



Conservation, Partnerships & Ecotourism



PROVINCE OF KWAZULU-NATAL
ISIFUNDAZWE SAKWAZULU-NATALI

ANNUAL REPORT

2016/2017





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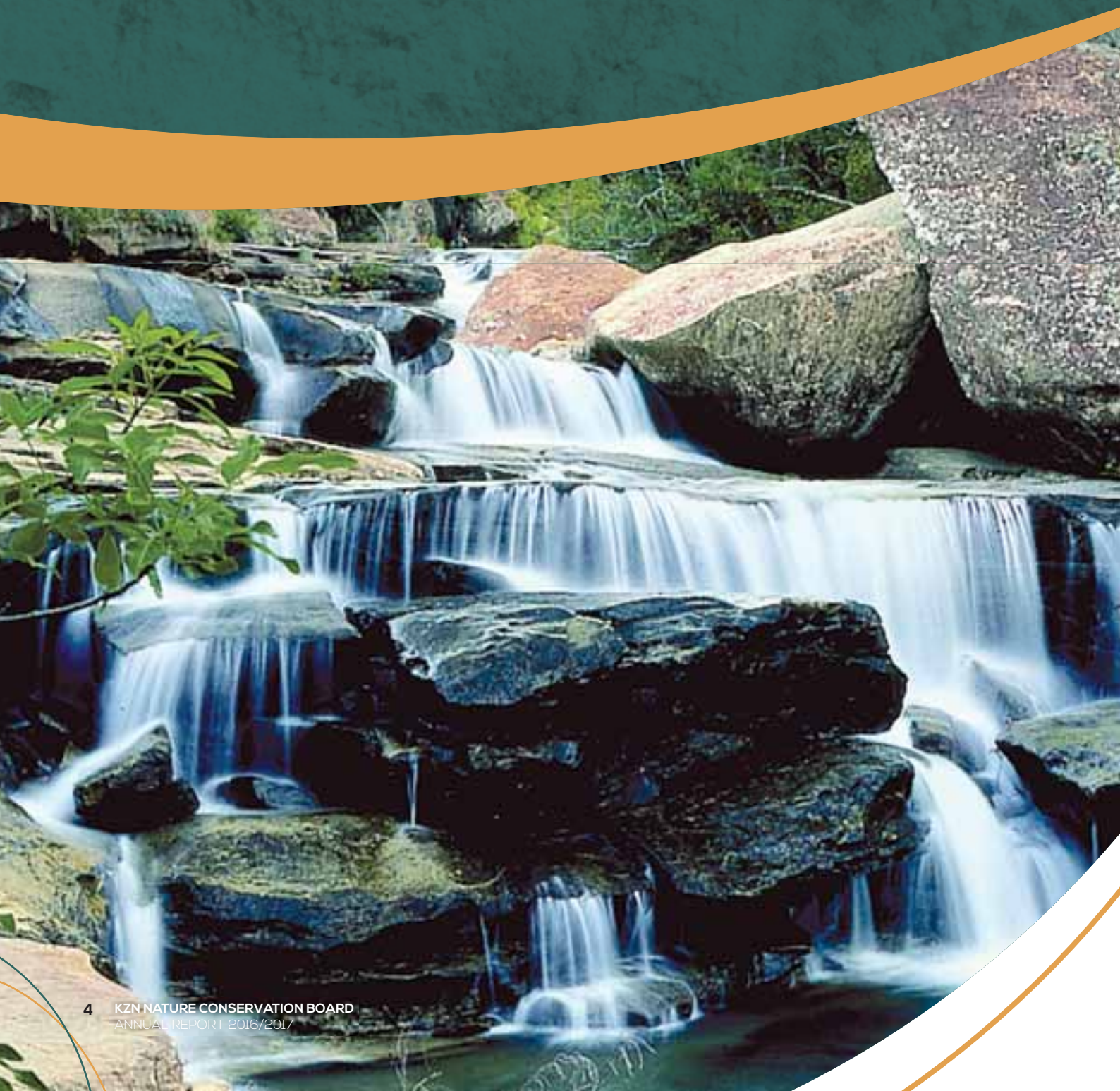
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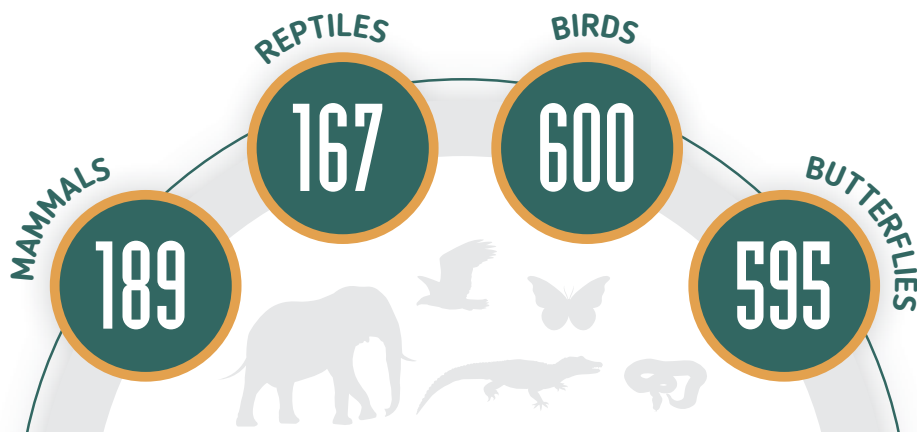
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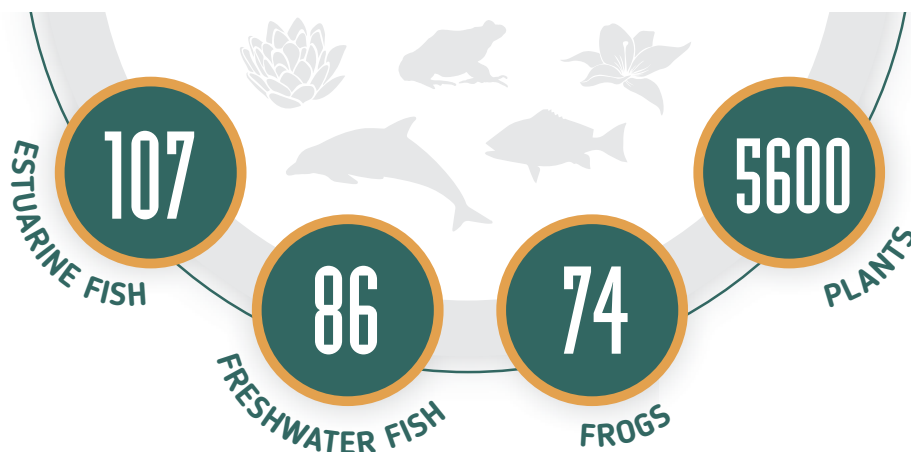


FEATURES

- > 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 manages more than 120 PAs, including terrestrial, coastal and marine reserves.
- > 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 Maloti-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 is considered as one of the leading conservation authorities in South Africa, by its peers.
- > Ezemvelo is forging a distinctive identity in the field of Community Conservation, as part of its integrated approach to enable job creation, as well as environmentally sensitive land-use activities.
- > Ezemvelo is cognizant that conservation is a land-use in direct competition with other land-uses.



REPRESENTATION OF SPECIES WITHIN BROADER TAXONOMIC GROUPS



APPROVAL OF THE ANNUAL REPORT

SCOPE AND BOUNDARY OF THIS REPORT

The Annual Report covers the performance, financial and non-financial, of Ezemvelo for the year ended 31 March 2017. 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 (85-89).

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.



MR ZWILE ZULU
Chairman



CORPORATE PROFILE AND ACTIVITIES

BRIEF HISTORY

The history of Ezemvelo is a source of considerable pride for all associated with it. This organisation has been at the forefront of South Africa's conservation effort for many decades and its reputation has a strong international standing as well. The success of Ezemvelo can be attributed to a pioneering history, as well as an ongoing adherence to strategies and plans that are in line with international best practice.

Ezemvelo is the offspring of a merger between two former conservation bodies, following the country's democratic elections in 1994, the Natal Parks Board (formed in 1947), and the former KwaZulu-Natal Directorate of Nature Conservation (formed in 1972). Both contributed equally, and often innovatively, to the subsequent formation of the KwaZulu-Natal Nature Conservation Board, with its operational body being the KwaZulu-Natal Conservation Service.

The amalgamation was formalised in terms of the KwaZulu-Natal Conservation Management Act (Act No.9 of 1997). The entity is a Schedule 3C public entity, in terms of the Public Finance Management Act (Act No. 1 of 1999), reporting to the KwaZulu-Natal Department of Agriculture and Environmental Affairs.

CORPORATE IDENTITY

Modern day conservation is particularly challenging, owing to the dynamic economic and social environment we live in. This challenge is compounded by the escalating pressures of a developing society.

Our vision, mission and values have been worded to encapsulate these challenges, as well as to distinguish us in all facets of our business.

We seek to fulfil our vision, mission and core values by focusing on Conservation, Ecotourism and Partnerships.

VISION

"To be a world renowned leader in the field of biodiversity conservation"

MISSION

"To ensure effective conservation and sustainable use of KwaZulu-Natal's biodiversity, in collaboration with stakeholders, for the benefit of present and future generations"

CORE VALUES

- > Passion – We shall be passionate in what we do.
- > Respect – We shall perform our duties in a professional, ethical manner.
- > Trust – We shall act transparently, with integrity and honesty in all we do.
- > Innovation – We shall embrace a culture of learning, adaptation and creativity at all times.
- > Excellence – We shall strive to apply best practices to achieve the highest quality and standards at all times.

AIMS OF EZEMVELO

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

- Direct the management of
 - nature conservation within the province;
 - protected areas; and
 - the development and promotion of ecotourism facilities within the protected areas.
- Ensure the proper, efficient and effective management of the Conservation Service.

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MESSAGE FROM THE MEC



MR. SIHLE ZIKALALA
MEC

“...we are nonetheless grateful for the role played by the communities adjacent to various protected areas in fighting this endemic killing of these majestic beasts. Some community members put their lives in danger by exposing the feared individuals involved in rhino poaching within their communities.”

During the year under review, most of Ezemvelo’s achievements not only contributed to the development of local communities, but also ensured that those within the immediate vicinity of our parks became directly involved in our conservation efforts.

This is in line with our drive of fostering a culture of shared responsibility between ourselves and the public in our drive to protect, in particular, our critically endangered species.

Conservation, as well as benefits accrued through it, should become everybody’s business. Conservation initiatives that do not benefit local communities are doomed to fail. In this regard, co-management agreements have been signed with communities of Ndumo, Tembe, Okhukho, Mlaba Ximba, Hlabisa, Mpukunyoni, Zulu and Buthelezi.

These have resulted in the strengthening of partnerships between Ezemvelo and these communities as we continue to wage a war against wildlife crimes in our protected areas.

While rhino poaching deaths have not abated yet, we are nonetheless grateful for the role played by the communities adjacent to various protected areas in fighting this endemic killing of these majestic beasts. Some community members put their lives in danger by exposing the feared individuals involved in rhino poaching within their communities. Curbing wildlife crimes will be achieved when we make conservation everybody’s business. My thoughts are always with our Field Rangers who put their lives on the line in defence of our heritage.

I am also excited that, with the support of all our stakeholders, Ezemvelo has achieved a lot. I am grateful for the role played by both the private and public sector. Their willingness to go the extra mile in protecting our fauna and flora is highly appreciated.

Conservationists always advise that human beings must not interfere with nature. However, because of the unrelenting drought, it became difficult, during the year under review, to fold our hands and let nature be. At times, we were left with no choice but to dig boreholes and translocate wildlife to protected areas that still had some water, unfortunately we still lost some animals.

Ezemvelo has also had to deal with the aftermath of the non-renewal of a coastline monitoring contract. The organisation has always understood that a time will come to let go of these activities. When the Department of Fisheries and Forestry decided not to renew the contract, it afforded us an opportunity to redeploy our marine staff to under-resourced, terrestrial protected areas.

I also wish to thank the previous Board for the role that they have played in ensuring that Ezemvelo remains one of the best conservation agencies, not only in the country, but internationally. I welcome the new Board, appointed in the last quarter of the year under review. One of the Board’s most immediate tasks is that of improving our relations with various communities living adjacent to our reserves.

Mr Sihle Zikalala, MPL
MEC for Economic Development, Tourism and Environmental Affairs
(EDTEA)

BOARD CHAIRMAN'S REPORT



MR. ZWILE ZULU
Chairman

"The Board has endorsed the process of commercialisation to attract investors into key tourism projects with the view of generating additional revenue to achieve financial sustainability. Through the commercialisation process, the Board aims to provide meaningful empowerment opportunities."

It is an honour for me as the new Chairman of the Board to present the KwaZulu-Natal Nature Conservation Board's Annual Report for the 2016/2017 financial year.

I acknowledge the contribution of the outgoing Board Members, in particular, the outgoing Chairman, Mr Comfort Ngidi, who served as the Chairman of the Board for over 7 years. I thank them for their contribution and the foundation that they have laid. The new Board will continue to strive towards achieving our mission to ensure effective conservation, the sustainable use of biodiversity, and the promotion of ecotourism within KwaZulu-Natal, in collaboration with stakeholders for the benefit of present and future generations.

I express my thanks to our Chief Executive Officer, all our staff, and our many stakeholders for their support, enthusiasm and commitment. They have welcomed us and made us feel at home at Ezemvelo. The 2016/17 Annual Report has provided the Board with an opportunity to assess the challenges faced by Ezemvelo, as well as the opportunities available to take this organisation to a higher level.

The Board reviewed the Annual Performance Plan and Strategic Plan during the year under review and will continue to focus on the strategic direction of the organisation to meet the needs of our stakeholders.

The organisational structure that was approved by the Board last year is still awaiting the approval of the MEC for Economic Development, Tourism and Environmental Affairs, however, this has been affected by the proposed rationalisation of public entities, which was approved by the KwaZulu-Natal Cabinet.

The severe budget cuts that were implemented by the province last year and the further budget cuts implemented in the current year, have impacted severely on Ezemvelo's operations, in particular, the ability to fill critical posts and carry out the organisation's mandate.

The Board has endorsed the process of commercialisation to attract investors into key tourism projects with the view of generating additional revenue to achieve financial sustainability. Through the commercialisation process, the Board aims to provide meaningful empowerment opportunities, particularly for local communities neighbouring our parks.

The scourge of Rhino Poaching within our parks remains a critical cause for concern. With the support of the Provincial Government, the South African Police Services and other stakeholders, we are joining our collective minds to find solutions to these challenges. The inability to fill critical posts is particularly hard in our protected areas, as our diminishing law enforcement troops struggle to fight the scourge of rhino poaching on the ground. I am hopeful that as we continue in our endeavour to generate additional revenue, we will be able to find the means to improve the situation.

I thank my fellow Board Members who have displayed commitment towards carrying out the work of the Board and serving the people of our province. The Board is conscious of the enormous responsibility placed on it, and the expectations that must be achieved during its one-year tenure. I acknowledge the support of the Provincial Government and the support of the MEC for Economic Development, Tourism and Environmental Affairs, Mr S Zikalala and assure him of the Board's commitment and support.

Mr Zwile Zulu
Board Chairman



BOARD MEMBERS

THE FOLLOWING INDIVIDUALS ARE MEMBERS OF THE BOARD:



MR. ZWILE ZULU
BOARD CHAIRMAN



MS. SEENG PAT LEBENYA
DEPUTY BOARD CHAIRMAN



DR. FRANCIS
MHLAWUMBE NZAMA



DR. SANIL SINGH



MR. THULISA NDELELA



MR. MAURICE MACKENZIE



MR. VUSI MVELASE



ADV. SMANGA SETHENE



ADV. NOMUSA KUZWAYO



MS. NTHABELENG MOLEFE



MR. SIPHO MTOLO



MRS. NELI MTHEMBU



INKOSI
BONGINKOSI MTHEMBU

MR. ZWILE ZULU (BOARD CHAIRMAN)

Mr. Zulu holds the following qualifications: MBA, Post-Graduate Diploma in Business Management, BA (Business Technology), and a Diploma in Labour Economics. Mr Zulu is a management consultant with more than 20 years of experience as a provincial organiser, facilitator, and advisor, working mainly with communities and district, and local municipalities in KwaZulu-Natal.

ADV. SMANGA SETHENE

Adv. Sethene holds a Bachelor of Social Science (Law), Bachelor of Social Science (Hon) and Bachelor of Laws (LLB) from the University of Natal. He is a practising Advocate and Member of the Johannesburg Society of Advocates. He has extensive experience in the public sector, having worked in local and provincial spheres of government at senior management level.

DR. FRANCIS MHLAWUMBE NZAMA

Dr. Nzama holds the following degrees: Doctor of Mathematics Education, M Ed (Curriculum Studies), and BA Hon. (Human Resources Development) and BA (Ed.), including the following diplomas: Masters Diploma (Human Resource Management) and a further Diploma in Education (Education Management). He has held various senior positions within the KZN Department of Education (KZN DoE) and the Department of Basic Education (DoBE), where he was mainly involved in Education Management and Governance, as well as Teacher Education and Development, the last being, General Manager in the Office of the KZN DoE HOD (2014-2016).

DR. SANIL SINGH

Dr. Singh holds the following degrees: B.V.Sc, MS, LAS, and CVE. He is a practicing Veterinarian with extensive ties in research and community projects. He also holds the position of Designated Veterinarian and HOD of the Biomedical Resources Unit at the University of KwaZulu-Natal. He is presently the Chair of the Mitchell Park Zoo Trust, Vice Chair of Animal Research Ethics Committee (UKZN) and former President of South African Association of Laboratory Animal Sciences (2008-2010), Chair of SA Vet Association KZN (2007-2009) and Board Member of KZN Sharks Board (2007-10).

MR. THULISA NDLELA

Mr. Ndlela is the Chairperson of the Board's Finance and Governance Committee. He holds a BA Degree (Legal Studies) and a BSc. Hon (International Relations). He held the position of Programme Officer, Operations Division for the African Centre for the Constructive Resolution of Disputes (2013-2016).

MR. VUSI MVELASE

Mr. Mvelase is the Chairperson of the Board's Ecotourism and Business Development Committee. He holds a Diploma in Mass Communication and a Diploma in Marketing, Management and Finance. He is currently the Director of Vusi Mvelase & Associates CC., a communications consultancy, and Vusi Mvelase & Associates CC. Construction Co., and Chairman of Kukhanyakwezwe Social Development Initiatives NPO.

MRS. NELI MTHEMBU

Mrs. Mthembu is serving her second term on the Board, and was appointed to represent organised agriculture on the Board. She holds the following degrees: B Paed, B Ed, and M Ed. She is a local farmer within the Ndumeni Municipality region and an active member of the Dundee Farmer's Association. She took early retirement from the KZN Department of Education, where she held the position of Chief Director: Infrastructure.

MR. MAURICE MACKENZIE

Mr. Mackenzie is serving his second term on the Board. He is a former Member of the Provincial Legislature, a farmer, and experienced conservationist with various business interests.

ADV. NOMUSA KUZWAYO

Adv. Kuzwayo holds an LLB Degree and is a Practicing Advocate with over 14 years of post-admission experience. She has been running an active practice as an advocate since December 2002 and is a member of the Durban Bar. She was recently appointed as an Acting Judge for a brief period.

MS. NTHABELENG MOLEFE

Ms. Molefe is the Chairperson of the Human Resources and Remuneration Committee. Ms Molefe is the Provincial Treasurer of COSATU and Provincial Secretary of POPCRU. She holds a Master's Degree in Policing (MTech in Policing), B Tech in Policing, and a National Diploma in Deeds Registration: Civil Service.

MR. SIPHO MTOLO

Mr. Mtollo is the Chairperson of the Biodiversity and Community Affairs Committee. He is a former member of the South African Defence Force and Umkhonto Wesizwe. He is currently a businessman involved in construction.

MS. SEENG PAT LEBENYA

Ms. Lebenya is serving her second term on the Board, and was nominated to represent the Provincial Tourism Authority. She holds a Diploma in Business Management, and is a former Member of Parliament in the National Assembly.

INKOSI BONGINKOSI SHILO MTHEMBU

Inkosi Mthembu was officially bestowed as Inkosi of Somopho area in 2008, which is the traditional council area on the outskirts of Empangeni. Before his appointment as Inkosi of Somopho, Inkosi Mthembu worked for a number of companies in the financial sector from 2001-2007, where he held various positions. Inkosi Mthembu is the Member of the KwaZulu-Natal Provincial House of Traditional Leaders, as well as the Deputy Chairperson of King Cetshwayo District Local House of Traditional Leaders. He also serves in the District and Local Municipalities of uMhlathuze. Inkosi Mthembu is the Director of Nselweni Bush Camp. Inkosi Mthembu was nominated by the House of Traditional Leaders to serve on the KwaZulu-Natal Nature Conservation Board in June 2017.

AUDIT AND RISK COMMITTEE



**MR. BHEKABANTU
WILFRED NGUBANE**



**MR. NJABULO
FREEMAN MCHUNU**



**MS. NOMPUMELELO
MTHEMBU**



MR. THULISA NDELELA



ADV. SMANGA SETHENE

MR. BHEKABANTU WILFRED NGUBANE

Mr. Bhekabantu Wilfred Ngubane has been an independent Audit and Risk Committee member since January 2013, and has been the Chairman since the 1st of December 2014. He is a partner, and the CEO of Ngubane & Co. Chartered Accountants. He was appointed for his extensive knowledge of the business sector. He holds a BCompt (Unisa), DipAcc (UDW) and he is an accomplished Chartered Accountant (SA). He has served on various Audit Committees and various Boards in the past.

MR. NJABULO FREEMAN MCHUNU

Mr. Njabulo Freeman Mchunu was appointed as an independent member of the Audit and Risk Committee on the 1st of November 2014. He is a Director in a consulting company and has extensive experience in the private and public sector, due to his previous positions in Accounting

and Auditing. He also serves on various other Audit Committees. He holds a B.Com (UKZN) and is a Chartered Accountant. He has served his articles with the Office of the Auditor-General in Durban.

MS. NOMPUMELELO MTHEMBU

Ms. Nompumelelo Mthembu is an independent member of the Audit and Risk Committee since the 1st of November 2014. She holds a B.Com degree, a post-graduate diploma in Business Management, and a master's degree in Business Administration. Ms Mthembu is the Marketing Director of uShaka Marine World and Vice-President of the Durban Chamber of Commerce and Industry. She has 15 years of management experience within the fields of marketing and communications. Among the organizations Ms Mthembu has worked for are; Hulamin, Investec and Old Mutual. She also serves on the Board of Morgan Advanced Materials (Pty) Ltd and the Pietermaritzburg YMCA.



CEO'S REPORT

"A significant amount of effort has been directed towards applying the best management principles and this has yielded good results in many instances. Most of these good results were made possible through the support of our Honorary Officers. There are currently 56 Honorary Officers (33 Southern Drakensberg and 23 Kamberg) active within both groups."



DR. M.D. MABUNDA
CHIEF EXECUTIVE OFFICER

Whoever said miracles only happened in biblical times was shortsighted. If so, how would one explain the fact that Ezemvelo has just pulled through one of the worst years in its history? This year was not only the worst in terms of rhino poaching, drought, the loss of experienced staff through retirement, death etc., but the challenges faced, were also compounded by the lack of financial resources, the mother of all problems.

It is a miracle that I can gladly present the 2016/17 Annual Report. The report does not only talk about the challenges we faced during the course of the year under review, but also represents our steadfastness and unwavering commitment to the achievement of our mandate.

Firstly, I wish to express my thanks and gratitude to the former KwaZulu-Natal Nature Conservation Board for the wisdom and leadership that it provided in its final year. It was an extremely difficult year and our financial situation did not allow the Board to maneuver as much as it might have wanted to. Nevertheless, it managed to hold down the fort and successfully pass on the baton to the newly elected Board, that was appointed in the last quarter of the year under review.

Coming back to the 2016/17 Annual Report, I must pay respect to all Ezemvelo staff who refused to be sidetracked by various phenomena, mostly negative like poaching or lack of funding, that could have caused them to give up. Without their commitment, I would not be writing this message. I hope that they maintain their high level of commitment to the cause.

Ezemvelo continues to strive for adaptive, evidence-based management approaches to biodiversity conservation. This necessitates having the best available information to support decision-making, as well as an

objective evaluation for effective management interventions. Therefore, Ezemvelo promotes, facilitates, and supports research being undertaken, inside and outside of protected areas, especially where research can assist in making better decisions or in evaluating the success of decisions.

Over the last four decades, several thousand students have undertaken their research in Ezemvelo protected areas. Protected areas often represent the last parts of the landscape where intact and functional ecological systems can be studied, and are places where the management history (such as burning regimes and stocking rates) has been well documented through long-term biological monitoring programs. In 2016/17 alone, 64 new projects, mainly at the Masters and PhD level, were registered with Ezemvelo. Meanwhile, a total of 2 217 employees underwent various skills development programs, proving that Ezemvelo remains committed to life long learning.

Mahatma Gandhi once said, "Earth provides enough to satisfy every man's needs, but not every man's greed." The proposed Fuleni anthracite coalmine remains a key threat to Hluhluwe-iMfolozi Park (HiP) conservation initiatives, as it will be situated less than 100m from the wilderness section of the reserve. It is crucial to indicate that Ezemvelo is not against the mine but totally opposed to the proximity of the mine to the reserve. Our position is not only about the fact that this coalmine will degrade the environment within the Park but its effect will also be felt outside the Park. The quality of goods and services that we enjoy from nature, like clean air, water, and a healthy environment, will be badly affected.

KwaZulu-Natal boasts two World Heritage Sites. During the year under review, these heritage sites experienced different kinds of difficulties. iSimangaliso Wetland Park World Heritage Site, particularly the uMkhuze

section, was badly affected by the worst drought in memory, which resulted in the death of some wildlife. Nsumo pan completely dried out, putting a severe strain on the hippo population but some survived and the pan has now refilled. Rhino poaching also increased and uMkhuze Nature Reserve suffered the loss of 17 rhino.

Meanwhile, Maloti-Drakensberg Park experienced lack of resources, both human and financial, to effectively deal with the operations and infrastructure maintenance backlog. There were serious budget shortfalls for hiking trail maintenance, boundary fencing, roads and tracks, and staff accommodation, which needs urgent attention for the Park to achieve its objectives. A significant amount of effort has been directed towards applying the best management principles and this has yielded good results in many instances.

Most of these good results were made possible through the support of our Honorary Officers. There are currently 56 Honorary Officers (33 Southern Drakensberg and 23 Kamberg) active within both groups. There are eight Honorary Life Members. Our appreciation also goes to those Officers who committed themselves whole-heartedly, thus contributing to our success without expecting any payment.

The year under review saw the rhino poaching figures increase to 162 rhino. More than 123 poachers were arrested for rhino poaching related crimes. The increase in poaching put a significant demand on Ezemvelo's capacity and resources, especially where staff establishments were not at optimum levels, and the challenges of not being able to fund the recruitment of staff, caused these challenges to remain. Efforts to redeploy internal staffing did assist, but the skills and ability to function in this high-risk law enforcement and bushveld environment was not always there. The transformation of conservation staff, from rangers to specialized anti-poaching units, is important to match the skills being brought in by the illegal hunting gangs.

Staying with rhino related issues, a landmark was reached in 2016. After a slight dip in numbers of black rhino in KZN at the end of 2015, numbers of black rhino in KZN grew to 513 but sadly dipped due to poaching, now standing at 485. It is noteworthy that the sustained growth of KZN's black rhino population over the last 10 years did continue, despite the region experiencing one of the longest droughts on record. Similar droughts during the late 1960s precipitated a crash in the Hluhluwe-iMfolozi Park population of black rhino. This alone merit recognition that Ezemvelo's current removal strategies, combined with the establishment of new populations in suitable habitat by the BRREP, has performed as predicted. In essence, range expansion is currently the only means whereby Ezemvelo can meet its obligations with respect to the National Biodiversity Management Plan for black rhino.

Although the budget cuts hampered our plans and derailed some of our projects, we still managed to participate in various national and

international exhibitions. I consider our involvement in such events as critical, as it is through participation in such events that our brand will remain visible. We should not run away from events that have a potential to bring us much needed cash injection. People who come to our exhibition stands may be easily convinced to visit our facilities. Credit should go to our internal Design Section that designed and produced more than 747 020 different kinds of promotional material, which enable us to participate in events like Tourism Indaba, the Royal Show, WTM Africa and ITB.

I remain grateful to all South Africans who continue to support us by visiting our reserves. Nobody can deny that the province of KwaZulu-Natal has some of the most beautiful landscapes in the country. Close to 80% of visitors during the year under review, were South Africans.

I remain grateful to media houses that continue to inform and educate the public at large regarding the organisation in general and rhino poaching in particular. It is humbling to note that the Zululand Observer, South Coast Herald, and Independent Online were the top three online publications that covered Ezemvelo's activities. September 2016 was a bad month for the organisation, as we lost more than 22 rhino. In that month, online articles about Ezemvelo/rhino poaching were viewed by around 306,78 million viewers. This viewership had an advertising value equivalence of more than R20,78 million. Unfortunately, during the year under review, we witnessed a drop in the number of filming companies that used our reserves to produce their films. To a certain extent, this can be attributed to the devastating drought that the province experienced.

It would have been impossible to achieve what we achieved in 2016/17 without the support of our external stakeholders who support us financially, as well as the communities that continue to share informally-gathered intelligence information with us. My hope is that they do not lose hope, but continue supporting our initiatives.

As I conclude, I now take this opportunity to welcome all members of the new Board. The new Board has had to hit the ground running. Within the short space of time that the Board has been in charge, it has taken bold decisions relating to various issues like the structure, commercialization, vacant positions, etc. The future of Ezemvelo is now in your hands. I have no doubt in my mind that future generations will look back and be proud that you joined the organization at a time when your skills were much needed.



DR. M.D. MABUNDA
Chief Executive Officer

ACHIEVEMENTS AND CHALLENGES

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A. CONSERVATION AND PARKS

1. MALOTI-DRAKENSBERG PARK

INTRODUCTION

The KwaZulu-Natal Nature Conservation Board, herein referred to as the Board, is the appointed Management Authority of the Maloti-Drakensberg Park World Heritage Site.

This section of the report is submitted in compliance with Section 42 of the World Heritage Convention Act (Act No. 29 of 1999). The management of the Maloti-Drakensberg Park World Heritage Site (MDP WHS) site is guided by the approved Integrated Management Plan (IMP). The IMP for MDP WHS is the primary and overarching management document for the World Heritage Site. The Integrated Management Plan (IMP) forms the framework within which the Park is managed.

All reports for the financial year under review (2016/2017) indicate that this was not an easy year for the Board. However, as a Management Authority, we feel that we have succeeded in meeting our obligations in terms of the convention, operational guidelines and fulfilment of performance indicators for the World Heritage Site. A five-year independent review of the overall performance is not applicable at this point in time, due to the fact that our IMP was approved in 2013.

We would also like to confirm that all procurement activities for the Park were conducted through the Board's Supply Chain Management Systems, and that during the year under review, the Board did not acquire any land, or rights to land, by contract or otherwise.

INTEGRATED MANAGEMENT PLAN IMPLEMENTATION

The IMP for MDP WHS is the primary and overarching management document for the World Heritage Site. It was developed in 2011 and approved by the Minister of Environmental Affairs in July 2013, for the period 2013 to 2018. The protected area's management objectives are operationalised and reflected through an Annual Plan of Operation (APO). The Board is committed to the implementation of this plan.

LEGAL COMPLIANCE AND LAW ENFORCEMENT

The Authority is still experiencing challenges with regards to the inconsistency of the interpretation of boundaries, including the international boundary. Several illegal incidents, in different categories, were also recorded in the Park (Figures 1 and 2). A high number of illegal incidents occurred in July and September 2016 and March 2017, this includes arson fires, illegal entry and rescue. A total of 91 illegal incidents recorded in the Park, as opposed to 158 in the last financial year. The most prevalent and frequent illegal activities in the Park include, arson fires, illegal entry, cattle incursions, prohibited activity, poaching, search and rescue (not an illegal incident), theft and damage to property. 174 head of cattle, 36 donkeys, and 66 sheep were impounded inside the Park. 13 search and rescue operations and one snake bite were reported.

**Total Reported Incidents: Maloti-Drakensberg Park
April 2016 to March 2017**

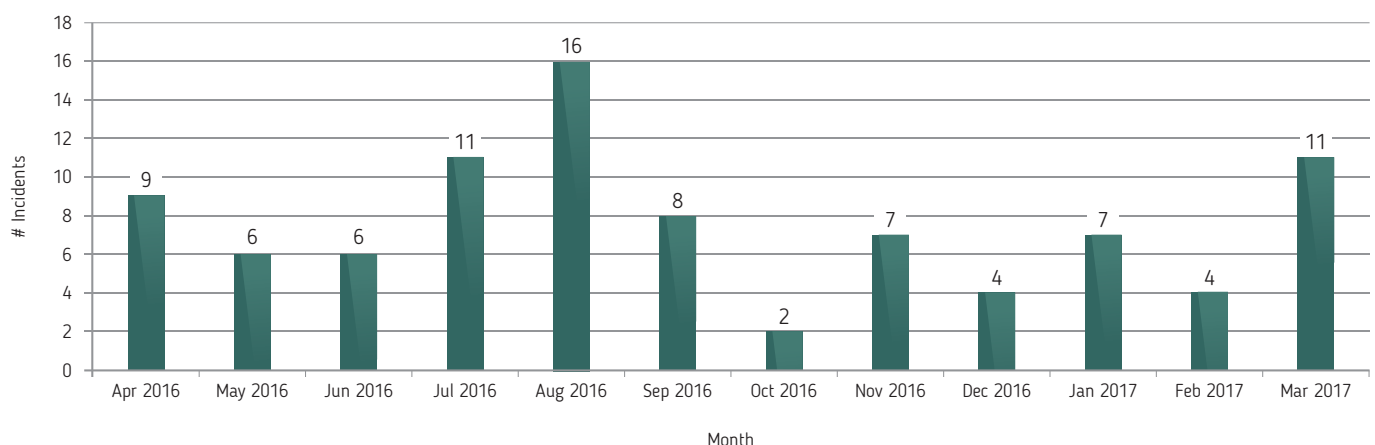


Figure 1: Total reported incidents for the period April 2016 to March 2017

Incident Categories: Maloti-Drakensberg April 2016 to March 2017

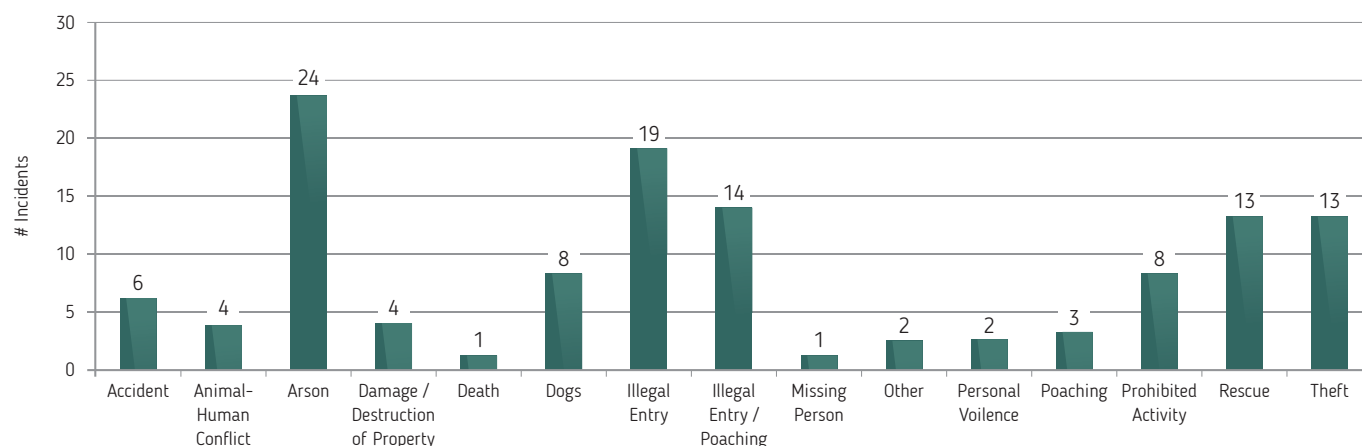


Figure 2: Number of incidents in categories for the period of April 2016 to March 2017.

