority. To this end the amounts voted by the legislature to conservation within the Medium Term Expenditure Framework (MTEF) are expected to be received over the next three financial years ending 31 March 2026. Strategies and plans to improve the financial position of the organisation are continually being developed, implemented and monitored.

### 3. Executive Council Decision

#### Rationalisation of Kwa-Zulu-Natal Public Entities

In December 2017, the Executive council resolved that the functions of KZN Nature Conservation Board and KZN Sharks Board be merged as one function as part of the rationalisation of state entities. This meant incorporating KZN Sharks Board into the KZN Nature Conservation.

The intended merger has warranted the development of a joint Business Case, as required by National Treasury for the establishment of a new state entity.

Government Technical Advisory Centre (GTAC) was assigned to assist with the processes of developing the Business Case by ensuring adherence to applicable National Treasury prescripts and to have a sound business case.

In a concurrent process, the draft Bill is currently undergoing approval processes, following extensive consultation.

In the interim, both entities remain separate until the new Bill is passed by Provincial Legislature.

#### Commercialisation of Eco-tourism Facilities

As previously reported, the entity has adopted Commercialisation as a conducive strategy to enhance its operating business model and to improve its financial position.

The Strategy will provide the entity with several strategic initiatives comprising several financial options to explore and undertake to optimise better returns from its existing and prospective ecotourism assets, of which the majority will be in collaboration with private sector investors.

The expressions of interest provided by various organisations in this regard, will enable the entity to further identify viable Commercial projects to pursue, including the formulation of the Commercialisation Strategy.

This process is currently in progress with some earmarked projects are expected to commence in 2023/24.

### 4. Accounting Authority

On 1 November 2020, Mr Simiso Magagula was appointed as the Accounting Authority in terms of section 49(3) of the PFMA. This contract expired on the 30 October 2021 and was renewed for 6 months on the 1 January 2022 ending on 30 June 2022.

Mr Simiso Magagula was paid by the Department of Economic Development, Tourism and Environmental Affairs.

The new Board was appointed on the 1 June 2022 and the Chairperson of the Board is Ms Lydia Johnson.





**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Accounting Authority's Report

The following are the Board Committee Members that were appointed and number of meetings convened under this arrangement:

Name	No. of meetings attend
<b>Board - Met 4 times during the year. (Term started 01 June 2022)</b>	
Mr S Magagula	1
Ms L Johnson (Chairperson)	4
Mr I Ewing (Deputy Chairperson)	4
Inkosi Xolo	4
Ms N Banda	4
Mr A Muir	4
Mr T Sibiyi	3
Mr L Naidoo	4
Mr S Mkhize	4
Ms O Symcox	4
Dr Z Qunta	3
Mr N Mtolo (Resigned 16 November 2022)	2
<b>Operations and Community Affairs Board Committee - met 3 times during the year</b>	
Inkosi Xolo (Chairperson)	3
Mr A Muir	3
Mr S Mkhize	2
Ms O Symcox	2
Mr T Sibiyi	3
<b>Finance and Governance Board Committee - met 3 times during the year</b>	
Ms N Banda (Chairperson)	3
Dr Z Qunta	3
Mr N Mtolo	1
Mr L Naidoo	3
Mr A Muir	3
<b>Human Resources and Information Technology Board Committee - met 4 times during the year</b>	
Dr Z Qunta (Chairperson)	4
Mr N Mtolo	3
Mr L Naidoo	4
Inkosi Xolo	4
Mr S Mkhize	4
<b>Commercial Services Board Committee - met 3 times during the year</b>	
Mr N Mtolo (Chairperson) resigned 30 November 2022	1
Dr Z Qunta	3
Ms O Symcox	3
Mr T Sibiyi	3
Ms N Banda	3
Mr L Naidoo (Chairperson 16 February 2023)	3

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife**

Consolidated Annual Financial Statements for the year ended 31 March 2023

**Consolidated Statement of Financial Position as at 31 March 2023**

Figures in Rand thousand	Note(s)	EKZNW		CONSOLIDATION	
		2023	2022 Restated*	2023	2022 Restated*
<b>Assets</b>					
<b>Current Assets</b>					
Inventories	8	19 994	17 892	19 994	17 892
Trade and other receivables from exchange transactions	9	11 132	7 847	11 087	7 832
Receivables from non-exchange transactions	10	1 264	4 372	1 264	4 372
Cash and cash equivalents	11	210 200	234 606	211 404	235 752
		<b>242 590</b>	<b>264 717</b>	<b>243 749</b>	<b>265 848</b>
<b>Non-Current Assets</b>					
Property, plant and equipment	4	847 455	869 067	847 455	869 067
Intangible assets	5	3 681	3 870	3 681	3 870
		<b>851 136</b>	<b>872 937</b>	<b>851 136</b>	<b>872 937</b>
<b>Total Assets</b>		<b>1 093 726</b>	<b>1 137 654</b>	<b>1 094 885</b>	<b>1 138 785</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	15	114 812	108 639	114 899	108 751
Deferred Income	12	118 243	117 254	118 243	117 254
Provisions	13	75 260	75 087	75 260	75 092
External Projects	14	35 636	33 952	35 636	33 952
		<b>343 951</b>	<b>334 932</b>	<b>344 038</b>	<b>335 049</b>
<b>Non-Current Liabilities</b>					
Employee benefit obligation	7	59 062	66 399	59 062	66 399
<b>Total Liabilities</b>		<b>403 013</b>	<b>401 331</b>	<b>403 100</b>	<b>401 448</b>
<b>Net Assets</b>		<b>690 713</b>	<b>736 323</b>	<b>691 785</b>	<b>737 337</b>
<b>Total Net Assets</b>		<b>690 713</b>	<b>736 323</b>	<b>691 785</b>	<b>737 337</b>



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Consolidated Statement of Financial Performance

Figures in Rand thousand	Note(s)	EKZNW		CONSOLIDATION	
		2023	2022 Restated	2023	2022 Restated
Revenue	16	983 009	940 745	983 009	940 745
Other income	17	152 727	141 989	152 815	142 125
<b>Gross surplus</b>		<b>1 135 736</b>	<b>1 082 734</b>	<b>1 135 824</b>	<b>1 082 870</b>
Operating expenses	18	(368 398)	(345 165)	(368 428)	(345 195)
Employee costs	19	(804 043)	(811 709)	(804 043)	(811 709)
<b>Operating deficit</b>		<b>(36 705)</b>	<b>(74 140)</b>	<b>(36 647)</b>	<b>(74 035)</b>
Finance costs	20	(8 905)	(7 060)	(8 905)	(7 060)
<b>Deficit for the year</b>		<b>(45 610)</b>	<b>(81 200)</b>	<b>(45 552)</b>	<b>(81 095)</b>





**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Consolidated Statement of Changes in Net Assets

Figures in Rand thousand	Accumulated surplus	Total net assets
<b>Opening balance as previously reported</b>	<b>784 271</b>	<b>784 271</b>
Surplus for the year	28 399	28 399
Prior period error	5 761	5 761
<b>Balance at 01 April 2021 as restated*</b>	<b>818 432</b>	<b>818 432</b>
Deficit for the year	(88 957)	(88 957)
Prior Period error	7 862	7 862
<b>Balance at 01 April 2022 restated</b>	<b>737 337</b>	<b>737 337</b>
Deficit for the year	(45 552)	(45 552)
<b>Balance at 31 March 2023</b>	<b>691 785</b>	<b>691 785</b>

\*Note - 32



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Consolidated Cash Flow Statement

Figures in Rand thousand	Note(s)	EKZNW		CONSOLIDATION	
		2023	2022 Restated*	2023	2022 Restated*
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Sale of goods and services		211 838	163 321	211 838	163 321
Transfers		805 120	789 429	805 120	789 429
Interest income		8 281	5 226	8 340	5 261
Other receipts: Non-exchange revenue		108 218	125 113	108 218	125 113
		1 133 457	1 083 089	1 133 516	1 083 124
<b>Payments</b>					
Employee costs		(811 257)	(811 309)	(811 257)	(811 309)
Suppliers		(300 197)	(262 950)	(300 197)	(262 950)
Finance costs		(8 905)	(7 060)	(8 905)	(7 060)
		(1 120 359)	(1 081 319)	(1 120 359)	(1 081 319)
<b>Net cash flows from operating activities</b>	<b>21</b>	<b>13 098</b>	<b>1 770</b>	<b>13 157</b>	<b>1 805</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	4	(39 188)	(52 403)	(39 188)	(52 403)
Proceeds on disposal of property, plant and equipment		-	4 108		4 108
Purchase of other intangible assets	5	-	(53)		(53)
<b>Net cash flows from investing activities</b>		<b>(39 188)</b>	<b>(48 348)</b>	<b>(39 188)</b>	<b>(48 348)</b>
<b>Cash flows from financing activities</b>					
Net change to trust funds and external projects	22	1 684	(1 475)	1 684	(1 475)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(24 406)</b>	<b>(48 053)</b>	<b>(24 347)</b>	<b>(48 018)</b>
Cash and cash equivalents at the beginning of the year		234 606	282 659	235 752	283 770
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>210 200</b>	<b>234 606</b>	<b>211 404</b>	<b>235 752</b>

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife**

Consolidated Annual Financial Statements for the year ended 31 March 2023

**Statement of Comparison of Budget and Actual Amounts**

<b>Budget on Cash Basis</b>						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
<b>Income</b>						
Own revenue	(162 200)	(45 412)	(20 ,612)	(220 119)	(12 507)	1
Subsidy	(805 120)	(90 804)	(895 924)	(805 120)	90 804	2
Non-Exchange Revenue	(49 710)	(74 928)	(124 638)	(108 218)	16 420	2
	<b>(1 017 030)</b>	<b>(211 144)</b>	<b>(1 228 174)</b>	<b>(1 133 457)</b>	<b>94 717</b>	
<b>Expenditure</b>						
Compensation of employees	760 441	29 859	790 300	804 947	14,647	
Goods and services	241 070	138 907	379 977	300 197	(79 780)	3
Interest and rent on land	1 023	(49)	974	8 905	7 931	
Transfers and subsidies	7 016	(913)	6 103	6 310	207	
Assets	7 480	43 340	50 820	39 188	(11 632)	4
<b>Total expenditure</b>	<b>1 017 030</b>	<b>211 144</b>	<b>1 228 174</b>	<b>1 159 547</b>	<b>(68 627)</b>	
<b>Net Deficit</b>	-	-	-	<b>26 090</b>	<b>26 090</b>	
<b>Reconciliation to net deficit</b>						
Net Deficit				(26 090)		
Depreciation				(58 003)		
Asset acquisitions				39 188		
Sundry other				(705)		
<b>Actual Amount in the Statement of Financial Performance</b>				<b>(45 610)</b>		

1. We earned more than the budgeted income for the year.
2. This is mainly due to the roll overs which are included in the budget for which the cash was received in the prior year.
3. The underspending relates to expenses that are currently in orders and are in progress.
4. The underspending relates to capital expenditure projects that are in progress.