STAKEHOLDER ENGAGEMENT

The KwaZulu-Natal Nature Conservation Board was declared by the Department of Environmental Affairs as the Management Authority for the MDP WHS for a period of 5 years. As part of the Board's commitment towards stakeholder engagement, several Neighbour Relations Liaison Forum meetings were held quarterly. Meetings were held with Traditional Authorities, Local Boards, local and provincial authorities as well as interested and affected parties. As the management authority for the Park, the Board planned to launch the Community Management of Protected Areas for Conservation (COMPACT) programme in and around the property. COMPACT refers to Community Management of Protected Areas Conservation Project. This project was officially launched by UNESCO World Heritage Centre in March 2017. The project is co-funded by UNESCO, with funds available at the World Heritage Centre, through the Netherlands Funds-in-Trust Cooperation UNDP/GEF Small Grants programme, which is also an implementing partner of this project. A budget of USD 35,000.00 has been made available to facilitate the establishment of the governance structures, transboundary cooperation and joint implementation in South Africa and Lesotho. Additional in-kind support has been committed by the Ezemvelo KZN Wildlife.

HONORARY OFFICERS A total of 15 481km and 3 333 hours were spent in the Park. During December 2016, the Southern Drakensberg Honorary Officer Group awarded Certificates of Recognition to two Honorary Officers and three Certificates of Appreciation to organisations that assisted Ezemvelo and the Honorary Officers during the year under review. Four Long Service Bars were awarded to four Southern Drakensberg Honorary Officers. Both Honorary Officer Groups have been very active during the year and have rendered invaluable logistical and financial support to the southern sub-region.

> ALIEN PLANT ERADICATION

The Southern Drakensberg Honorary Officer Group have had three alien plant eradication days, where alien plants were eradicated in the Sani Valley. The focus has been on clearing the wattle trees at

the South African Police Sani Pass Border Post and follow up along 8km of the Sani Pass Road. The Kamberg Honorary Officer Group has been doing follow up work on alien plants along trails and dams.

> SANI PASS CLEAN UP

The 19th Sani Pass Clean Up took place during April 2016. 124 school children took part in the clean-up, with approximately one ton of litter being removed.

> EVENTS SUPPORT

The Southern Drakensberg Honorary Officers manned water tables at the Sani Dragon Mountain Trail Bike Race, the Sani Stagger Race, the Giants Cup Trail Event, Giants Cup Trail Uncut and corporate events. The Kamberg Honorary Officers assisted at the Weenen Mountain Bike Challenge.

> MAINTENANCE

The Kamberg Honorary Officer Group assisted the Officer-in-Charge of Kamberg in preparing for the laying of a water pipeline to the entrance gate picnic site. This project is a work-in-progress. The Group has also assisted in purchasing new braais for the five chalets and cottages, outdoor furniture and camera traps. Kamberg Honorary Officers also assisted in putting burglar bars at Highmoor and at Kamberg Resort Office.

Curtains have now been put up by the Southern Drakensberg Honorary Officer Group for the Pholela Mountain Hiking Hut.

Dr Jacques Flamand, an Honorary Officer with the Southern Drakensberg Honorary Officer Group, carried out his annual inspection of all horses within the southern sub-region of the Maloti-Drakensberg Park World Heritage Site. He carried out his inspections during February and March 2017 and compiled a very comprehensive list on each of the management units he inspected. His input is invaluable to management, ensuring that our horses are well looked after.

> FUND RAISING

The Kamberg Honorary Officers raised an amount of R26 000 through catering for the Wings, Wheels and Whistles event in Pietermaritzburg. The Southern Drakensberg Honorary Officer Group raised R7 800 through the various events. The Southern Drakensberg Honorary Officers maintain two donation boxes at the Underberg Spar and the Drakensberg Gardens Leisure Resort.

> BIOLOGICAL MONITORING

The Southern Drakensberg Honorary Officers have been involved in assisting the District Conservation Officer of Underberg and the Park Ecologist in carrying out oribi, cape parrot, wattled crane and vulture monitoring throughout the year. The Kamberg Honorary Officers carry out patrols and report on the condition of trails, caves and tracks, wildlife and illegal movement within the Park.

> LAW ENFORCEMENT

The Southern Drakensberg Honorary Officers have created a “WhatsApp” group to offer immediate assistance in reporting snaring or poaching. The Kamberg Honorary Officers worked a total number of 483 hours doing patrols at Kamberg.

BUFFER ZONE PROTECTION AND REGIONAL MANAGEMENT

As a Management Authority for the site, one of the major obligations is to establish a buffer zone around the World Heritage Site. A buffer zone is defined as, “an area surrounding the nominated property which has complementary legal and/or customary restrictions placed on its use and development, to give an added layer of protection to the property”. The stakeholder engagement and participation process was completed in August 2016. In April 2017, a meeting was convened with the Underberg Farmers Association members to discuss the details of the proposed Buffer Zone Policy. The Buffer Zone Policy aims to address issues of co-operative governance and norms and standards for the management of protected areas. In November 2016, an enquiry was made by the Phakade Mining Company to mine coal at Duart Castle in Lotheni (southern part of the Park). An initial meeting with representatives from the company was held in December 2016, to be followed up by a field visit to determine the exact boundary of the Park. No further communication has been made with the Phakade Mining Company as of 31 March 2017.

ECO-CULTURAL TOURISM

The management authority of the MDP WHS, has developed a Sustainable Tourism Strategy (2016–2025). UNESCO has confirmed funding for the stakeholder engagement and consultation process. The engagement and consultation process is anticipated to be finalised by November 2017. The plan has been developed in close collaboration with Lesotho. The main purpose for the strategy is to develop heritage-based tourism that is based on the Outstanding Universal Value of the properties.

CONSERVATION MANAGEMENT

The National minimum protected area management effectiveness required score is 67%. For the past few years, the average management effectiveness score for the MDP WHS has been set at 75.23%. The previous years of assessment showed a healthy increase over the Park’s assessment in 2010/11, which was recorded at 64.3%. In 2011/12, the score was 72%, in 2012/13 it was 78%, the 2013/14 score was 75.16%, in 2014/15 it was 79.74% and in 2015/16 it was 57.38%. However, the score for 2016/17 was recorded at 63.35% – an increase of 6.7% from the previous year’s score. The new METT-SA system version 3 attributed significantly to the decline. The score has declined, due to lack of staffing, insufficient budget for maintenance, and lack of budget for critical management functions (capital budget and infrastructure maintenance).

FIRE

Fire is one of the most important ecosystem drivers, requiring management to maintain the biodiversity of the MDP WHS. Mandatory and strategic firebreaks were maintained as per statutory requirements. The application and management of fires aims to achieve the fire management objectives of each protected area that make up the MDP WHS. Through a process of adaptive management, the fire management strategies are evaluated and revised to ensure best fire practice for the World Heritage Site.

INVASIVE ALIEN SPECIES

Invasive and alien species have been identified globally as one of the most significant threats to biodiversity, second only to habitat destruction. Invasive alien plants are the biggest threat to South African protected areas. The authority has developed an Alien and Invasive Species Management Plan, which sets up objectives and targets for the Park. A total of R4.1 million to clear an area of 19 944ha was granted by the Department of Economic Development, Tourism and Environmental Affairs Alien Invasive Species Programme. A total of 22 113 person days was achieved through this programme and significant progress has been made. Almost all work undertaken in the last 12 years has been from external job-creation funds. Whilst approximately R4.1 Million/annum is being spent, creating many job opportunities (22 113 jobs created in 2016/2017, employing 392 local community members), it is estimated that the required budget to achieve alien species targets is at least five times larger.

NATURAL RESOURCE MANAGEMENT

The authority has policies and guidelines to regulate natural resource utilisation inside the Park. There are several monitoring programmes that have been implemented to ensure sustainable resource utilisation.

CULTURAL HERITAGE MANAGEMENT

The Cultural Heritage Management Plan is currently being consolidated with the Sehlabathebe National Park's Plan. Routine cultural heritage sites monitoring is in place. However, it is critical to improve the authority's institutional capacity with regards to cultural heritage management.

ENVIRONMENTAL AWARENESS PROGRAMME

An Environmental Awareness Plan is in place. The S'fundimvelo Environmental Education Programme is implemented in neighbouring schools around the Park. This programme is aligned to the Grade 6 National Curriculum syllabus. In 2016/17 financial year, S'fundimvelo conducted 9 day trips from 9 schools around Cathedral Peak and Royal Natal, which covered more than 527 pupils. A Big Day Out was also celebrated in Royal Natal, awareness on vultures in celebrating World Vulture day, a total number of 6 schools with 130 participants. Furthermore, three (3) overnight trips, with more than 180 primary, high school learners and university students, was undertaken. Thus, making a total of 13 schools and one university (Durban University of Technology), adding up to 837 participants. The purpose of these trips is to expose learners and teachers into a protected area and educate them about the importance of nature conservation, while increasing the future potential sustainable tourism.

PRIORITIES FOR STRATEGIC OUTCOMES

The purpose of prioritising activities is to direct funds and resources to the most important activities. As a result, priorities are placed in an order of three categories which have been determined in Table 1 as follows:

Priority 1 (red): A management target that is central to the responsibilities and mandate of Ezemvelo KZN Wildlife, or that address an aspect of management that is fundamental to the protection of the values and purpose of the MDP WHS.

Priority 2 (green): A management target that addresses an aspect of management which contributes towards community involvement and support for the conservation of the MDP WHS, which is a key principle of effective protected area management.

Priority 3 (yellow): A management target that indirectly contributes towards the protection of biodiversity or the development of social and/or economic benefits and opportunities for the MDP WHS and/ or its surrounding local communities.

The priorities are presented in the table below, using the colour system above, which depicts the level of priority shown for the particular strategic outcome. In addition, a date is indicated in the priorities column for each strategic outcome, which is intended to convey the end date by which the management target must have been achieved.

BUDGET

The figures presented in this report were extracted from the audited financial statements as presented in the KwaZulu-Natal Nature Conservation Board's Annual Integrated Report 2016/2017.

The estimated present (2016/17) management cost for the Park after revenues have been deducted, is **R247.12** per annum (R60 051 000/ 243 000 ha). This is slightly more compared to the last financial year (see Appendix 1B).

Appendix 1A shows the income and expenditure trends for the Park over seventeen financial years (April – March) from 2000/01 to 2016/17. The figures only represent the income and expenditure (salaries and operating expenses) of the conservation management and tourism operations components. **Other Park expenditure from corporate components, e.g. major technical works, capital expenditure, special projects and donor funding, are not included here, as these figures are not readily available for the Park specifically.** The figures therefore do not reflect the **total** expenditure for the Park.

CONSERVATION MANAGEMENT: 2000/01 TO 2016/17

Expenditure on Conservation Management increased from R14.6m to R60.3m over the last seventeen years. The main contributing factor to this increase was the improvement of staff conditions of service over the period. Since the year 2000, not only have basic salaries been increased at a higher than inflation rate, but other benefits have been introduced, such as, payment for overtime, standby allowances, night shift allowances, housing allowances and medical aid. However, a concern at present is the fact that personnel-related expenses account for more than 80% of the total conservation management expenditure budget. This is significantly higher than generally accepted norms and this trend has been the experience since the start of this reporting period. This also indicates that the current conservation operating expenditure budget is under-funded.

ECOTOURISM OPERATIONS: 2000/01 TO 2016/17

Income increased from R11.9m to R34.7m. This is relatively high compared to the previous year's income of R34m. Financial performance varies greatly from resort to resort and as such, individual business plans are to be compiled to chart a strategic way forward in improving these figures.

It is felt that with more focus and innovation, the Ecotourism Operations within the Park will be able to generate a more substantial financial contribution to conservation operations. The potential is certainly there for a significant improvement in these figures.

The Operating Surplus from Ecotourism Operations declined from R3.1m to R258 over the financial period. It must be noted that the 2016/17 year shows a decrease, compared to the last financial year, conversely there was also a significant increase in salaries and operating expenses. The recent slide can be attributed to poor revenue growth and a failure to market and promote the MDP WHS facilities.

External Funding has greatly benefited the Park over the years. Some examples are the Invasive Alien Species Programme and Working on Fire programme. External funding is likely to play a greater role in moving forward, considering the number of unfunded projects that have been identified. It is **imperative that sufficient funding is obtained** over the next few years, in order for the infrastructure to be effectively maintained and sustained.



APPENDIX 1A

MDP WHS HISTORICAL EXPENDITURE AND REVENUE (EXCLUDING EXTERNALLY FUNDED PROJECTS):

Financial Year	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S
CONSERVATION																	
Salaries and Related Expenses	-13 229	-15 281	-15 367	-18 414	-18 934	-19 828	-21 507	-23 992	-25 397	-27 683	-35 336	-39 468	-43 906	-46 418	-48 524	-50 829	-52 724
Operating Expenses	-1 396	-1 555	-2 472	-4 077	-6 167	-5 342	-5 100	-5 500	-5 494	-5 988	-6 013	-6 286	-6 557	-8 987	-7 381	-7 780	-7 584
Actual Conservation expenses	-14 625	-16 836	-17 839	-22 491	-25 101	-25 170	-26 607	-29 492	-30 891	-33 671	-41 349	-45 754	-50 463	-55 405	-55 905	-58 609	-60 308
ECOTOURISM OPERATIONS																	
Income	11 906	13 547	19 768	22 841	23 532	24 323	28 989	30 051	34 167	37 242	29 645	33 230	33 588	33 423	37 962	34 015	34 703
Salaries and Related Expenses	-4 393	-3 586	-6 483	-8 590	-8 484	-9 257	-10 257	-10 597	-12 246	-13 348	-15 460	-16 741	-17 549	-17 704	-18 308	-17 788	-18 895
Operating Expenses	-2 520	-3 072	-3 962	-6 134	-6 838	-8 005	-10 601	-9 747	-10 170	-11 085	-10 784	-11 659	-15 289	-13 118	-20 583	-13 083	-15 551
Actual Operating Surplus	4 994	6 889	9 322	8 116	8 210	7 060	8 131	9 707	11 751	12 809	3 401	4 830	750	2 601	-929	3 144	258
Grand Total	-9 632	-9 947	-8 517	-14 375	-16 891	-18 110	-18 476	-19 785	-19 140	-20 863	-37 948	-40 924	-49 713	-52 804	-56 834	-55 465	-60 051

APPENDIX 1B

MDP WHS PROJECTED TOTAL EXPENDITURE AND REVENUE: 2013 - 2018

Financial Year	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S	R000'S
CONSERVATION							
Salaries and Related Expenses	-46 418	-48 524	-50 829	-52 724	-54 434	-57 700	-61 162
Operating Expenses	-8 987	-7 381	-7 780	-7 584	-5 359	-5 734	-6 135
Total:	-55 405	-55 905	-58 609	-60 308	-59 793	-63 434	-67 297
ECOTOURISM OPERATIONS							
Income	33 423	37 962	34 015	34 703	38 145	40 434	42 860
Salaries and Related Expenses	-17 704	-18 308	-17 788	-18 895	-19 837	-21 027	-22 289
Operating Expenses	-13 118	-20 583	-13 083	-15 551	-6 403	-6 851	-7 331
Total:	2 601	-929	3 144	258	11 905	12 556	13 240
Operating Total	52 804	56 834	55 465	60 051	47 887	50 878	54 057
Average Operating Cost Per Hectare	217,30	233,88	228,25	247,12	197,07	209,38	222,46
Projects (Refer to Appendix 3B)	12 795	68 717	55 418	51 744	54 663	54 663	54 663
Total Funding Required	65 599	125 551	110 883	111 795	102 551	105 541	108 720
CURRENT FUNDING SOURCES							
EKZNW State Subsidy	52 804	56 834	55 465	60 051	47 887	50 878	54 057
DEA	450	0	6 000	6 000	6 000	6 000	6 000
N3 Gateway	350						
DWA	6 000	0	0	0	0	0	0
Wildlands Conservation Trust	50		250	250	250	250	250
Total Current Funding	59 654	56 834	61 715	66 301	54 137	57 128	60 307
Shortfall	5 945	68 717	49 168	45 494	48 413	48 413	48 413
Inflation Estimate	6,00%	3,90%	4,60%	6,13%	5,80%	5,80%	5,80%

TABLE 1: MDP WHS IMP - OBJECTIVES AND STRATEGIC OUTCOMES - ANNUAL PLAN OF OPERATION

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.2.1 Framework for Legal Compliance, Law Enforcement and Stakeholder Engagement						
Legal Compliance and Law Enforcement	Comply with and enforce legislation pertaining to the protection, development and management of the Park.	Confirmation, demarcation and interpretation of the exact boundaries of the Park.	Survey those sections of the Park that have not yet been surveyed and implement a phased programme for the demarcation of all boundaries.	Survey report for relevant sections.	The following areas (management units) within the Park were surveyed: Sani Top and iKanti at Cobham, Garden Castle, Royal Natal, Cathedral Peak and Lotheni. All management units' boundaries have now been surveyed, except Hillside. Three meetings were held with the Mqatsheni Grazing Forum. The Park manager met with Mr. Duma from Mqatsheni. In March 2017, a separate meeting to discuss boundary issues was held with the Ingonyama Trust Board.	Year 2
			Negotiate a joint understanding with Lesotho on the exact boundary shared with South Africa.	Memorandum of understanding regarding the Lesotho/ South Africa Boundary.	The assistance of the Department of Environmental Affairs is required in this regard. [Land Surveyor General Report – the Department of Environmental Affairs has been requested to facilitate the process of appropriate western boundary demarcation (Lesotho and RSA)]. There is no progress in resolving the international boundary, this issue falls outside the Management Authority's jurisdiction.	Year 2
			Ensure that the title deeds reflect the World Heritage status.	Title deeds that reflect the protection status of the Park.	A service provider was appointed to provide a list of parcels of land that constitute the Maloti-Drakensberg World Heritage Park, for the purpose of having the title deeds of the said properties endorsed with protected area status. However, it has been established that there is no provision in the World Heritage Convention Act to endorse title deeds for world heritage properties. Instead, the Management Authority will now use the Protected Areas Act to endorse all parcels of land in the Park. There are 450 parcels of land that comprise the World Heritage Site.	Year 3
		Consolidate and facilitate proclamation of wilderness areas.	Initiate a process to proclaim candidate wilderness areas.	Increase in proclaimed wilderness areas.	The Baseline View Shed Analysis, measuring the location and extent of visual impact of human disturbance, has been completed. The amalgamation of the modelled surfaces into a sensitivity index still has to be completed. A field verification exercise will then be initiated before the zonation is finalised.	Year 3
Table 6.2.1 Law Enforcement						
Legal Compliance and Law Enforcement	Comply with and enforce legislation pertaining to protection, development and management of the Park.	Address security issues and illegal activities to ensure the integrity of the Park, in participation with stakeholders, security services and the justice system.	Work collaboratively with external security stakeholders to implement the MDP WHS security strategy.	> Regular patrols covering strategic areas in the Park. > Prosecution of any offender caught committing an offence. > Regular documented reports on security incidents.	There is currently a low number of law enforcement staff, due to the freezing of vacant posts, hence, law enforcement operations are hindered, due to the resource constraints. There are a significant number of posts for Field Rangers, and one Officer-in-Charge (OIC) post, that are currently vacant and urgently need to be filled. That has a significant impact on the number of patrols conducted. Most Field Rangers within the Park have undergone EMI training and are now designated EMIs.	Ongoing

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.2.1 Law Enforcement ...continued						
Legal Compliance and Law Enforcement	Comply with and enforce legislation pertaining to protection, development and management of the Park.	Address security issues and illegal activities to ensure the integrity of the Park, in participation with stakeholders, security services and the justice system.	Implement a Cyber Tracker-based programme of patrols for the Park and its boundaries.	<ul style="list-style-type: none">> Regular patrols covering strategic areas in the Park.> Prosecution of any offender caught committing an offence.> Regular documented reports on security incidents.	<p>5445 routine law enforcement patrols were conducted throughout the Park, and meetings are held on a quarterly basis with local SAPS. All illegal incidents are reported centrally using the EKZNW incident report format.</p> <p>Case Management: A Law Enforcement and Prosecution Officer post has been identified and included in a new structure. Law Enforcement designated staff members attended South African Police Services, Rural Safety Committee and policing forums' monthly meetings.</p> <p>A total of 91 illegal incidents recorded in the Park. Most frequent illegal activities include arson fires, illegal entry, cattle incursions, prohibited activity, poaching, search and rescue (not an illegal incident), theft and damage to property. A total of 174 head of cattle, 36 donkeys, 66 sheep and 41 goats were impounded for illegally grazing inside the Park. One firearm (303) and four rounds of ammunition were seized. 13 rescue operations were reported.</p> <p>115 patrols were carried out in Pholela Biosphere.</p> <ul style="list-style-type: none">> 20 arrests made> Eight suspects charged> 2 cases opened: under investigation.> Results of court appearances: Found guilty and repatriated to Lesotho.> Two court cases still pending with regard to illegal entry into the Park and animal cruelty. 32 donkeys impounded and handed over to the SPCA.	Ongoing
			Implementation of the Reaction Unit.	Functional Reaction Unit.	Three posts have been identified in staff establishment for Law Enforcement and Prosecution Officers, and suitable candidates have been identified but not appointed due to the restructuring process and freezing of posts.	Year 2
			<ul style="list-style-type: none">> Develop and implement Park Air Space Norms and Standards.> Develop a joint position statement on air space use over world heritage sites with iSimangaliso Wetland Park.> Formalise relations and operating rules for military and police use of air space, as well as for stock theft pursuit.	Documented Air Space Norms and Standards.	<p>Within the financial year of 2016/2017, ten (10) flight applications were received and processed, requesting to fly over the Park.</p> <p>Most of these applications were for high altitude training, research and filming. Interim decision-making processes and guidelines, with respect to aircraft use within the Air Space of the Maloti-Drakensberg Park World Heritage Site, are in place.</p> <p>An incident of a helicopter flying illegally over the Monks Cowl section on 12 August 2016 was reported to the Civil Aviation Authority's legal department so that action can be taken against the pilot.</p>	Year 2
Table 6.2.1 Stakeholder Engagement						
Stakeholders' Engagement	Maintain effective linkages with affected communities and other stakeholders in order to ensure collaboration management.	Constructive stakeholder involvement in the Park management, through an effectively functioning Local Board and Liaison Forums.	Regular meetings of a functional MDP WHS Local Board.	Quarterly meetings of the Local Board and Liaison Forum.	The Local Board members (13 members) have been appointed, term of office will expire in March 2018. Three Local Board meetings were convened during the 2016/17 financial year.	Ongoing
			Regular meetings of the Liaison Forums for the separate management units within the MDP WHS.		The Neighbour Relations Liaison Forum meetings are taking place on a quarterly basis for different management units (15) within the Park.	
					Park management participated in three career expos held in Ladysmith, National Science Week in Bergville and Career Day. The National Science Week was attended by 30 high schools from Okhahlamba Municipality.	

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.2.1 Stakeholder Engagement						
Stakeholders' Engagement	Maintain effective linkages with affected communities and other stakeholders in order to ensure collaboration management.	Provision of support to the community in developing its capacity to make inputs into the management of the Park.	Ongoing development and mentorship programme for the MDP WHS Local Board for new members.	Implemented mentorship programme for the MDP WHS Local Board.	Training for Local Board was conducted in December 2015. South MDP WHS Officers –in-Charge attended five Drakensberg Honorary Officer meetings.	Ongoing
		Provision of support to the community through externally funded projects and the Community Levy Fund.	Facilitation of development projects in the community through the Community Levy Fund, in line with the Conservation Partnership Policy of EKZNW.	Community development projects reflected in the Annual report and audit report of Community Levy Fund.	One project proposal was received and processed in the 2016/17 financial year. The planning phase for Busingatha Lodge has been finalised, an advert for an EIA assessment service provider has been finalised for advertisement. Siyakhula Poultry Farming Project is now complete, however, the project owners are still waiting for a date to be set by the Chief Executive Officer for the official handover.	Ongoing
		Engage internal and external stakeholders in an effort to brand the MDP as a World Heritage Site.	Develop and implement an MDP WHS branding strategy including a communication strategy to communicate the IMP to communities, visitors and other stakeholders.	Documented branding strategy.	This target has not been achieved , however, the Park is part of a UNESCO World Heritage Centre and the African World Heritage Fund – 'Sustainable tourism capacity building in four African World Heritage destinations' . A draft sustainable tourism strategy (2016–2025) has been developed. UNESCO has confirmed funding for the stakeholder engagement and consultation process. The engagement and consultation process is anticipated to be finalised by November 2017.	Year 1
Table 6.4.1 Framework for Buffer Zone Protection and Regional Management						
Buffer Zone Protection and Regional Management	Protect the Park values from activities, processes or land uses outside of its boundaries, which may threaten it, through an established buffer zone which is accepted by the broader communities and stakeholders.	Prioritisation of key buffer zone area within the provincial protected Area Expansion plan.	Focus efforts of the Biodiversity Stewardship and Protected Area Expansion Programme on priority areas in the buffer zone around MDP WHS's boundaries.	Legal protection of key buffer zone areas through establishment of biodiversity management plans or protected environments.	<p>The KwaZulu-Natal Biodiversity and Protected Area Bill makes provision for the MEC to declare a buffer zone. The farms, Wostijn, Diedlof and Maatschapi in the Northern MDP WHS have expressed interest in joining the Stewardship Program. An application has been submitted by a private land owner (sub-division of farm Wostijn) to join the Stewardship program. The application is being dealt with. Similarly, several private land owners bordering on Culfargie/Bell Park wish to join the Stewardship program. These two applications will be processed in the current year. The Cathkin Connection Conservancy has been successfully recognised and registered.</p> <p>Status of the Stewardship sites along the Park.</p> <p>The Stewardship unit has very little capacity to unlock the challenges posted by the proposed upper uThukela Community Conservation Area. There are various challenges which hinder the progress of this site. There are disputes amongst the participating communities regarding land ownership. This issue also affects the finalisation of the land survey. Efforts to cooperate with the Ingonyama Trust Board have not been successful.</p> <p>Allendale: The complete approved documents were approved by the Board in March 2014. The landowner is however, not willing to sign the final documents and until this is completed, the process has been placed on hold. The facilitators for the site have since left and no further work has been done on this site.</p> <p>Snowflake: Stewardship progress on the site has been delayed by issues of negotiating grazing leases between the landowner and the surrounding community. The site was placed on hold by the Stewardship Working Group in February 2016. The facilitators for the site have since left and no further work has been done on this site.</p>	Annually

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.4.1 Framework for Buffer Zone Protection and Regional Management ...continued						
Buffer Zone Protection and Regional Management	Protect the Park values from activities, processes or land uses outside of its boundaries, which may threaten it, through an established buffer zone which is accepted by the broader communities and stakeholders.	Maintain the Transfrontier linkages between the Park, authorities and communities bordering Lesotho.	Maintain collaborative Transfrontier structures through regular meeting with the Joint Management Committee.	<ul style="list-style-type: none"> > Quarterly meetings of the Joint Management Committee. > Achievement of objectives and outcomes of the Maloti-Drakensberg Transfrontier Conservation Area Conservation and Development Strategy (2008-2028). 	<p>Two Joint Management Committee meetings were convened in the last financial year. South MDP WHS management organised and attended the joint sub-regional annual fire workshop at Sehlabathebe National Park. The six monthly management meetings between Sehlabathebe and Garden Castle (EKZNW) are held at Sehlabathebe National Park (Lesotho).</p> <p>EKZNW contributes to MDTP through annual financial obligations as a Lead Agent in South Africa. EKZNW is represented in various working groups such as Cultural Heritage Working Group, Protected Area and Biodiversity Working Group, National Coordination Committee, Bilateral Coordination Committee, Bilateral Security Working Group, and Tourism Working Group. MDTP is also facilitating the establishment of a Community Conservation Area in Witsieshoek which will form a buffer on the Free State side.</p>	Ongoing
Table 6.4.1 Local and Regional Planning						
		Ensure tourist infrastructure to access the MDP WHS safely (access roads) are identified and maintained.	Liaise with the South African National Roads Agency in determining agreed upon access roads to MDP WHS that require upgrade and maintenance.	Adoption of agreed upon access routes to the various protected areas within the MDP WHS. Upgrade and maintenance of degraded access routes.	<p>There is a formal and continuous engagement with the Local Department of Transport to maintain and repair access roads to iNjesuthi, Cathedral Peak, Kamberg, uMkhomazi and Cobham. Minor maintenance has been carried out but major repairs have been requested to be attended to, however, there is no progress because funding was not made available. Road was maintained by filling potholes.</p> <p>The main access road leading up to Garden Castle is well maintained by the Department of Transport. Giants Castle access road is also being rehabilitated by the Department of Transport.</p> <p>The Central Drakensberg Ratepayers Association's tractor was used to cut verges along the R600 leading into the Cathkin Valley as well as the Bell Park Dam road (D53) leading to Culfargie. The Department of Transport graded the gravel road to Culfargie during March 2017.</p> <p>The Authority has engaged Provincial Treasury to secure funding but there has been no positive response to the request.</p>	Year 1 thereafter Annually
		Declaration of the Park buffer as the buffer for the World Heritage Site.	Submit proposed buffer zone requirements to UNESCO for approval.	Gazetted buffer zone.	The buffer delineation has been finalised. The stakeholder engagement and participation process was completed in August 2016. In April 2017, an extraordinary meeting was convened with the Underberg Farmers Association members to discuss the details of the proposed Buffer Zone Policy. The proposed Buffer Zone Policy will be submitted to the Department of Environmental Affairs for further processing by September 2017.	Year 1
		Evaluate and respond to development applications within the Park buffer through a coordinated and consistent process.	Implement the standard policy to guide responses to development applications in the MDP WHS buffer area.	Consistent documented responses to development applications.	<p>Formal comments on all land use change applications received and formal responses were provided. A total of 9 applications were received and processed in the 2016/17 financial year.</p> <p>In November 2016, an enquiry was made by the Phakade Mining Company to mine coal at Duart Castle at Lotheni. An initial meeting with representatives from the company was held in December 2016, to be followed up by a field visit to determine the exact boundary of the Park. No further communication has been made with the Phakade Mining Company as of 31 March 2017.</p>	Ongoing

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.5.1 Framework for Eco-cultural Tourism						
Eco-cultural Tourism Development	Respect and give access to the Park's biodiversity, cultural and wilderness values in order to sustainably capitalise on the tourism potential for the Park and its surrounding areas.	Integrate Park tourism activities with tourism strategies and plans for the region.	Capture visitor information and statistics.	An understanding of annual tourist numbers.	Visitor numbers for over-nighting guests are fairly accurate. Accurate data is collected in all major entry points, however, the challenge on day visitor numbers credibility still exists at smaller and infrequent gates. The Authority is working on a credible and consistent recording approach for the Park.	Daily
			Develop and implement a Park Tourism Plan including strategies to address the following: <ul style="list-style-type: none"> > Branding and marketing. > Linkages with other bioregional tourist initiatives. > Income generation opportunities, legislative and zonation constraints of new developments and activities. 	MDP WHS Tourism Plan.	This target has not been achieved, but the process to develop the plan has been initiated. The Park participated in UNESCO World Heritage Centre and the African World Heritage Fund – 'Sustainable tourism capacity building in four African World Heritage destinations'. This was a year-long programme. Consequently, a draft sustainable tourism strategy (2016-2025) has been developed. UNESCO has confirmed funding for the stakeholder engagement and consultation process. The engagement and consultation process is anticipated to be finalised by November 2017.	Year 2
		Implement standards developed for signage.	Implement a phased programme for replacing signage with the standardised formats.	Appropriate signage, located at all access routes to the Park. Trail signage that conforms to EKZNW standards.	A total of 16 entrance sign boards were erected at different entrance gates in the Park. The new sign boards were amended to reflect the new Park name. Furthermore, 100 "Unauthorised Entry" sign boards were erected along the eastern boundary fence where illegal entry into the Park occurs. The Alkunta Project Proposal is currently being formulated in collaboration with the MDP Management Committee. All access road signage has been assessed with a view to prepare a proposal for funding. EKZNW Maloti-Drakensberg Park Visitor Information Directory – Trail signage standards and guidelines have been developed.	Year 1
		Ensure that energy efficiency measures are implemented in all resorts.	Implement a phased programme to retrofit all resort infrastructures with energy efficient technology.	Increase in energy efficient technology in resorts.	This project has been initiated and project proposals have been submitted to potential funders. This has been incorporated into the Climate Change Adaptation Response Plan. A meeting was held with Professor Smith of the University of KwaZulu-Natal to investigate the possibility of establishing hydro power within the Park focusing at Monk's Cowl and Injesuthi management units but there is no positive progress to date.	Year 4
		Development of Transfrontier activities and travel in line with new vision for Transfrontier Conservation Areas (walking-based lower carbon footprints tourism activities) in South Africa.	Develop a detailed project proposal and costing for establishment of a world class trekking route.	Submitted proposal for trekking route.	The proposal was completed and submitted to the Maloti-Drakensberg Transfrontier Programme and is now awaiting further processing and funding. Park management, in collaboration with Alkunta project, is currently looking at the possibilities of establishing a Pilgrimage Hiking Trail in the Park. A draft memorandum of understanding has been drawn up for consideration.	Year 1
		Development of indigenous gardens around resorts.	Implement a phased programme to remove alien plants from resort gardens. Implement a phased programme to interpret natural vegetation around resorts.	Reduction in alien plants in camp gardens. Interpretation material for resort gardens.	Giant's Castle Resort indigenous garden manual has been developed. Interpretation material for resort gardens is still to be developed. Alien trees are removed on an as and when basis within intensive use areas in the Park.	Year 2

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.6.1 Framework for Conservation Management – Fire Management						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Implement a comprehensive five-year fire management plan for the Park.	Implement the 5-year fire management plan that addresses the biological, legal and operational requirements.	Implementation of the fire management plan.	The fire management plan was successfully implemented during the fire season (March to September). An annual fire report has been produced which incorporates Sehlabathebe National Park in Lesotho.	Ongoing
		Ensure adequate fire safety within the Park.	Maintain a system of firebreaks within the MDP WHS that are legally compliant and of adequate extent. Become a paid up member of the local Fire Protection Association, or if one does not exist, champion the creation of one (three outstanding management units).	Compliance with the National Veld and Forest Fire Act No. 101 of 1998.	<p>Mandatory and strategic firebreaks are in place. A total of 1 170km of firebreaks were completed. A total of 500 fire events were recorded in the 2016/17 financial year. All management units were paid members of their respective Fire Protection Associations.</p> <p>Scheduled burn 16.91% (40 476ha) Invasive fire (non-scheduled) 0.01% (29ha) Lightning (non-scheduled) 0.05% (131ha) Runaway (non-scheduled) 1.44% (3 441ha) Arson (non-scheduled) 9.27% (22 179ha) Accidental (non-scheduled) 1.58% (3 628ha) Firebreaks 4.02% (9 632ha) Unknown 0.49% (1 162ha) Total area burnt 33.7% (80 678ha)</p> <p>All management units (15) are full members of the local Fire Protection Association and have paid up annual subscription fees. The Park has been allocated three Working on Fire teams. These teams are allocated a budget of R2m each, per annum, by DEA. This equates to R6m per annum.</p>	Ongoing
Table 6.6.2 Framework for Conservation Management – Wilderness Management						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Maintain the wilderness character of naturalness and solitude of the zoned wilderness areas in the MDP WHS. [Table 6.6.2]	<ul style="list-style-type: none">> Manage managerial and recreational impacts on the wilderness areas to maintain wilderness character.> Remove all evidence of the presence of man (e.g. infrastructure). Undertake an audit of management- and tourism-caused noise, and implement strategies to minimise noise generation and propagation, and make recommendations for future monitoring.	Implemented Wilderness Management Plan.	<p>The limits of acceptable change process of monitoring visitor impact have been initiated. Protocols for monitoring visitor impacts on trails and caves have been developed and implemented.</p> <p>The location of infrastructure in wilderness has been mapped and the removal of infrastructure will be included in annual work plans.</p> <p>View Shed Project takes into account the impact of noise to some extent. No further noise identification and, monitoring or mitigation project has been implemented.</p>	Year 2 thereafter ongoing
		Consolidate and facilitate proclamation of wilderness areas.	Initiate a process to proclaim candidate wilderness areas.	Increase in proclaimed wilderness areas.	The baseline view shed analysis, measuring the location and extent of visual impact of human disturbance, has been completed. The amalgamation of the modelled surfaces into a sensitivity index still has to be completed. A field verification exercise will then be initiated before the zonation is finalised.	Year 2 thereafter ongoing

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.6.3 Framework for Conservation Management – Invasive Plant Control and Soil Erosion						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Development and implementation of an invasive species control plan for the Park and within a 2km area (buffer) of the boundary.	<ul style="list-style-type: none"> > Develop a detailed inventory of the listed invasive species. > Map the areas and extent of invasive species infestations. > Describe previous efforts to control and eradicate invasive plants. > Outline the measures required to monitor, control and eradicate the listed invasive species. > Identify measurable indicators of progress and success in implementing the invasive species control plan. > Determine priority areas for implementation of control. 	Compliance with the National Environmental Management Biodiversity Act No. 10 of 2004.	<p>An Alien and Invasive Species Plan is currently in place for the Park.</p> <p>High altitude pine infestation mapping and eradication from Didima Gorge to iNjesuthi River has been undertaken by the Vertical Endeavour team (Volunteer Group).</p> <p>A High Altitude Team (HAT) is based at Cathedral Peak and at Injesuthi and a third team is based at Monk's Cowl. The teams are responsible for alien plant eradication from Cathedral Peak to Injesuthi. A service level agreement has been signed between FFA Operations (Pty) Ltd T/a Working on Fire (WoF) and EKZNW. These teams are allocated a budget of R1.5m each, per annum, by DEA. This equates to R4.5m per annum.</p>	Year 1
		Achievement of a significant reduction in levels of invasive plant infestations in the Park.	Implement Invasive alien plant: Monitoring, control and eradication plans for each management unit to facilitate concerted, sustained control efforts in prioritised areas of invasive plant infestation.	Reduction in infestations of prioritised invasive plants in five years.	Alien trees are removed on an as and when basis within intensive use areas in the Park.	Ongoing
			All tourism nodes and management nodes will be assessed for alien species, and all prioritised alien plants will be controlled.		Not achieved - this will be undertaken in the next financial year. At Cobham, 10 White Stinkwood trees were planted along the campsite boundary fence.	Year 1

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.6.3 Framework for Conservation Management – Invasive Plant Control and Soil Erosion ...continued						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Achievement of a significant reduction in levels of invasive plant infestations in the Park.	Develop partnerships with Working for Water and other strategic programmes. Negotiate for funding for initial treatments (R10m/annum), including a 2km buffer to the Park (R10m/annum).	Funded Projects to facilitate alien and invasive plant control.	<p>Working on Fire's High Altitude Team (HAT) is working in the Park. An amount of R4.5m has been allocated to teams. Operational costs will be borne by HAT. EKZNW, being the base partner, is responsible for providing accommodation, a store room, ablutions, an interaction room with necessary gas and or electricity as well as access to communications (telephone, fax and email) for the crew leaders to ensure effective reporting.</p> <p>For these additional expenses, budgets will have to be adjusted accordingly. The HAT teams are available to work through the entire financial year.</p> <p>Direct working costs, as well as training costs, are the responsibility of HAT. An Annual Plan of Operations is agreed upon and timeous pre- and post-progress inspections are conducted.</p> <p>Partnerships are maintained by signed service agreements and regular communication between HAT (WoF) and EKZNW.</p> <p>Vertical Endeavour High Altitude Team work on an ad hoc basis in the Park. Alien plant species have been mapped and significant progress made. This healthy partnership will continue to receive support. Southern Drakensberg Honorary Officers have followed up along the Sani Pass road and at the SAPS border post. Eight kilometres of road verge has been treated.</p> <p>A total of R4.1m to clear an area of 19 944ha (8.2%) was granted by the Department of Economic Development, Tourism and Environmental Affairs' Alien Invasive Species Programme. A total of 22 113 person days was achieved through this programme and significant progress has been made. SANBI teams have also targeted specific alien plants.</p>	Year 2
Table 6.6.3 Framework for Conservation Management – Soil Erosion						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Implementation of procedures to identify, rehabilitate and manage areas that have been significantly impacted by accelerated human caused soil erosion.	Implement soil erosion control and rehabilitation measures, focusing strategically on key areas such as those impacting on watercourses or that are growing larger.	A detailed map depicting areas of soil erosion within the Park. Implementation of soil erosion control measures in areas of accelerated soil erosion.	<p>Due to financial constraints, only 429km, out of a total of 1 550km of hiking trail have been maintained in the Park. This equals 29% maintenance.</p> <p>Maintenance was carried out on the Giant's Cup Trail, both at Cobham and Garden Castle. A new section of the Giant's Cup Trail for the third day has been surveyed and approved. 500 metres on the Stromness trail was repaired and rebuilt due to bad soil erosion.</p>	Ongoing

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.6.4 Framework for Conservation Management – Alien Animal Control and Resource Utilisation						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Implementation of procedures to manage alien animals found within the MDP WHS.	Develop and implement an equitable policy for keeping personal and official domestic animals and livestock in the Park that includes procedures for dealing, in a consistent manner, with alien animals that stray into the Park. This policy must clearly address:	<ul style="list-style-type: none"> > Control of alien animals found in Park. > Awareness of communities of the implemented strategy. 	<p>Standard Operating Procedure – Confiscation of stray livestock in the Maloti-Drakensberg Park World Heritage Site is in place.</p> <p>Horse care and stable management guidelines have been developed. Horse care, stable management and correct horse riding procedures were covered during the horse riding training course offered by the SAPS Mounted Academy, Potchefstroom.</p> <p>Horse sickness vaccinations were administered from October to December 2016. Horses were dewormed in October 2016 and February 2017. In March 2017, Dr J. Flamand carried out an annual horse inspection at Vergelegen, Lotheni, uMkhomazi, Kamberg, Garden Castle and Cobham. Horse registers maintained as well as horse rotation register.</p> <p>An Environmental Awareness Plan has been produced and agreed upon.</p> <p>S'fundimvelo Environmental Education Programme is implemented in neighbouring schools around the Park, this programme is aligned to the Grade 6 National Curriculum syllabus.</p>	Year 2 Ongoing
			Develop and implement a management strategy that will minimise the negative impact of alien fish, specifically trout.	Reduction of alien and invasive fish species in MDP WHS.	<p>The Trout is addressed in the Park's Alien and Invasive Species Management Plan. Trout have demonstrated impacts on biodiversity, globally and locally. However, it is also acknowledged that trout have some economic value to the Park (although very limited), trout fishing has heritage value to sectors of society. The Park therefore acknowledges that trout have historical value and are continuing to have impacts on aquatic systems but recognise that no large scale eradication is feasible or possibly even desirable. Consequently, a number of natural barriers to the upstream movement of trout have been identified and these can serve as places above which eradication operations can take place in future, if the need arises, eradication of trout from rivers without natural barriers is impossible because of constant reinvasion from outside the Park.</p>	Year 3

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.6.4 Framework for Conservation Management – Alien Animal Control and Resource Utilisation ...continued						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Implementation of procedures to manage alien animals found within the MDP WHS.	Implementation of procedures to manage alien animals found within the MDP WHS.	Reviewed and documented grazing concession.	<p>The Ikhanti/Mqatsheni and Cathedral Peak Grazing Concession Agreements are currently being revised with Regional Land Claims Commission and Ingonyama Trust Board.</p> <p>The Park manager met with Mr. Duma from Mqatsheni. In March 2017, a separate meeting with the Ingonyama Trust Board was held in Pietermaritzburg. The Ingonyama Trust Board has agreed in principle for a discussion document to facilitate grazing concession's agreements with the Traditional Councils.</p>	Year 1
Table 6.6.4 Framework for Conservation Management – Resource Utilisation						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Ensure that if extractive resource use is undertaken, it is done legally and conforms to EKZNW policy.	Raise awareness on the Park approach to sustainable extractive, natural and cultural resource use in the Park.	A communicated approach to extractive resource use.	<p>Resource use returns are submitted on a monthly basis and report on the State of Biodiversity produced for the Park.</p> <p>8 297 bundles of thatch grass were harvested. The demand for thatch grass has declined over the years. 122 bundles of incema grass and 252 bundles of broom grass (Merxmuellera macowanni drakensbergensis) were harvested. 58 bundles of craft grass (Festuca) were harvested, weighing a total of 4 685 kg.</p>	Ongoing
			Manage resource use in accordance with the Park Resource Use Guidelines and Park zonation plan.	Documented resource use application and records.	Biological returns were analysed and a report produced (State of Biodiversity Report).	Ongoing
		Ensure that if bio prospecting is undertaken, it is done legally and conforms to EKZNW policy.	Only allow the collection of biological materials or samples if the appropriate permits or permission has been given in accordance with national, as well as EKZNW policy.	Records of permits for bio prospecting.	Not applicable – bio prospecting permits are issued by the Department of Environmental Affairs (DEA) responsibility. EKZNW is responsible for control and issuing relevant collection permits within the Park, where bio prospecting permits have been issued by DEA.	Ongoing
Table 6.6.5 Framework for Conservation Management – Wildlife Management						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Development and implementation of a strategy for management of the wildlife in the MDP WHS in accordance with EKZNW policies and norms and standards.	<ul style="list-style-type: none">> Develop a Disease Control Contingency Plan.> Develop operational guidelines for the management of feeding sites for vultures.	Disease Control Contingency Plan. Guidelines for vulture feeding sites.	<p>A draft Disease Risk Management Protocol is in place.</p> <p>Adopted – Endangered Wildlife Trust Guidelines for establishment of vulture feeding sites. A feeding site management plan still to be developed for Giant's Castle and Cathedral Peak.</p>	Ongoing

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.6.5 Framework for Conservation Management – Wildlife Management ...continued						
Conservation Management	Conserve the full range of Biodiversity in the Park including the natural; processes that maintain it.	Development and implementation of a strategy for human-wildlife conflict that comply with provincial and national norms and standard.	<ul style="list-style-type: none">> Annually meet with stakeholders as required in the Drakensberg Eland Management Strategy to discuss permits, fencing and human-wildlife conflict.> Undertake preventative measures, such as boundary fence construction and maintenance, and removal of all exotic fruit and oak trees to minimise the need for human-animal conflict control.> Implement the human-wildlife conflict control strategy for the Park.	<ul style="list-style-type: none">> Minutes of annual stakeholder meetings as per the Drakensberg Eland Management Strategy requirements.> Effective procedures and good working relationships with hospitality staff and neighbours in dealing with damage causing animals.	<p>On 11 March 2017, an eland meeting was held with concerned farmers around Kamberg regarding eland management.</p> <p>A strategy to address Human-Wildlife conflict pertaining to baboons in the Park is currently in place.</p> <p>EKZNW Human-Wildlife Conflict Management Strategy is currently in place.</p> <p>Cobham and Garden Castle staff reacted 30 times to chase eland off farm land neighbouring the Park. A meeting with the manager of Allendale farm was held with regard to eland on the farm.</p> <p>Baboon problems are being experienced with neighbours at Lotheni. Landowners have been complaining about damage done by bush pigs to crops.</p> <p>An Environmental Awareness Plan has been produced and agreed upon.</p> <p>Animal proof bins have been installed in various resorts and staff accommodation units.</p>	Ongoing
			Capacitate managers as well as Community Conservation Officers to deal with human-animal conflict in neighbouring communities and landowners.	Trained staff members to deal effectively with human and animal communities.	Training and awareness presentations are currently on-going.	Ongoing
Table 6.7.1 Framework for Cultural Heritage Resource Management						
Cultural Heritage Management	Promote the conservation management and public appreciation of all cultural and heritage resources within the Park in accordance with statutory regulations.	Manage the globally significant cultural heritage and living heritage to ensure their preservation for present and future generations.	<ul style="list-style-type: none">> Review the Cultural Heritage Management Plan, including a monitoring programme for the Park in accordance with the relevant legislations: World Heritage Act and NHRA.> Develop specialist institutional capacity to ensure and champion the effective heritage management process of the Park's diverse cultural heritage.> On-going survey for new cultural heritage sites.> Develop control mechanisms for research and tourism.	<ul style="list-style-type: none">> An implemented Cultural Heritage Management Plan for the Park.> Institutional capacity exists to manage cultural heritage.> Identification and documentation of various types of heritage resources within the Park.> Ensure a working partnership and management of stakeholders.	<p>A draft Cultural Heritage Management Plan has been produced.</p> <p>A Rock Art Clustering Programme is currently in place and being implemented. Finalisation of the condensed report needs further refinement. At this stage, rock art monitoring cards are being used until the electronic monitoring form is finalised.</p> <p>The cultural heritage specialist post is still vacant due to financial constraints.</p> <p>A built environment and public memorial survey report was completed.</p> <p>Quarterly Cultural Heritage Management and Amafa/EKZNW Liaison meetings are taking place.</p> <p>MDTP Cultural Heritage Working Group is also active and meets quarterly, this working group focuses largely on Maloti-Drakensberg Park.</p>	Year 1 and ongoing

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.8.1 Framework for Environmental Education and Awareness						
Environmental Education and Awareness	Create awareness, understanding and appreciation of the Park's natural, cultural and wilderness values.	Development and implementation of a Park specific environmental education and awareness programme.	<ul style="list-style-type: none"> > Develop and implement an environmental awareness programme specifically for MDP WHS's neighbouring communities, visitors and special interest groups. > Develop and implement an interpretation programme in a standard format for each management unit within the Park. 	Implemented Park specific environmental education and awareness programme.	<p>An Environmental Awareness Plan has been produced and agreed upon.</p> <p>11 schools were given presentations on alien and invasive species.</p> <p>On 17 August 2016, the Officer-in-Charge, Lotheni, in conjunction with the Endangered Wildlife Trust, held an illegal hunting awareness day.</p> <p>Seven (7) schools were given presentations on the endemic and threatened species in the Drakensberg.</p> <p>75 members of public attended an Environmental and Awareness Day at the Thendele Community Hall. The Thendele and Mqatsheni communities were given presentations on the sustainable harvesting of Natura Resources.</p> <p>11 Fire Awareness Presentations were given to schools in the Park.</p> <p>13 schools attended the Wetland Day and they were given presentations on water and wetland conservation.</p> <p>6 schools were given presentations on illegal hunting.</p> <p>A Vulture Awareness Day was held at Himeville Nature Reserve. Five schools attended.</p> <p>The management unit specific plan has been developed for the 2017/18 financial year.</p>	Year 3
Table 6.9.1: Framework for Research, Ecological Monitoring and Reporting						
Research, monitoring and reporting	Facilitate adaptive management through the assessment of management intervention and the provision of information for achieving the objectives of the Park.	Comply with legislative requirements for reporting in terms of NEMPA, WHCA and the Ramsar Convention.	<ul style="list-style-type: none"> > Prepare and submit the following reports: > Annual report to the Minister on the status of the WHS. > Six yearly report to the WHS Committee on the status of the WHS. > Reporting on the status and integrity of the Ramsar Site. 	Legislative compliance in terms of reporting.	Annual Report for 2016/2017 in terms of World Heritage Convention Act – section 42 has been produced.	As Required

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.9.1: Framework for Research, Ecological Monitoring and Reporting ...continued						
Research, monitoring and reporting	Facilitate adaptive management through the assessment of management intervention and the provision of information for achieving the objectives of the Park.	Provide opportunities for both applied and theoretical research in the MDP WHS.	<ul style="list-style-type: none"> > Develop a standard for assessment of research requests. > Investigate the potential in or near the Park for the development of a permanent research facility in the South. > Maintain a prioritised Park biodiversity and cultural heritage research project list. > Develop a Park bibliography, reference library facilities and procedures to maintain hard and digital copies of all Park related research work, all documents listed as management supporting documentation. Strict curation rules must apply and the ultimate responsibility for the curation of this library must be allocated to the most senior reserve management position and the Ecological Advice Co-ordinator at the uKhahlamba Regional Office. 	<ul style="list-style-type: none"> > Guidelines for assessment of research projects. > Prioritised research list. <p>Accessible research records and supporting documentation.</p>	<p>EKZNW research application and approval process is in place and being fully implemented. Protocol has been updated to fully meet the requirements of the ToPs, BABS and administration of World Heritage Site regulations.</p> <p>The priority research list has been finalised. There is a priority research project list available on the EKZNW website, but will never be finalised – it is a living document that is continuously updated.</p> <p>The Maloti-Drakensberg Park World Heritage Site Reference list has been completed. This is a living database that is continuously updated as new references are found or as new publications are released.</p>	Year 2 then Annually
		Critical ecological processes and functions are maintained within the MDP WHS.	<ul style="list-style-type: none"> > Implement a monitoring programme for water quality below all water treatment plants. > Work collaboratively with SAEON on catchment monitoring and fire exclusion plots. 	Monitoring and water quality reports.	<p>Water samples are collected for testing on a monthly basis at Royal Natal, Didima, Injesuthi Monk's Cowl and Giant's Castle, and water quality reports are produced.</p> <p>The Water Technician from Midmar monitors water quality throughout the Park on a monthly basis.</p> <p>Officer-in-Charge Kamberg takes water samples which are posted directly to the Department of Water and Sanitation.</p> <p>A Memorandum of Agreement between EKZNW and SAEON (monitoring project and equipment worth over R2m) is in place.</p>	Ongoing
		Rare and endangered species management is undertaken using the best available scientific knowledge.	Adopt procedures for the management of rare and endangered species within the Park, particularly those for which specific conservation targets have been set, based on available literature and known best practices (eland, oribi and all crane and vulture species).	Maintenance and increase in population numbers of rare and endangered species within the Park.	<p>The Eland and Bearded Cape Vulture Management Plans are in place and actions are implemented according to existing plans. Monitoring plans are being developed.</p> <p>Provincial Crane, Oribi and Cycad Management Plans are in place and monitoring is conducted according to existing plans.</p>	Ongoing

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.9.1: Framework for Research, Ecological Monitoring and Reporting ...continued						
Research, monitoring and reporting	Facilitate adaptive management through the assessment of management intervention and the provision of information for achieving the objectives of the Park.	Rare and endangered species management is undertaken using the best available scientific knowledge.	Undertake monitoring of key rare and endangered species (eland, oribi and all crane and vulture species).	Monitoring of flagship species.	<p>The oribi, crane, eland, otter and bearded, and cape vulture annual monitoring programme is in place.</p> <p>Oribi counts were carried out in August. Eland counts were carried out during November and December. Annual game observation counts were carried out from April to June. Bearded vulture nest monitoring was carried out in September. A remote camera was installed at a bearded vulture nest at Cobham (Emerald Stream) a couple of years ago.</p> <p>These species have an approved management plan (not otter) and monitoring is conducted in accordance to specific schedules (monitoring calendar). These species are monitored at specific times of the year.</p>	Ongoing
		Processes are established to determine the success of management interventions in protecting the ecosystems, communities and species of the Park.	Develop and implement surveillance and monitoring plans for key management interventions in accordance with the EKZNW policies and norms and standards.	<ul style="list-style-type: none">> Surveillance and monitoring plans for key threatening processes.> Monitoring plans for key rare and endangered species.	<p>The following plans and programmes are in place:</p> <ul style="list-style-type: none">> Fire Management Plan> Wilderness Management Plan> Alien and Invasive Species Plan> Trails Maintenance Manual> Provincial Crane, Oribi and Cycads Management Plans> Oribi, Eland, Otter and Bearded and Cape Vulture monitoring programme> Brotherton Plots> Burgess Plots> SAEON Long-term catchment research and surveillance> Fixed Point photographs <p>A camera trap survey was carried out by Wildlife Act at Garden Castle, Cobham, Vergelegen and Lotheni from December 2016 to January 2017.</p>	Ongoing
Table 6.10.1 Framework for Operational Management – Financial and Human Resources, and Facilities and Infrastructure						
Operational Management	Provide adequate human resources, equipment and funding to enable the effective protection, development and management of MDP WHS.	Develop a five-year financial plan that identifies the resources needed to achieve the objectives for the Park.	Undertake an assessment of past income and expenditure trends in the Park. Develop a five-year projection of income and expenditure targets that will allow for the effective achievement of the Park's objectives.	Adequate funding to achieve the objectives of the Park.	The Park Strategic Plan and Annual Financial Plan in terms of World Heritage Convention Act – section 36 and 37 were produced to secure funds.	Year 1

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

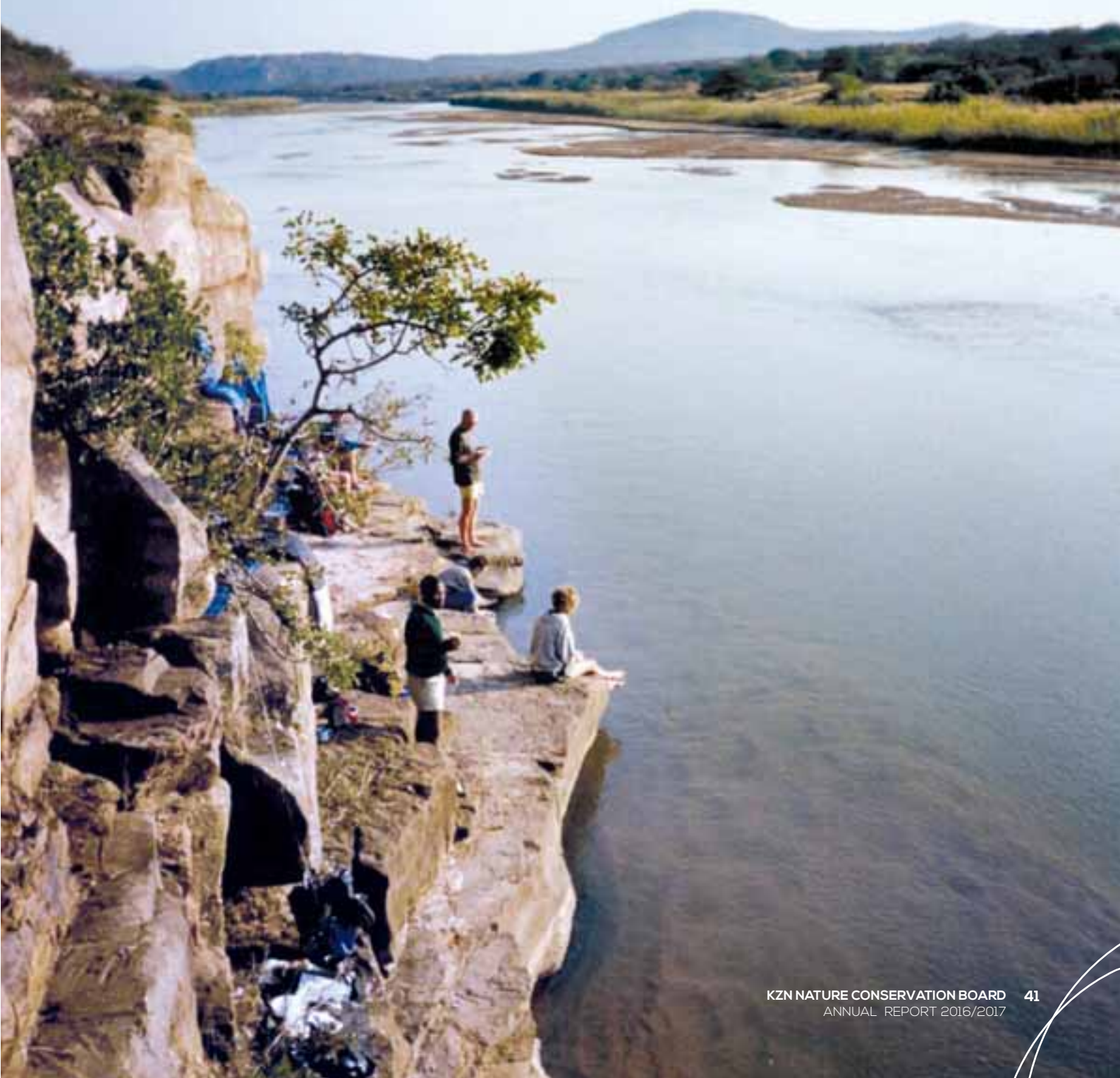
Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.10.1 Framework for Operational Management – Financial and Human Resources, and Facilities and Infrastructure ...continued						
Operational Management	Provide adequate human resources, equipment and funding to enable the effective protection, development and management of MDP WHS.	Ensure that the Park is adequately staffed for its effective management and operation.	<ul style="list-style-type: none"> > Employ sufficient, appropriately skilled staff to meet the management and operational requirements of the Park. > Undertake regular training and skills development to ensure that staff members are able to effectively complete their duties. 	Appointment of staff in all positions in the Park.	<p>Park staff establishment is not adequately resourced. There are also staff incapacity challenges and frozen vacant posts. Five Field Rangers are on secondment to Hluhluwe-Imfolozi Park.</p> <p>Park staff establishment is 565 posts, excluding support services. Out of 565 posts, only 395 filled, 170 positions are vacant (30% vacancy rate). Approximately 425 staff employed on fixed term (seasonal) contract. Total employment on permanent and seasonal/fixed term contract is 820, excluding Working on Fire and Joint Venture Programmes.</p> <p>Incorporate training and development needs in the work plan (chain saw, brush cutter, GIS, First Aid, firearm competency, conflict management and disciplinary hearings) for HR Training Centre.</p> <p>Training received during the year was horse riding and first aid. Routine annual shooting practices were carried out. Officer-in-Charge, Garden Castle, attended an accredited 4 x 4 training courses. 12 Field Rangers attended the South African Police Services Horse Riding Course in Potchefstroom. 22 staff attended a chain saw and brush cutter maintenance course during October and November 2016.</p>	Year 2
		Ensure that all facilities and infrastructure in the Park are adequately maintained.	Develop and implement a schedule maintenance programme to maintain facilities and infrastructure in a condition that meets relevant environmental, health and safety requirements.	Regular scheduled maintenance of all facilities and infrastructure.	<p>A Facility Maintenance Schedule is in place but is not operationalised due to budget constraints and as result it is therefore limited.</p> <p>Occupational Health and Safety Compliance Register is in place.</p>	Ongoing
		Ensure that existing and new roads, tracks and paths in MDP WHS are maintained.	<ul style="list-style-type: none"> > Maintain roads, tracks and paths according to standards that ensure safety and avoid environmental harm such as erosion. > Undertake regular assessments of the condition of roads, 4x4 tracks and specifically paths to determine and implement scheduled maintenance needs. 	Rehabilitation and maintenance of roads, tracks and paths that are unsafe or are causing environmental damage.	A road and trails maintenance plan is in place but is not operationalised due to budget constraints.	Ongoing

TABLE 1: MDP WHS IMP – OBJECTIVES AND STRATEGIC OUTCOMES – ANNUAL PLAN OF OPERATION ...continued

Key Performance Area	Objective	Strategic Outcome	Management Activities	Management Targets	Progress	Priority
Table 6.10.1 Framework for Operational Management – Financial and Human Resources, and Facilities and Infrastructure ...continued						
Operational Management	Provide adequate human resources, equipment and funding to enable the effective protection, development and management of MDP WHS.	Service infrastructure and practices in MDP WHS must not cause environmental harm.	<ul style="list-style-type: none"> > Where service infrastructure, including that for water supply, electricity and sewerage is causing environmental harm, ensure proper maintenance is being undertaken and if necessary, upgrade infrastructure or modify practices to address this. > Develop an integrated waste management plan for the Park. > Develop, install and maintain effective standardised solid waste receptacles for the Park that are animal proof. > All sewage systems in the Park must be investigated for legal compliance and a phased programme to upgrade existing systems and septic tank/French drain systems must be implemented. > Develop a phased programme to install standardised (reliable and tested) water- and energy-saving devices throughout the Park. > Conduct an assessment of all landfill sites and implement a rehabilitation programme. <p>Assessment of all redundant infrastructures in the Park.</p>	Appropriately functioning service infrastructure and systems that do not cause harm to the environment.	<p>A road and trails maintenance plan is in place but is not operationalised due to budget constraints. A bridge of 37 metres was constructed over a wetland for access to the Mzimkhulwana Hiking Way Hut.</p> <p>A concept Integrated Waste Management Plan has been developed. All refuse in the Park is transported to the local municipal dumps.</p> <p>Animal proof bins have been installed throughout the Park in resort facilities.</p> <p>All raw sewage plants in the Park are monitored on a weekly basis, water samples are collected weekly for testing.</p> <p>Problems with the sewerage plant at Royal Natali is currently being rectified.</p> <p>Water and energy saving mechanisms have been incorporated in a climate change and adaptation response plan.</p>	Year 2 and scheduled maintenance ongoing

OUTLOOK

- > To undertake stakeholder engagement and consultation process and launch COMPACT replication programme in and around the Park by November 2017.
- > The 2017/18 financial year goal is to meet the World Heritage Committee conditions with regard to the Maloti-Drakensberg Park World Heritage Site inscription.
- > Submit the proposed Buffer Zone Policy to the Department of Environmental Affairs for further processing by September 2017.
- > The 2017/18 financial year goal is to undertake stakeholder engagement and consultation process and finalise Sustainable Tourism Strategy.
- > Freezing of posts and budget cuts, made the financial year under review very challenging. Despite these challenges, we aim to improve management effectiveness score to 67% for the 2017/18 financial year.
- > Unscheduled wild fires and freezing of posts, made this financial year under review very challenging. The 2017/18 financial year goal is to continuously implement our Fire Management Plan and monitor results.
- > The current Alien Species Plan is not funded. We need to focus on sourcing funds for this initiative.
- > Currently, the management authority lacks institutional capacity with regards to cultural heritage management. We need to focus on sourcing funds to secure institutional capacity in cultural heritage management.
- > The current condition of our hiking trails, roads, fences and staff accommodation is disastrous. We need to **urgently** secure funds to improve our infrastructure.



2. ISIMANGALISO WETLAND PARK – WORLD HERITAGE SITE

iSimangaliso Wetland Park (WHS) remains a premier tourist destination with amazing attributes and diversity that includes marine protected areas, beaches, wetlands, coastal plains and savanna bushveld – one of the gems in the province.

The most noteworthy environmental event in the Park during the last twelve months is the break in the drought, with reasonably good rains over the summer period. This has brought huge relief, both in terms of water for animals, but also for good grazing and crops.

Throughout iSimangaliso, the tourist road networks were upgraded and significantly improved as part of an infrastructure upgrade project. The project included a significant portion of job creation to benefit local communities.

There have been several other infrastructural projects initiated, which include two field ranger camps in the Coastal Forest Reserve, two field ranger camps in uMkhuze and three in Ozabeni. This will improve the law enforcement effectiveness in these three sections.

Rhino poaching in iSimangaliso has been dramatically reduced during the reporting period, through a number of effective interventions.

The KZN population status and trend for black rhino and white rhino are reflected in the graphs below. Despite poaching, the black rhino have remained fairly stable but the white rhino have taken the hardest hit by poaching and have declined significantly in State Protected Areas.

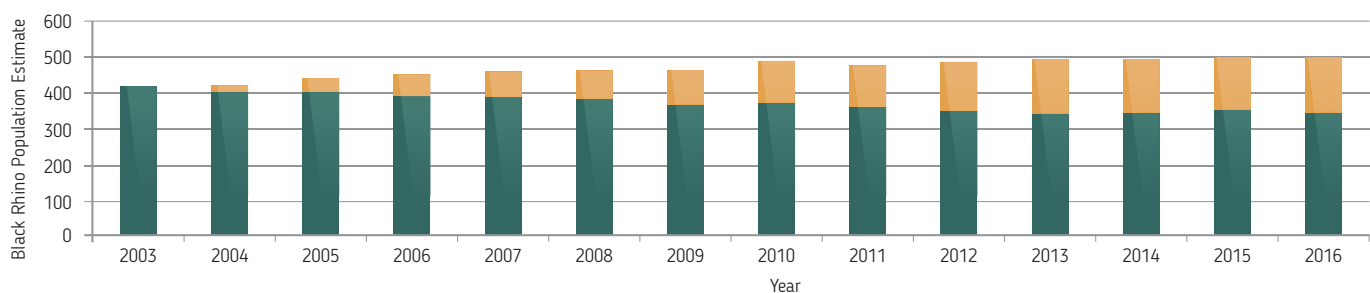


Figure 1: Black Rhino Population Estimate and Trend 2003-2016

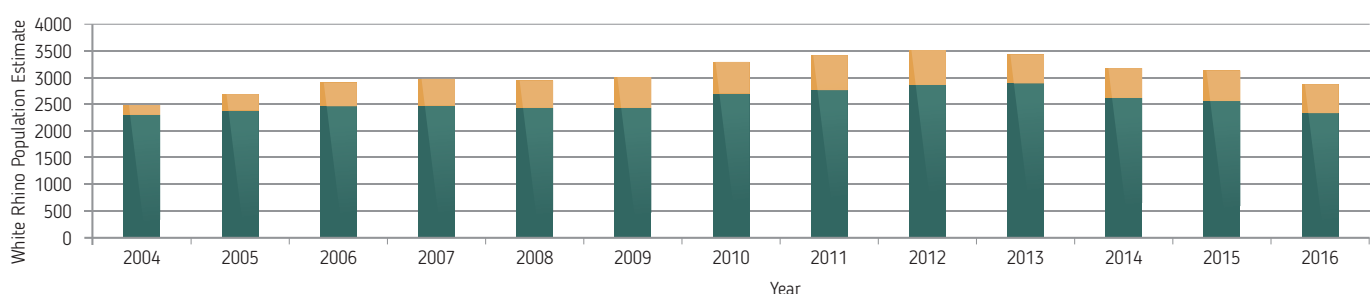


Figure 2: White Rhino Population Estimate and Trend 2004-2016

Bushmeat poaching however, remains an ongoing threat in uMkhuze, Ozabeni and Western Shores.

The sea turtle monitoring season started on the 1st November 2016 and ended on the 15th March 2017 and covered the stretch of beach from Sodwana Bay to the South Africa/Mozambique border, providing jobs for 38 community members. This season has recorded the second successive decrease in the number of emergences and the number of nests laid for loggerhead turtles. There were just over a 1000 less emergences this season, as compared to the previous season and close to 700 fewer nests laid this season. There has been a greater number of "first time" nesters recorded this season i.e. turtles that have not been

tagged before that are new to the programme. The season seems to have been quite successful for leatherback turtles, which have realised the highest number of tracks and nests for the past 7 seasons. Just over 90% of the emergences resulted in a successful nesting event. There is concern, however, as to the hatching success rate. The beaches were severely eroded during October 2016. Nests that were laid may have been inundated at the high tides, affecting their hatching success.

OUTLOOK FOR 2017-18

The outlook for the 2017-18 financial year is rather bleak, unless there is a supplementation of operational budgets and the filling of critical posts.

3. HLUHLUWE IMFOLOZI PARK

INTRODUCTION

Hluhluwe iMfolozi Park is one of Ezemvelo's flagship parks, known as the "epicenter of rhino conservation" and one of the first designated protected areas on the African Continent, established specifically to prevent the extinction of the Southern white rhino when it was realized that the area was the last remaining refuge for white rhino in the world. Hluhluwe iMfolozi Park is now considered a key donor population for black and white rhino and is rated one of 6 "key one" populations globally by the IUCN (SSC) African Rhino Specialist Group. The Park manages more than 68 % of rhino population within Ezemvelo KZN Wildlife.

LEGAL STATUS

It is important to note that Hluhluwe-iMfolozi Park is a Protected Area in terms of the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003 [NEMPAA]) with a signed management plan as the primary overarching protected area planning document that describes the administrative and legal framework. Our five top objectives are as follows:

1. Restore and maintain all components of indigenous biodiversity and ecosystem functions at the appropriate scales, given surrounding land use transformation and the confines of a fence.
2. Ensure that particular conservation attention is given and strategies are implemented to ensure the successful conservation of endangered species and habitats (black rhino, vultures, wild dog, scarp forest, rare plant species, rare habitat types).
3. Ensure the control and eradication of alien invasive species, through effective integrated management strategies.
4. Engage with land claimants to ensure tangible benefits and acceptance of responsibilities and develop strategic partnerships to enable sound management.
5. Ensure the proclamation and integrity of the wilderness area and its related biological and spiritual values.

WILDERNESS TRAILS TARGET

If you want to meet the spirit of the land, iMfolozi wilderness trails are one of the breath-taking tourism draw cards in the Park, popular to those who visit the Park for tranquility and a sense of solitude. Our target for 2016/2017 was R1, 157, 050.00 million rand and our actual was R 2, 592, 724.24, exceeding the target by R1, 576, 631.06



iMfolozi Game Reserve wilderness area

LEGAL COMPLIANCE AND LAW ENFORCEMENT

The rising price of rhino horn on the black market continues to stimulate the illegal trade, and as a result, an increased number of poaching incidents are being experienced. In Hluhluwe iMfolozi Park, it has become business as usual whereby, Conservation Management teams are responding to majority law enforcement incidents. This has taken priority over saving the rhino species, over and above a number of other conservation requirements. The reporting period was one of the worst years on rhino poaching, which resulted in management developing various interventions, aimed at curbing the scourge.



HiP Security Nerve Centre



HiP Savannah Spotter plane



HiP K9

COMMUNITY CONSERVATION AND PROJECTS

The entire boundary fence (160.2km) of Hluhluwe iMfolozi Park is under refurbishment and 113km of fence has been completed. Plans are under way to construct smart fencing for incursion detection.