**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Consolidated Accounting Policies

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### 1. Presentation of Consolidated Annual Financial Statements

The Consolidated Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These Consolidated Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures have been rounded to the nearest Rand Thousand.

#### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the Consolidated Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Consolidated Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Consolidated Annual Financial Statements. Significant judgements include:

##### **Impairment of trade receivables**

The group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

##### **Post-retirement benefits**

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

##### **Depreciation and amortisation**

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives of the underlying items. The useful lives of assets are based on management's estimation of an asset's condition, expected condition at the end of the period of use, its current use, expected future use and the group's expectations about the availability of finance to replace the asset at the end of its useful life.

The group reviews the useful lives of all assets on a yearly basis. Management applies judgement in determining if these remain reasonable or need to be reassessed. If reassessment is required, this change is accounted for in the current and future periods and treated as a change in estimate.

##### **Estimates**

Estimates are informed by historical experience, information currently available, management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife****Consolidated Annual Financial Statements for the year ended 31 March 2023****Consolidated Accounting Policies****1.2 Living and non-living resources**

Living resources are those resources that undergo biological transformation. Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**Recognition**

Non-living and living resources are recognised as an asset when, and only when:

- the group controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the group;
- and the fair value or cost of the asset can be measured reliably.
- Non-living and living resources are not recognised in the statement of financial position, as the fair value or cost of the assets cannot be measured reliably.

The status and trend of living resources in the province is monitored from a broad (ecosystem) to fine (species) levels, through a number of programmes which are both formal and informal.

**1.3 Property, plant and equipment**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The value of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the group; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where an asset is acquired at no cost or for a nominal cost, its cost is its fair value as at date of acquisition.

Subsequent to initial measurement property, plant and equipment excluding land are carried at cost less accumulated depreciation and any impairment losses.

Land is carried at cost and is not depreciated.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment is depreciated on the straight line basis over their estimated useful lives.

The depreciation period and the depreciation method for property, plant and equipment are reviewed at each reporting date

The useful lives of items of property, plant and equipment have been assessed as follows:

<b>Item</b>	<b>Average useful life</b>
Building and Structures	20 to 100 years
Plant and Machinery	1 to 26 years
Furniture, Tools and Equipment	1 to 30 years
Aircraft, Motor vehicles and Boats	3 to 70 years
Computer equipment	1 to 24 years
Roads	5 to 50 years
Dams, Reservoirs and Boreholes	15 to 35 years
Fencing	5 to 20 years



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Consolidated Accounting Policies

### 1.3 Property, plant and equipment (continued)

The useful lives of assets are re-assessed on a yearly basis and adjusted where required, however the above estimated useful lives are the accepted norm and in certain instances the assets would be fully depreciated as they are at the end of their useful lives but still be in use.

These useful lives of assets are assessed yearly. Where the requirements of GRAP 17 were correctly applied in prior periods, but expectations changed during the year, then the adjustment will result in a change in accounting estimate (i.e. an adjustment to depreciation) and not an error. However, if the requirements of GRAP 17 were not correctly applied in prior periods, the adjustment results in an error in accordance with GRAP 3.

Adjustments are not made to assets that are not significant to the organisation's operations and service delivery objectives. If the assets are significant to the organisation's operations, service delivery objectives and are material, then appropriate adjustments will be made.

### 1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the group and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the group intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the group or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the group; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Average useful life
Computer software, other	3 to 15 years

### 1.5 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

#### Recognition

The group recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the group, and the cost or fair value of the asset can be measured reliably.

Where the group holds a heritage asset, but on initial recognition, it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in the note.

### 1.6 Financial instruments

#### Classification

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an Consolidated Annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

The group classifies financial assets and financial liabilities into the following categories:





## KwaZulu-Natal Nature Conservation Board

### Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

## Consolidated Accounting Policies

### 1.6 Financial instruments (continued)

#### Trade and other receivables

Trade receivables are measured at initial recognition, at fair value and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the amount at initial recognition.

#### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

#### Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### 1.7 Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments received and paid under operating leases are charged to the statement of financial performance over the period of the lease.

### 1.8 Inventories

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

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

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

Inventories are measured at the lower of cost or net realisable value.

### 1.9 Commitments

Items are classified as commitments when the group has committed itself to future transactions that will normally result in the outflow of cash.

Commitments are not recognised in the statement of financial position, but are included in the notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

### 1.10 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The group will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event has occurred.



## KwaZulu-Natal Nature Conservation Board

### Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

## Consolidated Accounting Policies

---

### 1.11 Impairment of cash-generating assets

Cash-generating assets are those assets held by the group with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated group, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Useful life is either:

- the period of time over which an asset is expected to be used by the group; or
- the number of production or similar units expected to be obtained from the asset by the group.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

The recoverable amount is the higher of its fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

### 1.12 Impairment of non-cash-generating assets

The group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable service amount of the asset. If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

### 1.13 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted.

#### Post-employment benefits

##### Defined contribution and benefit plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.



## KwaZulu-Natal Nature Conservation Board

### Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

## Consolidated Accounting Policies

### 1.13 Employee benefits (continued)

#### Other post retirement obligations

The group provides post-retirement health care benefits upon retirement to some retirees. The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The group also provides a gratuity and housing subsidy on retirement to certain employees. An Consolidated Annual charge to income is made to cover both these liabilities.

Actuarial gains and losses comprise of experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, the group recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Interest costs per the actuarial valuations are disclosed in the statement of financial performance.

### 1.14 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

### 1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. An exchange transaction is one in which the group receives assets or services, or has liabilities extinguished and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised upon delivery/receipt of the products and customer acceptance.



**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife****Consolidated Annual Financial Statements for the year ended 31 March 2023****Consolidated Accounting Policies**

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**1.15 Revenue from exchange transactions (continued)****Rendering of services**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the group;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue is recognised upon customer acceptance.

**Interest**

Revenue arising from the use by others of group assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the group, and
- The amount of the revenue can be measured reliably.

Interest is recognised in surplus or deficit, using the effective interest rate method.

**1.16 Revenue from non-exchange transactions**

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the group either receives value from another group without directly giving approximately equal value in exchange, or gives value to another group without directly receiving approximately equal value in exchange.

**Transfers**

The group recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transfers received in respect of projects to which conditions are attached, are treated as liabilities (external projects/ deferred income) and subsequently recognised as revenue in the periods that expenditure has been incurred, in accordance with the project business plans.

Transferred assets are measured at their fair value as at the date of acquisition.

**Permits and fines**

Permits and fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

**Gifts and donations, including goods in-kind**

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the group and the fair value of the assets can be measured reliably.

**1.17 Comparative figures**

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Changes in accounting policies and fundamental errors are also restated in the prior year figures.



## KwaZulu-Natal Nature Conservation Board

### Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

## Consolidated Accounting Policies

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### 1.18 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense and, where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

All fruitless and wasteful expenditure that was incurred and identified during the current financial period is disclosed in the notes to the Consolidated Annual financial statements.

### 1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

All irregular expenditure that was incurred and identified during the current financial period is recorded in the notes to the Consolidated Annual financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are derecognised when settled or written off as irrecoverable.

### 1.20 Finance costs

Finance costs are recognised as an expense in the period in which they are incurred.

### 1.21 Budget information

The Budget is approved on a cash basis. The approved budget covers the period from 01 April 2022 to 31 March 2023.

The budget and accounting basis differ. The financial statements are prepared on the accrual basis whereas the budget is prepared on the cash basis.

### 1.22 Related parties

The group operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are considered to be related parties.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

### 1.23 Value Added Taxation (VAT)

The Revenue Laws Amended Act, 2003 (Act No. 45 of 2003) commenced on 22 December 2003. In terms of this Act, with effect from 1 April 2005, Ezemvelo KZN Wildlife, which is listed in Schedule 3C of the Public Finance Management Act, 1999 now falls within the definition of "public authority" as defined in section 1 of the VAT Act. Ezemvelo KZN Wildlife was consequently deregistered for VAT purposes.



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Consolidated Accounting Policies

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### 1.24 Taxation

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10(1)(cA)(i) of the Income Tax Act, 1962 (Act No. 58 of 1962).

### 1.25 Consolidation

#### Basis of consolidation

The Consolidated Annual Financial Statements incorporate the Annual Financial Statements of the controlling entity and the controlled entity.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities. An investment in an entity is accounted for in accordance with the Standards of GRAP 104 on Financial Instruments from the date that it ceases to be a controlled entity, unless it becomes an associate or a jointly controlled entity, in which case it is accounted for as such.

The Annual Financial Statements of the entity used in the preparation of the Consolidated Annual Financial Statements are prepared as of the same date.

Adjustments are made when necessary to the Consolidated Annual Financial Statements of the entity to bring its accounting policies in line with those of the entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.



**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife****Consolidated Annual Financial Statements for the year ended 31 March 2023****Notes to the Consolidated Annual Financial Statements****2. New standards and interpretations****2.1 Standards and interpretations issued, but not yet effective**

<b>Standard/ Interpretation:</b>	<b>Effective date:</b>	<b>Expected impact:</b>
GRAP 25 - Employee benefits	1 April 2023	The impact on the Financial results and disclosure is considered to be minimal when the standard is adopted.
GRAP 104 - Financial instruments	1 April 2025	The impact on the Financial results and disclosure is considered to be minimal when the standard is adopted.
IGRAP7 - The limit on a defined benefit asset, minimum funding requirements and their interaction	The interpretation becomes effective with the amendments to GRAP 25	The impact on the Financial results and disclosure is considered to be minimal when the standard is adopted.
IGRAP 21 - The effect of past decisions on materiality	1 April 2023, but entities are encouraged to consider it when preparing financial statements for 2022/23.	The impact on the Financial results and disclosure is considered to be minimal when the standard is adopted.
Guideline - Accounting for Landfill sites	1 April 2023	The impact on the Financial results and disclosure is considered to be minimal when the standard is adopted.
GRAP 1 (amendments related to materiality) - Presentation of Financial Statements	The Standard has an effective date of 1 April 2023. Earlier application is encouraged.	The impact on the Financial results and disclosure is considered to be minimal when the standard is adopted.
GRAP 1 (amendments related to going concern) - Presentation of Financial Statements	Effective date is yet to be determined by the Minister of Finance.	The impact on the Financial results and disclosure is considered to be minimal when the standard is adopted.
GRAP 103 - Heritage Assets	Effective date is yet to be determined by the Minister of Finance.	The impact on the Financial results and disclosure is considered to be minimal when the standard is adopted.
Guideline - The Application of Materiality to Financial Statements	The Guideline is not authoritative, but entities are encouraged to consider it when preparing financial statements.	The impact on the Financial results and disclosure is considered to be minimal when the standard is adopted.



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Notes to the Consolidated Annual Financial Statements

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### 3. Living and non-living resources

#### Fauna and Flora

The living resources of the entity comprise of a wide range of species of fauna and flora. These species are managed at a population level for conservation purposes and their removal, and subsequent disposal, is for ecological or species meta population management objectives rather than for a profit.

It is intrinsically challenging to determine the exact numbers of species of the various fauna and flora as we do not exercise direct physical control over their movements or behaviour. These species are subject to natural ecological processes such as drought or predation, which we have no control over. They are managed through various ecosystem and species level monitoring programmes which aim to monitor trends rather than specific numbers.

Therefore, for both fauna and flora, the estimation of the species numbers, as well as their values, cannot be reliably measured, and consequently we have not disclosed this information in the statement of financial position.



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

**4. Property, plant and equipment**

	2023		2022			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	6 365	-	6 365	6 365	-	6 365
Buildings and structures	1 192 596	(702 328)	490 268	1 190 520	(678 646)	511 874
Plant and machinery	18 894	(14 149)	4 745	19 126	(13 881)	5 245
Furniture, tools and equipment	145 594	(106 042)	39 552	145 798	(105 585)	40 213
Aircraft, vehicles and boats	193 726	(128 065)	65 661	190 366	(122 601)	67 765
Computer equipment	36 020	(24 410)	11 610	32 768	(22 865)	9 903
Roads	247 133	(126 765)	120 368	247 133	(114 490)	132 643
Dams, reservoirs and boreholes	9 032	(5 911)	3 121	9 083	(5 523)	3 560
Fencing	104 224	(51 761)	52 463	104 224	(44 744)	59 480
Work in progress	53 302	-	53 302	32 019	-	32 019
<b>Total</b>	<b>2 006 886</b>	<b>(1 159 431)</b>	<b>847 455</b>	<b>1 977 402</b>	<b>(1 108 335)</b>	<b>869 067</b>





**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

**4. Property, plant and equipment (continued)**  
**Reconciliation of property, plant and equipment - March 2023**

	Opening balance	Additions	Disposals	Transfers	Impairment	Depreciation	Accumulated depreciation on disposals	Total
Land	6 365	-	-	-	-	-	-	6 365
Buildings and structures	511 874	1 285	(2 713)	3 504	(1 956)	(24 411)	2 685	490 268
Plant and machinery	5 245	5	(237)	-	-	(487)	219	4 745
Furniture, tools and equipment	40 213	4 652	(4 894)	38	-	(4 574)	4 117	39 552
Aircraft, motor vehicles and boats	67 765	3 884	(524)	-	-	(5 906)	442	65 661
Computer equipment	9 903	3 505	(285)	32	-	(1 802)	257	11 610
Roads	132 643	-	-	-	-	(12 275)	-	120 368
Dams, reservoirs and boreholes	3 560	-	(51)	-	-	(432)	44	3 121
Fencing	59 480	-	-	-	-	(7 017)	-	52 463
Work in progress	32 019	24 857	-	(3 574)	-	-	-	53 302
	<b>869 067</b>	<b>38 188</b>	<b>(8 704)</b>	<b>-</b>	<b>(1 956)</b>	<b>(56 904)</b>	<b>7 764</b>	<b>847 455</b>



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

**4. Property, plant and equipment (continued)**  
**Reconciliation of property, plant and equipment - March 2022**

	Opening balance	Additions	Disposals	Transfers received	Impairment	Depreciation	Accumulated depreciation on disposals	Total
Land	6 365	-	-	-	-	-	-	6 365
Buildings and structures	536 315	941	(3 298)	16	-	(24 385)	2 285	511 874
Plant and machinery	4 699	885	(261)	15	-	(325)	232	5 245
Furniture, tools and equipment	40 118	7 600	(2 549)	(218)	-	(7 100)	2 362	40 213
Aircraft, motor vehicles and boats	57 097	17 104	(21 350)	91	-	(3 567)	18 390	67 765
Computer equipment	7 798	3 030	(206)	207	-	(1 021)	95	9 903
Roads	144 960	-	-	-	-	(12 317)	-	132 643
Dams, reservoirs and boats	3 554	86	(6)	346	-	(423)	3	3 560
Fencing	65 901	-	(11)	(15)	-	(6 405)	10	59 480
Work in progress	10 520	22 757	-	(499)	(759)	-	-	32 019
	<b>877 327</b>	<b>52 403</b>	<b>(27 681)</b>	<b>(57)</b>	<b>(759)</b>	<b>(55 543)</b>	<b>23 377</b>	<b>869 067</b>
<b>WIP Breakdown</b>						<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Buildings and structures						7 186	27 052	34 554
Fencing						3 270	4 967	16 498
Roads						640	-	2 250
						<b>10 520</b>	<b>32 019</b>	<b>53 302</b>

Two fencing projects with book values of R 3,8 million (2022: R 3,2 million), have been delayed and have had no progress due to the suppliers delivering equipment that was not according to specifications.

One building project with a book value of R 3,0 million (2022: R 3,0 million) has been halted due to issues with the service provider. Management are in the process of appointing another service provider to continue with the project.

**KwaZulu-Natal Nature Conservation Board**

Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

2023

2022  
Restated**4. Property, plant and equipment (continued)****Repairs and maintenance by asset class**

Aircraft, Motor Vehicles and Boats	15 402	12 257
Buildings and Structures	7 400	17 938
Furniture, Tools and Equipment	2 751	4 361
Computer Equipment	63	48
Dams, Reservoirs and Boreholes	2 806	1 910
Fencing	39	1 374
Plant and Machinery	494	112
Roads	10 898	13 759
	<b>39 853</b>	<b>51 759</b>

**5. Intangible assets**

	2023			2022 Restated		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	21 587	(18 906)	2 681	21 587	(17 717)	3 870
Work in progress	1 000	-	1 000	-	-	-
<b>Total</b>	<b>22 587</b>	<b>(18 906)</b>	<b>3 681</b>	<b>21 587</b>	<b>(17 717)</b>	<b>3 870</b>

**Reconciliation of intangible assets - March 2023**

	Opening balance	Additions	Amortisation	Total
Computer software, other	3 870	-	(1 189)	2 681
Work in progress	-	1 000	-	1 000
	<b>3 870</b>	<b>1 000</b>	<b>(1 189)</b>	<b>3 681</b>

**Reconciliation of intangible assets - March 2022**

	Opening balance	Additions	Transfers received	Amortisation	Total
Computer software, other	5 342	53	18	(1 543)	3 870

**6. Heritage assets**

EKZNW is the management authority of the Ukhahlamba/Drakensberg Park World Heritage Site (UDPWHS) in terms of section 8 of the World Heritage Convention Act 49 of 1999 on behalf of the National Department of Environmental Affairs.

The 242 814 hectares UDPWHS is considered a Heritage Site due to the areas unique richness of the biological diversity, its endemic and endangered species, its natural beauty and its masterpieces of Bushman rock paintings.

- The rock art of the Ukhahlamba/Drakensberg is the largest and most concentrated group of rock paintings in Africa, south of the Sahara and is outstanding both in quality and diversity of subject.
- The San people lived in the mountainous Ukhahlamba/Drakensberg area for more than four millennia, leaving behind them a corpus of outstanding rock art which throws much light on their way of life and their beliefs.



**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife****Consolidated Annual Financial Statements for the year ended 31 March 2023****Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

2023

2022  
Restated**6. Heritage assets (continued)**

The site has exceptional natural beauty with soaring basaltic buttresses, incisive dramatic cutbacks and golden sandstone ramparts. Rolling high altitude grasslands, the pristine steep-sided river valleys and rocky gorges also contribute to the beauty of the site. The site's diversity of habitats protects a high level of endemic and globally threatened species, especially of birds and plants.

Due to the nature of the above we could not establish a fair value/ deemed cost nor a replacement cost for these heritage assets acquired as the management authority.

**7. Employee benefit obligations****Defined contribution plan**

It is the policy of the entity to provide retirement benefits to all its employees. At 31 March 2023, there were 1684 (2022: 1729) employees on the Ezemvelo KZN Wildlife Provident Fund. Under this scheme, the entity is under no obligation to cover any unfunded benefits.

**Defined benefit plan**

In addition to the defined contribution plan, the entity has two defined benefit plans that are governed by the Pension Funds Act, 1956 (Act no. 24 of 1956). At 31 March 2023, there were 141 (2022: 164) employees on the Government Employee Pension Fund and 27 (2022: 36) employees on the Natal Parks Board Pension and Gratuity Pension Scheme.

**Government Employee Pension Fund**

Former employees of the KwaZulu-Natal Directorate of Nature Conservation are members of the Government Employee Pension Fund governed by the Pension Funds Act 1956 (Act no.24 of 1956). This multi-employee state fund is a defined benefit plan. According to the actuarial valuation at 31 March 2021, the fund was 110.1% funded. The employer continues to allow employees on this fund to migrate to the Ezemvelo KZN Wildlife Provident Fund. This does not pose any financial risk to the organisation.

**Post retirement medical aid plan**

The Board commissioned an independent valuation, based on actuarial valuation principles, of the post retirement medical aid obligation. Actuarial valuations are conducted every 3 years. A valuation conducted by actuaries (Old Mutual Actuaries) in March 2023 reflected an estimated obligation of R 59,1 million as at 31 March 2023. This unfunded liability is being recognised as an expense over three years.