HiP Fencing

COMMUNITY NURSERY PROJECT

CO-MANAGEMENT

The Restitution of Land Rights Act, 1994 ("Restitution Act"), gives effect to the right to restitution by providing for restitution of rights in land to persons and communities who were dispossessed of those rights, as a result of past racially discriminatory laws and practices. Section 25(7) provides for a person or community dispossessed of property after 19 June 1913, as a result of past racially discriminatory laws or practices, who are entitled to restitution or equitable redress. The Park now enjoys full support from the three land owners after long negotiations and a beneficiation model on an annual basis, all three claimants are managed as one co-management forum.

HUMAN WILDLIFE CONFLICT

During the 2016/2017 financial year, 64 valid claims were processed by Hluhluwe iMfolozi Park Management totaling an amount of R896,300.00, which was paid to claimants around the ten Traditional Authorities, as a result, our relationship with our communities improved dramatically and eased tensions around the Park. 510 enclosures were built for communities, to protect their livestock at night while addressing the social ills around the Park.

TABLE SHOWING PROCESSED CLAIMS

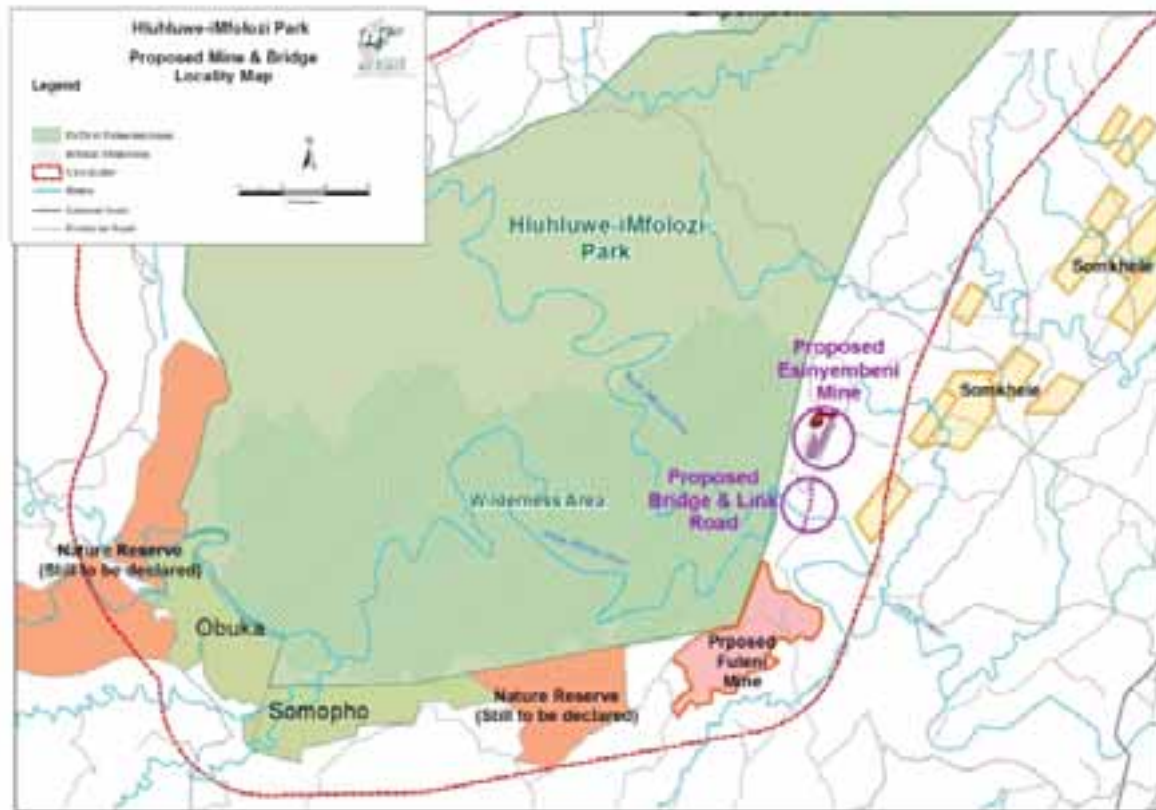
Species	No of Claims	Processed	Livestock
Lion	51	Paid	42 cows, 4 donkeys and 5 goats
Wild Dogs	13	Paid	8 calves and 262 goats
Elephant	0	N/A	
Cheetah	0	N/A	
Buffalo	0	N/A	



One of the 510 kraals built for communities

DEVELOPMENT THREAT ON THE PERIPHERAL OF THE PARK

The prospect of mining at Esiyembeni, on the boundary of the iMfolozi Wilderness section of the Hluhluwe-iMfolozi Park, proposed Fuleni mine on the southern side of the reserve and proposed bridge outside the confluence, will pose a direct and negative impact to the Park. The area of the iMfolozi Game Reserve, adjacent to the mine concession, has several seasonal surface water points which act as critical dry season water resources for many animal species, including rhino. The catchment for these water points originate in the mining lease area and proposed mine footprint area. These seasonal streams support important biodiversity assets.



Proposed development around the Park

STAKEHOLDER ENGAGEMENT

The Park has a good stakeholder relationship with its neighbors, our engagement includes local Board, co-management, Amakhosi and tour operators around the Park. Every year, tour operators have to renew their open game drive permits by presenting their vehicles for inspection. The Park generates revenue estimated at R600 000 annually, on permits only.

OUTLOOK FOR 2017/2018

In view of additional budget cuts against Ezemvelo KZN Wildlife entity, which were as a result of updates of the equitable share formula, a declining provincial revenue, as well as cuts implemented by National Treasury, as a result of the need to lower the expenditure ceiling across the Public Service. The Park has taken an initiative to forge relationships with donor funding and submitted a R200 million budget to Rhino Impact Bond for the upcoming 3 financial years and in discussions with German-based businesses to secure R75 million euros for smart fencing and other hi-tech equipment to reduce rhino poaching. In 2018/19, we will be focusing on reviewing our management plan, eradicating alien plants, taking advantage of donor funding and refocusing the available resources.



4. SCIENTIFIC SERVICES

REVIEW OF 2016/17

RESEARCH AND MONITORING

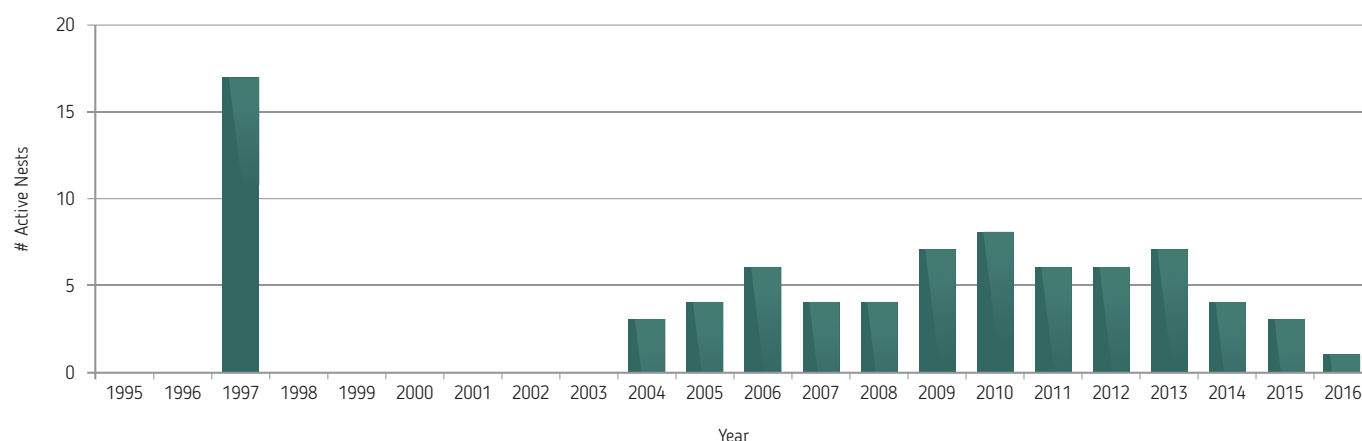
The monitoring and management of game populations in our protected areas is a key component of maintaining their ecological integrity. Our protected areas are relatively small, when compared to the likes of Kruger National Park, and are generally enclosed by fences, which affects the natural processes of game migration and dispersal. A number of species become “overabundant”, relative to the available resources and thus, there is a need for game population monitoring and management. At the same time, we also focus on monitoring the status of highly threatened species, such as black rhino and white rhino, as well as species that can have profound impacts on ecosystems, such as elephant and large predators e.g. lions. About R753 000 was allocated, this year under review, for the logistics related to our annual game counts. The counts are co-ordinated by our Scientific Services “Eco-Advice” teams, and range from walked line-transect counts to aerial counts with Ezemvelo’s fixed-wing aircraft and total area helicopter counts, each with its own pros and cons.

A key activity in 2016/17 was the Earthwatch-partnered line-transect game survey in Hluhluwe-iMfolozi Park. These counts are done every second year and use the model of paying-volunteers, which has proven extremely beneficial to the Eco-Advice team, in that the entire cost of the count was covered, while there was surplus funding to replace some old equipment and undertake some maintenance of research facilities. Game population estimates indicated a requirement for animal removals, these were proposed through the Animal Population Control Committee for either dead removals or live translocations. Animals are removed and sold live, through the Ezemvelo annual game auction, contributing to the organisation’s revenue, or are donated to other South African conservation agencies, to Community Conservation Areas or for restocking Transfrontier Conservation Areas. These animal population control figures were also used to determine how much game Ezemvelo can contribute towards the Biodiversity Economy initiative.

Despite challenges with obtaining the plane, all the critical game counts in iSimangaliso were carried out and reported upon to management. Game numbers in uMkhuze have dropped drastically, as a result of the drought but this will help the veld recover. In the rest of iSimangaliso, the drought was not as much of an issue as good rains fell along the coast. At St. Lucia, monitoring of the lakes, which have largely filled up with recent rains, has continued. The water is very fresh and much sediment has entered into and settled, in the lakes. The iMfolozi River mouth has remained closed and so water, especially sediment laden flood water, is washed back up into the lakes, as far as Charter’s Creek. A massive flood will wash out this sediment, but if there is no such flood, then this sediment may severely impact the system.

The conservation status of several bird species in the province is of concern, and a number of research and monitoring projects are aimed at understanding and mitigating threats to them. For example, the Blue Swallow population in KwaZulu-Natal, which is probably now the only South African population due to the likely extinction of the species in Mpumalanga, remains in a precarious position. In order to address this, Ezemvelo has embarked on a process to compile a Biodiversity Management Plan for the species, across its known distribution. It is hoped that this plan will galvanise conservation action for this migratory species, not only in South Africa, but also within the species’ non-breeding areas in central Africa.

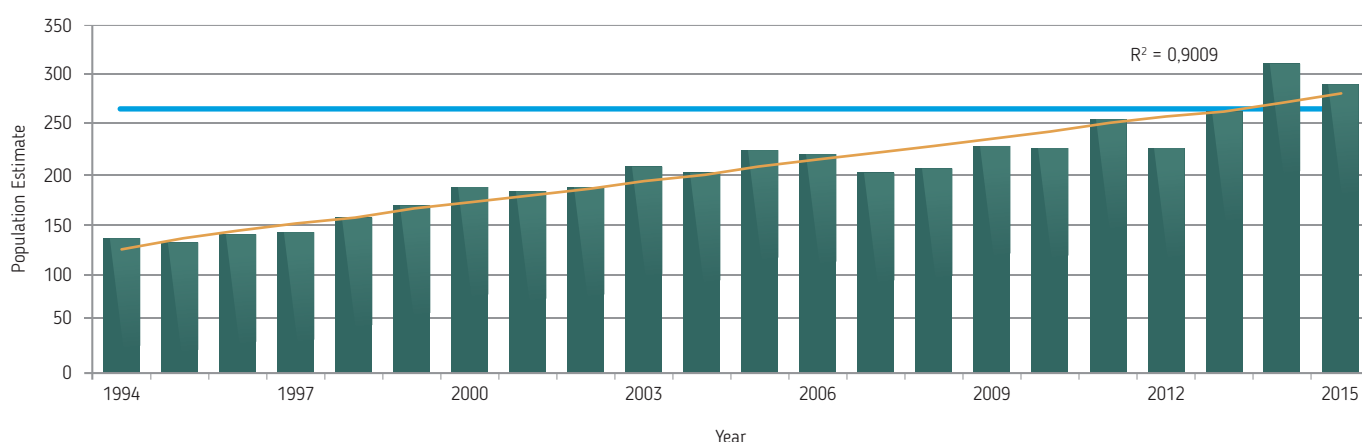
Vultures are particularly vulnerable due to use in the medicinal plants trade, and are also plagued by poisoning events, with two incidents reported in 2016. To address this threat, Ezemvelo hosted a poisoning response workshop in 2016, attended by a range of stakeholders, and is engaging with communities surrounding protected areas. In addition, each year, Ezemvelo undertakes two aerial surveys throughout the Zululand region to determine the population status and breeding success of tree-nesting vulture populations. There is cause for concern about the status of White-headed Vultures, with the number of active nests steadily declining, as well as for the African White-backed Vulture, as fewer chicks were seen in October 2015 than in 2016.





A project on vulture use in traditional medicine has also been initiated, to investigate the drivers for vulture use in traditional medicine, to explore alternatives to vulture use, to determine how traders acquire animal products sold at the market and the accessibility to permits, and to understand the belief system behind vulture use in traditional medicine. Data was collected in October and November 2016, through questionnaires, focus groups, discussions with traders at the Mona market in KwaNongoma (Zululand region) and a report is being prepared.

Encouragingly, the annual aerial crane survey, conducted in conjunction with the Endangered Wildlife Trust, revealed a positive trend in all three species of cranes. A total of 850 Blue Cranes, 3 237 Grey Crowned Cranes and 273 Wattled Cranes were sighted during the survey and the 273 Wattled Cranes sighted during the 2016 aerial survey is the third highest recorded count for the species in the province, since the aerial survey commenced, some 20 years ago.



Positive upward trend in the province's Wattled Crane population

Research aimed at improving the conservation status, and monitoring populations of endangered amphibians, reptiles and butterflies, continues to be a focus. Although the research revealed no improvements in the status of these species, the groundwork has been done for conservation interventions, commencing this coming financial year, to begin the long road to recovery of these species. Collaborative work includes the Red Listing of butterflies and tortoises, and the discovery and naming of many new species of wingless grasshoppers in KwaZulu-Natal. A paper was published in the journal *Koedoe* that highlights the reasons tsetse flies should remain in protected areas in KwaZulu-Natal. It aims to alert stakeholders and other members of the public to the major impacts on biodiversity, and on ecosystem services that support the livelihoods of rural people in KwaZulu-Natal, that would result if the proposed eradication of tsetse flies was to go ahead. Other work has resulted in the national listing of certain alien species of reptile and amphibians, as prohibited species, and other species as Category 2 alien and invasive species in KwaZulu-Natal. This should assist in preventing further decline of indigenous species that are vulnerable to alien and invasive species.

Threats to plant species in the province are strongly linked to the loss or disturbance of habitats and ecosystem processes. Ezemvelo's Scientific Services staff have been actively involved in searching for rare and endangered plants within the protected area network, including the

surveying of threatened veld types within the Districts. The Custodians of Rare and Endangered Wildflowers (CREW) programme assists in providing historical species distribution records for rare, endangered and data deficient plants for focused searches.

Annual monitoring of a number of threatened plant taxa is undertaken. A total of 106 individual Ngoye Dwarf Cycad, *Encephalartos ngoyanus*, were recorded this year in Ngoye Forest Reserve, compared to 225 individuals in 2015. This may be attributed to a very dry year, as little evidence of plants being removed was noted. Similarly, the number of the critically endangered wetland poker, *Kniphofia leucocephala*, only found in Langepan, was down to 20 plants, compared to the previous count of 30 plants. Collaboration with Mondi, who have been undertaking maintenance of the wooden fence surrounding the wetland, has been important in excluding cattle from trampling the wetland habitat. In addition, a collaborative effort with Ethekwini Municipality to search for the critically endangered plant, *Brachystelma natalense* (Natal *Brachystelma*), in Krantzklouf Nature Reserve, indicated a decrease in the population, with only 16 plants found, compared to 57 individuals in 2007. The grassland habitat that this plant depends on, is being heavily encroached by bracken and Protea scrub, and it was concluded that the burning regime will need to be modified to sustain this critically endangered plant. The annual monitoring of the endangered ground orchid, *Satyrion rhodanthum*, in the KZN Midlands, revealed that the

population is stable, and an additional population has been discovered on Farm Sutherland in the Jolivet area, near Highflats.

Socio-ecological research was undertaken on 7 plant species, which are threatened by over-harvesting and being sold at muthi markets for medicinal purposes. The aim was to determine the value of the plants to traders, the knowledge and uses of the plant species, as well as the factors leading to the decrease of these plant species. Interviews with traders were conducted at eziMbuzini market in eMlazi. Unfortunately, traders were uncooperative at Warwick market in Durban, and it has been planned to extend the study to the Ematsheni market in Pietermaritzburg.

The estuaries of the province were under serious stress during the past year, with the drought resulting in a marked reduction in freshwater input. There were also many reports of pollution in estuaries, and associated fish deaths due to lack of oxygen. The “annual sardine run” did not happen, but good numbers of humpback whales migrated up and past our coast. The marine fauna Strandings Network was particularly active and held a workshop to strengthen partnerships and action. This year, ten whales were found dead on the beach, compared to only four the year before. Seismic testing, in the ongoing hunt for fossil fuels, is being carried out off the coast and the impacts on marine fauna, particularly whales and dolphins, are of concern and need to be monitored.

BIODIVERSITY INFORMATION MANAGEMENT AND DISSEMINATION

This unit of the Scientific Services team prepares, develops, maintains and manages biodiversity data for use by staff and external stakeholders, and provides Geographic Information Systems (GIS), database and cartographical technical support, sets biodiversity conservation targets, develops four systematic conservation assessments (for the marine, estuarine, freshwater and terrestrial environments) and develops spatial plans for the conservation of biodiversity. At the core of this effort, is the aim of integrating the developed Biodiversity Spatial Planning products into mainstream spatial planning processes at all levels of government.

The corporate Biodiversity Database contains a very large set of distribution records for animal and plant species in KwaZulu-Natal (KZN). The database is developed by the Biodiversity Spatial Planning and Information (BSPI) staff, but managed and maintained by larger Scientific Services staff compliment, and is seen as a seminal, foundational resource, which is used by Ezemvelo in producing the State of Biodiversity Report, the KZN Biodiversity Plan, the Biodiversity Sector Plans, the Protected Area Integrated Management Plans, checklists for Protected Area visitor guides, etc. The database is widely consulted by the Integrated Environmental Management (IEM) team, when setting terms of reference for Environmental Impact Assessments (EIA's) and when commenting on development applications. Maintenance and updating of information in the database, occurs continuously as time allows. This includes keeping the taxonomy and conservation status of species up-to-date, the checking and addition of new records from a variety of sources (including permit returns, biodiversity surveys, the published literature, and records from external specialist organisations), and the addition of species' names.

This year, around 3 200 new animal distribution records and 400 plant distribution records were added to the Biodiversity Database. In addition, much effort has been put into improving the accuracy of the already captured information from the Killick Herbarium specimens; with just over 760 vouchers being checked and digitally captured, in preparation for incorporation into what is fast becoming the South African national standard herbarium database platform – BRAHMS. Additional funding has subsequently been received from the South African National Biodiversity Institute (SANBI), via the Foundational Biodiversity Information Programme. This funding was received towards the end of the 2016/17 financial year, allowing for the employment of two additional technical staff to help speed up the delivery of this project. A number of key GIS coverages were also updated and made available. These include the Terrestrial Critical Biodiversity Area and Ecological Support Area & Priority Area coverages, and the revision of the provincial landscape corridor network (using SPOT 5 2011 imagery as reference) and formal Protected Area coverages.

Key databases amended include, the Development Applications Register for the IEM Division, the permits database for the Professional Hunting and Permits Division, the upgrading of the Geospatial Meta-database, ongoing support being provided for the Biodiversity Database, Animal Population Management Database (APMD), the Stockpile Register, the Micro-Track Database (a register of microchips used in KZN) and the Compliance Database.

The unit is also responsible for the dissemination of key spatial planning and biodiversity data to a wide range of stakeholders. The following table gives a simplified breakdown of the various types of data requested across generalised stakeholder groupings.

Generalised stakeholder categories	Data category		
	Data Record Requests	Spatial Reference Data	Spatial Planning Products
Consultant	14	14	32
District Municipality	0	1	7
Government Departments	0	3	7
Local Municipality	0	0	3
Non-Government Organisation	1	6	2
Parastatal	0	1	3
Private	2	0	0
Researcher	1	1	0
Student/University	8	10	1
Total	26	36	55

To make our data more accessible to external stakeholders, two additional data dissemination strategies were also enhanced. The first involved the revision of the Data Dissemination Disk, which is a collection of all biodiversity related spatial data and guideline documents relevant for development SDF and IDP spatial planning products (available on request at data@kznwildlife.com). The second is close liaison with SANBI to distribute our data via their BGIS website (BGIS.SANBI.ORG).

Over the last 10 years, a number of key products have been developed by Scientific Services to facilitate the achievement of Ezemvelo's mandate. Whilst these products are important by themselves, little would be achieved if these were not integrated into mainstream spatial planning. The 2016/2017 financial year saw a strong focus on integration and implementation of the products already available, driven primarily by the need to address five key strategic spatial planning considerations: development of the KZN Spatial Planning and Land-Use Management Act (SPLUMA) regulations, the revision of the Provincial Growth and Development Strategy/Plan, informing the development of the Marine Protected Area Expansion Plan, the provision of technical and GIS support to stakeholders involved in the generation of the rural land-use schemes, and SDF/IDP reviews.

2016/17 Coverage

Legend

- District Municipality
- Agrihood Status
- In discussion with Ag
- In process
- Submitted to LM

2017/18 Coverage

Legend

Agrihood Status

- submitted to LM
- Agreed coverage
- In discussion with Agric
- in process
- n/a

2017/18 Coverage

After many years of development pressure on Farm Meycol at the Tugela River Mouth, and simultaneous negotiations with the developers of the Clairwood Race course, agreement was reached for the developers to purchase Farm Meycol as a contribution to offset the loss of wetland and grassland habitat at Clairwood. The property boasts pristine coastal grassland, coastal forest and swamp forest habitats, and the developers are pursuing declaration of this property as a Nature Reserve, through the Stewardship Programme. This demonstrates one of the avenues in which development can be unlocked, while at the same time, providing for sustainable wins for biodiversity.

The Big 5 Reserve was proclaimed with the intention that the local communities would be able to benefit through tourism development in these areas, which access the greater Hluhluwe-iMfolozi Game reserve. During 2016, a lodge development was approved for each of the three areas (Biyela Lodge, Zulu Lodge and Mthembu Lodge) and construction work has started. The proclaimed areas are also being fenced into the greater Hluhluwe-iMfolozi Game Reserve, following which the existing fence on the formed, protected area boundary, will be able to be removed. This will result in direct benefits to the communities, from these areas and lodges.



Ezemvelo has been involved in the Operation Phakisa Marine Protected Area (MPA) expansion initiative for the past three years. In 2016, the national Minister of Environmental Affairs published intent to declare a representative network of marine protected area network, consisting of 22 proposed MPA's for South Africa, and called for public comment. Ezemvelo staff have contributed during all stages of the process, from the initial Phakisa Lab in 2014 onwards, facilitated the formation of new stakeholder forums for the proposed uThukela and Protea MPAs, and interacted with stakeholders in the existing Aliwal Shoal forum. The Phakisa MPA task team is now in the process of finalising the responses to the comments received during the public consultation process, and is updating the proposed MPA network and associated maps based on decisions made to address the public comments received. These MPAs are due to be finalised by the end of 2017, by the Minister. Furthermore, a technical report detailing the KZN Coastal and Marine Biodiversity Plan was finalised in 2016, focusing on identifying priority areas for protection in the marine environment, adjacent to the province.

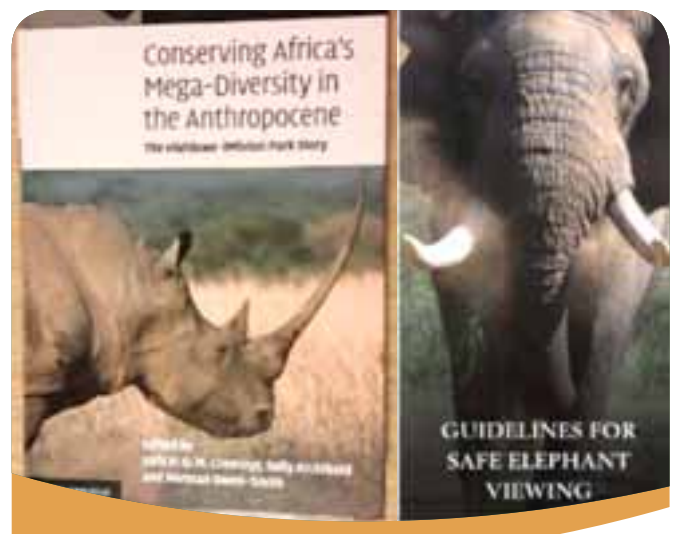
PROTECTED AREA MANAGEMENT AND PLANNING

The scientific team supports management in protected areas, in implementation of interventions to promote the achievement of protected area objectives. One such intervention is the implementation of mechanisms, other than culling, to control elephant population numbers, in line with the specifications of the national Norms and Standards for management of elephant. Elephant Management Plans for Ithala Game Reserve (Ithala), Tembe Elephant Park (Tembe), Hluhluwe iMfolozi Park (HiP) and iSimangaliso Wetland Park (iSWP) have been approved by the National Minister for Environmental Affairs. These include application of immuno-contraception in order to slow the population growth of these populations. Immuno-contraception of elephant at Tembe Elephant

Park has been in effect since 2007 and Ezemvelo has led the way in the application of this management intervention in large, wild populations in South Africa. Recognition of individuals is not required, although a degree of monitoring of the population, is a pre-requisite in terms of the implementation of the immuno-contraception. As with Tembe, all Ezemvelo protected areas have applied a blanket approach, where a specific percentage of the female breeding population is contracepted, and typically, this is 75%. Ezemvelo has a memorandum of agreement with the Humane Society International (HSI), which assists with funding for the immuno-contraception programs in Tembe, Ithala, HiP and iSimangaliso.



As part of generating best practices within Ezemvelo KZN Wildlife protected areas, the Integrated Environmental Management section noted a high number of incidences where tourists disturb elephants, either intentionally (e.g. in pursuit of a particular photo) or unintentionally, through ignorance of threatening elephant behaviour. While actions of tourists place themselves or others at risk, it also destabilises the elephant herds and causes some to become aggressive to both staff and visitors. The team contributed to the compilation and production of a much-needed tourist guideline brochure on safe elephant viewing. This brochure provides simple guidelines (do's and don'ts) on how to approach elephants when in a vehicle, and how to identify threatening displays and signs of musth.



The publication of the book, *Conserving Africa's Mega-Diversity in the Anthropocene: Hluhluwe-iMfolozi Park Story*, this year, is a significant milestone in documenting the history of this iconic Park. The following is an extract from the flyer about the book which was distributed by Cambridge University Press:

"Centering on South Africa's Hluhluwe-iMfolozi Park, this book synthesizes a century of insights from the ecology and conservation management of one of Africa's oldest protected wildlife areas. The Park provides important lessons for conservation management, as it has maintained conservation values, rivalling those of much larger parks, sometimes through, and sometimes despite, strong management interventions, including the rescue of the white rhino from extinction. In addition, the book highlights the ecological science produced in the Park, much of which has become widely influential, including the megaherbivore concept, new functional approaches to understanding biomes, and new understandings about the role of consumers in shaping ecosystems. The volume is ideal for researchers and policymakers interested in the conservation of relatively small, isolated and protected areas."

Various current and past Ezemvelo staff authored, co-authored or reviewed, various chapters of the book, with other contributors including former and current researchers within the Park. At the March 2017 Savanna Science Network Meeting at Skukuza in Kruger National Park, lead editor Prof. Joris Cromsigt presented the book and synthesised all the very important and interesting findings.

Although 31.76% of Ezemvelo managed protected areas do not have any management plans, this represents 7% of land area in hectares, whilst 81.03% of protected areas in hectares are under an approved management plan. Protected Area Management Plan development for 2016/2017 included the finalisation of the Isandlwana Heritage Reserve management plan that was developed in collaboration with, and co-signed by, the CEO of AMAFA, the provincial heritage conservation agency; as part of the process to integrate the conservation and management planning for natural resources and cultural resources. The Nkandla Forest Complex management plan was finalised and submitted to the provincial MEC for approval with the Isandlwana and the Tembe Elephant Park management plans. The management planning process furthermore, provided the opportunity for active communication between Ezemvelo KZN Wildlife and interested and/or affected parties, especially local communities that are living on the periphery of protected areas. During this year, a total of three stakeholder consultation workshops were facilitated for the development of management plans, both for Hlathikhulu Forest Reserve and Ophathe Game Reserve. During this process, management issues that required urgent intervention, and that was hampering relationships with affected communities, were highlighted and processes were put in place to deal with them, outside of the management planning process. In an effort to continuously enhance the effectiveness of the planning process, posters or information sheets were translated to isiZulu, in order to improve communication during stakeholder consultations, especially in the more rural areas.

INTEGRATED ENVIRONMENTAL MANAGEMENT

A total of 274 new applications were received during the year, of which, 264 were commented on with regards to the impacts on biodiversity and finalized so that a decision could be made by the

relevant competent authority. Of these applications, 16% were located within Critical Biodiversity Areas (CBAs). In total, considering the EIA applications carried over from the 2015/6 financial year, 339 applications were commented upon and finalized. Within the Zone of Influence to Ezemvelo's Protected Areas (a 2km buffer strip), a subset of the above applications, a total of 32 new applications were received. Considering the carry over applications, together with those applications requiring more than one round of review and commenting upon, a total of 47 comments were submitted and of these, 15% of applications were in CBAs. The complexity and timing of nine EIA applications necessitated finalisation of these to be carried over into the new financial year. The EIA applications that were received, included four that had serious potential impacts on in situ biodiversity. 14 needed to be escalated for a detailed review (including site inspections), to determine the significance of the biodiversity, potentially impacted upon. This highlights the fact that the poor characterisation of biodiversity, by environmental impact assessment practitioners, remains a significant and time-consuming challenge. Finally, in addition to a direct threat to the integrity of a neighbouring protected area, 12.6% of the applications potentially impacted on threatened species, 9.9% on threatened habitat and 9.9% on wetlands and floodplains. Finally, 57 Environmental Authorisations were issued, of which 53% completely mitigated loss to biodiversity, 9% partially mitigated, and 32% did not take Ezemvelo's concerns into consideration. The balance of 5% could not be evaluated.

The proposed Fuleni anthracite coalmine remains a key threat, as it will be situated less than 100m from the Hluhluwe-iMfolozi Park (HiP), adjacent to the iMfolozi Wilderness section of the reserve. Both opencast and underground mining is proposed, the estimated life of a mine is 32 years. The mine will operate day and night, 24 hours a day, 365 days a year for 32 years. It is intended that about 600 000 tons of coal per annum will be sent to the Richards Bay Coal Terminal (RBCT) by road. That equates to 50,000 tons per month or 2,000 tons per day, and in the order of 150 to 200 product delivery trips per day. Ezemvelo's internal specialist scientists, conservation and business managers, as well as external specialists with whom we have consulted, are unanimous in their conclusion: The proposed Fuleni mine will irreversibly compromise, and may even destroy Africa's oldest protected area, the Hluhluwe-iMfolozi Park (HiP). In addition to providing formal comments to the Department of Mineral Resources (DMR) and the Department of Economic Development Tourism and Environmental Affairs (EDTEA), Ezemvelo attended a special Regional Mining Development and Environmental Committee (RMDEC) meeting on 22 April 2016, to present Ezemvelo's objections to the Mine. A formal presentation was also given at EDTEA's EIA Forum meeting. Recognising that the Environmental Impact Assessment prepared for the mine did not adequately address an assessment of alternatives, Ezemvelo commissioned Conservation Outcomes to undertake an independent assessment of alternative sustainable, land use options to the proposed Fuleni coal mine. The assessment concluded that: "*the viability of coalmining in the region is uncertain, and it is particularly inappropriate on the boundary of Hluhluwe iMfolozi Park. Coal mining is unlikely to provide the real long-term sustainable economic and employment benefits that the biodiversity economy can and it would foreclose on opportunities in a growing sector of the economy. As such the proposed Fuleni coalmine should not be developed*". A recommendation of the report is that the land-use option, based on the biodiversity economy, be allowed to proceed unhindered by inappropriate development and benefit from the support of all government authorities. It is Ezemvelo's goal to ensure that the Biodiversity Economy is realised in the Fuleni area.

BIODIVERSITY ECONOMY

Ezemvelo hosted the 3rd business breakfast “Think Tank”, attended by high profile delegates from public and private sectors, including community members, as well as fellow conservation entities. The 2016/17 Think Tank theme was around *Ecological infrastructure, Building resilience and Growing the economy*. One of the main outcomes of this event was the development of a partnership agreement between Ezemvelo and the LGSETA. The main objective of this partnership is to establish a skills and capacity building programme to equip youth, especially from local municipalities, with skills and experience to make valuable contributions to the biodiversity conservation sector. This programme will see the employment and upskilling of 300 graduates. An MOU to this effect has been drafted/signed, and the programme is due to be in effect in the 2018/2019 financial year.

The team has been actively involved in facilitating studies that aim to illustrate the economic and socio-economic value of protected areas, as well as the interrelationships between natural resource use and socio-economic dynamics. These studies include: a) The ecosystem value of protected areas, using Kamberg Nature Reserve as a pilot study, b) Mapping the recreational value of protected areas and c) Unpacking the socio-economic factors that affect the management effectiveness of 2 forest reserves. Poverty, unemployment and grazing are among the leading drivers of the use of forest resources by communities adjacent to protected areas, making protected areas a significant livelihood option for rural communities in KZN. The unit continues to compile and circulate a monthly e-newsletter, aimed at creating and increasing awareness of critical and current issues pertaining to climate change and ecosystem goods & services, to staff within EKZNW.

Ezemvelo staff took part in the Biodiversity Economy lab in Pretoria, which was led by the Department of Environmental affairs. The Lab discussed Bioprospecting, Wildlife, and Marine & Coastal Tourism with the aim of unlocking economic activity and contributing to job creation and the GDP. A number of milestones have already been attained in the implementation of the Biodiversity Economy initiative. These include the activation of the Umfolozi Biodiversity Economy Node, and the drafting of the concept document on the additional node to be based in the Umkhanyakude area. Game has been allocated to black emerging game farms as part of contributing to the transformation agenda of the biodiversity economy. Additionally, more land is being identified to ensure the inclusion of additional communal or black land owners into the biodiversity economy business. The Phakisa methodology has also been extended to address the critical issue of rhino poaching. A Rhino Conservation Lab was added to the three Biodiversity Economy Labs, and involves work on five themes, including Rhino Security, Biological Management, Community Empowerment, Demand Management and Law/legislative Reform. The five themes are as a result of a Committee of Enquiry into the Rhino issue and have been identified as the top five issues that require urgent intervention for a successful Rhino Conservation initiative.

SYMPOSIUM OF CONTEMPORARY CONSERVATION PRACTICE

The Symposium of Contemporary Conservation Practice was hosted again by Ezemvelo, at the Fern Hill Conference Centre in Howick,

in November 2016. This Symposium is organised annually in partnership with Wildlands, the Endangered Wildlife Trust, the Environmental Law Association, the University of KwaZulu-Natal and the University of Zululand. This Symposium offers an opportunity for the conservation community to share information and discuss solutions to critical issues. Its aims are to promote partnerships between government agencies, conservation authorities, non-governmental organisations, legal practitioners, communicators and other relevant professionals and stakeholders. It has become a unique conservation information-sharing and discussion platform that covers the full context of the practice of management of our natural assets, and not only the science that is needed to underpin the management decisions. The programme also contained sessions to examine some of the most controversial contemporary wildlife management and utilisation issues, such as canned lion trophy hunting, as well as deliberating about problems, such as illegal trade and rhino poaching.