**Post retirement medical liability**

Baseline opening balance	66 399	63 972
Interest cost	8 905	7 060
Current service cost	539	546
Benefit payment	(5 749)	(5 179)
Actuarial Gain	(11 032)	-
	<b>59 062</b>	<b>66 399</b>



## KwaZulu-Natal Nature Conservation Board

### Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand 2023 2022  
Restated

### 7. Employee benefit obligations (continued)

The most significant actuarial assumptions are detailed in the table below:

#### Assumptions

(a) Discount rate	9.9 %	11.4 %
(b) Medical inflation	6.8 %	8.6 %
(c) Retirement age	65	60
(d) Proportion continuing membership at retirement	100 %	100 %
(e) Proportion of retiring members who are married	90 %	90 %
(f) Age of spouse	3 years older than wives	3 years older than wives
(g) Mortality of in-service members	In accordance with SA 85-90 (light) ultimate table	In accordance with SA 85-90 (light) ultimate table
(h) Mortality of continuation members	In accordance with PA (90) ultimate male and female tables	In accordance with PA (90) ultimate male and female tables
(i) Consolidated Annual rate of withdrawal owing to resignation before retirement	According to scales below	According to scales below

#### Annual rate of withdrawal - from age

	Male	Female
20	16 %	24 %
25	12 %	18 %
30	10 %	15 %
35	8 %	10 %
40	6 %	6 %
45	4 %	4 %
50	2 %	2 %
55 +	- %	- %

A discount rate of 9.9% per year has been used to place a present value on future benefit payments. This is consistent with the GRAP 25 requirement that the discount rate used should be the long term government bond yield. The rate of 9.66 % is the gross redemption yield on the R2030 government bond as at 31 January 2023.

An expected long term rate of increase to the medical aid subsidy of 6.8% per year has been used to value the liabilities. The medical inflation assumption has been set as follows: The base inflation rate CPI has been set as the difference in the yields on the R2030 and the inflation-linked R2029 bond after deducting an inflation risk premium of 0.5%. In addition to this, a medical inflation premium of 0.5% has been added to obtain the medical inflation rate of 6.8%. This medical inflation premium makes allowance for affordability in the environment of lower real returns anticipated by the market.

It was assumed that employees will not have child dependants at retirement.

No mortality experience investigation for Ezemvelo KZN Wildlife has been conducted as the size of the membership is insufficient to justify such an investigation.

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife**

Consolidated Annual Financial Statements for the year ended 31 March 2023

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand	2023	2022 Restated
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**7. Employee benefit obligations (continued)****Sensitivity Analysis**

The results are dependent on the assumptions used. The table below shows how the past service cost as at 31 March 2023 would be impacted by changes to these assumptions.

**In-Service and Continuation Members**

	<b>Accrued service liabilities as at 31 March 2023</b>	<b>% increases</b>
Assumptions as above	59,062	-
Discount rate - increase by 1% p.a.	53,605	(9)
Discount rate - reduces by 1% p.a.	63,385	7
Medical inflation - increases by 1% p.a.	63,361	7
Medical inflation - reduces by 1% p.a.	53,559	(9)
Retirement age 60	63,256	7

The tables below show how the current service cost and interest cost for the year to 31 March 2023 would be impacted by changes to the assumptions:

<b>In-service members</b>	<b>Current service cost 1 April 2023 - 31 March 2024</b>	<b>% increase</b>
Assumptions as above	0,399	-
Discount rate - increases by 1% p.a.	0,344	(14)
Discount rate - reduces by 1% p.a.	0,468	17
Medical inflation - increases by 1% p.a.	0,473	18
Medical inflation - reduces by 1% p.a.	0,340	(15)
Retirement age 60	0,421	5

**In-service and continuation members**

	<b>Interest cost 1 % increase April 2023 - 31 March 2024</b>	
Assumptions as above	5,563	-
Discount rate - increases by 1% p.a.	5,313	(5)
Discount rate - reduces by 1% p.a.	5,219	(6)
Medical inflation - increases by 1% p.a.	5,804	4
Medical inflation - reduces by 1% p.a.	4,820	(13)
Retirement age 60	5,788	4



**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife****Consolidated Annual Financial Statements for the year ended 31 March 2023****Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

2023

2022  
Restated**7. Employee benefit obligations (continued)****Natal Parks Board Pension and Gratuity Pension Scheme**

The Natal Parks Board Pension and Gratuity Pension Scheme, which is administered by Old Mutual, is a fully funded defined benefit plan governed by the Pension Funds Act. Only employees of the former Natal Parks Board belong to this scheme.

The latest available actuarial valuation of this scheme was at 30 June 2022. In the opinion of the actuary, the fund is in a sound financial position. The actuary reassessed the valuation to account for changes which were likely to occur subsequent to 30 June 2021. Any shortfalls in benefit plans are the responsibility of the entity.

As at 30 June 2022 the actuarial value of the assets exceeds the value of the liabilities after allowing for the solvency reserve.

The most significant actuarial assumptions (performed using the Attained Age method) of the most recent valuation were:

- A long-term inflation rate of 5% per annum has been assumed.
- Long term interest rate of 4% per annum and a 7.5% per annum for solvency.
- Long term salary increase assumption of 6% per annum.
- Promotional salary increases are assumed to take place in accordance with rates set out in Annexure IV of the valuation.
- Interest rate used to value the pension payable at retirement was set at 5.5% per annum. The difference between this rate and the investment return actually earned (assumed to be 9% per annum), represents a provision for pension increases in terms of the pension increase policy.
- Withdrawals are assumed to take place in accordance with rates set out in Annexure IV of the valuation.
- Deaths before retirement are assumed to take place in accordance with rates set out in the Annexure IV of the valuation.
- Deaths after retirement are assumed to take place in accordance with rates based on PA (90) males and females and adjusted based on actual experience of Old Mutual Annuity Portfolio.
- All members will retire when attaining the normal retirement age and members over the retirement age are deemed to have retired on the valuation date.
- All members will be married at retirement with husbands being 5 years older than wives.
- A discount rate of 3% per annum has been used to quantify the value of deferred pension for the purposes of calculating the statutory minimum benefit.
- All members will commute 1/3rd of their pensions.

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife**

Consolidated Annual Financial Statements for the year ended 31 March 2023

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated
<b>7. Employee benefit obligations (continued)</b>				
<b>Assets</b>				
Expected return on plan assets - Market value of assets	611 362	606 171	611 362	606 171
<b>Member liabilities and contingencies reserve</b>				
Current service cost - past service liabilities in respect of active members	93 591	106 255	93 591	106 255
Past service cost - Pensioners liabilities	505 756	489 512	505 756	489 512
Contingency reserves	5 395	6 753	5 395	6 753
	<b>604 742</b>	<b>602 520</b>	<b>604 742</b>	<b>602 520</b>
<b>8. Inventories</b>				
Consumable stores	9 122	8 425	9 122	8 425
Other goods held for resale	6 790	5 444	6 790	5 444
Fuel (Diesel, petrol and gas)	4 082	4 023	4 082	4 023
	<b>19 994</b>	<b>17 892</b>	<b>19 994</b>	<b>17 892</b>
Stock losses	113	215	113	215
<b>9. Trade and other receivables from exchange transactions</b>				
Trade debtors	13 458	13 569	13 413	13 554
Deposits	4 912	4 567	4 912	4 567
Prepayments	9	9	9	9
Less: Provision for impairment	(7 247)	(10 298)	(7 247)	(10 298)
	<b>11 132</b>	<b>7 847</b>	<b>11 087</b>	<b>7 832</b>
<b>Fair value of trade and other receivables</b>				
Trade and other receivables have not been discounted in order to split the interest and capital portion as at the end of the current year. An adequate provision has been made for all the doubtful debts which reduced the relevant amount.				
<b>Ageing of trade receivables from exchange transactions</b>				
Current	6 126	4 273	5 745	3 922
30 days	65	38	65	38
60 days	73	39	73	39
90 days	7	79	7	79
120 days	55	42	55	42
+120 days	7 132	9,098	7 468	9 434
	<b>13 458</b>	<b>13 569</b>	<b>13 413</b>	<b>13 554</b>
<b>Reconciliation of provision for impairment of trade and other receivables</b>				
Opening balance	10 298	890	10 298	890
Provision for impairment	72	9 426	72	9 426
Amounts written off as uncollectible	(3 123)	(18)	(3 123)	(18)
	<b>7 247</b>	<b>10 298</b>	<b>7 247</b>	<b>10 298</b>

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife**

Consolidated Annual Financial Statements for the year ended 31 March 2023

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated

**9. Trade and other receivables from exchange transactions (continued)**

The creation and release of provision for impaired receivables have been included in operating expenses in the statement of financial performance.

**10. Receivables from non-exchange transactions**

Receivables from non-exchange transactions	1 439	4,529	1 439	4 529
Less: Provision for impairment	(175)	(157)	(175 )	(157 )
	<b>1 264</b>	<b>4 372</b>	<b>1 264</b>	<b>4 372</b>

**Reconciliation of provision for impairment of receivables from non-exchange transactions**

Opening balance	157	1 676	157	1 676
Provision for impairment	18	157	18	157
Amounts written off	-	(1 676)	-	(1 676)
	<b>175</b>	<b>157</b>	<b>175</b>	<b>157</b>

**11. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	1 125	922	1 245	1 043
Bank balances	110 573	81 512	110,573	81 512
Short-term investments	96 552	150 116	97 636	151 141
Other cash and cash equivalents	1 950	2 056	1 950	2 056
	<b>210 200</b>	<b>234 606</b>	<b>211 404</b>	<b>235 752</b>

A guarantee for R185 154 in favour of Eskom is held by First National Bank Limited.

**12. Deferred Income****Unspent conditional grants and receipts comprises of:**

Balance at the beginning of the year	117 254	94 638	117 254	94 638
Funds Received	101 394	120 766	101 394	120 766
Disbursements	(100 923)	(97 798)	(100 923)	(97 798)
Transfers	518	(352)	518	(352)
	<b>118 243</b>	<b>117 254</b>	<b>118 243</b>	<b>117 254</b>





**KwaZulu-Natal Nature Conservation Board**

Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

**Notes to the Consolidated Annual Financial Statements**

12. Deferred Income (continued)					
Donor / Grant name	Purpose	Disbursements	Funds Received	Transfers	Closing balance
DAFF / Oceans & Coasts	Marine Conservation	54	-	-	(1 900)
DEA / Oceans & Coasts	Marine Conservation	90	-	-	(617)
DARD / Other	Fencing project	-	-	-	(186)
DEA-NRM / WFR	River Clearing	-	-	-	-
DEA-NRM / Payment for Eco- System Services	Donga Rehabilitation	7 643	(8 816)	-	(3 943)
EDTEA / Ingodini Border Cave Project	Infrastructure Development	126	(78)	-	(1 829)
DEA / Ongoye Forest Development	Infrastructure Development	49	(25)	(366)	(596)
DEA / Usuthu Tembi Futhi	Infrastructure Development	3	(1)	(2)	(35)
EDTEA / Bhambatha Lodge	Infrastructure Development	3	(31)	-	(763)
EDTEA / Invasive Alien Species Programme Co-Ordination	Alien Plant Clearing	2 204	(43)	(2 498)	(453)
EDTEA / Invasive Alien Species Programme Coast	Alien Plant Clearing	8 127	(179)	(10 054)	(2 739)
EDTEA / Invasive Alien Species Programme uKhahlamba	Alien Plant Clearing	10 601	(215)	(11 852)	(3 536)
EDTEA / Invasive Alien Species Programme Z/land	Alien Plant Clearing	25 212	(50 401)	24 403	(10 574)
DEA / Cathedral Peak Camp Sites	Infrastructure Development	-	-	-	-
EKZNW / Community Levy	Community Developments Projects	232	(80)	-	(1 904)
DEA, EKZNW, ECT / Maloti Drakensberg TFCA Phase 2	Operations Management	3 719	(3 758)	-	(2 344)
WCT / Wildlands Conservation Trust	Operations Management	-	-	-	-
EKZNW / Project Management General (Closed Out Projects)	Operations Management	-	-	-	(754)
DARD / Agriculture Infrastructure	Infrastructure Development	-	-	-	-
DAFF / Small Scale and Fisheries	Marine and Coastal Management	2	(12)	(2)	(291)



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

**Notes to the Consolidated Annual Financial Statements**

**12. Deferred Income (continued)**

Donor / Grant name	Purpose	Opening balance	Disbursements	Funds Received	Transfers	Closing balance
EDTEA / NTSIKENI MAY LODGE	Operations Management	-	-	-	-	-
DEA / BUSINGATHA LODGE	Infrastructure Development	(1 935)	731	(68)	4	(1 268)
DEA / TEMBE NDUMO	Infrastructure Development	(9 006)	7 596	(5 324)	284	(6 450)
EKZNW / Omakhelwane	Operations Management	(126)	3	(20)	1	(142)
EDTEA / EAST3ROUTE LEGACY	Infrastructure Development	(8 892)	663	(369)	-	(8 598)
DEA / NDUMO LODGE UPGRADE	Infrastructure Development	(140)	103	(4)	-	(41)
EKZNW / NRM Administration	Operations Management	(326)	470	(164)	-	(20)
DEA / Youth Environmental Service	Mass Employment and Training	(459)	156	(17)	4	(316)
NDT / NDT Midmar Maintenance	Infrastructure Development	(3 093)	1 337	(300)	(9 659)	(11 715)
NDT / NDT Roof Upgrade	Infrastructure Development	(711)	1 152	(16 446)	9 500	(6 505)
NDT / NDT Giants Castle Upgrade	Infrastructure Development	(5 311)	652	(226)	(293)	(5 178)
Maloti Fencing Project	Infrastructure Development	(8 414)	13 839	(9 847)	4	(4 418)
Siyaya Coastal Park	Infrastructure Development	(4 177)	1 057	(157)	4	(3 273)
Working for the Coast	Infrastructure Development	(3 261)	5 641	(4 813)	4	(2 429)
EDTEA Roads Maintenance Project	Road Maintenance	(44 884)	9 458	-	-	(35 426)
		-	-	-	-	-
		<b>(117 254)</b>	<b>100 923</b>	<b>(101 394)</b>	<b>(518)</b>	<b>(118 243)</b>

Conditional grants represent amounts from external sources (grants and funders) that will be utilised in the future against the respective projects.



## KwaZulu-Natal Nature Conservation Board

Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	EKZWNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated

#### 13. Provisions

##### Reconciliation of provisions - March 2023

	Opening Balance	Move- ment	Total
Leave pay provision	72 156	180	72 336
Contributory pension	1 230	(7)	1 223
Emergency rescue provision	1 701	-	1 701
	<b>75 087</b>	<b>173</b>	<b>75 260</b>
Audit fees	5	(5)	0
	<b>75 092</b>	<b>168</b>	<b>75 260</b>

##### Reconciliation of provisions - March 2022

	Opening Balance	Move- ment	Total
Leave pay provision	74 106	(1 950)	72 156
Contributory pension	1 251	(21)	1 230
Emergency rescue provision	1 701	-	1 701
	<b>77 058</b>	<b>(1 971)</b>	<b>75 087</b>
Audit fees	5	0	5
	<b>77 063</b>	<b>(2)</b>	<b>75 092</b>

#### 14. External Projects

Special Projects	12 360	11 439	12 360	11 439
Community levy	17 882	15 705	17 882	15 705
Community facilities control account	5 393	6 807	5 393	6 807
Wildcard and commercial marine licenses	-	2	-	2 000
	<b>35 635</b>	<b>33 953</b>	<b>35 635</b>	<b>33 953</b>

Special Project	Purpose	Opening balance - Restated	Expen- diture	Income	Closing balance
Chairman's Trust	A special fund to cater for staff members in need of assistance.	(2 766)	-	(141)	(2 907)
National Department of Tourism - Universal access Project - Hilltop	Structural improvements aimed at ensuring that facilities cater for people with special categories of physical need.	(1 415)	70	(33)	(1 378)
RBM - Hilltop Ablutions	Upgrade rondavel / ablutions at Hilltop Resort.	(1 500)	-	-	(1 500)
Ezemvelo Cup	Sponsorship of Consolidated Annual soccer tournament aimed at benefiting neighbouring communities.	(788)	-	-	(788)





## KwaZulu-Natal Nature Conservation Board

Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

### Notes to the Consolidated Annual Financial Statements

#### 14. External Projects (continued)

Special Project	Purpose	Opening balance - Restated	Expenditure	Income	Closing balance
Ivory Auction Special Project	Only to be used for monitoring, management and research related to elephants.	(876)	5	(177)	(1 048)
Earthwatch Institute Game Count Program	Only to be used for costs relating to the bi-Consolidated Annual game count program in HiP. This includes the purchasing and maintenance of equipment, food for camp staff and volunteers, salaries for camp staff and TOG to clear transects and maintain camps.	(271)	1 170	(1 356)	(457)
DEDTEA - Amadamu Community & Cattle Water Dams Project	Only to be used for the construction of earth dams in the surrounding community.	(490)	-	-	(490)
AWF HIP Security Project	Only to be used for security related projects and HiP	(366)	-	-	(366)
Lubombo TFCA Game Re-location	Only to be used for payment of game translocation in the Transfrontier Conservation Area.	(258)	-	-	(258)
Save The Rhino	Rhino intervention initiative.	(572)	-	-	(572)
HiP Black Rhino Monitoring	Rhino intervention initiative.	-	-	-	-
EAZA Save the Rhino Campaign	Rhino intervention initiative.	(168)	-	-	(168)
Black Rhino Hunt Trust	Rhino intervention initiative.	(160)	-	-	(160)
WWF ZA12A3 RFP - Rhino Range Expansion	Rhino intervention initiative.	(105)	-	-	(105)
Other	Various conservation projects from various donors.	(1 285)	238	(169)	(1 216)
Umlalazi Free Access	To allow free public access at Umlalazi	(77)	138	(150)	(89)
Injisuthi Fire	Donated by public after fire incident that burnt the camp	(6)	-	-	(6)
Kate Sanderson IUCN Capex	Purchase IT equipment to store biological data	(149)	149	-	-
MDP WHS Compact 7080 Opex	MDP WHS Compact	449	97	(820)	(274)
Mkhuze Black Rhino	Rhino intervention initiative	(17)	-	-	(17)
Bearded Vulture Monitoring Programme	Bearded Vulture Monitoring Programme	(285)	57	-	(228)
Midmar Mile Project	Midmar Mile Project	(333)	-	-	(333)
		<b>(11 438)</b>	<b>1 924</b>	<b>(2 846)</b>	<b>(12 360)</b>



**KwaZulu-Natal Nature Conservation Board**

Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated

**14. External Projects (continued)**

Community levy	Purpose	Opening balance	Expenditure	Income	Closing balance
Community levy	Funds to be used for community projects	(15 704)	214	(2 392)	(17 882)

Community facilities	Purpose	Opening balance	Expenditure	Income.	Closing balance
Didima	Community facilities	(406)	-	-	(406)
		-	-	-	-
Nselweni	Community facilities	(6 401)	3 000	(1 586)	(4 987)
		<b>(6 807)</b>	<b>3 000</b>	<b>(1 586)</b>	<b>(5 393)</b>

Commercial and marine license	Purpose	Opening balance	Expenditure	Income	Closing balance
Wildcard and commercial license	Wildcard and commercial license	(2)	2	-	-

**15. Trade and other payables**

Trade payables	73 057	61 394	73 144	61 506
Deposits received	30 586	35 292	30 586	35 292
Other payables	2 585	3 319	2 585	3 319
Salary accrual	8 584	8 634	8 584	8 634
	<b>114 812</b>	<b>108 639</b>	<b>114 899</b>	<b>108 751</b>

**16. Revenue**

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods	29 837	29 410	29 837	29 410
Accommodation	91 882	82 876	91 882	82 876
Natural Resource Trade	1 027	961	1 027	961
Conservation levy	21 958	7 049	21 958	7 049
Hunting revenue	528	450	528	450
Licences and permits	921	669	921	669
Admission	17 288	17 763	17 288	17 763
Trails, rides and tours	9 486	6 224	9 486	6 224
Game sales	2 375	3 754	2 375	3 754
Rental income	2 568	2 099	2 568	2 099
	<b>177 870</b>	<b>151 255</b>	<b>177 870</b>	<b>151 255</b>

The amount included in revenue arising from non-exchange transactions is as follows:

Fines	19	61	19	61
Transfers	805 120	789 429	805 120	789 429
	<b>805 139</b>	<b>789 490</b>	<b>805 139</b>	<b>789 490</b>