CHALLENGES AND DEVELOPMENT:

Ezemvelo KZN Wildlife reports annually on the state of biodiversity within the province, particularly monitoring and reporting on key threatened species and habitats. These include the Critically Endangered Blue Swallow *Hirundo atrocaerulea*, Wattled Crane *Bugeranus carunculatus*, Ngoye Dwarf Cycad, *Encephalartos ngoyanu*, and others. There were financial and practical challenges in carrying out some of the activities over the past year, particularly the aerial counts for vultures and cranes. The long, consistent history of these surveys assists Ezemvelo in analysing population trends, to aid conservation action and decision-making. This data is important for the effective management of these species.

The 2016/17 final budget for animal population monitoring, represented a cut of 5.5% over the previous year, which, in light of much larger cuts in other projects and operations, was a positive indication of the organisation's value and commitment to the game monitoring and management programme. Overall, game counts were undertaken as planned, but there were some cases where aerial counts had to be postponed, due to unavailability of the Ezemvelo fixed-wing aircraft. Resources for ongoing monitoring of the elephant populations in the individual protected areas, is a challenge. Due to budget constraints, few protected areas have adequate funding to employ full-time elephant monitors. Furthermore, unlike other monitoring programs, it takes up to 1 year to get to know individual elephants, requiring staff to remain consistent over time.

Currently, the elephant immuno-contraception program would not be able to be implemented without the financial support of HIS, as EKZNW lacks the funding to implement the immuno-contraception within its protected areas. Given the lag effect of the immuno-contraception program of at least 3 years, this is a long-term management intervention. This is evident with Tembe having applied immuno-contraception since 2007, and despite an immediate reduction in the calving rate after 3 years from 8% to 4%, the population only achieved zero overall growth in 2013.

Ongoing challenges include, key scientific staff vacancies, for example, the District Ecologist Ethekwini & Ugu post, and several Scientific Technician posts, remain vacant. On a positive note, all of the scientific services fixed-term contract staff have now been converted to permanent

employees through Operation Lungisa, and their salaries are expected to be adjusted to the correct levels in the beginning of the 2017/18 financial year.

The limited internet connectivity between field stations and head office, means that research projects are registered in several stand-alone project databases. This makes collating information centrally more challenging. Secondly, the reduction in scientific staff and administrative support, due to the inability to fill vacant posts, means that it is becoming more challenging to respond to researchers within target timeframes or to have adequate ongoing contact with researchers.

The Biodiversity Economy initiative presents an encouraging approach to biodiversity conservation now and in the future for its multiple benefits to biodiversity, livelihood improvement, transformation, and economic development. However, delays in the official launching of the biodiversity economy, has slowed down the momentum and probably started driving stakeholders to disengage from what is perceived as a none priority project.

OUTLOOK 2017/2018:

Of major concern is that the 2017/18 budget for threatened species population monitoring work has been cut by about 40%. A total of R447 000 has been allocated in the 2017/18 financial year for game population counts. This has severe implications for some monitoring projects, particularly for those that rely on the use of a helicopter. The scientific services team will need to cut, prioritise and adjust monitoring activities to try to stay within the budget. Some counts that are done annually, will most likely have to be reduced to once every two years. Biennial counts are not ideal, as an extrapolated estimate has to be used in the intermediate years, which can affect whether game offtakes, for hunting and live game sales, are sustainable or not. Furthermore, more opportunities whereby cost of monitoring can be reduced, for example, using volunteers, or even paying volunteers, as in the case of the Earthwatch projects and the Wildlife Act partnership, will have to be explored. These kinds of partnerships can be invaluable to ensuring the sustainability of our conservation efforts in the current challenging economic climate.



A critical area of concern is the annual Maputaland marine turtle monitoring programme. This programme is currently the longest, continually running programme of its kind in the world. It not only monitors these critically endangered animals, but does so by involving and benefitting many poor, rural people. The Monitors are selected from the adjacent communities and are the “hands and feet” of the monitoring programme. They are trained and then deployed along the whole project area between Kosi Bay and Sodwana Bay. The cost of this operation, excluding Ezemvelo staff and operating costs, was R900 000 last year.

It is also important that secure, long-term funding be found for elephant monitoring and population control. Despite funding challenges, immuno-contraception will continue to be applied in Tembe, Ithala, HiP and iSWP in 2017. Some of these protected areas will also initiate woody vegetation impact surveys in 2017, to determine the impact of the elephant populations on their environment. Tembe will also continue with their social experimentation around the immuno-contraception program, and aim to determine whether the reduction in the number of calves entering the population, influences the social dynamics of the breeding herds, given the highly social nature of these long-lived animals. These research results will then be applied to the other elephant populations, allowing immuno-contraception levels to be adjusted, according to the desired amount of calves required to persist in the populations.

It is a priority to make modifications and improvements to the Research Projects database, clean the historical data, and to integrate the research projects registration process with the intranet-based permits application and approval system (iSambane). It is hoped that within two years, we may move to a fully online application process. These improvements will enhance our collaboration with the research community and ultimately, make more information available to improve the management of protected areas.

A major threat to the biodiversity in the province is habitat degradation, caused primarily by unwise developments, overgrazing, inappropriate fire management (which may be either too frequent, too infrequent or out of season fires) and the unsustainable harvesting of natural resources, are major threats to the province’s biodiversity. Habitat loss, which includes the irreversible conversion of natural vegetation through, infrastructure development, urban and rural expansion, crop cultivation and climate change, all threaten the survival of many species. Invasive alien species outcompeting indigenous species is another severe threat.

There are numerous proposals for infrastructure developments (such as water and electricity lines) to be routed through protected areas. It is hoped that high-level intervention and the support of the new Board will ensure that the integrity and value of the protected areas, under Ezemvelo’s control, are safe-guarded in perpetuity.

A special session to launch the new book, *Hluhluwe-iMfolozi Park Story*, is planned during the 2017 Symposium of Contemporary Conservation Practice in November 2017.

5. GAME CAPTURE OPERATIONS

5.1 GAME SALES

The Game Capture unit is responsible for undertaking the capture and delivery of all game allocated to game sales. In the 2016 season, a total of 2041 animals were sold, realising a turnover of over R26 million.

5.2 GAME CAPTURE SERVICE DELIVERY

The game capture unit was responsible for the capture of 3 335 animals.

TABLE ONE - TARGETS ACHIEVED AGAINST PLAN

	Target	Achieved	Percentage
Total animals captured	3344	3335	99%
Capture mortalities	< 2%	37	1.1%
Boma mortalities	< 2%	26	4.1%*
Transport mortalities	< 1%	7	0.2%
Game sold on auction	2197	2041	93%
Game translocated internally	674	639	95%

*The high boma mortalities were due to the nyala being in poor condition, as a result of the drought conditions that were prevalent during the capture season.

5.3 PRIORITY SPECIES MANAGEMENT

The following species were immobilised for the purposes of fitting tracking devices and identification notches.

Species	Number
Lion	30
Wild dog	12
Cheetah	6
Elephant	5
Black rhino	4
White rhino	2

In addition to the above, a total of 344 elephants were contracepted during the year under review. This population management tool has now been implemented in all our elephant reserves within the province.

The unit was also successful in dehorning a total of 132 rhino, in support of the Organisation's rhino horn demand reduction strategy.

5.4 DISEASE MANAGEMENT:

5.4.1 BOVINE TUBERCULOSIS

A total of 400 HiP buffalo from three different herds were captured and tested in support of our disease mitigation objectives. The overall BTB prevalence rate of 3.75% was lower than the 5% prevalence rate found in the same area 7 years ago. Whilst this is an encouraging sign, there has been an increase in the prevalence of the disease in both lions and wild dog.

The recent confirmation of positive Tuberculosis cases in both black and white rhino in the Kruger National Park has increased the risk profile on both species and has resulted in quarantine restrictions being imposed on the movement of those species from that Park.

It is therefore important that the existing TB control program in HiP and the newly identified interventions in Mkhuzi continue to be implemented, in order to show the Department of Veterinary Services our commitment and willingness to proactively manage this risk.

Risk: The Directorate of Animal Health has been forced to impose formal quarantine restrictions on HiP and Mkhuzi Game Reserve. With the exception of white rhino, zebra and wild dog, movement restrictions now apply to all other species and their products. These restrictions impact on the live disposal of these species and consequent revenue loss. With the recent diagnosis of BTB in rhino in the Kruger National Park, stricter quarantine measures may also be extended to rhino in both HiP and Mkhuzi.

5.4.2 BRUCELLOSIS

Ongoing sampling of the buffalo in HiP and on the Eastern Shores, confirms the absence of the disease. Brucellosis is however, present in at least 13 out of 51 cattle dip tanks in the Hluhluwe State Vet area and buffalo are still at risk from contact with diseased cattle.

Risk: Minimal impact on buffalo population performance. There are however, zoonotic implications for staff handling infected material and additional constraints on the movement of buffalo out of Protected Areas.

5.4.3 FOOT AND MOUTH DISEASE

In February 2014, the World Organization for Animal Health, reinstated South Africa as a Foot and Mouth Disease free country. The area north of iSimangaliso still however, remains within the control or infected zone with movement restrictions affecting game and game products from the Ndumo/Tembe complex. In order to maintain this free status, DAFF have completed the construction of a Foot and Mouth Disease control fence extending from the Swaziland border to the Coastal Forest

Reserve, approximately twenty kilometers south of the Mozambique border. Additional control measures, including livestock movement control and check points have not been implemented yet.

Risk: Until such time, adequate control measures are implemented along the Mozambique border, the risk of another outbreak and subsequent spread to wildlife populations remain at a high level.

5.5 FORENSIC POST MORTEMS

The organization's Veterinary unit conducted a total of 161 post mortems on rhino that were suspected to have been poached during the year under review. This represents a two-fold increase on last year's figures and is a shocking indicator of how the rate and frequency of poaching has escalated in this reporting period.

5.6 TREATMENT OF FREE RANGING GAME AND DOMESTIC STOCK

A total of 35 treatments were carried out on a variety of species during the year.

5.7 OUTLOOK FOR 2017/2018

The game capture unit has had an extremely productive year, having achieved 99% of its operational targets.

> The outlook for 2017 is expected to be an extremely challenging one with extensive budget cuts, likely to affect the performance of the unit. Despite these challenges, the unit is still dedicated to providing a competent and professional service that will continue to add value to the organisation's core mandate.



6. RHINO SECURITY

REVIEW 2015/2016

The rhino crime threat in South Africa impacts all nine provinces, private rhino reserves and the Kruger National Park (KNP). The poaching activity is being driven by an international illegal trade and demand for rhino horn. The criminal activities are being coordinated at all levels, internationally, nationally, provincially and locally by organized crime elements and with neighbouring countries like Swaziland, Mozambique and Zimbabwe. Organized crime that requires specialized state security agencies combined efforts, have been used by organised crime structures to target neighbouring provincial rhino population of which, Mpumalanga, Limpopo, North West and KwaZulu-Natal are the most prominent provinces. Many of the syndicates in South Africa, that were in the past focused on Kruger National Park and rhino reserves in Mpumalanga and Limpopo, now target KwaZulu-Natal. International countries are also used as smuggling routes for rhino horn and high calibre firearms. Rhino crime is harvesting high value contraband and as such, can no longer be considered as “conservation crime”, but must be dealt with as a priority.

The national South African Police (SAPS) Operation Rhino 7, continued throughout the financial year, and operated from the Hluhluwe Tactical Joint Operation Command (TACJOC), from the Hluhluwe town airfield. The SAPS Provincial Committee Rhino Poaching continued to support the Operation Rhino 7 initiative, with the Intelligence Coordinating Committee liaising directly with them in terms of Tasking's and Disruption Operations.

The setting of a new method for percentage of rhino poached to total population was confirmed during the year, as it reflected a more accurate method than rhino poached. The percentage of population is used in the Rhino Management Strategies as the method of risk, hence the new targets of white rhino is 2% of total population and black rhino is 1% of total population. This method now gives an accurate measure against the status of the population, whereas just reporting rhino poaching mortalities never gives a status of the population, it just presumes that less animal's poached, is a better status.

Ezemvelo do have anti-poaching plans, and these are aligned to the National Department of Environmental Affairs (DEA). National Strategy for the Safety and Security of Rhinoceros Populations in South Africa, and the South African Police Service (SAPS), National Joints Instruction 3/2011, 17 February 2011.

Ezemvelo has a three-year strategy, 2014 to 2017, which is presently being reviewed, with assistance of Provincial Cabinet Task Team, six months review and assessment, February to July 2017. The strategy covers the following:

- > Program Oversight.
- > Liaison Strategic Liaison.

- > Rhino Reserve Standard Operating Procedures.
- > Rhino Awareness.
- > Rhino Reserve Security Assessments.
- > Operational Data and Information Systems Analysis.
- > Population Analysis.
- > Poaching Information Monitoring and Analysis.
- > Horn Stockpile Management.
- > Investigations and Case Management.
- > Joint Crime Prevention Operations.
- > Supplementary Funding and Administration.
- > Reporting.

Ezemvelo has a specific objective to manage the poaching mortality rate of endangered species (rhino), and which includes an Annual Operation Plan as follows:

- > Special Data Investigations Information and Intelligence.
- > Special Operations on Project Investigations and Disruptive Operations.
- > Prevention of Crime Access.
- > Education and Awareness.
- > Detectives Investigation Services.

Ezemvelo does work with the private sector at a national, provincial and local level, this liaison does have a formal status with the Private Rhino Owners Association (PROA), where they are represented at the SAPS Provincial Priority Committee Rhino Poaching, which facilitates state security capacity.

Monthly tactical operations planning meetings are held with all rhino reserve managers, including private sector, for the alignment of joint operations, and or address high risk areas.

Ezemvelo does work with and has agreements with, a number of non-government and/or profit organisations that fund and implement identified projects.

PEACE PARKS FOUNDATION

Ezemvelo has had significant support from the Peace Parks Foundation from the national Rhino Protection Programme. The programme facilitated the setting up and testing of key projects:

1. Corridor Security Surveillance.
2. Anti-Poaching and Law Enforcement Equipment.
3. Specialist Technical Advisors Drones.
4. Rhino Anti-Poaching Awareness.
5. Communication Network (Digital Radio System)
6. Informer fees.

The Specialist Technical Advisor Drones programme was put on hold during the year as there were challenges in ensuring that the surveillance flights were effective, to operate in most weather conditions.

The implementation of the digital radio system to all rhino reserves was completed, with the linkages of the radio network to the air band radios being planned.

The erection of thirteen observation towers were completed, and these were placed along corridors and fence lines.

Surveillance camera systems were installed at three key entry points, for the monitoring of the entry and exit of these rhino reserves. The system is linked up to live remote monitoring, which allows easy access to monitoring.

The Veterinary Support Programme ensured that orphaned rhino were given every opportunity for survival when their mothers are affected by poaching. The Veterinary Support allowed a white rhino pre-release camp to be built, which allows the animals to adapt to a bigger environment before release. The orphan bomas accommodated two black rhino and seven white rhino. There were two adult white rhino that were also treated for having had their horns being removed but survived the poaching attempt.

WILDLANDS CONSERVATION TRUST

The Wildlands Conservation Trust continued to support the Joint Operations Co-ordination staffing in Zululand, in that the Detection K9 operations and Joints Operations Co-ordinator are both funded by

this program. This position is a key link with SAPS to ensure Joint Operations on reactions and disruptions.

AFRICAN WILDLIFE FOUNDATION

The African Wildlife Foundation program supports the field ranger corridor security project, which funds the rhino security monitors on the R618 Corridor road, that transects the Hluhluwe iMfolozi Park.

PROJECT RHINO

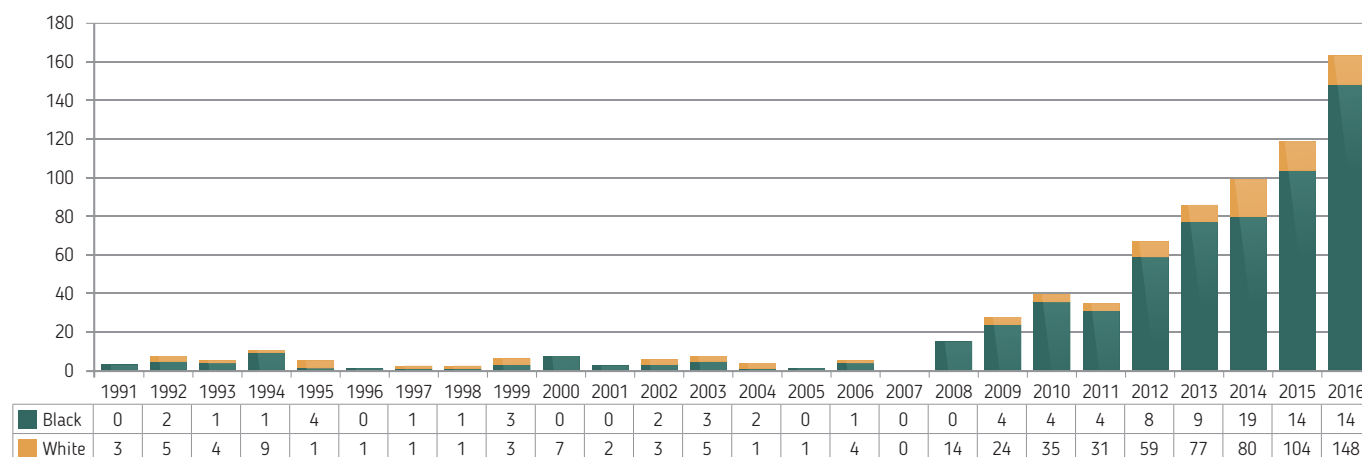
The Project Rhino program continued to support the Zululand Anti-Poaching fixed wing aircraft which, monitors predominantly private game reserves, and the Hluhluwe Tactical operations Command (TACJOC), which acts as a central command for the SAPS Operation Rhino program, this is done at no cost to the SAPS and or Ezemvelo.

Ezemvelo forms part of the SAPS Operation Rhino Mission Area Joint Operations Command (MAJOC), which is a national SAPS project that focuses on assisting with operations outside protected areas, and focuses mainly on disruption and crime prevention operations and reactions. This MAJOC also assists with law enforcement along the corridor roads, in KwaZulu-Natal's rhino reserves.

The rhino crime information is reported, with the exception of the Ezemvelo Annual Performance Plan, at the end of the calendar year. Therefore, to ensure external report stats are aligned, the stats noted are for the calendar year.

The total rhino poaching mortality, for the 2016 calendar year was 162, compared to 116 in the previous year, 2015.

KwaZulu-Natal Rhino Poaching Mortalities 01 January 1990 to 31 January 2016



The percentage population of poached rhino also increased in the 2016 calendar year, with one slight change in the reduction of poached black rhino from 19 in 2015, to 14 in 2016.

Rhino Poached KZN as a Percentage of Total Population as at 31 December 2016

2016 Total % Poaching vs Population (2015 population stats)	4,38%
2016 Total % Poaching vs Population White Rhino (2015 population stats)	4,66%
2016 Total % Poaching vs Population Black Rhino (2015 population stats)	2,59%

The iMfolozi Game Reserve recorded the highest number of poached rhino, which was totalled at 76. Hluhluwe recorded a total of 44 poached rhino. This made up 74% of the total poached rhino in the province.

Rhino Poaching Mortalities in KwaZulu-Natal Protected Areas (State & Private) from 01 January to 31 December 2016.

CHALLENGES AND DEVELOPMENTS

The migration of poaching effort from Kruger National Park, and Mpumalanga presented the greatest challenge in that, the poaching pressure increased, the modus of operation was more organised, and little was known in KwaZulu-Natal of the syndicate profiles and members. Whilst there are a number of theories as to the migration of poaching effort to KwaZulu-Natal, it is known that with some of the KwaZulu-Natal key suspects being disrupted, this did create a vacuum. This displacement of poaching effort happened rapidly and focused directly on key KwaZulu-Natal populations.

The increase in poaching pressure put significant demand on Ezemvelo's capacity and resources, especially where staff establishments were not at optimum levels. The challenges of not being able to fund the recruitment of staff, caused these challenges to remain. Efforts to redeploy internal staffing did assist, but the skills and ability to function in this high-risk, law enforcement and bushveld environment, was not always there. The transformation of conservation staff from rangers to specialized anti-poaching units, is important to matching the skills being brought in by the illegal hunting gangs.

During the year, there was significant dehorning of private populations and small parastatal populations within KwaZulu-Natal. This dehorning succeeded in reducing direct a threat on these populations, but then focused much attention on the key population at Hluhluwe iMfolozi Park.

It is important to note that despite the staffing and budget challenges, the Conservation Management team has proactively initiated, and is currently implementing the following activities:

The poaching effort, measured against the number of reported, and located, poaching incursions and/or attempts, provides an indication of effective rhino reserves and joint operation, anti-poaching efforts.

The shifting and increasing of poaching pressure to the night, and even in the dark moon phases, presented challenges, this was of particular relevance to the use of helicopters for rapid response. The use of the night and thermal vision equipment donated by the United States, allowed improvement in the close up anti-poaching operations.

The poaching pressure remained constant throughout the year, with the majority focused on the Hluhluwe iMfolozi Park.

The SAPS and the prosecuting authority are responsible for the reporting of arrest and seizure stats, but Ezemvelo do keep records for internal reporting purposes and these records show that 123 persons were arrested for rhino crime, and 63 high calibre firearms were seized during the 2016 calendar year.

OUTLOOK FOR 2017/2018

INTENSIVE PROTECTION ZONE (IPZ) CONCEPT OF OPERATIONS

The IPZ concept was considered and advised as per the Kruger National Park model, and after assessments, three rhino reserves were identified as IPZ. These reserves were identified as Hluhluwe iMfolozi Park, uMkhuze Game Reserve, iSimangaliso Wetland Park, and Ithala Game reserve. The action plans for these areas are being developed for implementing strategic and special measures for combating rhino poaching.

TACTICAL OPERATION CENTRE – JOINT COLLECTION OF INTELLIGENCE, PLANNING & COORDINATION OF COUNTER OPERATIONS

The displacement of rhino poaching effort from Kruger National Park and Mpumalanga has been noted by the Mission Area Joint Operations and Ezemvelo has established a joint information system with SANParks to identify and plan crime prevention operations. The Ezemvelo and SANParks analyst have established a joint working team to ensure joint crime prevention and analysis.

RANGER CAPACITY

The continuation and focus on well trained, equipped & disciplined law enforcement field staff, to be maintained with all vacancies filled and a succession ability to undertake recruitment and placement within a reasonable period that will not significantly impact on operations. This must include the ability of specialist functions of tracking detecting and engaging poaching gangs who are armed.

GOOD COMMUNICATIONS NETWORKS

The further development of network coverage over the IPZ's has been identified as a priority project with Peace Parks Foundation, and this will be tested using multiple platforms of tracking, Cmore, blue force tracking, rapid response command and control, and voice over radio via the digital network to allow connecting different radio networks.

CANINE TRACKING AND DETECTION

The Hluhluwe iMfolozi K9 project was implemented and will continue to be tested in the Park to assess the effectiveness of tracking dogs under these scenarios and conditions.

TECHNOLOGY SUPPORT

The use of technology to gain access to rapid response during the night will be tested in the use of camera and thermal technology.

INVESTIGATIONS AND PROSECUTIONS

The investigations and prosecutions of criminal levels above one and two, still remains a problem, the SAPS Directorate of Special Investigations (Hawks) were assigned to special projects, and other investigations were undertaken by SAPS Operation Rhino 7. The consistency of detectives required dockets moving between SAPS Operation Rhino 7 and SAPS detectives. This was discussed and processes are being set up. SAPS Stock Theft Detectives manage all rhino crime dockets.

HELICOPTER OPERATIONS

The use of helicopters at night was discussed with the present service provider who have committed to undertake night flying once the Hluhluwe Airfield has been converted as a night rated helipad. The Civil Aviation Authority (CAA) has visited the Hluhluwe Airfield and specifications have been approved to convert the helipad to accommodate night flying. Peace Parks Foundation have undertaken to fund the conversion and Project Rhino as lease holders have also agreed to the conversion. A team of consulting engineers as per the CAA specifications have been appointed and conversion construction is expected to start by end of May 2017. This will allow helicopter response assistance at night, which should greatly improve night reaction capacity.

PROVINCIAL APPOINTED RHINO CRIME COMBATING TASK TEAM

The Justice Crime Prevention Security Cluster of KwaZulu-Natal Legislator, obtain KwaZulu-Natal Provincial Cabinet approval to establish a Rhino Crime Combating Task Team (RCCTT), which was authorized by the Premier of KwaZulu-Natal on 14 September 2016

The terms of reference for the task team as follows:

- > A full assessment of the current measures and capacities of the anti-Rhino Poaching initiatives in the province, regarding best practices in other provinces, particularly the Kruger National Park;
- > An assessment of the criminal justice processes, in relation to poaching incidents at all levels;
- > An assessment of the sustainability of provincial human and logistical resources currently deployed;
- > To provide a report with recommendations within six months of the establishment of the task team.

7. COMMUNITY CONSERVATION

The mission of the Community Conservation Unit is to enhance the conservation of biodiversity in KwaZulu-Natal, through engaging with communities, to create awareness of the interdependence of biodiversity and sustainable human development.

This mission is achieved through the creation of working partnerships with communities throughout the province, thus ensuring sustainable use of resources and fostering biodiversity conservation value in the society.

These partnerships are created and nurtured through various programmes aligned to the National People and Parks Programme.

7.1 LAND CLAIMS AND CO-MANAGEMENT STATUS REPORT:

7.1.1 HECTARES OF LAND SETTLED TO DATE.

The Regional Land Claims Commission (RLCC) have settled 8 land claims in terms of SECTION 42d in the RESTITUTION OF LAND RIGHT ACT (ACT 22 OF 1994) in the, a memo that is signed by the Minister, awarding the claimants restoration of land or financial compensation as form of final settlement for their claim. After s42d has been signed, the second last phase will be the transfer of those properties from current land-owners to claimants. The total extent of settled, but not transferred, is 59 801. The following claims are settled: Ithala (Zulu and Buthelezi), Hluhluwe (Mlaba Ximba, Okhukho, Hlabisa and Mpukunyoni);

Ndumo, Tembe, Mbangweni and Vernon Crookes. The whole of Hluhluwe has been re-surveyed to get the correct portions for each community. The new diagrams for Mlaba Ximba, Okhukho and Hlabisa Mpukunyoni have been approved. Vernon Crookes has been settled through financial compensation, which is a final settlement for them. Mbumbazi was at s42d stage, but advocate Mbili (Head of RLCC) has recommended that the office, together with claimants, must start the process from research due to suspected fraud.

7.1.2 HECTARES OF LAND NOT YET IN OUR PROTECTED AREAS

3 claims have been researched and gazetted but not settled i.e KwaDushu, Rest and Clayborn communities (Impendle Nature Reserve) and Ntshangase (Pongola Game Reserve), which is approximately 4000 hectares.

7.1.3 CO-MANAGEMENT AGREEMENTS SIGNED

Co-Management agreements have been signed with the following communities; Ndumo, Tembe, Okhukho, Mlaba, Ximba, Hlabisa and Mpukunyoni under the uMkhanyakude District. Co-Management agreements have been signed with the Zulu and Buthelezi communities at Ithala Game Reserve in the Zululand District. The co-management agreements are administered through the community trusts.

Table 1: The following community claims fall under the Parks listed below. These have been settled in terms of Section 42 D (which approves the land or financial compensation restitution), it must be noted that transfer has not taken place.



Table 1: The following community claims fall under the Parks listed below. These have been settled in terms of Section 42 D (which approves the land or financial compensation restitution), it must be noted that transfer has not taken place.

Reserve	Communities	Size of Claim Hectare	Approved according to SECTION 42D	SETTLEMENT AGREEMENT SIGNED (Y/N)	District Municipality	Co-Management Agreement (Y/N)
1. Hluhluwe Umfolozi Imfolozi Park	1. Hlabisa/ Mpukunyoni 2. Mlaba/Ximba 3. Okhukho	24 210 Not known 2911.7360 Total: 27 121.736	> Approved > Approved > Approved	N	uMkhanyakude	Yes
2. Ithala Game Reserve	1. Zulu Community 2. Buthelezi Community	22 684. 8314 Total known:	Approved Approved	Yes	Zululand	Yes
3. Ndumo Game Reserve	1. Mbangweni 2. Usuthu Gorge	Not known 10600 Total known: 10600	> Outstanding > Approved	Yes	uMkhanyakude	Yes
4. Tembe Elephant Park	1. Tembe	3000	> Approved	Yes	uMkhanyakude	Yes
5. Vernon Crooks Nature Reserve	1. Umnyengelezi Community	2092.916	Claimants opted for Financial Compensation	N/A	uGu	No
6. Umbumbazi Nature Reserve	1. Umbumbazi Community	2098.6283	Advocate Mbili recommended that the claim must be re researched due to corruption suspected	N/A	uGu	No
7. Impendle Nature Reserve	1. Kwa Dushu 2. Rest and Clayborn	1703.6946 2421.761 Total Known: 4125.4556	No	No	Harry Gwala	No
8. Drakensberg WHS	1. Amangwane 2. Mhlwazini 3. Amaswazi 4. Amangwe	Not known yet Not known yet Total: 15000	> Research	No	uThukela	No
9. Phongola Game Reserve	1. Ntshangase Community	Not known	> Drafting s42d	No	Zululand	No
10. Isimangaliso Wetland Park	1. Myeni-Nsinde	480	> Approved		Zululand	No

7.2 EZEMVELO RBM CUP

Ezemvelo KZN Wildlife is mandated to conserve the magnificent biodiversity of the Province of KwaZulu-Natal, and most of all to conserve rhinos. The Ezemvelo RBM Cup tournament was initiated in order to raise environmental awareness and as a medium to educate communities about conserving the natural resources. The tournament consists of 80 teams from 80 traditional authorities surrounding Ezemvelo's Protected Areas, each traditional authority is represented by one soccer and one netball team, summing up to 160 teams throughout the province of Kwa-Zulu Natal. Each team is named after a wild animal e.g. Mpukunyoni Bush Bucks, Mavundla Mthimude Francolins, KwaDlamini Klipspringers.

The partners in implementing this successful sports initiative are Ezemvelo KZN Wildlife dedicated staff, Richards Bay Minerals, Department of Sport and Recreation, South African Football Association, Netball South Africa, Diakonie from Germany, Sphola Consulting, Ithala Bank, and other sponsors.

OUTLOOK FOR 2017/18

Ezemvelo RBM Cup is aiming at reaching 15 000 community members, conveying environmental awareness message through sports.



7.3 ENVIRONMENTAL AWARENESS

The Community Conservation Unit exists to do environmental education and awareness to ensure that people understand the environmental challenges that the world is facing. Another reason environmental awareness activities take place, is to ensure that our communities are part of the solution to these issues. School learners, professionals, and communities at large are encouraged to participate in environmental awareness activities.

No.	Date of the event	Name of the Environmental Event	Objectives
1.	20-26 April 2016	World Days for Actions	To ensure that schools are involved in taking care for the environment.
2.	18 May 2016	International Museum Day	To encourage people to visit museums
3.	22 May 2016	International Day for Biological Diversity	To educate the school learners about the importance of biodiversity conservation
4.	05 June 2016	World Environment Day	To educate the employees of the organisation about the environment
5.	08 June 2016	World Oceans Day	To conduct a beach clean-up at Beachwood
6.	10 August 2016	World Lion Day	To educate the community of Sanguye about the importance of Lions, because they have human-wildlife conflicts
7.	1-7 September 2016	Arbour Week	To donate trees to the schools
8.	22 September 2016	World Rhino Day	To conduct an awareness on the importance of rhino
9.	26 November 2016	Birding Bid Day	To conduct awareness on the importance of birds of prey to traditional practitioners
10.	02 February 2016	World Wetlands Day	To educate the school learners of Edendale about the importance of wetlands.
11.	22 March 2016	World Water Day	To educate the community of Nongoma about the importance of conserving water. To build a stand at the World Water Summit held in Durban

8. BLACK RHINO RANGE EXPANSION PROJECT

The Black Rhino Range Expansion Project (BRREP), a partnership between WWF and Ezemvelo, which began in 2003, is still going strong. The following summarises the activities and achievements of the project in the year under review.

The purpose of the BRREP is to increase the range and numbers of black rhino (*Diceros bicornis minor*) in KZN and Southern Africa.

The black rhinoceros (*Diceros bicornis*) is still a critically endangered species, with only about 4,000 individuals remaining in the wild on the African continent. South Africa conserves about 80% of surviving southern-central sub-species (*D.b. minor*), of which 473 (28%) currently occur in KwaZulu-Natal (KZN). Although the numbers of this subspecies have increased in Africa over recent years, there are only 5 'key' populations comprising 50 or more rhino in South Africa, one of which is Hluhluwe-iMfolozi Park. Such populations are critical for long-term viability of the taxon: hence BRREP's focus on facilitating the creation of large populations. South Africa's goal for the sub-species is 3,000 rhinos and the target for KZN is 750.

The area of suitable black rhino habitat within the state protected areas in KZN Province is too small to achieve this population target and the only means which Ezemvelo can attain this target, is by increasing the area of land available to black rhino through partnerships with willing land-owners, both private and communal.

The objectives of BRREP should be seen in the context of Ezemvelo's vision of "A viable meta-population of at least 750 black rhino (*D.b. minor*) in its former range in KZN, through shared commitment on private, community and state land" The BRREP Project was thus designed to help meet that goal.

There are two arms to the project: one aimed at assisting in the protection of existing black rhino populations in Ezemvelo reserves; the other aimed at expanding the range of black rhino to new areas. WWF thus, assists in securing founder black rhino stock and thus, was a prerequisite for the project to go ahead.

The BRREP programme has helped Ezemvelo with the management and protection of the critically important donor populations (Hluhluwe-iMfolozi Park, uMkhuze and Ithala) for the past 14 years and to this end, has provided approximately R500,000 per annum on anti-poaching equipment, helicopter hours for the vet, ear notching for monitoring and training.

In terms of range expansion, 7 new black rhino populations have been created with Ezemvelo: 6 in Zululand and 1 in Limpopo. The arrangement is that the founders remain the property of Ezemvelo and the progeny are shared equally between Ezemvelo and the landowners. This year's focus has been to create a new black rhino population in Moremi Game Reserve in Botswana, thus contributing to the SADC meta-population.

Under the custodianship agreements entered into, Ezemvelo has retained ownership of all the founders placed on the new land until they die (123 remain) and has half of the progeny (over 70 so far), thereby owning more black rhino than it would have had, if those rhinos had been left in Ezemvelo reserves.

Over the past 14 years, seven new populations have been created by the BRREP, six of which are in KZN and one in Limpopo province. A further 8th project site is in preparation in Botswana, with the black rhino mostly taken from project sites.

The black rhino range in KZN, prior to commencement of the BRREP, was 2,648 km². With the addition of land, black rhino range within KZN has expanded by 1,320 km² to 3,968 km². This 43% increase in range is significant, since based on combined black rhino carrying capacities, it will provide a habitat for approximately 165 more rhinos.

FOUR OF THE PROJECT SITES ARE ON COMMUNITY-OWNED LAND

1. Somkhanda Game Reserve, which became the first community-owned land to become a partner in BRREP. It represents the first ever re-establishment of a viable black rhino population on community land in Africa.
2. Black rhino are on land that was successfully transferred to two communities that are part of the Mun-ya-wana Game Reserve. Those communities receive a lease on their land and derive benefits from there, as well as Phinda's community outreach programmes.
3. The Mduna Royal reserve is managed by Thanda on behalf of the community and black rhino have been placed within the reserve.
4. Nambiti Game Reserve, belonging to a community in the Ladysmith area.

Black rhino numbers in KZN are generally on the increase and this should continue, provided the rhino poaching can be stopped.

9. TRANSFONTIER CONSERVATION AREAS

9.1 MALOTI DRAKENSBERG TRANSFONTIER PARK INITIATIVE:

Ezemvelo KZN Wildlife (EKZNW), as the lead agency, continues to manage and coordinate the implementation of the Maloti Drakensberg Transfrontier Conservation Area (MDTFCA), commonly known as the Maloti Drakensberg Transfrontier Programme (MDTP). MDTP is a collaborative initiative between the governments of the Kingdom of Lesotho and the Republic of South Africa to conserve and sustainably manage the natural and cultural heritage resources of the Drakensberg and the Maloti mountain region, which straddles 300km of the border between the two countries. On the South African side, the MDTP straddles across part of three provinces; Eastern Cape, KZN and Free State, hence the need for a lead and coordinating agency, a role which has been effectively carried out by EKZNW, since the inception of MDTP in 2001.