**983 009    940 745    983 009    940 745**

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife****Consolidated Annual Financial Statements for the year ended 31 March 2023****Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated
<b>17. Other income</b>				
Lump Sum Recoveries	-	10 631	-	10 631
Concession revenue	3 788	3 266	3 788	3 266
Expense recoveries	755	224	755	224
Other revenue	15 150	8 586	15 180	8 686
Interest income	8 281	5 226	8 340	5 261
Funder revenue	100 942	97 799	100 942	97 799
Agency Services - Marine Coastal Management	3 720	2 848	3 720	2 848
Donations	3 310	8 230	3 310	8 230
Gains valuation	16 781	5 179	16 781	5 179
	<b>152 727</b>	<b>141 989</b>	<b>152 815</b>	<b>142 125</b>
<b>The amount included in other revenue arising from exchanges of goods or services are as follows:</b>				
Concession revenue	3 788	3 266	3 788	3 266
Expense recoveries	755	224	755	224
Other revenue	15 150	8 586	15 180	8 686
Interest income	8 281	5 226	8 340	5 261
Lump Sum Recoveries	-	10 631	-	10 631
	<b>27 974</b>	<b>27 933</b>	<b>28 062</b>	<b>28 069</b>
<b>The amount included in other revenue arising from non-exchange transactions is as follows:</b>				
Funder revenue	100 942	97 799	100 942	97 799
Agency Services- Marine Coastal Management	3 720	2 848	3 720	2 848
Donations	3 310	8 230	3 310	8 230
Gains valuation	16 781	5 179	16 781	5 179
	<b>124 753</b>	<b>114 056</b>	<b>124 753</b>	<b>114 056</b>
	<b>152 727</b>	<b>141 989</b>	<b>152 815</b>	<b>142 125</b>
<b>Other Revenue</b>				
Implementation Fees	1 165	493	1 165	493
Insurance	6 253	1 099	6 253	1 099
Deposits	1 540	-	1 540	-
Skills Development Levy	1 361	1 483	1 361	1 483
Movement in Provision	-	1 950	-	1 950
Other	4 831	3 561	4 831	3 561
	<b>15 150</b>	<b>8 586</b>	<b>15 150</b>	<b>8 586</b>





## KwaZulu-Natal Nature Conservation Board

Trading as Ezemvelo KZN Wildlife

Consolidated Annual Financial Statements for the year ended 31 March 2023

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated
<b>18. Operating expenses</b>				
Administration and management fees	3 350	1 461	3 350	1 461
Auditors remuneration	4 680	4 423	4 710	4 453
Bank charges	3 692	3 182	3 692	3 182
Board members remuneration	3 992	839	3 992	839
Catering	913	379	913	379
Communication	11 421	11 674	11 421	11 674
Community payments and other expenses	4 132	4 274	4 132	4 274
Consulting and professional fees	9 154	7 886	9 154	7 886
Consumables	38 056	36 082	38 056	36 082
Contracted services	41 636	36 547	41 636	36 547
Cost of sales	23 882	23 510	23 882	23 510
Cost of services rendered	536	468	536	468
Debt impairment	91	9 584	91	9 584
Depreciation, amortisation and impairment	60 049	57 839	60 049	57 839
Electricity	29 778	29 162	29 778	29 162
Hire	35	26	35	26
Insurance	16 448	13 484	16 448	13 484
Loss on disposal of assets	941	198	941	198
Marketing and advertising	4 262	2 579	4 262	2 579
Municipal rates	46	29	46	29
Operating leases	1 221	1 907	1 221	1 907
Refuse	125	138	125	138
Repairs and maintenance	39 853	51 759	39 853	51 759
Sewerage and waste disposal	381	226	381	226
Software licenses	12 542	9 749	12 542	9 749
Stock loss	113	215	113	215
Training	2 885	1 764	2 885	1 764
Transfer payments	1 069	1 108	1 069	1 108
Transport expenses	46 597	30 548	46 597	30 548
Travel	975	817	975	817
Utilities - generator diesel	1 559	1 578	1 559	1 578
Water	3 984	1 730	3 984	1 730
	<b>368 398</b>	<b>345 165</b>	<b>368 428</b>	<b>345 195</b>
<b>Contracted services</b>				
Cleaning Services	1 579	2 085	1 579	2 085
Laundry Services	1 995	1 403	1 995	1 403
Aviation Services	9 024	9 396	9 024	9 396
Hire Services	206	50	206	50
Security	16 702	13 233	16 702	13 233
Management Services	9 399	8 165	9 399	8 165
Construction Services	651	178	651	178
Other	2 080	2 037	2 080	2 037
	<b>41 636</b>	<b>36 547</b>	<b>41 636</b>	<b>36 547</b>



**KwaZulu-Natal Nature Conservation Board**

**Trading as Ezemvelo KZN Wildlife**

**Consolidated Annual Financial Statements for the year ended 31 March 2023**

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated
<b>19. Employee related costs</b>				
Basic salary	453 436	454 037	453 436	454 037
Medical aid - company contributions	55 664	53 494	55 664	53 494
Unemployment Insurance Fund (UIF)	3 913	3 801	3 913	3 801
Workmans Compensation (WCA)	6 215	6 371	6 215	6 371
Skills Development Levy (SDL)	5 692	5 646	5 692	5 646
Leave pay provision charge	4 729	4 033	4 729	4 033
Other personnel costs	3 014	2 507	3 014	2 507
Post-retirement contributions	62 477	63 669	62 477	63 669
Subsistence allowance	11 517	9 094	11 517	9 094
Overtime payments	15 630	13 294	15 630	13 294
13th Cheques	35 045	34 995	35 045	34 995
Car allowance	10 385	10 492	10 385	10 492
Housing and other allowances	41 729	41 822	41 729	41 822
Contract workers	94 597	108 454	94 597	108 454
	<b>804 043</b>	<b>811 709</b>	<b>804 043</b>	<b>811 709</b>
<b>Contract Workers</b>				
Basic Salary	87 246	99 605	87 246	99 605
Unemployment Insurance Fund(UIF)	513	646	513	646
Workmans Compensation(WCA)	1 141	558	1 141	558
Skills Development Levy(SDL)	513	665	513	665
Leave Provision Charge	-	118	-	118
Subsistence Allowance	623	598	623	598
Overtime Payments	1 551	2 333	1 551	2 333
Housing and other allowances	3 010	3 931	3 010	3 931
	<b>94 597</b>	<b>108 454</b>	<b>94 597</b>	<b>108 454</b>
<b>Chief Executive Officer (Acting)</b>				
Annual Remuneration including allowances	2 025	1 784	2 025	1 784
Other Allowances	151	176	151	176
	<b>2 176</b>	<b>1 960</b>	<b>2 176</b>	<b>1 960</b>
<b>Chief Financial Officer (Acting)</b>				
Annual Remuneration including allowances	1 639	1 677	1 639	1 677
Other Allowances	121	114	121	114
	<b>1 760</b>	<b>1 791</b>	<b>1 760</b>	<b>1 791</b>
<b>Executive Manager - Audit and Forensic Services</b>				
Annual Remuneration including allowances	1 184	1 132	1 184	1 132
Other Allowances	168	172	168	172
	<b>1 352</b>	<b>1 304</b>	<b>1 352</b>	<b>1 304</b>
<b>Executive Manager - Office of the CEO - vacant until 30 April 2022</b>				
Annual Remuneration including allowances	2 132	501	2 132	501
Other Allowances	263	103	263	103
	<b>2 395</b>	<b>604</b>	<b>2 395</b>	<b>604</b>



**KwaZulu-Natal Nature Conservation Board**

**Trading as Ezemvelo KZN Wildlife**

**Consolidated Annual Financial Statements for the year ended 31 March 2023**

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated
<b>19. Employee related costs (continued)</b>				
<b>Executive Manager - Operations</b>				
Annual Remuneration including allowances	1 523	1 455	1 523	1 455
Other Allowances	227	188	227	188
	<b>1 750</b>	<b>1 643</b>	<b>1 750</b>	<b>1 643</b>
<b>Executive Manager - Commercial Services</b>				
Annual Remuneration including allowances	1 359	1 289	1 359	1 289
Other Allowances	150	184	150	184
	<b>1 509</b>	<b>1 473</b>	<b>1 509</b>	<b>1 473</b>
<b>Executive Manager - Corporate Support Services</b>				
Annual Remuneration including allowances	1 187	1 381	1 187	1 381
Other Allowances	208	167	208	167
	<b>1 395</b>	<b>1 548</b>	<b>1 395</b>	<b>1 548</b>
<b>20. Finance costs</b>				
Interest	8 905	7 060	8 905	7 060
<b>21. Cash generated from operations</b>				
Surplus/(deficit) for the year	(45 610)	(81 200)	(45 552)	(81 095)
<b>Adjustments for:</b>				
Depreciation and amortisation	58 003	57 086	58 003	57 086
Impairment of receivables	90	9 583	90	9 583
Loss on disposal of assets	940	235	940	235
Impairment of assets	1 956	759	1 956	759
Movements in provisions	(7 164)	456	(7 105)	351
Other	0	0	(59)	(35)
<b>Changes in working capital:</b>				
Inventories	(2 102)	(2 257)	(2 102)	(2 257)
Trade and other receivables from exchange transactions	(3 285)	(1 480)	(3 285)	(1 480)
Other receivables from non-exchange transactions	3 108	4 092	3 108	4 092
Trade and other payables	6 223	(8 064)	6 223	(7 994)
Deferred Income	989	22 616	989	22 616
Other creditors	(50)	(56)	(50)	(56)
	<b>13 098</b>	<b>1 770</b>	<b>13 157</b>	<b>1 805</b>
<b>22. Net movement in external projects</b>				
Balance at beginning of the year	(33 952)	(35 427)	(33 952)	(35 427)
Balance at end of the year	35 636	33 952	35 636	33 952
	<b>1 684</b>	<b>(1 475)</b>	<b>1 684</b>	<b>(1 475)</b>





**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated
<b>23. Commitments</b>				
<b>Authorised capital expenditure</b>				
<b>Already contracted for but not provided for</b>				
Land and buildings	42 591	49 657	42 591	49 657
Infrastructure	47 321	-	47 321	-
Other	8 429	3 383	8 429	3 383
	<b>98 341</b>	<b>53 040</b>	<b>98 341</b>	<b>53 040</b>
<b>Operating leases - as lessee (expense)</b>				
<b>Minimum lease payments due</b>				
Within one year	770	591	770	591
In second to fifth year inclusive	741	309	741	309
Later than five years	123	10	123	10
	<b>1 634</b>	<b>910</b>	<b>1 634</b>	<b>910</b>
<b>Operating leases - as lessor (income)</b>				
<b>Minimum lease payments due</b>				
Within one year	1 570	1 504	1 570	1 504
In second to fifth year inclusive	5 565	5 454	5 565	5 454
Later than five years	22 950	24 642	22 950	24 642
	<b>30 085</b>	<b>31 600</b>	<b>30 085</b>	<b>31 600</b>

Operating leases comprise of rentals.  
 Indefinite contracts are calculated as 50 year leases and include inflation.