Over the last financial year, the MDTP Coordination Unit under EKZNW:-

- > Organised and facilitated community fire workshops/imbizos in each of the three provinces and Lesotho. This included communities around Matatiele in Eastern Cape, Mhlwazini and aMazizi/aMangwane communities in KZN and Maboela community in Free State.
- > Facilitated and developed a draft Alien Invasive Species Management plan for the MDTP area.
- > Facilitated the development of a fire management plan for Ongeluknek Nature Reserve in the Eastern Cape.
- > Organised a Youth Leadership Hiking Challenge between Letsa-La-Letsie in Lesotho and Ongeluknek Nature Reserve in Eastern Cape. 12 high school learners, 6 from Eastern Cape and 6 from Lesotho, took part in the challenge. The objective is to entice high school learners to love conservation and the outdoor world.

Some key priorities for the next financial year include, among others:-

- > Facilitating and assisting Lesotho with the review of the Sehlabathebe National Park management plan, which is the Lesotho part of the transboundary World Heritage Site.
- > Finalising the Alien Invasive Species Management plan.
- > Providing the three communities with fire-fighting equipment.
- > Organising a Ladies 4X4 challenge event between Ongeluknek Nature Reserve and Letsa-La-Letsie.
- > Facilitate the rehabilitation of hiking trails between Garden Castle/ Bushman's Nek and Sehlabathebe National Park.
- > Facilitate the consolidation of the Cultural Heritage Management Plan for the Maloti Drakensberg Park World Heritage Site.

9.2 LUBOMBO TRANS-FRONTIER CONSERVATION AREA

OVERVIEW

Progress has been steady, but in general, fairly slow for most of the year. Unfortunately, the regular meetings at a National level have been limited and this is affecting the progress of the establishment and development of the LTFCFA.

These concerns have been raised with staff from DEA and this has resulted in some movement at a higher, National level.

In terms of relationships and management at field level, there has been significant progress. Staff from the Tembe Elephant Park and Ndumo Game Reserve, have attended quarterly meetings with the managers from the Maputo Special Reserve (MSR) in Mozambique. These meetings are held in both Mozambique and South Africa on an alternative basis.

There is excellent cooperation between the managers on the ground and this extends to law enforcement operations in both countries.

In 2016, two suspected elephant poaching cases in the Futhi Corridor in Mozambique were investigated by staff from the Tembe Elephant Park, via mutual agreement with the relevant authorities.

There was also an initiative implemented using the PEACE Foundation to install a borehole within the Futhi Corridor in an effort to stop the migrating elephant from entering South Africa, east of the Tembe Elephant Park. This was accomplished, however, the solar panels and pump were stolen by local community members shortly after being installed.

Fortunately, the Provincial Department of Economic Development, Tourism and Environmental Affairs (EDTEA) allocated R5 million to Ezemvelo for the erection of electric fence, stretching 13km from the Farazel Border to the Tembe Elephant Park. This was a well-constructed 2-strand electric fence along the International Border between South Africa and Mozambique. The fence construction was completed in March 2017. Although this was not a LTFCFA sponsored project, it should be seen to be part of the overall structure.

An aerial game count / census was also undertaken, using staff from Ezemvelo and the findings were that the game introduced over the past 5 years, are flourishing and numbers are on the increase within the MSR. No game has been supplied to the MSR for the past three years by Ezemvelo, due to possible concerns regarding the security in the MSR.

OUTLOOK 2017/18

> IMPROVED COMMUNICATION

The Coordinator of Northern PA's is now attending the National Committee meetings as an Ezemvelo representative, and this should improve communications at a higher level. These meetings take place every 6 months, with the next meeting taking place in Gauteng on 6 June 2017.

> GAME INTRODUCTIONS AND SECURITY

With the improved security of the game species within the MSR, there is an initiative with the Peace Parks Foundation (PPF) to introduce more Nyala, live from the Tembe Elephant Park. The PPF are prepared to pay for each unit, which will also boost the Ezemvelo Revenue. It is expected that 200 animal units (Nyala) will be sold to the MSR in the 2017/2018 Financial Year.

The annual aerial census, utilizing staff from Ezemvelo, is also being planned to take place in August/September 2017.

> MANAGEMENT OF MOZAMBIQUE ELEPHANTS

Cooperation between PA managers in SA and Mozambique will be putting more effort into controlling the movement of elephant from Mozambique into SA. The electric fence along the border will be maintained and patrolled daily by Ezemvelo and community based

residents. The maintenance of this fence is critical and management will be sourcing funding to pay for maintenance costs.

> COOPERATION BETWEEN MANAGERS (PA'S)

The already good relationship between the managers on the ground will be continued into the new Financial Year. The quarterly meeting will continue with the venue, alternating between Mozambique and SA. This will include law enforcement operations on either side of the border between the two countries. Assistance will also be afforded, should it be required, at crime scenes involving key species such as elephant and rhino.

A forensics / crime scene course has already been held at the Tembe Elephant Park in April 2017, which was attended by staff from Mozambique conservation agencies and Ezemvelo. This course was paid for by the LTFCA initiative.

> MANAGE EXPECTATIONS

The expectations resulting from the LTFCA must be maintained at a realistic level. Unfortunately, some of the communities on the SA side of the border are beginning to lose faith in the concept and are fairly critical of the initiative. Benefits of a real nature are critical and to date, these have not been realised. With a boost in motivation and real management interventions, the attitude and faith in the structure amongst the local community members, will be elevated.



B. ECOTOURISM SERVICES

INTRODUCTION

This has been an exceedingly important and exciting year in the South African tourism industry, having placed the country in the leading position for Sub-Saharan Travel and Tourism destination, with regards to the competitiveness ranking in 2015, and being 48th on the global listing. This was the year that was marked with traces of both global and domestic, seismic and disruptive, political and socio-economic events, which strenuously forced our business to navigate the agonising storms, yet our customers continued to demand even more from our service offerings.

Despite all concerns relating to negative effects of the new South African VISA and immigration regulations, that were introduced in October 2014 and resulted in one of the biggest declines in the tourism numbers in the past five years, this year has made an exceptional recovery, since the relaxation of some of these regulations by Government. This performance is undoubtedly attributed to the country's aptitude to offer most international tourists a variety of tourism experiences and products at an affordable price. This has led the country to continue gaining popularity amongst travellers, particularly along the line of wildlife and heritage tourism, which attracts the attention of tourists across the globe, hence ranking 24th in online searches for nature-related activities.

The South African tourism sector has continued to create even more jobs, enough to surpass both local mining and agricultural sectors, to have a total contribution of 4.5% of the country's work force (StatsSA, 2015 & 2016), hence making it one of the multifaceted sectors, with a relatively dynamic multiplier effect. This is distinctly noticeable in remote areas that have been secluded from the mainstream economy, where ecotourism in particular, has had major contributions towards improving and sustaining many communities adjoining the Ezemvelo KZN Wildlife nature resorts.

Although this year commenced with a relatively higher consumer confidence, enough to raise our optimism for growth, this confidence started fading during the course of the year, as economic realities of weaker households, disposable incomes, and poor credit extensions for local markets started to show. This has resulted in most domestic consumers cutting back on travelling, as the economy became sluggish, while the absence of the Easter, and other shorter holidays during the course of the year, didn't do any justice in enhancing our tourism sales. It therefore goes without saying that Ezemvelo has not been immune to these challenges – particularly the effects of the severe drought that has affected most parts of the midlands to Northern KwaZulu-Natal areas, which has been a problem since 2014. While this situation might have negatively affected ecotourism performance, lower regional rainfalls,

as well as dwindling levels of river systems that are passing through our resorts, have resulted in escalated animal health problems and increased mortality.

Despite these challenges, Ezemvelo has been productive, even though some ecotourism indicators have shown a decline when compared to the previous financial year. For the year under review, Ezemvelo has recorded a decrease of 5.8% (equivalent to 39 895) in the total number of visitors to its resorts, when compared to last year, even though there was an increase of 20.6% (equivalent to 22 169) in the number of international visitors. This has therefore, resulted in a decline of 2.9 and 2.4 percentage points for both average unit and camping accommodation occupancies, respectively.

While ecotourism indicators have shown steady performance, considering the challenges the organisation was faced with during the course of the year, sales from both game and hunting were much better than anticipated, due to the better sales strategies deployed by the organisation and the good conditions of the animals sold.

KEY ACHIEVEMENTS

For the year under review, significant progress has been made in addressing a number of the challenges that the organisation is faced with. In no order of priority, the following key achievements can be noted:

- > Launch of both the Ezemvelo Heritage Week and the "Mahala Friday" events, where the South African public is given free entrance into Ezemvelo resorts during the September tourism and heritage month.
- > Various travel trade partners, such as the Southern African Tourism Services Association (SATSA), have been continuously engaged, in order to strengthen our travel trade business.
- > Through the use of our recently developed Tourism Standards guidelines, various tourism softs, such as furniture, beds and linen, have been upgraded.
- > The online Customer Feedback System has been successfully rolled out, which has enabled management to effectively monitor visitors' queries, while measuring Customer Satisfaction Index (CSI), in order to evaluate ecotourism performance for the entire organisation, as well as for individual resorts.
- > Two (2) 15,000 litre water tanker vehicles were bought, in order to address water shortages, hence meeting the needs of both our visitors and staff members at the resorts.
- > A beauty-spa at Didima was established, while an open safari vehicle was bought to operate revenueearning tours, to the vulture hide and bush lunches for Injisuthi and Giants Castle.
- > The electronic security system was upgraded for tourism unit accommodation, Didima.

- > The final business plan for a community owned initiative, Bhambatha Lodge, was completed and submitted for funding. The is a project that will entail the construction of ten (10) chalets, a conference centre, road upgrades, storm water and sanitation infrastructure, fencing of the reserve, walkways and removal of alien plants in the area.

ECOTOURISM PERFORMANCE

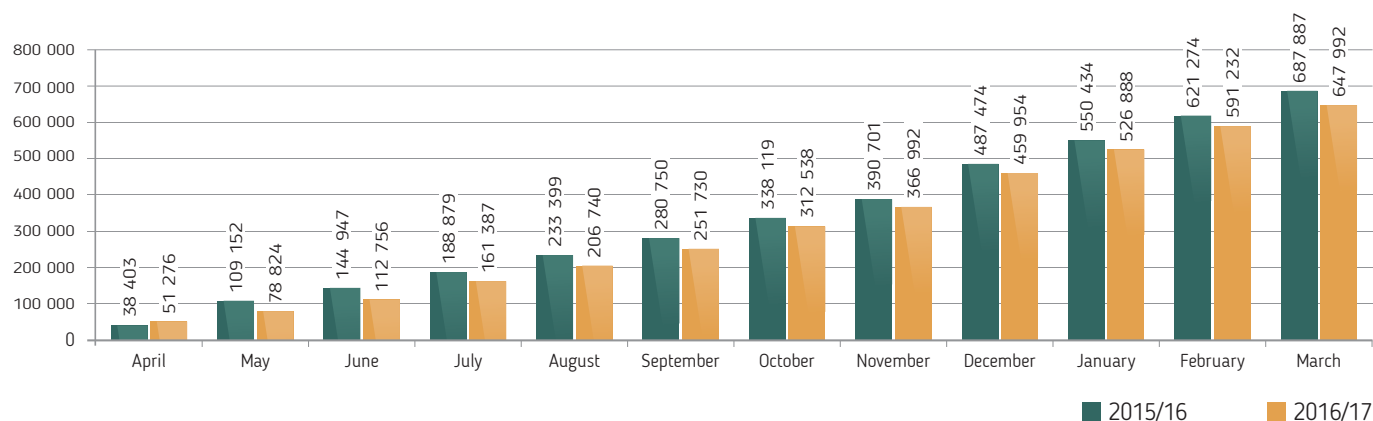
Emanating from our current corporate strategic objectives, the ecotourism had three (3) strategic objectives, namely, to position Ezemvelo as a wildlife destination of choice; increase visitor numbers to Ezemvelo resorts; as well as, optimise revenue generation. Although annual targets set on the Annual Performance Plan (APP), were initially achievable, budget cuts are exacerbated by some of the unfavourable external factors that were beyond management's control, such as, severe drought, which made it almost impossible to achieve some of these goals.

In order to illustrate a complete picture of Ezemvelo ecotourism performance, more performance indicators have been provided in this report.

VISITOR NUMBERS TO EZEMVELO RESORTS

For the period under review, the total number of visitors to Ezemvelo resorts was 647 997. This is 10.6% (equivalent to 62 034), better than the planned annual visitor number of 585 958. However, when compared to the same period last year, this performance has decreased by 5.8% (from 687,887 to 647,992), as illustrated by the table and figure below.

Resort	2015/16	2016/17	Variance	% YoY Variance
Hluhluwe iMfolozi	246 339	238 063	-8 276	-3.4%
Royal Natal	84 865	86 621	1 756	2.1%
Midmar	94 214	74 701	-19 513	-20.7%
Umlalazi	38 345	32 569	-5 776	-15.1%
Wagendrift	25 946	29 821	3 875	14.9%
Chelmsford	32 979	26 991	-5 988	-18.2%
Didima	15 056	26 695	11 639	77.3%
Monks Cowl	25 084	24 099	-985	-3.9%
Giant's Castle	17 708	18 186	478	2.7%
Kosi Bay	13 192	13 027	-165	-1.3%
Cape Vidal	14 162	12 990	-1 172	-8.3%
Spioenkop	13 264	12 728	-536	-4.0%
Ithala	15 406	10 397	-5 009	-32.5%
St Lucia	11 611	8 275	-3 336	-28.7%
Injisuthi	5 847	5 651	-196	-3.4%
Mantuma	6 149	5 209	-940	-15.3%
Maphelane	4 201	4 174	-27	-0.6%
Oribi Gorge	4 602	4 109	-493	-10.7%
Weenen	5 115	3 499	-1 616	-31.6%
Ndumo	4 113	2 644	-1 469	-35.7%
Lotheni	2 528	2 206	-322	-12.7%
Sodwana Bay	2 469	2 036	-433	-17.5%
Amatigulu	2 876	1 854	-1 022	-35.5%
Kamberg	1 816	1 447	-369	-20.3%
Grand Total	687 887	647 992	-39 895	-5.8%

2016/17 Total Visitors Numbers

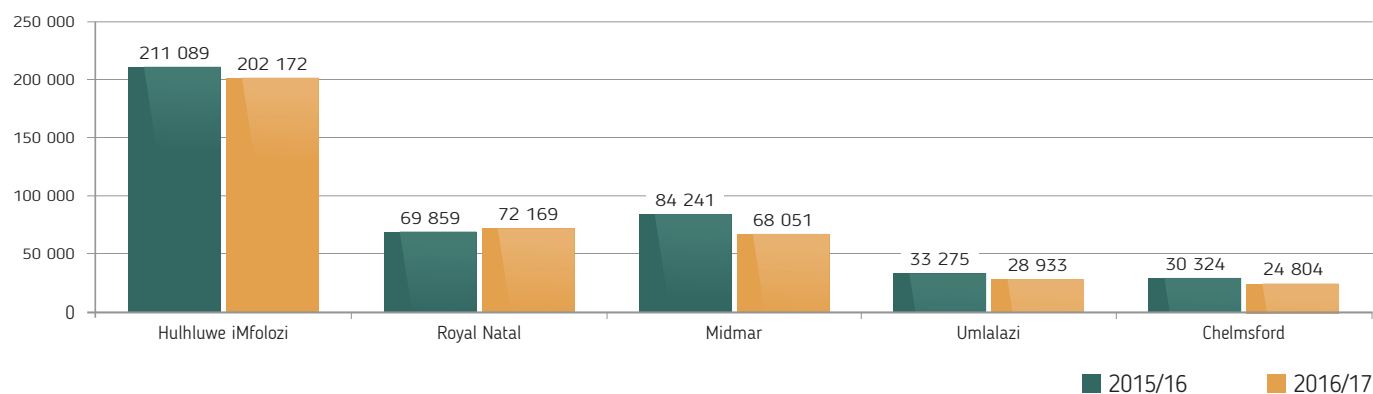
Although Hluhluwe iMfolozi, Royal Natal and Midmar, remain popular within Ezemvelo resorts, the resorts that have shown an increase in total visitor numbers, when compared to the same period last year were, Didima with 77.3% to 26 695; and Wagendrift with a 14.9% increase to 29 82, while Ndumo and Ithala resorts have shown a significant decrease of 35.7% to 2 644 and 32.5% to 10 397, respectively.

This performance can mainly be attributed to the effects of severe drought that has affected most parts of the midlands to Northern KwaZulu-Natal areas, which is where most of our ecotourism prime resorts are situated, as well as a financially depressed local market.

DAY VISITORS

For the same reporting period, the total number day-visitors to Ezemvelo resorts was 517 050. This is a decrease of 4.4% (equivalent to 23 924) when compared to the same period last year.

Again, Hluhluwe iMfolozi, Royal Natal and Midmar remain popular within Ezemvelo resorts with regard to day-visitors, however, the resorts with the highest increase in day visitor numbers, when compared to the same period last year were, Didima with 147.8% to 20 706; Maphelane with 32.2% to 1 814; and Wagendrift with 23.7% to 22 890, while with significant decrease, were Ndumo with 56.0% to 1 010; and Ithala with 45.3% to 4 366.

Top 5 Resort with Highest Day-Visitor Numbers

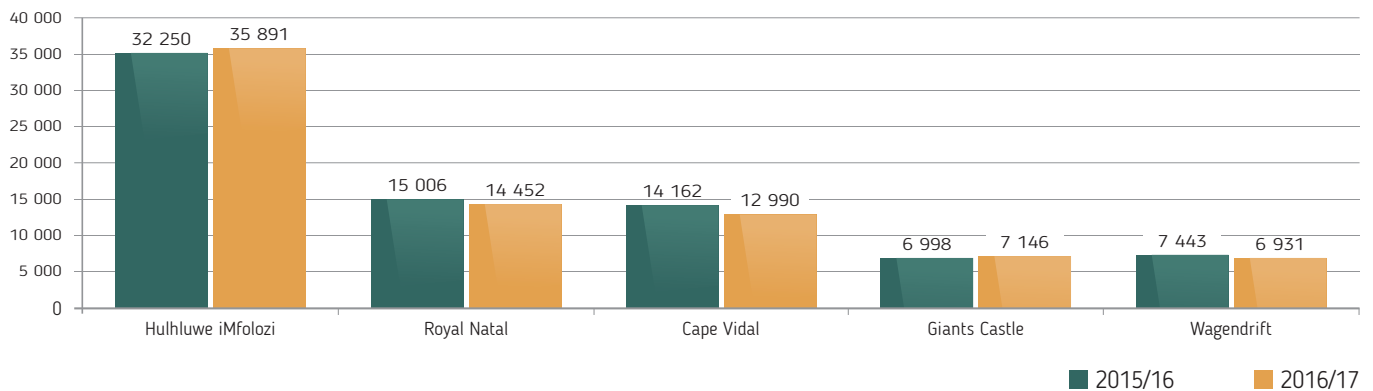
Please note that day-visitor numbers exclude numbers from Sodwana Bay, Cape Vidal, and uMkhuze resorts, as these are accounted for by iSimangaliso Wetlands Park, which is a separate entity, even though Ezemvelo owns and operates tourism facilities in the Park.

OVERNIGHT VISITORS

For the period under review, the total number overnight-visitors to Ezemvelo resorts was 130 942. This is a decrease of 10.9% (equivalent to 15 971) when compared to the same period last year.

Although Hluhluwe iMfolozi, Royal Natal and Cape Vidal are popular when it comes to overnighting, the resorts which recorded the highest improvement with regard to overnight-visitors, when compared to previous financial year were, Oribi Gorge with 3.1% to 1 310; Giant's Castle with 2.1% to 7 146 and Hluhluwe iMfolozi with 1.8% to 35 891. However, the resorts which showed a significant decrease were, Amatikulu with 52.5% to 103; Spienkop with 52.3% to 1 226; St Lucia with 37.3% to 3 444; and Monks Cowl with 37.2% to 1 081.

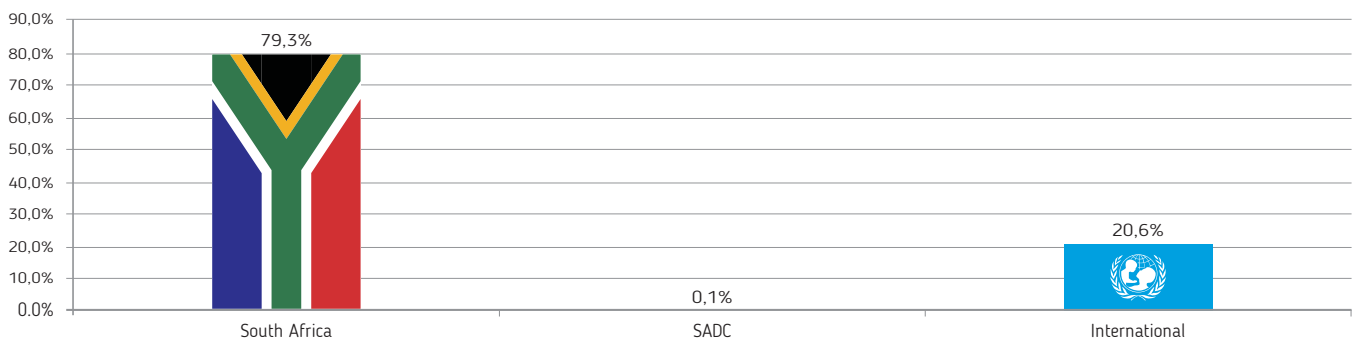
Top 5 Resort with Highest Overnight Visitor Numbers



VISITORS BY COUNTRY OF ORIGIN

South Africans remain the majority of visitors, accounting for 79.3% of the total visitors to Ezemvelo resorts for the period under review, while visitors from SADC and other international countries, accounted for 0.1% and 20.6%, respectively, as illustrated by the figure below.

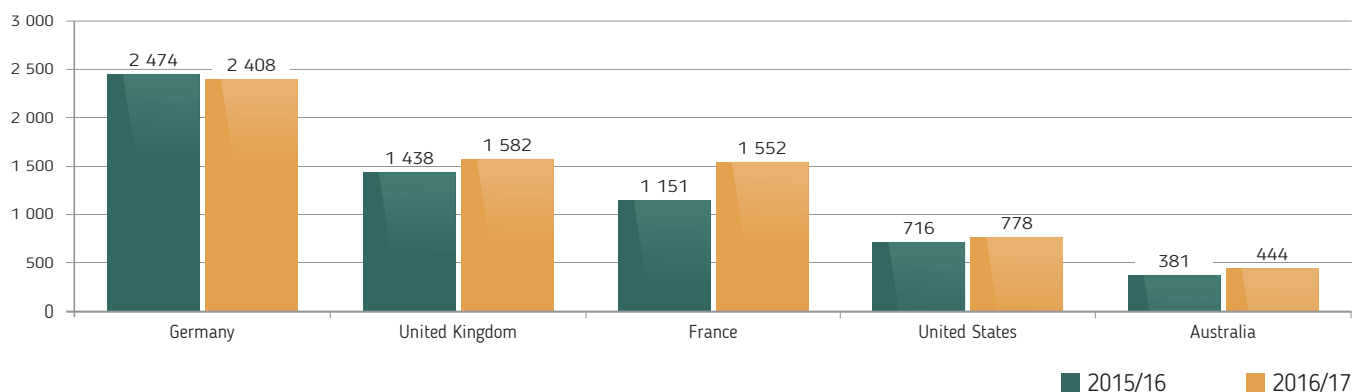
Visitors by Nationality



Despite a decrease of 10.8% (equivalent to 62 178) in the number of local South African visitors to Ezemvelo resorts, there was a significant increase of 20.6% (equivalent to 22 169) in the number of visitors from other international countries, while SADC visitors remain almost stable at 0.1%, when compared to the previous financial year.

Of the top five (5) international visitors, the German citizens remain the highest, with a total of 2 408, followed by the British (1 582), the French (1 552), the Americans (778) and the Australian (444). However, it is worth mentioning that, of the above mentioned citizens, the French had a significant increase of 34.8% (equivalent to 401), while the Germans decreased by 2.7% (equivalent to 66) when compared to the previous year, as illustrated the figure below.

Top 5 Foreign Visitors



This performance can mainly be attributed to the favourable exchange rate of our local Rand currency (ZAR) against major international currencies, such as the US Dollar; British Pound, and Euro, hence enabling cheaper tourism travel for foreign markets into South Africa, even though the Rand has strengthened over the reporting period, by an average of 9.2% (from R14.75 to R13.40) against the US Dollar; 20.6% (from R20.20 to R16.85) against the British Pound; and 14.9% (from R16.80 to R114.30) against the Euro.

ACCOMMODATION OCCUPANCIES AT EZEMVELO RESORTS

Although there was a slow economic recovery in the tourism industry, particularly at the macro-economic level, Ezemvelo performance,

in terms of its tourism occupancy levels, has remained under pressure when compared to the entire tourism market.

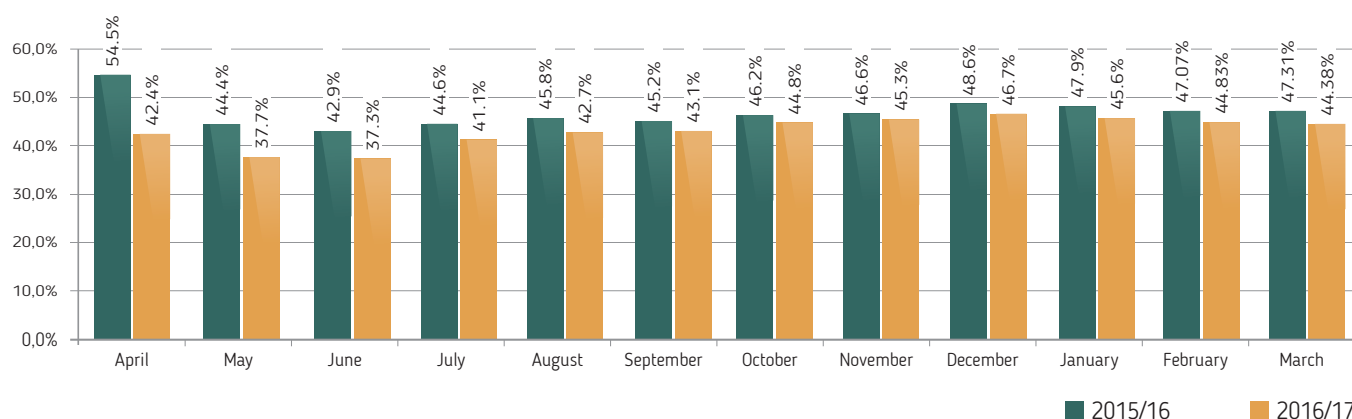
UNIT OCCUPANCY

For the period under review, Ezemvelo average unit accommodation occupancy rate was 44.4%. This is 0.6 percentage less than the planned annual unit occupancy target of 45.0%, which is also 2.9 percentage points less when compared to the same period last year.

Although Hluhluwe iMfolozi, Royal Natal, Kosi Bay, Weenen and Cape Vidal has relatively higher occupancies than other resorts, Giant's Castle and Royal Natal have shown improved occupancies when compared to the same period last year, with a growth of 2.1 and 1.4 percentage points respectively.

Resorts	2015/16	2016/17	Variance points
Hluhluwe iMfolozi	69.8%	70.2%	0.3
Royal Natal	64.9%	66.3%	1.4
Kosi Bay	60.4%	56.3%	-4.0
Weenen	50.3%	53.6%	3.3
Cape Vidal	68.7%	53.0%	-15.7
uMkhuze	57.6%	51.6%	-6.0
Giant's Castle	45.4%	47.5%	2.1
Ndumo	51.4%	45.8%	-5.6
Injisuthi	35.4%	36.5%	1.1
Midmar	44.3%	35.7%	-8.6
Oribi Gorge	49.5%	34.6%	-14.9
Umlalazi	45.3%	34.5%	-10.8
Sodwana Bay	38.1%	33.5%	-4.6
Maphelane	40.2%	32.9%	-7.3
Chelmsford	32.9%	32.9%	0.0
Didima	32.6%	31.1%	-1.5
Lotheni	28.8%	28.6%	-0.2
Kamberg	36.9%	28.1%	-8.8
Ithala	22.0%	19.4%	-2.6
Wagendrift	17.2%	15.6%	-1.6

Unit Occupancy

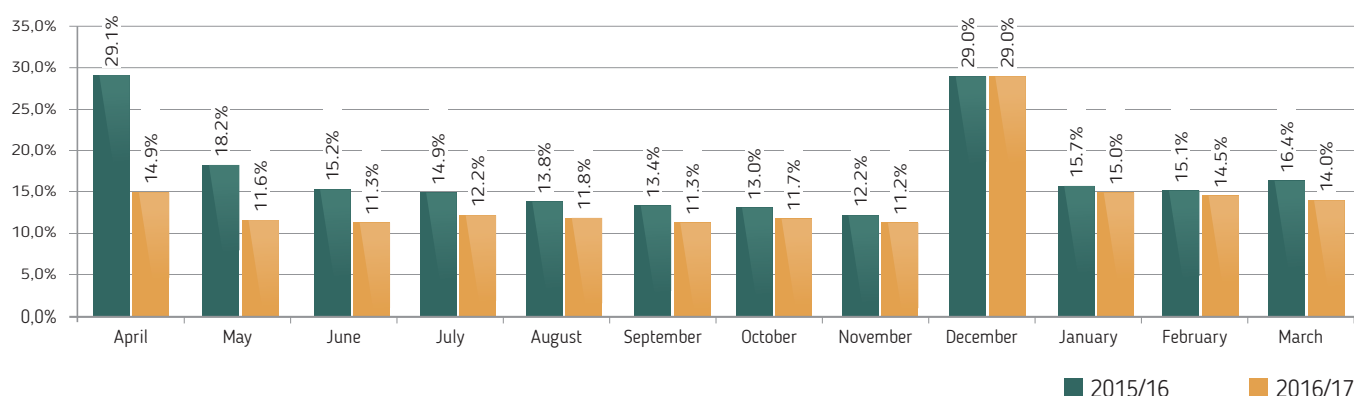


This performance can mainly be attributed to lower visitor numbers to the resorts, including the fact that there were no Easter holidays in the current financial year, while both schools and festive holidays were relatively shorter than the previous year.

CAMPING OCCUPANCY

For the period under review, Ezemvelo average camping accommodation occupancy declined by 2.4 percentage points to 14.0%, when compared to the same period last year. Although there were low visitor numbers to the resorts, this performance can mainly be attributed to the drought, a period in which camping is not favoured by safari tourists.

Camping Occupancy



Although Cape Vidal, Kosi Bay, Ndumo and Royal Natal had relatively higher camping occupancies than resorts, camping occupancies in the rest of other resorts have declined, when compared to the same period last year.

- > Improve the number of visitors to Ezemvelo Resorts = 14% growth
- > Improve Occupancy = 13% growth (both unit and camping)
- > Revenue generation through ecotourism operation = R1 billion

The strategy, therefore, is expected to yield better revenue growth in the near future, as more appropriate strategic ecotourism initiatives are being undertaken.

SALES AND MARKETING

The South African ecotourism industry remains one of the highly competitive and constantly evolving businesses, with not only, other African countries to compete with, but also other provinces in the country, while customers are constantly looking for new adventures at an affordable price. As a result, rivals are forever competing for every opportunity to increase their market share. This therefore elevates sales and marketing initiatives to form an integral part of Ezemvelo business model.

SALES AND MARKETING STRATEGY

Considering the competitiveness of the ecotourism market, Ezemvelo has developed an integrated 5 Year Sales and Marketing Strategy, in order to position its products and services advantageously.

Through this strategy, Ezemvelo KZN Wildlife has established four (4) strategy goals, namely:

- > To improve the number of visitors to Ezemvelo Resorts;
- > To improve both unit and camping accommodation occupancies;
- > To maximise revenue generation; and
- > To improve Ezemvelo KZN Wildlife brand.

Although, not only limited to the above, the strategy has set three (3) fundamental strategic goals over the next 5 year period (2016–2021), namely:

TRAVEL TRADE POLICY

In an effort to ensure Ezemvelo remains responsive to the needs of our trade market, the organisation has completed a review of its Travel Trade Policy, through an extensive consultative and benchmarking process. This policy is meant to regulate all transactions undertaken between the organisation and tour operators, while deriving mutual benefits for both the organisation and its trade partners.

Furthermore, while this policy optimises mechanisms for our ecotourism revenue generation, it also enables new entrants into the travel trade business, thereby contributing to the development of SMMEs in the ecotourism sector and thus, contributing to local economic transformation.

As Ezemvelo is a state-owned-entity that is not registered for Value Added-Tax (VAT), it has been a challenge for our trade partners to claim a tax rebate from South African Revenue Services (SARS). While the Policy emphasises Ezemvelo's Value Added-Tax (VAT) regulatory status, which many operators had previously raised as a concern, brackets of various commission structures are also provided, in order to moderate this effect, hence encouraging more operators to sell Ezemvelo ecotourism products and services.

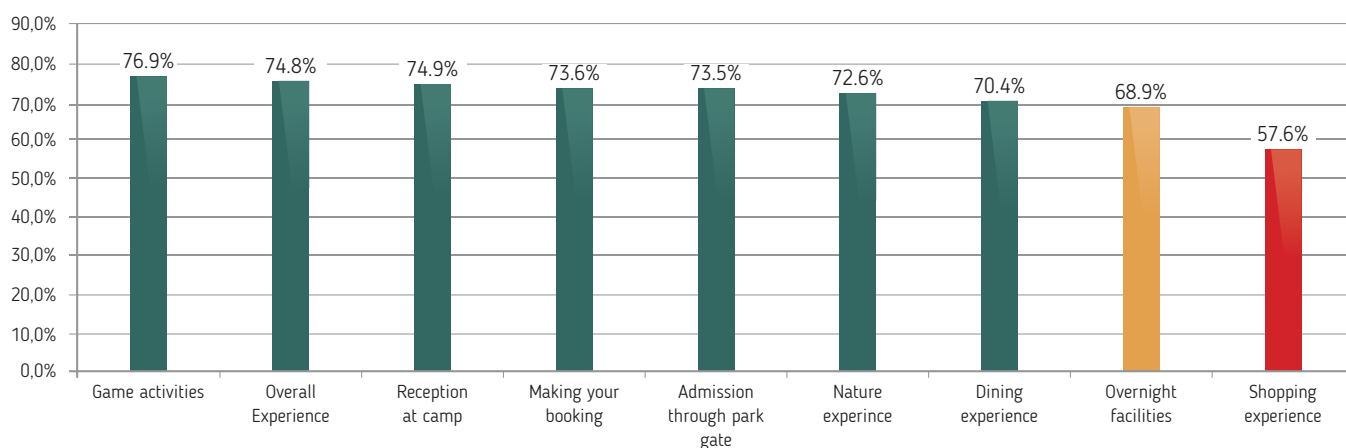
CUSTOMER FEEDBACK SYSTEM

The organisation has successfully rolled out a web-based Customer Feedback System, which has enabled management to effectively monitor customer satisfaction levels against its service offering, while at the same time, measures the level of customer satisfaction in various areas of ecotourism, through the Customer Satisfaction Index. This process has also enabled management to formulate relevant strategies to enhance its service offerings at resorts.

Although for the year under review, much effort was put on staff training, including modifying and piloting of the system, this has enabled management to set fundamental baselines for better performance monitoring, in this regard. For the period under review, the Ezemvelo Customer Satisfaction Index (CSI) was 70.9%.

Areas that had higher ratings were game activities and overall experience, with the rating of 76.9% and 75.8%, respectively, while overnight facilities and shopping experience were rated lowest with the rate of 68.9% and 57.6%, respectively.

Customer Satisfaction Index as of March 2017



EZEMVELO LOYALTY PROGRAMME

Ezemvelo has three (3) loyalty programme products, namely the Rhino-Card, Kids Club and WildCard. As WildCard is a product owned by the South African National Parks (SANParks), both data and revenue generated through this programme are managed and administered by this entity, Ezemvelo does, however, receive some proceeds from the programme.

To optimise customers' benefits from the Ezemvelo ecotourism experience, the organisation is currently in the process of remodelling its entire loyalty programme (mainly Rhino-Card and Kids Club). This undertaking is therefore, expected to improve both the frequency of customers who are repeat visitors, as well as, introducing more visitor numbers to the resorts.

level, the medium-term focus is to complete the grading process on those facilities, which are ready to be rated, considering the entity's financial constraints.

HOSPITALITY STANDARDS

In an effort to improve the quality of tourism products and services, Ezemvelo has embarked on the process of developing its own hospitality standard by using guidelines provided by the Tourism Grading Council of South Africa (TGSA). This will therefore, be used to appropriately upgrade all Ezemvelo tourism facilities, prior to any star grading being undertaken.