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand 2023 2022  
Restated

### 24. Contingencies

#### Conservation land

The Board has capitalised its buildings. However, the land relating to these buildings is state land. In terms of the KwaZulu- Natal Nature Conservation Management Act 9 of 1997, the Board has an implicit right of use of the land for an indefinite period. To date, land claims relating to Ithala Game Reserve, Hluhluwe Imfolozi Park Corridor, Ndumo Game Reserve, and Tembe Elephant Park totalling 93 698 hectares have been settled and co-management agreements entered into with the claimants. The immovable assets situated on this land could be transferred to the new owners. However, there remains significant uncertainty as to the identity of the new owners as the title deeds have not been finalised.

The total value of immovable assets situated in these areas is estimated at R 103,6 million (2022: R 112 million).

According to the Department of Rural Development and Land Reform (DRDLR), an additional 9 claims have been lodged of which 1 has been settled through financial compensation. The demarcations by DRDLR have not yet been finalised and thus it is difficult to ascertain the actual land under claim as well as the assets on that land.

#### Legal claims

The financial implications of the current cases are:

Probable	621	1 900
Improbable	12 000	9 000

The contingent liabilities are the total of monetary legal claims against the entity. As such the figure represents the cumulative exposure of the entity to successful legal claims made by third parties. All of these claims are live litigation in which litigation has commenced. A detailed disclosure of the nature of each claim and / or our estimates of success or actual value of a claim would be highly prejudicial to the entity. Discussion of the details of a claim will indicate to other potential claimants the nature of claim and the estimated quantum of such claims thus potentially encouraging litigation against the organisation. Any estimate of success or failure will also be clearly advantageous to a claimant and highly prejudicial to the entity. So too would an estimate of the 'actual' or realistic damages. This will embolden a claimant and render attempts to advantageously settle or defend a claim unlikely. Even where we feel that we are likely to successfully defend a matter a great deal of costs can be saved (to the overall benefit of the entity) by not disclosing to the public the details of our contingent legal liabilities.

The contingent liabilities are made of up the following claims / cases —

- Interdicts
- Termination of contracts
- Review of licences / permits
- Civil Claims instituted against the entity
- Labour dispute
- Eviction of unlawful occupiers

#### Contingent Liability

Contingent Liability from the Retained Surplus and Roll over funds would be reviewed at year end 31 March 2023, in compliance with National Treasury Instruction Note No.12 of 2020/2021.

The entity will request approval to retain a surplus of R 67 million for funding operational and capital commitments.

#### Contingent Assets

An amount of R 31 Million are the legal claims being made by the entity. As such the figure represents the exposure of the entity to a successful claim. The claim is a live litigation in which litigation has commenced. A detailed disclosure of the claim and / or our estimates of success of the claim would be highly prejudicial to the entity. Any estimate of success or failure will also be disadvantageous and prejudicial to the entity.

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife****Consolidated Annual Financial Statements for the year ended 31 March 2023****Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

**25. Related parties**

Ezemvelo KZN Wildlife is one of the entities within the Department of Economic Development, Tourism & Environmental Affairs (ED-TEA). As such, these entities and other entities within the sphere of Government are considered to be related parties.

**Relationships**

Ultimate entity

1. Economic Development, Tourism and Environmental Affairs
2. KwaZulu-Natal Sharks Board
3. KwaZulu-Natal Tourism Board
4. Trade and Investment KZN
5. Moses Kotane Institute
6. Richards Bay Industrial Development Zone
7. Ithala Development Finance Cooperation
8. KwaZulu-Natal Growth Fund Trust
9. KwaZulu-Natal Film Commission
10. Dube Trade Port Corporation
11. KwaZulu-Natal Liquor Authority
12. Ithala SOC Limited
13. KwaZulu-Natal Gaming and Betting Board

Ezemvelo KZN Wildlife

Controlling Department

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Under same control of EDTEA

Department of Economic Development, Tourism and Environmental Affairs - Shareholder

The entity received grants of R 854,8 million (2022: R 881,6 million) from the Department for operating purposes.

**Member fees****Audit & Risk Committee**

	Remunera- tion	Disburse- ments	Total Package 2023	Total package 2022
Mr B Dladla (Chairperson)	196 631	2 305	198 936	119 211
Dr P Zulu	98 207	566	98 773	69 089
Ms R Naidoo	98 207	310	98 517	85 457
Mr NF Mchunu (Term ended 31 August 2022)	49 104	-	49 104	102 024
Ms K Mbonambi (Term started 01 May 2022)	81 839	-	81 839	-
Mr S Mkhize (Term started 01 June 2022)	65 471	-	65 471	-
Ms N Banda (Term started 01 June 2022)	81 839	-	81 839	-
Ms P Bosman (Chairperson - until 31 July 2021)	-	-	-	93 598
Ms P Mckay (Term ended 31 July 2021)	-	-	-	65 617
	<b>671 298</b>	<b>3 181</b>	<b>674 479</b>	<b>534 996</b>



**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife****Consolidated Annual Financial Statements for the year ended 31 March 2023****Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

2023

2022  
Restated**25. Related parties (continued)****Board members**

	Remunera- tion	Disburse- ments	Total pack- age 2023	Total pack- age 2022
Ms L Johnson (Chairperson)(Term started 01 June 2022)	499 660	28 834	528 494	-
Mr IC Ewing (Deputy Chairperson) (Term started 01 June 2022)	291 174	5 520	296 694	-
Inkosi Xolo (Term started 01 June 2022)	283 216	43 786	327 302	-
Ms N Banda (Term started 01 June 2022)	246 248	8 106	254 354	-
Mr T Sibiyi (Term started 01 June 2022)	251 681	55 377	307 058	-
Mr L Naidoo (Term started 01 June 2022)	288 701	37 333	326 034	-
Mr A Muir (Term started 01 June 2022)	228 082	6 628	234 710	-
Mr S Mkhize (Term started 01 June 2022)	223 878	6 464	230 342	-
Ms O Symcox (Term started 01 June 2022)	220 844	8 817	229 661	-
Dr Z Qunta (Term started 01 June 2022)	277 593	10 396	287 989	-
Mr N Mtolo (Term started 01 June 2022) (Term ended 16 November 2022)	140 695	19 980	160 675	-
Mr LW Mngoma (Term ended 30 June 2021)	-	-	-	81 415
Ms SP Lebenya (Term ended 30 June 2021)	-	-	-	42 521
Nkosi BS Mthembu (Term ended 30 June 2021)	-	-	-	18 169
Mr S Mtolo (Term ended 30 June 2021)	-	-	-	18 169
Mr V Mvelase (Term ended 30 June 2021)	-	-	-	18 169
Mr T Ndlela (Term ended 30 June 2021 )	-	-	-	18 169
Mr RF Haswell (Term ended 30 June 2021)	-	-	-	18 169
Mr SL Ndlovu (Term ended 30 June 2021 )	-	-	-	18 169
Ms DG Hoorzuk (Term ended 30 June 2021)	-	-	-	18 169
Ms SD Ncube Dlamini (Term ended 30 June 2021 )	-	-	-	18 169
Ms T Ntshangase (Term ended 30 June 2021 )	-	-	-	18 169
	<b>2 951 772</b>	<b>231 241</b>	<b>3 183 313</b>	<b>287 457</b>
<b>Total members fees</b>	<b>3 623 070</b>	<b>234 422</b>	<b>3 857 792</b>	<b>822 453</b>

On 1 November 2020, Mr Simiso Magagula was appointed as the Accounting Authority in terms of section 49(3) of the PFMA. This contract expired on the 30 October 2021 and was renewed for 6 months on the 1 January 2022 ending on the 30 June 2022. Mr Simiso Magagula was paid by the Department of Economic Development, Tourism and Environmental Affairs. The new Board was appointed on the 1 June 2022 and the Chairperson of the Board is Ms Lydia Johnson.



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	EKZNW		CONSOLIDATION	
	2023	2022 Restated	2023	2022 Restated

### 26. Going concern

The Consolidated Annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

In assessing the going concern, management identified indicators casting doubt on the entity's ability to continue operating as a going concern. These indicators are summarised below:

- A deficit for the current and prior year
- Adverse liquidity ratios
- Increase in net current liability position

The impact of COVID 19 has had a material impact on our tourism income. This combined with the looting and floods has resulted in a reduction in visitor numbers since 2019/20 which impacts our income and cash flows.

Management are implementing revenue enhancement strategies and COVID recovery measures. This is combined with strict adherence to the Treasury Cost Cutting Circulars.

Despite the above negative indicators, the entity continues to adopt the going concern assumption as it is management's view that the entity will continue to operate in its present form in the foreseeable future, as it is primarily funded by EDTEA and will continue to be funded in the foreseeable future.

### 27. Rationalisation of public entities

In December 2017, the Executive council resolved that the functions of KZN Nature Conservation Board and KZN Sharks Board be merged as one function as part of the rationalisation of state entities. This meant incorporating KZN Sharks Board into the KZN Nature Conservation.

The intended merger has warranted the development of a joint Business Case, as required by National Treasury for the establishment of a new state entity.

Government Technical Advisory Centre (GTAC) was assigned to assist with the processes of developing the Business Case by ensuring adherence to applicable National Treasury prescripts and to have a sound business case.

In a concurrent process, the draft Bill is currently undergoing approval processes, following extensive consultation.

In the interim, both entities remain separate until the new Bill is passed by Provincial Legislature.

### 28. Irregular Expenditure

Irregular Expenditure	6 554	53 630	6 554	53 630
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All Irregular Expenditure is currently under investigation.

### 29. Segment reporting

EKZNW's nature of business and principal activities is Biodiversity Conservation, Ecotourism and Partnerships. While there are separate business units in the organization responsible for aspects of this service, management relies and uses the financial information of the business as a whole to assess performance and make decisions concerning inter alia the allocation of resources.

Consequently, for purposes of GRAP 18 the businesses are considered to have one segment. There is therefore no requirement for additional notes to the financial statements in this regard. EKZNW operates in one province - KwaZulu-Natal. It does not distinguish between the various reserves in its reporting for decision making purposes.

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife****Consolidated Annual Financial Statements for the year ended 31 March 2023****Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

**30. Financial instruments****Overview**

The entity has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

This note presents information about the entity's exposure to each of the above risks, the entity's objectives, policies and processes for measuring and managing risk, and the entity's management of capital. Further quantitative disclosures are included throughout these financial statements.

In terms of Treasury Regulations 27.2.1, issued in terms of the PFMA, the accounting authority must ensure that a risk assessment is conducted regularly to identify emerging risks in the entity. The Board has established the Audit and Risk committee which is responsible for developing and monitoring the entity's risk management policies.

The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities. The entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk committee oversees how management monitors compliance with the entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the entity. The Audit and Risk committee is assisted in its oversight role at operations level by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk committee.

**Credit risk**

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the entity's receivables from customers and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 March 2023 was R 12,4 million (2022: R 12,2 million) relating to trade and other receivables (Note 9 and 10) and R 211,4 million (2022: R 235,8 million) relating to cash and cash equivalents (Note 11).

**Trade and other receivables**

The entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The composition of the entity's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

**Investments**

The entity limits its exposure to credit risk by investing only in liquid securities and only with approved banks and financial institutions.

**Guarantees**

A guarantee for R 185 154 in favour of Eskom is held by First National Bank Limited as at 31 March 2023.





**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

### 30. Financial instruments (continued)

#### Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Monies are transferred to the current account to meet the weekly obligations. Any surpluses are invested on a month to month basis at the most optimum rate.

The entity does not borrow monies. There are thus no credit facilities available.

#### Market risk

Market risk is the risk related to changes in market prices which could affect the entity's income. The policy of the entity is not to invest in any equity related instruments, as such there is no market risk exposure.

All surplus cash is invested in financial institutions at optimal interest rates and periods approved by senior management. Interest rates have not been volatile in the year under review.

#### Currency risk

The entity has exposure to currency risk relating to the amount that has to be paid to Microsoft for software licences in United States dollars (US\$).

#### Interest rate risk

The entity does not borrow monies. There are thus no credit facilities available.

#### Fair value

The fair values of financial assets and liabilities are the same as the carrying values reflected in the statement of financial position.



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2023	2022 Restated
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### 31. Change in estimate

#### Property, plant and equipment and Intangible Assets

The useful life of certain Furniture, Tools and Equipment has been extended up to twenty two years, resulting in a decrease in current year depreciation of R 6,8 million and an expected increase of R 1,4 million per annum in future reporting periods.

The useful life of certain Aircraft, Motor Vehicles and Boats has been extended up to thirty seven years, resulting in a decrease in current year depreciation of R 15,6 million and an expected increase of R 3,4 million per annum in future reporting periods.

The useful life of certain Computer Equipment has been extended up to twenty years, resulting in a decrease in current year depreciation of R 2,7 million and an expected increase of R 625 763 per annum in future reporting periods.

The useful life of certain Dams and reservoirs has been extended up to twenty two years, resulting in a decrease in current year depreciation of R 2 713 and an expected increase of R 993 per annum in future reporting periods.

The useful life of certain Plant and Machinery has been extended up to twenty two years, resulting in a decrease in current year depreciation of R 1,2 million and an expected increase of R 279 535 per annum in future reporting periods.

The useful life of certain Computer Software has been extended up to fifteen years, resulting in a decrease in current year depreciation of R 414 480 and an expected increase of R 82 896 per annum in future reporting periods.

The useful life of certain Roads has been extended up to seventeen years, resulting in a decrease in current year depreciation of R 162 409 and an expected increase of R 38 081 per annum in future reporting periods.

### 32. Prior period errors

#### Statement of financial position

##### Accounts Receivable - Exchange transactions

Opening balance previously stated	8 636
Correction of misallocated debtor payments	(588)
Reversal of sundry debtors	(201)
	<b>7 847</b>

**KwaZulu-Natal Nature Conservation Board****Trading as Ezemvelo KZN Wildlife**

Consolidated Annual Financial Statements for the year ended 31 March 2023

**Notes to the Consolidated Annual Financial Statements**

Figures in Rand thousand

2023

2022  
Restated**32. Prior period errors (continued)****Accounts Receivable - Non Exchange transactions**

Closing balance previously stated	4 385
Reversal of debt raised incorrectly	(13)
	<b>4 372</b>

**Accounts Payable**

Closing balance previously stated	116 459
Reversal of Provident and Pension fund duplication	(4 681)
Reversal of a debtor incorrectly raised	(13)
Expenses not raised - Vat on imports	811
Disability expenses incorrectly allocated	(3 927)
	<b>108 649</b>

**Cash and cash equivalents**

Closing balance previously stated	233 128
SDL unallocated	1 483
Bank charges unallocated	(5)
	<b>234 606</b>

**External Projects**

Closing balance previously stated	33 327
Reallocation of Donated funds and sundry revenue	414
Reallocation of Donated funds	211
	<b>33 952</b>

**Accumulated surplus**

Balance 31 March 2022	728 462
Correction of misallocated debtor payments	(588)
SDL unallocated	1 483
Bank charges unallocated	(5)
Reversal of Provident and Pension fund duplication	4 681
Expenses not raised - Vat on imports	(811)
Reallocation of Donated funds and sundry revenue	(414)
Reallocation of Donated funds	(211)
Reallocation of expenses	(201)
Disability expenses incorrectly allocated	3 927
	<b>736 323</b>





**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Notes to the Consolidated Annual Financial Statements

### 32. Prior period errors (continued)

	Restated 2022	2022	Difference
<b>Statement of financial performance</b>			
Other Income	141 989	141 305	684
Operating Expenses	(345 165)	(343 901)	1 264
Employee costs	(811 709)	(820 150)	(8 441)
	<b>(1 014 885)</b>	<b>(1 022 746)</b>	<b>(6 493)</b>
<b>Operating Expenses</b>			
Bank Charges	3 182	3 177	5
Communications	11 674	11 472	202
Consumables	36 082	36 038	44
Contracted Services	36 547	36 526	21
Insurance	13 484	13 483	1
Transport	30 548	30 575	(27)
Repairs and Maintenance	51 759	51 753	6
Software Licences	9 749	8 737	1 012
	<b>193 025</b>	<b>191 761</b>	<b>1 264</b>
<b>Other Income</b>			
Other Revenue	8 586	7 880	706
Donations	8 230	8 252	(22)
	<b>16 816</b>	<b>16 132</b>	<b>684</b>



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Notes to the Annual Financial Statements

### 32. Prior period errors (continued)

	Restated 2022	2022	Difference
<b>Employee Costs</b>			
Post-retirement contributions	63 669	68 713	(5 044)
Contract workers	108 454	99 485	8 969
Basic salary	454 037	456 953	(2 916)
Medical Aid - company contributions	53 494	54 565	(1 071)
Unemployment Insurance Fund (UIF)	3 801	4 448	(647)
Workmans Compensation (WCA)	6 371	6 929	(558)
Skills Development Levy (SDL)	5 646	6 310	(664)
Leave pay provision charge	4 033	4 151	(118)
Subsistence allowance	9 094	11 717	(2 623)
Overtime payments	13 294	15 627	(2 333)
13th Cheques	34 995	35 052	(57)
Car allowance	10 492	10 706	(214)
Housing and other allowances	41 822	42 987	(1 165)
	<b>809 202</b>	<b>817 643</b>	<b>(8 441)</b>

### Cash Flow Statement

Cash flows from operating activities	Restated 2022	2022	Difference
<b>Receipts</b>			
Sale of goods and services	163 321	161 835	1 486
<b>Payments</b>			
Suppliers	(262 950)	(253 881)	(9 069)
Employee Costs	(811 309)	(819 750)	8 441
	<b>(1 074 259)</b>	<b>(1 073 631)</b>	<b>(628)</b>
<b>Cash Flows from Financing activities</b>			
Net change to trust funds and external projects	(1 475)	(2 100)	625



**KwaZulu-Natal Nature Conservation Board**  
**Trading as Ezemvelo KZN Wildlife**  
**Consolidated Annual Financial Statements for the year ended 31 March 2023**

## Irregular expenditure

Figures in Rand thousand	2023	2022	2021
<b>Reconciliation of irregular expenditure</b>			
Opening balance	150 742	97 112	55 521
Add: Irregular expenditure confirmed	6 554	53 630	41 591
Less: Irregular expenditure condoned	9 829	-	-
Less: Irregular expenditure raised in error	241	-	-
Less: Irregular expenditure cleared by internal audit	56	-	-
<b>Closing balance</b>	<b>147 169</b>	<b>150 742</b>	<b>97 112</b>

### Reconciling notes to the annual financial statement disclosure

Irregular expenditure for the current year	6 554	53 630
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### Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Irregular expenditure under assessment	-	19 201
Irregular expenditure under investigation	147 169	131 541
	<b>147 169</b>	<b>150 742</b>

### Details of current and previous year irregular expenditure condoned

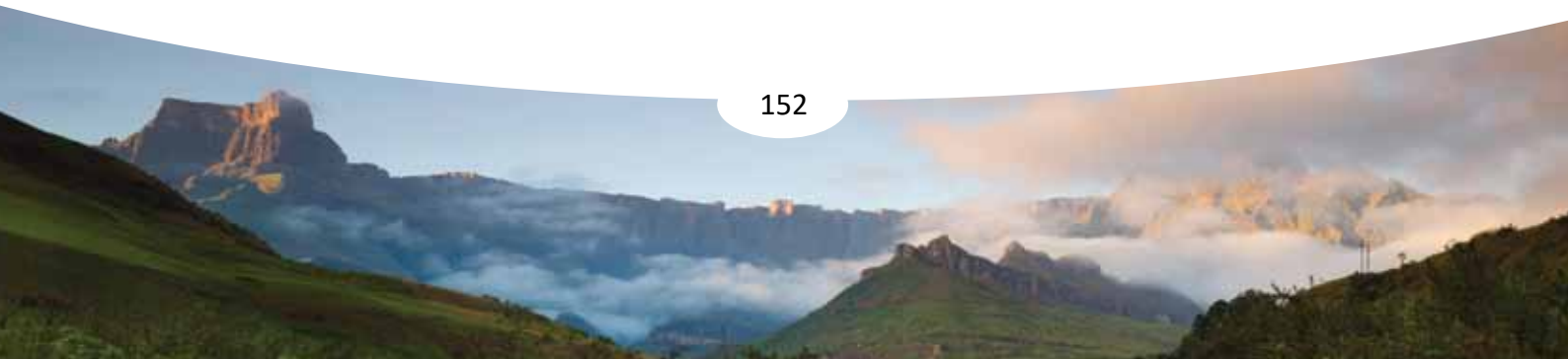
Irregular expenditure condoned	9 829	0
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## NOTES

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