The specification document to standardise all tourism consumables has been completed.

GRADING OF TOURISM FACILITIES AND STANDARDS

GRADING OF TOURISM FACILITIES

For the period under review, two (2) additional resorts were graded, of which, all were repeated grades to retain their 3-star grading. These resorts include, Giant's Castle, Thendele (at Royal Natal), Hilltop (at Hluhluwe iMfolozi), Mpila (at Hluhluwe iMfolozi) and Ntsondwe (iThala). While it is the organisational long-term goal to have all of Ezemvelo tourism facilities, including camping, graded up to a 3-star

TRADE OF NATURAL RESOURCES

Responsible wildlife sales and controlled hunting have always been part of Ezemvelo's conservational methods of controlling excess fauna in our game resorts, which enables management to create a balanced ecosystem for biodiversity. On the other hand, these undertakings have enabled the organisation to raise the much-needed revenue, in order to sustain both its mandatory, and legislative conservation, obligations.

WILDLIFE SALES

For the period under review, Ezemvelo has sold over 2 000 animals of various species to qualifying buyers, through game auctions and

publicised expression of interest. In order to avoid unnecessary wildlife mortalities as a result of the drought, about 20% of the sold stock was sold through the expression from qualifying members of the public.

CONTROLLED HUNTING

Although Ezemvelo has four (4) controlled hunting game reserves, hunting for the period under review was only conducted in two (2) areas, namely uMkhuze and Spioenkop. Hunting activities in both Phongola and iThala were suspended, as a result of severe drought, particularly in the Northern parts of KwaZulu-Natal.

OUTLOOK FOR 2017/18

ECOTOURISM PERFORMANCE

Our recent budget cuts, as well as rising inflationary rate, have necessitated a relook into both our business model and operations of our resorts, in the near future. Although this will be an on-going endeavour, it will be monitored and modified as the year progresses, based on individual performance of our resorts, while avoiding losing focus on both our mandatory, as well as legislative obligations.

TOURISM INFRASTRUCTURAL UPGRADE

Through the funding received from the National Department of Tourism, plans have been put in place for the upgrade of our tourism facilities at Midmar resort, while other resorts, such as Ithala, Didima, Royal Natal, Hluhluwe iMfolozi, and Mantuma, will see their roofing structures and road infrastructure upgraded to high, modern standards.

HUNTING ACCOMMODATION FOR ECOTOURISM

As part of our revenue maximisation strategy, accommodation facilities, which were previously reserved only for hunting visitors, will now be available to the public, out of hunting season. As such, these facilities have been included in our reservation and booking system.

SALES AND MARKETING STRATEGY

Gradual rollout of our Sales and Marketing Strategy, will result in the implementation of some of the key strategic initiatives, to be drawn from it. Much as one would like to be optimistic about this, it should be noted that the successful rollout of these initiatives, will be subject to adequate fund allocations.

Amongst other initiatives, the strategy will enable the organisation to roll out an effective social media strategy, that will cover platforms such as Facebook; Twitter and Instagram, to mention a few.

PRICING STRATEGY

An internal tariff committee will be revising the single tier pricing model, after more due diligence and sensitivity analyses have been completed, to ensure fair pricing of our product. This will ensure

increased revenue generation benefits going forward. While the main focus of the model will be based on the origin of visitors (i.e. RSA; SADC and international), seasonal pricing will also be considered based on the demand and supply of the product, as is currently the case. A two-tier pricing strategy will be rolled out, where both South African and SADC visitors will be given preferential pricing, as compared to other international visitors.

TRAVEL TRADE POLICY

At the time of reporting, the Travel Trade Policy was at the final stage of being approved by the Board, hence this is expected to be published by May 2017, at the 2017 Tourism Indaba in Durban.

The policy will enable management to regulate all transactions undertaken between Ezemvelo and its official and/or prospective tour operators, hence defining the principles in which travel trade transactions and tariffs are set and commissioned for sales related to Ezemvelo ecotourism products and services.

FACILITIES STAR GRADING

While continuing with the process of grading some of the identified tourism facilities, next years' focus will be to formalise, document and implement the organisational hospitality standards for all tourism products and services.

The evaluation and grading exercise undertaken of all facilities during the year, has created a valuable benchmark. This will guide where we need to allocate funds and focus attention to improve the standards of our tourism accommodation. These areas include infrastructure maintenance, housekeeping, upgrading of furnishings, softs, fixtures and fittings to place us in a position to once again be competitive in the market. Although a massive and daunting task, management has already commenced, and will systematically continue, making the best of economies of scale, to facilitate the improvement process in this regard.

INTEGRATION OF TOURISM BOOKING AND INVENTORY MANAGEMENT SYSTEM

In an effort of optimising our ecotourism operations, the project development, a cloud-based integrated booking and inventory management system, will be piloted at selected resorts. This will widen our points of sales in relation to unit and campsite bookings, instead of the current set-up, which is limited to central reservation at Ezemvelo head office only.

This piloting will be implemented, parallel to the call centre system, which will reduce the number of drop-calls whenever customers make a booking through our reservation.

WILDCARD PROGRAMME

Although Ezemvelo has been receiving sales proceeds from the SANParks WildCard programme, a formal allotment agreement between the two parties is still to be concluded. Completion and signing of this agreement will be prioritised, in order to improve governance in this regard.

C. CORPORATE SUPPORT SERVICES

1. TECHNICAL SERVICES

The following projects were initiated and completed during the 2016/17 financial year:

1.1 BUILDINGS / ARCHITECTURAL / QUANTITY SURVEYOR: MAINTENANCE PROJECTS

Maintenance projects in various Game Reserves were implemented. 80% of projects were completed and the remainder has been carried over to the 2017/2018 financial year, due to the overlap of completion dates.

The following Capital Projects were received by Technical Services from various reserves.

- > Mfolozi Camp no. 4 - 10 bed units were completed.
- > Masinda Camp - 10 bed units were completed.
- > Thatching projects in various reserves, Giant's Castle, Ntshondwe Reception Area, Ithala Conservation staff houses, Didima Chalets, Hilltop, Mpila Curio Shop, Game Capture, St Lucia Crocodile Center, Lotheni Camp and Skyline.
- > The fencing projects were completed, Tembe at R4.2 million, Ithala Game Reserve at R3.5 million and a R35 million project at HiP, which is currently sitting at 85% complete.

1.2 ROADS

The following roads were completed:

- > Ntsikeni 11 km Road completed in June 2016.
- > 68 Km Hluhluwe Imfolozi Park road was completed in July 2016 and additional storm water drainage is progressing well - to be completed by 31 May 2017.

1.3 WATER CARE MANAGEMENT

- > Northern Zululand areas were severely affected by drought. Most rivers and springs were dry, leading to supply of water to reservoirs through outsourced water tanker companies. This exercise was at great cost to the organization and considerable savings could be achieved if water could be abstracted from groundwater sources. A drought relief funding of R5.8 Million was approved from the Department of Tourism and Environmental Affairs. A number of areas that are hard hit by drought benefited from this funding including Hilltop, Ntshondwe, Phongola, Tembe, Ndumo, Mkuze etc., where borehole projects were implemented.

1.4 MECHANICAL AND TRANSPORT MANAGEMENT

- > 2 x 12 000l trucks were bought for Hluhluwe Imfolozi and 10 passenger vehicles were bought for various reserves, including 2 that have been converted to game drives for Giant's Castle Resort and Hilltop Resort.



2. PROJECT OFFICE

2.1 EXTERNAL SOCIAL RESPONSIBILITY PROJECTS

No.	Project Name	Project Description	Job Opportunities	Status
1.	Working for the Coast Project 15/18	Coastal Cleaning, Cleaning tourism nodes, Post and rail fencing, Tree Planting, Small signs – 600 x 900mm, Signage (medium), Large signs – 1,500 x 1,500mm, Litter bins-concrete, Benches-Recycled Plastic, Hiking Trail, Alien plant removal.	Employment Opportunities: 96 Project Budget: R 11 400 000.00	The Construction of the Entrance Gate and Supporting Facilities, Construction of Guard-House and the Construction of Events Facility has been completed successfully.
2.	Siyaya Coastal Park Project (uMlalazi),	Demolition of the existing events facility, construction of new events facility, demolish existing ablution block, construction of new ablution block near the lapa, remove existing boom gate and surrounding landscape, construction of the new entrance gate facility and supporting facilities, construction of kiosk near the lapa and events facility, construction of a conservancy tank for chalets and events facility and upgrade an existing septic tank at the entrance gate within uMlalazi Nature Reserve.	Job Opportunities: 46 Project Budget: R 4 200 000.00	The Construction of the Entrance Gate and Supporting Facilities, Construction of Guard-House and the Construction of Events Facility has been completed successfully.
7.	Ongoye Forest Lodge Development Project	Construct entrance gate facility, exhibition centre, and visitor facility accommodation, staff accommodation with laundry and storage, restaurant, erect fencing, construct the concrete strip road, development of the picnic sites and erect the information signage.	Job Opportunities: 113 Project Budget: R 15 000 000.00	The contractor is on site, the project is progressing well, and construction is at the internal divisions level with the construction of the 5 chalets, the anticipated completion date is the 31st of March 2018.
8.	Ingodini Border Caves	Construction of Vehicular entrance, Information Centre, rondavels: 2 x 4 sleeper chalet units.	Job Opportunities: 45 Project Budget: R 7 189 500.00	Contractor was handed over on site in December 2016, but there is a need for Environmental Assessment to be conducted before the Construction can commence on site, the process of EIA has begun with anticipated end date to be on the first quarter of the new financial year.
9.	Invasive Alien Species Programme	Of the estimated 9 000 plants introduced to this country, 198 are currently classified as being invasive. It is estimated that these plants cover about 10% of the country and the problem is growing at an exponential rate. The fight against invasive alien plants is spearheaded by the Working for Water (WFW) Programme, launched in 1995 and administered previously through the Department of Water Affairs and Forestry and now the Department of Environmental.	Job Opportunities: 2342 Project Budget: R 12 849 251	The report presents results of the Ezemvelo Invasive Alien Species Programme for the 2016/2017 financial year. The year under review has been a very challenging year for the programme. After receiving funding at the end of June and preparations were being made to implement the programme, one staff member was lost, following an attack by an elephant, whilst on duty. This delayed the implementation of the programme (particularly in the Zululand Region), and has resulted in minimal clearing taking place in areas with big five game, as a decision was taken for teams to be accompanied by field guides, when doing clearing work in fields. Clearing in other regions was also affected, as the Department of Labour indicated that a large sum of money is owed for COLDIA and needs to be paid in full before a letter of good standing is issued. Even though the first tranche invoice was paid at the end of June 2016, the project started roll-out in August 2016. The programme has not been able to achieve all targets that were set for the 2016/2017 financial year. Hectare targets have not been achieved, but person days and expenditure targets have been achieved, despite the number of challenges faced. The main programme has been able to achieve a total expenditure of R 36,010,361.87, and R 116,510.28 is currently committed. A total of R 4,463,558.87 has been spent thus far on the parthenium project. The total person days achieved in the 2016/2017 financial year in the main project (147 742) were more than the planned person days (122 410). Of the total person days, 33 591 were training person days. Total hectares completed are 79 606. Of the total, 77 850 is follow-up and 1 756.70 are initial hectares. A total of 2 400 people were employed in the programme in ten district municipalities, in the year under review. For the parthenium project, 18 318 person days, and a total of 149 people have been employed.
10.	Natural Resources Management Programme	The Natural Resources Management Programme comprised of Working for Rivers (WfR), Investment in Ecosystems Services (IES). > Working for Rivers (WfR): River clean-up and Rehabilitation in Ibisi and Shayeni rivers. > Investment in Ecosystem Services. (IES): Donga rehabilitation in upper uThukela catchment.	The project has provided 374 work opportunities and 93 full time equivalents. The value of funds approved is R 9 681 871.71	The APO for 2016/17 was approved in December, between Ezemvelo and DEA: NRM. This allowed for the implementation of the projects under NRM. It is worth noting that the funding from DEA: NRM was received later than expected, which then affected spending and delivery.

2.2 COMMUNITY LEVY PROJECTS

COMMUNITY LEVY PROJECT IMPLEMENTED IN 2016/17

In the 2016/17 financial year, five (5) projects were implemented in communities neighbouring protected areas. Two rolled over from the previous year.

TOTAL VALUE: R2 071 684.88

No	Project Name	Project Description	Location	Beneficiary Community
1	Inqubeko Sewing Project	Establish a sewing enterprise.	Okhahlamba Local Municipality, Amangwane Traditional Council.	Amangwane Traditional Council and uThukela District. The project supplies schools and other institutions with uniforms in the uThukela District.
2	Qalekhaya Furniture Project	Establish a furniture assembling project.	Mpungose Traditional Council in Ward 13: uMlalazi Local Municipality.	KwaMpungose Traditional Council. Qalekhaya Cooperative supplies school furniture to schools in KZN.
3	Repair and dredging of existing dams	Repair and dredging of existing dams for the community livestock.	Somopho Traditional Council.	Bhiliya community under Somopho Traditional Council.
4.	Bhangazi Community Trust	Part of land claims agreement to pay 70 % of community levy funds from Cape Vidal.	Mpukunyoni Traditional Council, Mtubatuba Local Municipality.	Mpukunyoni Traditional Council under Mtubatuba Local Municipality.
5.	Mpukunyoni Traditional Council	Part of the land claims agreement to pay 20 % of community levy funds from Cape Vidal.	Mpukunyoni Traditional Council, Mtubatuba Local Municipality.	Mpukunyoni Traditional Council under Mtubatuba Local Municipality.

3. INFORMATION TECHNOLOGY

Despite budget and resources constraints, IT was still able to deliver on its main function. Its main function being, continuously driving and improving business operational efficiencies and effectiveness.

Performance indicator	Planned Target	Actual Achievement in 2016/17	Variance from Target	Comment on Variations
Percentage of IT system Uptime	99.9%	98.0%	1.9%	98% system uptime was the achievement for the year. The variance was to unplanned maintenance, due to hardware failing and power outage.
APP Projects completed from IT strategy for 2016/17	8	7	1	7 of 8 projects were completed. The variance of the 1 project (Cloud DR) not completed was due to unavailability of budget.
Number of IT AG Audit resolved	19	10	9	Attempts to resolve 100% of the findings could not be achieved due to; 1. Budget not available 2. Freeze on recruitment.
Projects implemented to enhance performance for the organisation.	1	3	2	A new service desk system was implemented to improve turnaround time on call resolution in IT. As a cost saving initiative, the following was conducted. 1. Replacement of outdoor telephone extension. 21 of these extensions were converted to IP telephony and that saved Ezemvelo a total of R 201 600 p/a on out extension rental. 2. Linking of our regional office in Durban to Head Office PABX, that has enabled free inter-site calls, saving ezemvelo on telephone costs.



D. HUMAN RESOURCES

INTRODUCTION

The Ezemvelo human resources division is made up of various divisions, which focus on specific aspects of human resource management. These include organisational development and performance management, HR administration, HR development, employee wellness, health and safety, recruitment management and employment relations, and have been reported on separately.

1. EMPLOYMENT RELATIONS

The Employment Relations division is responsible for the management of grievances, discipline, collective bargaining and dispute resolution. In addition to the above functions, the division is responsible for ensuring that the labour relations environment is stable and that conflict between management and employees is minimised.

GRIEVANCES

In addition to long outstanding grievances reported in the previous financial year relating to migration, the following grievances were received:

Grievances	
Nature of Grievance	Number of Grievances
Discrimination and victimisation	3
Dissatisfaction with current supervisor	0
Challenging the report of OHP	1
Non-payment of salary adjustment	1
Dissatisfaction with payment of acting allowance for 1 year only	0
Dissatisfaction with comments made by the SM:ER	0
Seasonal workers contract	1

DISCIPLINARY CASES

The following disciplinary cases were handled in 2016/2017. There seems to be an increase in cases of absenteeism, alcohol abuse and negligence. A joint effort between the ER team and Employee Health and Wellness teams, are required to deal with these cases.

Disciplinary Hearings	
Nature of Misconduct	Number of misconduct
Absenteeism	1
Misappropriation of EKZN property	7
Bringing organization into disrepute	1
Negligence	3
Leaving the place of work unauthorised	0
Alcoholism	4
False evidence	2
Unprotected strike	0
Refusal to carry lawful instruction	6
Improper performance of duties	0
Failure to report damages	0
Breach of employees duty of good faith	3
Gross negligence	3
Inciting workers to participate in unprotected strike	1
Dishonesty	1
Corruption	3
Theft	2
Removal of material without authority	1
Intimidation	1
Possession of Drugs	1
Abscondment	5

APPEALS

An Appeals Committee was appointed in 2015. The following appeals were referred to the Appeals Committee, during the last financial year.

Appeal Hearing	
Nature of appeal	Number of appeals
Dismissals / Harshness of sentence	4
Procedural defects	1

CCMA CASES

The following cases were referred to the CCMA.

CCMA Cases	
Nature of dispute	Number of disputes
Probation issue	0
Suspension	0
Discrimination	1
Non-renewal of contract	1
Unfair dismissals	6
Unfair conduct and promotion	1
Failure to pay acting allowance	0
Labour Court Cases	
Nature of dispute	Number of cases
Review of arbitration award	3

COLLECTIVE BARGAINING

We reviewed the fulltime Shopsteward agreement and the recognition agreement. Even though the organisation is facing financial constraints, we were able to finalize the annual negotiations.

2. RECRUITMENT

This unit is responsible for recruitment and the selection process in Ezemvelo KZN Wildlife, to ensure that the recruitment process is carried out in a systematic and equitable manner.

CHALLENGES AND DEVELOPMENTS

In 2015/2016, the Office of the Premier and KZN Treasury, issued a moratorium on the filling of vacant positions, due to the shortfall in the provincial budget. The decision to introduce further cost-cutting measures in the province included a decision to freeze all vacant positions with immediate effect. However, the Treasury Circular 15/P/1 allowed for positions, that were already in the process of being filled, to be finalized.

This sustained moratorium in filling of critical positions, presents numerous operational challenges and it hinders the implementation of the organisation's strategic plans, as the organisation already has a number of vacant positions, as a result of exits and natural attrition.

Numerous requests for approval, to fill the positions were made to the Department of Treasury, with no success.

KEY APPOINTMENTS FOR 2016/17

Through executive approval, 18 critical vacant positions were filled. The CEO has further approved the recruitment of 20 positions for Biodiversity Conservation field operations, which are to be advertised and filled internally.

OUTLOOK 2017/18

The recruitment process will continue on an ad hoc basis, pending the budget cuts situation.

3. HR DEVELOPMENT

HR Development deals with employee training and development, the workplace skills plan, learnership, internship and experiential learning programmes, the Management Development Programme, AET, and the Apprenticeship Programme.

The Annual Training Report (ATR) for the Financial Year 2015/16, and Workplace Skills Plan (WSP) for the Financial Year 2016/17, was accepted and approved by the CATHSSETA, which resulted in the organisation receiving the 20% Mandatory Grant, of the 1% paid as a Skills Levy.

A total number of 2217 employees were trained in the period under review in technical skills, staff development (soft skills) and legal compliance training. In this period, emphasis was placed on Legal Compliance training, due to the budget cuts implemented. Furthermore, no new bursaries were offered in this financial year. However, the amount of R97, 039.23 was spent as tuition towards existing bursaries.

As part of our contribution to job creation, skills development and alleviation of unemployment within our neighboring communities, Ezemvelo was involved in a number of Career Exhibitions, hosted across the province. Furthermore, 12 young people were hosted under our Internship Programme and 58 under the Work Integrated Learning Programme. This assists young people to either gain the necessary work experience to make them more employable and/or an opportunity to do the work required, in order for them to meet the requirements to obtain their qualifications.

Ezemvelo continues to ensure that skills in the Biodiversity and Tourism Sector are adequately planned for, trained accordingly and harvested timeously, by partaking in the different forums that consider such issues. In 2016, Ezemvelo took part in the National Tourism Skills Audit, conducted by the Department of Tourism, together with the Cathsseta.

CHALLENGES AND DEVELOPMENTS

The aging facilities of the Training Centre are becoming a concern. Unfortunately, with the continued budget cuts, minimal can be done. The Business Development Unit has been engaged to look into how else the facility can be utilised, to generate income, so it can be self-sustainable.

The internal Skills Audit Project was unsuccessful. The submitted data could not be validated due to its quality. It was evident that for most submissions, it was purely a paper pushing exercise.

OUTLOOK 2016/17

The Division will continue to deliver on much needed development, especially for Legal Compliance requirements. We will further engage with the Business Development Unit to ensure that the process, of turning the Centre into a Centre of Excellence, is started.

The Workplace Skills Plan will be implemented, in order to meet the CATHSSETA Mandatory Grant Regulations.

4. HUMAN RESOURCES ADMINISTRATION

Human Resources Administration deals with payroll management, payroll creditors, leave management, medical aid, union membership, and the pension/provident funds.

REVIEW OF HR POLICIES

The Human Resources division has a total of 59 policies. A number of policies were reviewed during the 2016/2017 financial year. Human Resources had a target of seven policies identified for review. However, the total of policies reviewed were 12, with one policy approved by the Board. During the review process, most of these policies were consolidated into one policy to ensure proper alignment

EZEMVELO DEMOGRAPHICS

The demographics of Ezemvelo permanent staff for the financial year 2016/2017 were depicted as follows:

Occupational Level	[F] Female					[M] Male					Grand Total
	Asian	Black	Coloured	White	Total	Asian	Black	Coloured	White	Total	
Top Management	0	0	0	0	0	0	4	0	0	4	4
Senior Management	0	5	0	1	6	2	8	0	2	12	18
Professionally Skilled	4	42	2	16	64	6	74	2	42	124	188
Skilled	10	47	1	18	76	5	76	3	20	102	179
Semi-Skilled	20	255	8	14	297	6	965	2	2	975	1272
Unskilled	0	256	0	0	256	0	441	1	0	442	697
TOTAL	34	605	11	49	699	19	1 568	8	66	1 661	2360

TOTAL ENGAGEMENTS AND EXITS

A total of 39 employees were engaged during this financial year. Of the 39, there were a total of 31 employees absorbed in line with Operation Lungisa project, which formed part of the 2015/2016 financial year implementation plan. On the same breath, we lost various skills to a total of 111 employees, who exited between April 2016 and March 2017. Of the 111 exits, a total of 58 employees exited the organisation due to retirement, 21 were deceased, 22 resigned and 10 were dismissed.

ANNUAL COST OF LIVING

The annual cost of living adjustments were implemented, according to the agreement signed at the Public Service Bargaining Chamber.

RETIREMENT FUNDS

Road-shows were carried out for retirement funds and funeral benefits, towards the end of the financial year. The purpose of these road-shows were to advise employees on the benefits that are linked to their Pension/Provident Funds and to advise staff of the benefits that are due to them and their families, upon their death. The road-shows also covered education to employees that are close to retirement, on how to go about handling their financial well-being at retirement age.

MEDICAL AID

The employer appointed Commed as the new service provider for the free medical aid to the A & B band employees, with Roots as the option plan at a contribution rate, according to member's salary level, to a maximum of R1 454.00. The previous service provider was Medshield with the Medivalue option at a contribution rate of R1 521 per employee. By appointing the new service provider, the organization saved R703 505.00 per month. The Commed road shows started on the 16th of January and the first presentation was done with organised labour, which concluded in February 2017.

Moso Consulting Services was appointed in December 2016, to render medical aid brokerage services to all employees. Moso Consulting is not paid by Ezemvelo for services rendered to employees, but is paid by the different Medical Aid Schemes, as provided for in the Medical Scheme Act.

STAFF VERIFICATION

The verification of employees started on the 29th August 2016 with Head Office employees, East region started on the 5th September 2016 and the West region was initiated on the 17th January 2017.

This project was completed on the 6th December 2016 for the East region and finalized on the 10th February 2017 for the West region. A total of 2 041 employees were verified during this period, out of about 2 400 employees. As at the end of the financial year, most of the data had been captured to ensure that the payroll system is updated accordingly.

The numbers reflected above, indicate that not all employees were at stations during verification. Included in those not verified, were employees on temporary disability, suspended employees at the time, sick leave and those on time off. Arrangements to meet those who are on temporary disability and off-sick are being made. Employees have also been requested to come to different office to verify themselves.

The verification process will only reveal whether there are any ghost employees, once the whole process has been completed.

REDEPLOYMENT OF INCAPACITATED FIELD RANGERS

The Occupational Health Doctor declared twenty Field Rangers permanently unfit to perform their current duties, due to their medical conditions. These employees were taken through an Incapacity Committee to investigate alternate accommodation. Consultation with organized labour was done and the agreement was finally reached that these employees be deployed as gate guards, at the stations where they are currently serving or nearest station in line with Dr's recommendations. However, out of twenty, four were happy to move out of their current stations. The affected Field Rangers were mainly from Tembe Elephant Park, Ndumo Game Reserve, Kosi Bay and St Lucia at Isimangaliso. Very few employees were from the West region.

FIRE MANAGEMENT

Fire management is a Legal requirement, which requires that Ezemvelo KZN Wildlife manages fire, especially during winter to prevent runaway fires. This project normally runs from February to October, each year. Drakensberg employs people from the surrounding communities for this project, on an annual basis. In the last financial year, 2016/17, this project employed a total of Four Hundred and Sixty (460) fire season contract staff. Failure to manage these fires, could risk Ezemvelo KZN Wildlife's properties and that of the surrounding neighbours, which could result in a huge liability for the organisation.

The 2016/2017 fire season project was planned to start on 15 February 2017. Unfortunately, there were major delays beyond our control, which contributed to the project eventually starting on the 20th of March 2017. This was a huge risk for the organisation.

In meeting the legal requirements, Ezemvelo conducted inductions for all workers and drew up correct Personal Protective Equipment (PPE) specifications which were issued to the relevant employees.

CHALLENGES AND DEVELOPMENT

Lack of Human Resources will continue with an investigation into an Integrated Human Resources System.

OUTLOOK 2017/2018

Human Resources will continue with an investigation into an Integrated Human Resources System.

5. EMPLOYEE HEALTH AND WELLNESS

This component deals with both health and social aspects of employee lives, which are sometimes extended to their families.

EMPLOYEE HEALTH

Health is managed by Occupational Health Practitioners with a contracted, Occupational Medical Practitioner, as per the Occupational Health and Safety Act, 85 of 1993. To ensure compliance, medical surveillance for all pre-employment, ensuring that the correct placements are conducted accordingly. A total of 1 198 pre-employment medicals were conducted for engagements of fire, general assistants, camp attendants, receptionists and environmental monitors.

INCAPACITY MANAGEMENT PROGRAM

The program was initiated and a committee, comprising of relevant stakeholders was formed. This committee has been very effective and has presided over, and decided on, a number of cases. It also assisted in the redeployment of incapacitated employees to other functions, in line with the Disease and Incapacity Management policy. Less than 20 Field Rangers were deployed to gate duties after being declared as permanently unfit to carry on their job specification by Occupational Medical Practitioner, due to ill-health.

EMPLOYEE WELLNESS

A continuous awareness creation program is conducted, targeting the areas of social and health patterns, picked up at the clinic and reported by management. Substance abuse has been a serious drive, where 14 stations were visited and 345 members attended the talks. 16 days of activism against Abuse of Women and Children was commemorated with a renowned Zulu Royal House speaker, de-stigmatizing abuse in our culture. The program was well attended and the message hit home on all present. World Aids Day was commemorated on the 1st of December 2016 and was well attended by 232 employees.

The increased activities in our Big 5 reserves have seen an increase in number of employees who needed psychological assessment and treatment. A total of 12 employees were attended by the wellness professionals and 5 employees were referred to specialists. All of them have made a full recovery and are back on duty.

CHALLENGES AND DEVELOPMENTS

Health Risk assessments have been initiated as a program aimed at assessing health risks, from data collected at the clinic, establishing reasons for increased absenteeism in business units, trying to find common grounds and creation of harmonious relationships. This has been a major challenge, as the first project triggered challenges

in relationships amongst departments. This program will be revived, hoping for better results. High rate of ill-health and the high rate of deaths, remain an alarming challenge for the organisation, as it does not only impact on the families, but also impacts negatively on the health of the organisation.

OUTLOOK 2017/18

There is great need for absenteeism to be managed and this will require all stakeholders to work together to ensure it is well managed. The Employee & Wellness section will continue, ensuring improved working relationships amongst divisions, in order to improve the situation.

6. HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety (OHS) derives its mandate from the Occupational Health and Safety Act (OHSA), 85 of 1993. The main objectives of the Occupational Health and Safety Act, is to provide for the health and safety of persons at work, against hazards to health and safety, arising out of, or in connection with, the activities of persons at work. It further seeks to establish an advisory council for occupational health and safety and to provide for matters connected therewith.

Occupational Health and Safety Act envisages the identification, evaluation and management of risks in the workplace. The continuous health and safety audits are conducted to determine compliance level of Ezemvelo KZN Wildlife with specific legal requirements and to assess the implementation of the safety management programmes. This enables the organization to be able to deal with hazards route causes thus minimizing injuries.

SCHEDULED AUDITS

In 2016, there were 86 Health and Safety audits conducted, including monitoring and evaluation, and 26 external audits by the Department of Labour Inspectors. The compliance rate is currently sitting at 89%, with all the protected areas in the province.

INCIDENTS

The organization recorded 25 injuries on duty and 2 fatalities, during 2016. All the injuries on duty recorded were investigated and reported to the Department of Labour. A total of 18 injured on duty cases were finalized and the 2 fatality cases were closed by Compensation.

INSURANCE CLAIMS

There were 23 insurance claims recorded, which included the Centenary Centre claims which has since been finalized.

DISASTER MANAGEMENT

The province experienced severe drought in the year 2016. Many resorts ran out of water and had to cart water into the parks. This affected the human, animal and plant life. Ezemvelo drilled and equipped 9 boreholes within the different parks, to ensure water was available to supplement cart water. Funding was made available by the Provincial Department of Economic Development and Environmental Affairs to assist with this challenge.

RISK ASSESSMENTS

There were 27 risk assessments conducted in 2016/17 and reports were generated for the relevant managers. These assessments included the special projects units and all corrective measures were implemented accordingly.

CHALLENGES AND DEVELOPMENTS

The main challenges to achieve the compliance, is due to the staff shortages at the station level and the vacant posts of Officers in Charge. The Occupational Health and Safety is monitored on a monthly basis. However, due to shortage of staff, the turn-around time for getting back the stations is taking too long. The restriction of mileage and budget cuts are also contributing immensely to achieving the full 100% compliance within Ezemvelo facilities, since the number of visited stations has had to be reduced to 2 stations per month.

OUTLOOK 2017/18

All health and safety officers are required by law to be registered with the professional bodies, such as, the Institute for Occupational Safety Management (IOSM) or the South African Institute of Occupational Safety Health (SAISH) and be admitted by the provincial Department of Labour to ensure they provide professional support to the organisation. This section therefore, will continue to support the entity with its occupational health and safety needs and continue to maintain good relationships with other stakeholders, such as the Provincial Cooperative Governance of Traditional Affairs (COGTA) and the Department of Labour (DOL).

The health and safety unit is hoping to achieve 100% safety compliance and zero injuries at work in future.

E. INTERNAL AUDIT UNIT

1. CURRENT SITUATION ANALYSIS

The Audit Services Division within Ezemvelo comprise of two sub-units, namely the Audit Services and the Forensic Investigation Unit.

AUDIT SERVICES

The Audit Services sub-unit continues to provide independent and objective assurance and consulting services in the areas of 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, prior to its approval by the Audit and Risk Committee. As such, the sub-unit, through the approved 2016/17 annual audit plan, performed and reported on 22 internal audits, which covered various processes within the organisation.

On a continuous basis, the unit performed follow-up reviews to determine and report on the progress achieved, in addressing the audit issues raised in both Auditor Generals' Reports 2015/16 and various Internal Audit Reports. On a quarterly basis, the sub-unit also appraised the Audit and Risk Committee on outcomes of the audits performed during the year, status of the dashboard and implementation of management action plans to address both internal and external audit findings, and the status/progress on the implementation of the audit plan.

The sub-unit managed to revive the quality assurance improvement programme, wherein the Audit Methodology was reviewed, and the supporting automated solution was installed in the organisations network. The implementation of the periodic internal assessment will be the next step in the process.

FORENSIC INVESTIGATIONS

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 the year under review, the unit investigated fourteen (14) cases. A total of seven (7) cases were completed and reported on as at end of 2016/17. Of the seven completed cases, only one case did the investigation confirm the fraudulent activities as alleged, whilst no evidence was obtained to substantiate the fraudulent activities as alleged.

> Eleven (11) cases were referred to management for action, as forensic investigations were not required to resolve the matters. Throughout the year we implemented a process wherein we followed up with management in resolving these matters.

> We continued to implement the follow-up processes to determine and report on the progress management made in implementing the recommendations, emanating from the completed investigation reports for 2016/17 and prior years.

> Four separate reported suspected fraudulent matters were investigated by KZN Treasury on behalf of Ezemvelo. Two of these cases were found to have sufficient evidence that indeed some fraudulent activities had taken place. The balance of the other cases are still under investigation. On a quarterly basis, the Audit and Risk Committee was appraised on the status of the investigations performed by the internal team and Provincial Treasury's Forensic investigation team, as well as the follow-up process on implementation of recommendations and actions, emanating from the completed investigations.

2. CHALLENGES

Due to budget constraints, the Audit Services sub-unit was unable to implement specialised audits, such as the Information Technology (IT) audits. The use of consultants to implement Forensic Investigations was not required, as the nature and complexity of the cases did not require any additional expertise, as opposed to what the current capacity, within the unit, already possess.

3. OUTLOOK FOR 2017/18

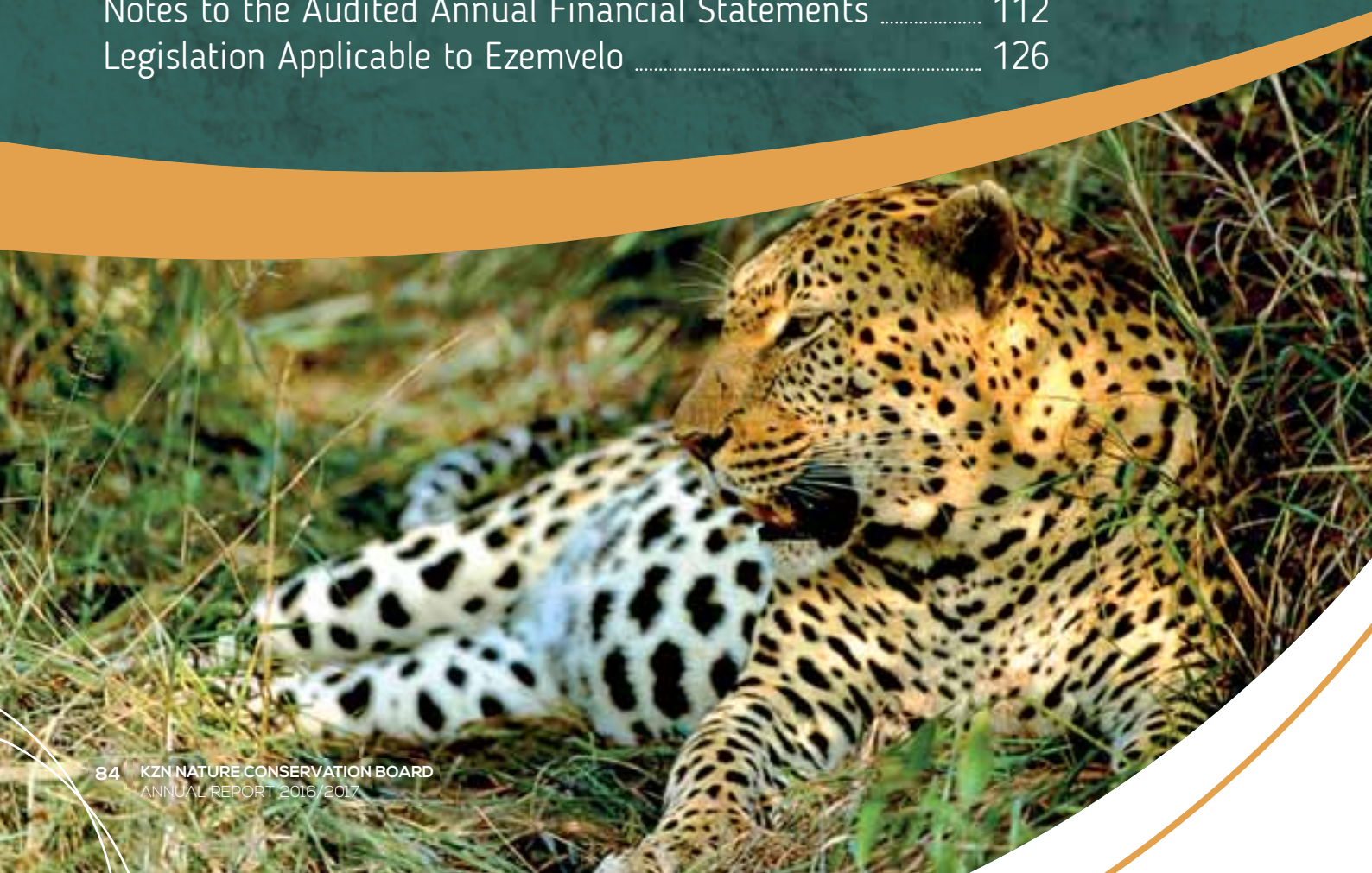
The Internal Audit Unit will continue to build capacity around the specialised audits, through the establishment of the dedicated panel of professional service providers for internal audit and forensic investigation services. It should be noted that the current budget-cuts will still play a huge role on whether or not specialised audits and forensic investigations, utilising the service providers, will be feasible, unless the matters to be reviewed are urgent and crucial for funding to be availed.

Due to the continued budget constraints, other cost-effective ways to provide the internal staff with necessary training and exposure, will still be explored. The unit will continue to provide assurance services, covering the areas relating to internal controls, risk management and governance processes in a form of full scope audits and through follow-ups, utilising the audit log.

The unit will continue to implement the quality assurance improvement programme, which will pave a way for a quality review by IIA to be performed. With regards to the Forensic Investigation sub-unit, we will continue to conduct investigations and follow-up on the implementation of recommendations, emanating from the forensic investigation reports.

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REPORT OF THE AUDITOR-GENERAL TO PROVINCIAL LEGISLATURE ON THE KWAZULU-NATAL NATURE CONSERVATION BOARD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

1. I have audited the financial statements of the KwaZulu-Natal Nature Conservation Board set out on pages 101 to 125, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the KwaZulu-Natal Nature Conservation Board as at 31 March 2017, and financial performance and cash flows for the year then ended in accordance with South African Standards of General Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

BASIS FOR QUALIFIED OPINION

REVALUATION RESERVE

3. I was unable to obtain sufficient appropriate audit evidence that the revaluation reserve for the year under review and previous year had been properly accounted for, as there was an amount of R226,62 million included in the revaluation reserve which cannot be supported by management due to the status of the accounting records. I was unable to confirm the revaluation reserve by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the revaluation reserve stated at R226,62 million (2016: R226,62 million) in the financial statements.

PROPERTY, PLANT AND EQUIPMENT

4. I was unable to obtain sufficient appropriate audit evidence that property, plant and equipment had been properly accounted for, as the entity changed the accounting policy in the current year from revaluation model to cost model and did not reverse the revaluation reserve raised against the assets. I was unable to confirm property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the property, plant and equipment stated at R787,23 million (2016: R743,25 million) in the financial statements.

DEPRECIATION

5. I was unable to obtain sufficient appropriate audit evidence that depreciation for the year under review had been properly accounted for, as the entity changed the accounting policy in the current year from revaluation model to cost model and did not reverse the revaluation reserve raised against the assets. I was unable to confirm the depreciation by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the depreciation stated at R48,14 million (2016: R33,44 million) in the financial statements.

CHANGE IN ACCOUNTING POLICY

6. I was unable to obtain sufficient appropriate audit evidence that the change in accounting policy note had been properly accounted for, as the entity changed the accounting policy in the current year from revaluation model to cost model and did not disclose the impact of the change in the financial statements. I was unable to confirm the change in accounting policy note by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the change in accounting policy note in the financial statements.
7. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
8. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the 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.

REPORT OF THE AUDITOR-GENERAL TO PROVINCIAL LEGISLATURE ON THE KWAZULU-NATAL NATURE CONSERVATION BOARD ...continued

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

EMPHASIS OF MATTER

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

SIGNIFICANT UNCERTAINTIES

11. With reference to note 23 to the financial statements, there is a lodgement against the state by land claimants in which the entity is the user of the land. There remains significant uncertainty as to the identity of the new owners as the title deeds have not been finalised. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

12. The Board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting authority is responsible for assessing the KwaZulu-Natal Nature Conservation Board'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 there is an intention either to liquidate the entity or to cease operations, or as there is no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the special projects and technical services as well as conservation programmes presented in pages 95-100 in the annual performance report of the entity for the year ended 31 March 2017.

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and

REPORT OF THE AUDITOR-GENERAL TO PROVINCIAL LEGISLATURE ON THE KWAZULU-NATAL NATURE CONSERVATION BOARD ...continued

related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

OTHER MATTERS

21. I draw attention to the matters below:

ACHIEVEMENT OF PLANNED TARGETS

22. The annual performance report on pages 95-100 includes information on the achievement of planned targets for the year and explanations provided for the achievement of targets.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of special projects and technical services as well as conservation. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

24. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

EXPENDITURE MANAGEMENT

26. Effective steps were not taken to prevent irregular expenditure amounting to R17,49 million as disclosed in note 26 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA.

PROCUREMENT AND CONTRACT MANAGEMENT

27. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A.8.3.

ANNUAL FINANCIAL STATEMENTS

28. 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) (a) and (b) of the PFMA. Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statements were corrected but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

OTHER INFORMATION

29. The KwaZulu-Natal Nature Conservation Board accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the Board chairman's report, the audit committee's report and the chief executive officer's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT OF THE AUDITOR-GENERAL TO PROVINCIAL LEGISLATURE ON THE KWAZULU-NATAL NATURE CONSERVATION BOARD ...continued

31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information 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.
32. I have not received the annual report. When I do receive this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected I may have to re-issue my auditor's report amended as appropriate.

INTERNAL CONTROL DEFICIENCIES

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion and the findings on compliance with legislation included in this report.

LEADERSHIP

34. Notwithstanding the accounting authority's oversight and monitoring, there were still inadequacies that resulted in a qualified opinion and non-compliance with legislation relating annual financial statements, expenditure management as well as procurement and contract management as proactive means were not implemented and monitored.

FINANCIAL AND PERFORMANCE MANAGEMENT

35. System and controls were not adequately designed to prevent, detect and address risks that impact on financial, performance and compliance reporting. In this regard, the accounting authoring authority did not ensure that regular, accurate and complete financial and performance reports were prepared, which were supported by reliable information and did not ensure that proactive means to monitor compliance with legislation were adequately implemented and monitored.

OTHER REPORTS

36. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
37. Provincial treasury conducted investigation into four cases relating to financial irregularities as well as an allegation of corruption relating to the appointment of a service provider. These investigations cover the period April 2012 to March 2016. Two investigations were completed and the other two were in progress at year end.
38. Management of the Board conducted investigation into fourteen cases relating to alleged irregularities, fraud and corruption. These investigations cover the period April 2014 to March 2017. Seven investigations were completed and the other seven were in progress at year end.

Auditor-General

Pietermaritzburg
31 July 2017



ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the entity's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - > identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - > obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
 - > evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of directors, which constitutes the accounting authority.
 - > conclude on the appropriateness of the Board of directors, which constitutes the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the KwaZulu-Natal Nature Conservation Board ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
 - > evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here

GENERAL INFORMATION

COUNTRY OF INCORPORATION

South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES:

Biodiversity Conservation, Ecotourism and Partnerships

ACCOUNTING AUTHORITY

BOARD MEMBERS (01 APRIL 2016 – 30 NOVEMBER 2016)

Mr ZC Ngidi - Chairman
Prof AT Nzama - Deputy Chairperson
Mr JP Rutsch
Ms SP Lebenya
Mr BD Nkosi
Inkosi MI Tembe
Mr SJ Mhlongo
Mr SA Ndlela
Ms NL Mthembu
Ms P Dabideen
Mr M Mackenzie
Ms BD Ngidi

BOARD MEMBERS (01 FEBRUARY 2017)

Mr Z Zulu - Chairperson
Adv NZ Khuzwayo
Mr M Mackenzie
Ms Molefe
Ms N Mthembu
Mr S Mtolo
Mr V Mvelase
Mr T Ndlela
Dr M Nzama
Adv S Sethene
Dr SD Singh
Dr MD Mabunda

ACCOUNTING OFFICER

REGISTERED OFFICE

Queen Elizabeth Park
No.1 Peter Brown Drive
Montrose
Pietermaritzburg

POSTAL ADDRESS

3201
PO Box 13053
Cascades
3202

CONTROLLING DEPARTMENT

KwaZulu-Natal Department of Economic Development,
Tourism and Environmental Affairs

BANKERS

First National Bank - a division of FirstRand Bank Limited

SECRETARY

Ms Sutter

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Board, as the accounting authority of the KwaZulu-Natal Nature Conservation Board, is responsible for the preparation and fair presentation of the 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, 1999 (Act No. 1 of 1999) (PFMA) and the KwaZulu-Natal Nature Conservation Act, 1997 (Act No. 9 of 1997).

Accordingly the Board:

- > has reviewed the annual financial statements and performance information of the entity,
- > has a reasonable basis to concur that the annual financial statements and performance information are free from material misstatement and thus fairly present the financial position, the performance and cash flows of 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 internal controls are established and maintained during the current year, and there is a functioning system of risk management,
- > has ensured, in conjunction with the Audit Committee, that any significant breakdown in controls are addressed and where relevant are reported to Treasury and the Auditors,
- > has ensured that the financial statements are prepared by applying appropriate accounting policies in accordance with the South African Statements 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 financial statements,
- > has assessed the entity's ability to continue as a going concern and there is no reason to believe that the entity will not be a going concern in the year ahead.

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

The financial statements and performance information were approved by the Board and signed on its behalf by:



Mr Z Zulu
Chairman of the Board

AUDIT AND RISK COMMITTEE REPORT

AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

For the period 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 BW Ngubane - Chairman	6
Mr NF Mchunu	5
Ms N Mthembu	5
Ms BD Ngidi (Term ended - 30 November 2016)	3
Mr BD Nkosi (Term ended - 30 November 2016)	5
Adv S Sethene (Term Commenced - 01 February 2017)	1
Mr T Ndlela (Term Commenced - 01 February 2017)	1

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 reports 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 the annual financial statements to be included in the annual report;
- > reviewed the Management Report prepared by the Auditor-General of South Africa and management's response thereto and;
- > reviewed the entity's compliance with legal and regulatory provisions;

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



Mr BW Ngubane
Chairman of the Audit & Risk Committee

ACCOUNTING AUTHORITY'S REPORT

1. REVIEW OF ACTIVITIES

The entity recorded a deficit of R 34,3 million (2016: restated surplus of R 36,4 million).

2. GOING CONCERN

The 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.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the entity continues to receive funding for on-going operations from the relevant government authority. To this end the amounts voted by legislature to conservation within the Medium Term Expenditure Framework (MTEF) are expected to be received over the next three financial years ending 31 March 2020. Strategies and plans to improve the financial position of the organisation are continually being developed, implemented and monitored.

3. SUBSEQUENT EVENTS

The members are not aware of any matter or circumstance that has arisen since the end of the financial year which could materially affect the annual financial statements.

4. PRIOR PERIOD ERRORS

The impact of prior period errors on the results of the entity is reflected in note 2 to the annual financial statements.

The annual financial statements have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board.

5. ACCOUNTING AUTHORITY

For the period under review the Board members and members of the Board committees were:

Name	No. of Meetings Attended	No. of Meetings Held
Board (1 April 2016 – 30 November 2016)		
Mr ZC Ngidi – Chairperson	5	5
Prof AT Nzama – Deputy Chairperson	5	5
Mr JP Rutsch	5	5
Ms SP Lebenya	5	5
Mr BD Nkosi	5	5
Inkosi MI Tembe	4	5

Name	No. of Meetings Attended	No. of Meetings Held
Board (1 April 2016 – 30 November 2016) ...continued		
Mr SJ Mhlongo	5	5
Mr SA Ndlela	5	5
Ms NL Mthembu	5	5
Ms BD Ngidi	5	5
Ms P Dabideen	5	5
Mr M Mackenzie	5	5
Corporate Support Services and Remuneration Committee		
Mr SP Lebenya – Chairperson	3	3
Mr M Mackenzie	2	3
Ms NL Mthembu	3	3
Mr SA Ndlela	3	3
Finance and Business Operations Committee		
Ms P Dabideen – Chairperson	3	3
Mr BD Nkosi	3	3
Ms SP Lebenya	2	3
Mr SA Ndlela	3	3
Mr JP Rutsch	2	3
Mr ZC Ngidi (Ex-Officio)	2	3
Social and Ethics Committee		
Ms NL Mthembu (Chair)	1	1
Ms BD Ngidi	1	1
Mr SJ Mhlongo	1	1
Inkosi MI Tembe	1	1
Prof AT Nzama	1	1
Biodiversity Conservation and Community Affairs Committee		
Mr M Mackenzie – Chairperson	3	3
Mr JP Rutsch	3	3
Inkosi MI Tembe	3	3
Mr SJ Mhlongo	3	3
Ms BD Ngidi	3	3
Prof AT Nzama	2	3
Board (1 February 2017)		
Mr Z Zulu – Chairperson	4	4
Adv NZ Khuzwayo	3	4
Mr M Mackenzie	4	4
Ms IN Molefe	3	4
Ms NL Mthembu	4	4
Mr S Mtolo	4	4
Mr V Mvelase	4	4
Mr T Ndlela	4	4
Dr M Nzama	4	4
Adv S Sethene	4	4
Dr SD Singh	3	4

An interim Board was in place from the 01 December 2016 to 31 January 2017.

ACCOUNTING AUTHORITY'S REPORT ...continued

	Remuneration	Allowances	Total Package 2016	Total Package 2016
6. MEMBER EMOLUMENTS				
Audit & Risk Committee				
Mr BW Ngubane - Chairman	163 661	-	163 661	129 680
Mr NF Mchunu	86 180	-	86 180	79 970
Ms N Mthembu	84 473	4 207	88 680	48 942
Mr JP Rutsch (Term ended - 31 March 2016)	-	-	-	79 970
Mr BD Nkosi (Term ended - 30 November 2016)	81 839	-	81 839	79 970
Ms BD Ngidi (Term ended - 30 November 2016)	65 471	-	65 471	-
Adv S Sethene (Term commenced - 01 February 2017)	16 368	-	16 368	-
Mr T Ndlela (Term commenced - 01 February 2017)	16 368	-	16 368	-
	514 360	4 207	518 567	418 532
Board Members (01 April 2016 - 30 November 2016)				
Mr ZC Ngidi - Chairman	707 009	34 904	741 913	964 682
Prof AT Nzama - Deputy Chairperson	286 478	37 685	324 163	455 445
Mr JP Rutsch	268 974	37 484	306 458	209 696
Ms SP Lebenya	273 633	5 162	278 795	230 887
Mr BD Nkosi	237 083	13 513	250 596	239 687
Inkosi MI Tembe	186 275	56 952	243 227	222 049
Mr SJ Mhlongo	214 970	20 735	235 705	225 736
Mr SA Ndlela	255 860	11 249	267 109	315 007
Ms NL Mthembu	229 232	37 512	266 744	231 638
Ms P Dabideen	275 689	17 493	293 182	264 159
Mr M Mackenzie	286 954	65 744	352 698	378 473
Ms BD Ngidi	223 114	21 071	244 185	238 663
Board Members (01 February 2017)				
Mr Z Zulu - Chairperson	102 476	3 368	105 844	-
Adv NZ Khuzwayo	23 463	2 387	25 850	-
Mr M Mackenzie	30 900	11 073	41 973	-
Ms Molefe	25 111	-	25 111	-
Ms N Mthembu	29 252	5 187	34 439	-
Mr S Mtolo	54 754	-	54 754	-
Mr V Mvelase	55 990	1 101	57 091	-
Mr T Ndlela	55 990	2 005	57 995	-
Dr M Nzama	54 754	4 719	59 473	-
Adv S Sethene	54 754	1 341	56 095	-
Dr SD Singh	16 871	97	16 968	-
	3 949 586	390 782	4 340 368	3 976 122
	4 463 946	394 989	4 858 935	4 394 654

7. CORPORATE GOVERNANCE

GENERAL

The Accounting Authority is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Accounting Authority supports the highest standards of corporate governance and the on-going development of best practice.

The annual financial statements set out on page 101-125 were approved by the accounting authority and were signed on its behalf by:



Mr Z Zulu
Chairman of the Board

PRE-DETERMINED OBJECTIVE PERFORMANCE REPORT FOR 2016/17

This report is based on the Annual Performance Plan of Ezemvelo KZN Wildlife and provides for a status on the progress made with regards to the achievement of the targets set.

The report is set out to present the progress of Ezemvelo in relation to the Goals, Objectives and Performance Indicators. The progress is further described as 'Achieved, Partially Achieved or Not Achieved' in relation to the set targets. The report also describes the variances and interventions designed to address challenge areas.

ADMINISTRATION PROGRAMME

PROGRAMME 1: ADMINISTRATION (SUPPORT SERVICES)

These are a group of functions gathered under a single programme which are not directly involved in the delivery mandate, but rather provide oversight services to all programmes within the organisation. The administration programme is mainly made up of the Office of the Chief Executive Officer, and is comprised of functions such as Internal Audit, Communications, Risk Management, Board Secretariat and Strategic Planning and Control.

Goal: To enhance business processes, systems, decision rights and accountability management to deliver on good governance.

SUB-PROGRAMME: AUDIT SERVICES

Strategic Objective: To promote good governance

Programme Performance Indicator		Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
1	Number of audits performed	22	22	Achieved	N/A	N/A

SUB-PROGRAMME: STRATEGIC PLANNING AND CONTROL

Strategic Objective: Improve service delivery of Ezemvelo KZN Wildlife

Programme Performance Indicator		Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
2	Percentage (%) of Legislative or oversight performance reports timeously submitted	100%	100%	Achieved	N/A	N/A

ENABLING PROGRAMMES

The functions that are performed by these programmes, while not delivering on the mandate directly, facilitate or enable other programmes to provide delivery services.

SUB-PROGRAMME 2: FINANCIAL SERVICES

This programme is designed to monitor and evaluate the adequacy and efficiency of planning, organising, and performance based on the financial performance. It must be noted that Financial Services performs financial as well as Supply Chain Management functions.

Goal: To enhance business processes, systems, decision rights and accountability management to deliver on good governance.

Strategic Objective: Promote good governance

Programme Performance Indicator	Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
3 % of creditors paid within agreed terms	100%	96%	Partially Achieved	The 4% deviation of creditors that were not paid timeously was mainly due to vendor details not being confirmed/ updated and or deliveries not being goods receipted on time however, 100% of creditors that were loaded and ready on the system for payment were paid timeously.	Vendors are being urged to keep their details updated.
4 % budget variance	<10%	15% underspent	Partially Achieved	Expenditure on external projects was slow. On internal spending Ezemvelo slowed down spending for the last quarter due to risk of not having sufficient cash to cover till year end. Only critical expenditure was allowed.	The stated reason for the variance of under expenditure was caused mainly due to the external projects. The stakeholders involved are being engaged.
5 % of own generated revenue ear-marked for maintenance of immovable assets	5%	6%	Achieved	The over achievement was due to the carry overs from the previous financial year.	N/A
6 % of budget allocated to capital infrastructure spend	3%	6%	Achieved	The over achievement was due to the carry overs from the previous financial year.	N/A
7 % procurement contribution towards BBBEE (targeted businesses)	59%	36%	Partially Achieved	The deviation emanated from outdated vendor BBBEE information currently reflected on the database which is linked to the payment system.	A notice has been advertised, inviting current vendors to submit governance documents which include BBBEE certificates for updating the system. In addition, the accounting system will be investigated to identify areas of improvement and additional controls in order to improve performance.

SUB-PROGRAMME 3: HUMAN RESOURCE SERVICES

The Human Resource Services Programme provides the organisation with holistic, effective and efficient management of human resources including organisational structural alignment and performance management of employees.

Goal: To enhance business processes, systems, decision rights and accountability management to deliver on good governance.

Strategic Objective: Promote a good corporate culture

Programme Performance Indicator	Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
8 % implementation of the Human Resource Plan	40%	29%	Partially Achieved	Training, performance contracting and job profile targets were not achieved due to resource constraints.	These projects will be carried over to the new financial year.

SUB-PROGRAMME 4: INFORMATION SERVICES

The Information Services sub-programme is designed to develop, implement, monitor, evaluate and improve the effectiveness and efficiencies of the Information and Communication Technology (ICT) infrastructure and systems of Ezemvelo. This is achieved by proper planning, building and managing ICT infrastructure and systems.

Goal: To enhance business processes, system, decision rights and accountability management to deliver on good governance.

Strategic Objective: Promote knowledge management and technological efficiencies

Programme Performance Indicator	Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
9 % of IT strategy implemented	80%	76%	Achieved	The disaster recovery project could not be undertaken due to budget constraints.	Backups are being done offsite however, there are limitations to utilise this system for disaster recovery. Other options including the possibility of utilising a cloud based solution is being considered.

SUB-PROGRAMME 5: BUSINESS DEVELOPMENT

This sub-programme is responsible for maximising revenue streams and driving efficiencies within Ezemvelo. This programme guides investment based on returns through proper analysis of business intelligence by making informed decisions in order to enable Ezemvelo to capitalize on additional income from commercial operations.

Goal: To enhance business processes, systems, decision rights and accountability management to deliver on good governance.

Strategic Objective: To develop and pilot new streams of revenue generation, through proper project management techniques, thereby adding to revenue.

To reduce the cost of doing business as well as improving efficiencies by identifying, analysing and improving business models, processes and procedures.

Programme Performance Indicator	Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
10 Rand value added to mainstream revenue	Develop Operational Models	None	Not Achieved	A new Board has been appointed and the latter wanted to perform due diligence on the commercialisation strategy, hence delays in developing operational models for implementation.	The feasibility studies are being fast tracked so that informed decisions can be made faster.
11 Rand value of business cost reduced					

SUB-PROGRAMME 6: INFRASTRUCTURE AND SPECIAL PROJECTS

This sub-programme is responsible for sourcing external funding for unfunded mandates, delivering on governmental key priorities and managing the organizations infrastructure needs.

Goal: To enhance corporate social investment aligned to KZN conservation estate enabling job creation, rural development and promoting a green economy.

Strategic Objective: Contribute towards government priorities in relation to rural development, creating work opportunities and a healthy environment.

SUB-PROGRAMME 6: INFRASTRUCTURE AND SPECIAL PROJECTS ...continued

Programme Performance Indicator		Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
12	Number of rural development community-based projects initiated	8	8	Achieved	N/A	N/A
13	Percentage (%) of projects completed on time within budget	100%	98%	Achieved	Complexities of project management. The variation of 2% is deemed acceptable.	N/A
14	Number of employment (work) opportunities created annually	1 500	7 660	Achieved	The over-achievement is based on the current agreements the entity has with various funders.	The target would be revised upwards for better alignment with relevant delivery agreement.
15	Rand value of external funding secured	R165.4 million	R 155.3 million	Partially Achieved	There was a delay in renewing the agreement with the provincial Department of Agriculture that resulted in the shortfall.	The stakeholders are being engaged for the agreement to be finalised.
16	Number of Fixed Term Equivalents (FTEs) created	450	709	Achieved	The over-achievement is based on the current agreements the entity has with various funders.	The target would be revised upwards for better alignment with relevant delivery agreement.

SERVICE DELIVERY PROGRAMMES

The programme and sub-programmes under this category are involved in the direct delivery of services to the public.

The programme and its sub-programmes are directly linked to Ezemvelo's mandate, and its function is to ensure that the conservation of the indigenous biodiversity in KwaZulu-Natal both within and outside of protected areas, is managed effectively, economically and efficiently for the benefit of people. It is worth noting that protected area management includes the management of visitor experience. The programme and sub-programmes also ensures efficient, economic and effective management of biodiversity through openness and accessibility, with stakeholders, to optimize opportunities and sustainable use of biodiversity. All conservation efforts are based on scientific advice, analysis and interpretation.

SUB-PROGRAMME 7: CONSERVATION

This sub-programme is responsible for the efficient and effective management of biodiversity conservation in the province.

Goal: To improve the state of biodiversity in KZN, to safeguard ecosystem, species, and genetic diversity and enhance the services provided to people.

Strategic Objective: Manage protected areas effectively.

Management of biodiversity conservation outside protected areas.

Mitigate threats to biodiversity.

Programme Performance Indicator		Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
17	% of protected area network that meet the minimum management effectiveness standard (67%)	50%	19%	Not Achieved	Most of the planned activities were hindered by lack of both human and financial resources.	Re-prioritisation of resources as well as central coordination for improved parks management is being implemented.
18	% of all land use transformation applications received commented on within timeframes	30%	44%	Achieved	Higher desired performance due to operational efficiencies.	N/A

Programme Performance Indicator		Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
19	% of environmental authorizations (EAs) that have threats to biodiversity fully mitigated	75%	53%	Partially Achieved	The final decision lies with the Department in relation to the Environmental Authorisation. Ezemvelo's role is to provide comments on the biodiversity aspects for development applications.	Comments on these applications have to be timeously to ensure that they are considered in the Authorisations.
20	Number of biodiversity management plans for threatened species developed	1	1	Achieved	N/A	N/A
21	Number of district municipalities engaged with during the IDP review process to ensure that the biodiversity sector plan layers are considered	2	8	Achieved	The engagements with the District municipalities was approached holistically, hence all districts that requested assistance were assisted.	N/A
22	Number of biodiversity awareness activities conducted	8	8	Achieved	N/A	N/A
23	% of invasive alien plant maintenance areas cleared and decrease of uncleared areas (of mapped areas)	100% of maintenance areas cleared	62%	Partially Achieved	The clearing team within reserves with dangerous game requires armed guard supervision for safety purposes.	Training of the guards to accompany the clearing teams are being undertaken.
		5% decrease of uncleared areas	5.5%	Achieved	The over achievement is due to the reprioritisation, based on the challenge with the lack of armed guards in reserves with dangerous game.	N/A
24	Additional ha submitted for proclamation	18 872 ha	0 ha	Not Achieved	A combination of resource constraints and delays as a result of the process in relation to agreements with private land owners resulted in non-achievement.	The approval process is being fast tracked.
25	Number of biodiversity stewardship sites submitted for proclaimed	2	0	Not Achieved	The delay has been as a result of the process as this is dependent on private land owners.	The documents for proclamation are awaiting Board approval.
26	Number of enforcement actions undertaken for non-compliance with environmental legislation	5	33	Achieved	N/A	N/A
27	Number of compliance inspections conducted	1 500	15 393	Achieved	The overachievement is due to the marine component which Ezemvelo was performing on behalf of national government.	The agreement with national government has been ended.
28	Target threshold of mortality rate of endangered species (rhino poaching)	2% White rhino	5,45%	Partially Achieved	Despite numerous interventions, the rate of poaching is increasing as syndicates become more resilient to anti-poaching efforts.	The rhino intervention strategy is being constantly reviewed to ensure maximum protection and survival of the species.
		1% Black rhino	2,56%			
29	Number of permits issued within timeframes	5 100	4 873	Partially Achieved	Achievement of this depends on the requests. The underachievement is immaterial.	N/A
30	State of biodiversity report produced annually	1	1	Achieved	N/A	N/A

SUB-PROGRAMME 8: ECO-TOURISM SERVICES

Tourism Services is the programme that drives revenue generation activities, providing assurance of service standards, developing and implementing new services and products to promote ecotourism within Ezemvelo's protected areas.

Goal: Position Ezemvelo as the wildlife destination of choice.

Strategic Objective: Position Ezemvelo as a wildlife destination of choice and optimize revenue generation

Programme Performance Indicator		Target (2016/17)	Achievements	Delivery Status	Reason for Variance	Intervention for Variance
31	Rand value achieved from ecotourism activities	R 227 million	R 240.9 million	Achieved	N/A	N/A
32	Total number of visitors to Ezemvelo parks	591 800	647 992	Achieved	N/A	N/A
33	% Accommodation unit occupancy rate	45%	44,4%	Achieved	N/A	N/A

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand

	Note(s)	March 2017	Restated March 2016
ASSETS			
Current Assets			
Inventories	9	17 332	14 311
Trade and other receivables	10	40 880	26 027
Cash and cash equivalents	11	173 446	303 895
		231 658	344 233
Non-Current Assets			
Property, plant and equipment	5	787 234	743 246
Intangible assets	6	7 998	10 420
		795 232	753 666
Total Assets		1 026 890	1 097 899
LIABILITIES			
Current Liabilities			
Trade and other payables	15	94 342	104 864
Deferred Income	12	64 743	94 971
Provisions	13	67 619	61 921
External projects	14	31 933	28 650
		258 637	290 406
Non-Current Liabilities			
Provisions	13	62 933	67 890
Total Liabilities		321 570	358 296
Net Assets		705 320	739 603
Net Assets			
Reserves			
Revaluation reserve		226 622	226 622
Accumulated surplus		478 698	512 981
Total Net Assets		705 320	739 603

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand

	Note(s)	March 2017	Restated March 2016
Revenue	16	885 282	876 625
Other Income	17	202 575	174 517
Total Revenue		1 087 857	1 051 142
Operating expenses	18	(458 074)	(374 909)
Employee Related Costs	19	(664 056)	(639 774)
Finance Costs		(10)	(101)
(Deficit)/Surplus for the year		(34 283)	36 358

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand

	Revaluation Reserve	Accumulated Reserves	Total Net Assets
Balance as at the 31 March 2015 previously reported	226 622	475 492	702 114
Prior year adjustments	-	1 131	1 131
Balance at 31 March 2015 restated	226 622	476 623	703 245
Surplus for the year	-	24 506	24 506
Prior year adjustments	-	11 852	11 852
Balance at 31 March 2016 restated	226 622	512 981	739 603
Deficit for the year	-	(34 283)	(34 283)
Balance at 31 March 2017	226 622	478 698	705 320

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand	Note(s)	March 2017	Restated March 2016
Cash flows from operating activities			
Receipts			
Sale of Goods and Services		279 872	272 215
Grants		645 472	649 726
Interest income		12 481	20 547
Other receipts - Non-exchange revenue		132 158	105 239
		1 069 983	1 047 727
Payments			
Employee costs		(664 056)	(639 774)
Suppliers		(317 336)	(206 415)
Finance costs		(10)	(101)
Other cash item - Non-exchange transaction		(132 600)	(103 127)
		(1 114 002)	(949 417)
Net cash flows from operating activities	20	(44 019)	98 310
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(105 265)	(139 659)
Purchase of intangible assets	6	-	(128)
Disposal of property, plant and equipment		15 552	5 878
Net cash flows from investing activities		(89 713)	(133 909)
Cash flows from financing activities			
Net change to trust funds and external projects	21	3 283	(1 239)
Net increase/(decrease) in cash and cash equivalents		(130 449)	(36 838)
Cash and cash equivalents at the beginning of the year		303 895	340 733
Cash and cash equivalents at the end of the year	11	173 446	303 895

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

Budget on Cash Basis Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Income						
Tourism Income	237 277	100	237 377	217 546	(19 831)	1
Sale of Goods & Services - Other	20 304	231	20 535	24 500	3 965	2
Interest, Dividends and Rent on Land	12 500	-	12 500	12 390	(110)	
Other Income	39 140	10 824	49 964	23 615	(26 349)	3
Transfers received	561 077	167 693	728 770	728 770	-	
	870 298	178 848	1 049 146	1 006 821	(42 325)	
Expenditure						
Compensation of Employees	(651 741)	(25 323)	(677 064)	(648 553)	28 511	4
Goods and Services	(201 554)	(35 259)	(236 813)	(234 028)	2 785	
Interest Paid	(45)	(2)	(47)	(10)	37	
Assets	(16 958)	(118 264)	(135 222)	(107 305)	27 917	5
	(870 298)	(178 848)	(1 049 146)	(989 896)	59 250	
Net Surplus / (Deficit)	-	-	-	16 925	16 925	
Reconciliation to net deficit per the Statement of Financial Performance						
Transfers unspent in prior year, and rolled over into current year				(136 298)		
Transfer released from Deferred Income				53 000		
Proceeds on disposal of assets				(3 844)		
Asset Acquisitions				103 040		
Non Exchange Revenue				132 158		
Increase in Leave Pay Provision				(5 650)		
Depreciation and amortisation				(48 143)		
Non Exchange expenditure				(132 600)		
Late Accruals				(1 423)		
Sundry Differences				(41)		
Loss on Disposal of asset				(11 407)		
(Deficit)/Surplus for the year				(34 283)		

- Budgets were set in anticipation of improved income especially from the investment in roads at HIP however due to the drought and other budget issues targets were not met.
- Good prices were realised for the game sold at the May 2016 auction. The budget had also been set low to reduce reliance on the auction income.
- Lower than expected income was received from the Business Development unit and Projects Office which had been set a target of R26 million. The high targets were set when we received the budget cuts.
- Under-spending mainly due to the non-filling of critical vacant posts and natural attrition. Funds relating to the Rhino Security project were earmarked to be spent in 2017/18 and 2018/19 on contractual employment for additional field rangers and other material savings relate to the SanParks Rhino Monitor project which only commenced in October 2016.
- Non-completion of projects due to delays during the year.
- The changes between the approved and final budget as presented in the Statement of Comparison of Budget and Actual Amounts are due to rollovers of unspent funds from 2015/16 as well as additional funding received during the year.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2017

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The 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 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.

1.1 BIOLOGICAL ASSETS

The entity recognises biological assets or agricultural produce when, and only when:

- > the entity 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 entity; and
- > the fair value or cost of the asset can be measured reliably.

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

1.2 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 entity; and
- > the cost or fair value of the item can be measured reliably.

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 expected useful lives.

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

ITEM	AVERAGE USEFUL LIFE
Buildings	20 to 100 years
Plant and machinery	1 to 15 years
Furniture and fixtures	1 to 15 years
Aircraft, Vehicles and Boats	3 to 40 years
Computer equipment	1 to 15 years
Roads	5 to 50 years
Dams, Reservoirs and Boreholes	15 to 25 years
Fencing	5 to 20 years

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.

ACCOUNTING POLICIES ...continued

FOR THE YEAR ENDED 31 MARCH 2017

1.3 INTANGIBLE ASSETS

An intangible asset is identifiable if it either:

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

An intangible asset is recognised when:

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

Intangible assets are carried at cost less accumulated amortization 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	USEFUL LIFE
Computer software, other	3 to 10 years

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

Where the entity 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.

1.5 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 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 entity classifies financial assets and financial liabilities into the following categories:

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.

ACCOUNTING POLICIES ...continued

FOR THE YEAR ENDED 31 MARCH 2017

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise 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.

1.6 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.

1.7 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.

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

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.

The cost of inventories is assigned using the weighted average cost.

1.8 COMMITMENTS

Items are classified as commitments where the entity commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial liability, but are included in the disclosure 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.

1.9 EVENTS AFTER THE REPORTING PERIOD

Events after the 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:

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

The entity shall adjust the amounts recognised in its financial statements to reflect adjusting events after the reporting date. The entity shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date.

1.10 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are those assets held by the entity 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 entity, 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:

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

ACCOUNTING POLICIES ...continued

FOR THE YEAR ENDED 31 MARCH 2017

1.11 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

The entity assesses at each reporting date whether there is any indication that an asset may be impaired.

If any such indication exists, the entity 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.

1.12 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 and 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 entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

OTHER POST RETIREMENT OBLIGATIONS

The entity 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 entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

1.13 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- > the entity 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 23.

1.14 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 entity receives assets or

ACCOUNTING POLICIES ...continued

FOR THE YEAR ENDED 31 MARCH 2017

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 entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- > the entity 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 entity; and
- > the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 entity;
- > 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.

INTEREST

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

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

1.15 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

TRANSFERS

The entity 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.

Where the entity collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

ACCOUNTING POLICIES ...continued

FOR THE YEAR ENDED 31 MARCH 2017

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 entity and the fair value of the assets can be measured reliably.

1.16 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.

1.17 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.

1.18 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 –

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

The Board also adheres to National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA (effective from 1 April 2008):

1.19 BUDGET INFORMATION

The Budget is approved on a cash basis. The approved budget covers the period from 01 April 2016 to 31 March 2017.

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

1.20 RELATED PARTIES

The entity 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 national 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.

1.21 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.

1.22 TAXATION

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

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand	March 2017	Restated March 2016
2. PRIOR PERIOD ERRORS		
The comparative years figures have been amended to account for the errors.		
Below is a description of each individual prior period error indicating the total effect of the prior period errors on the amounts previously disclosed.		
Statement of financial position		
Trade and other receivables		
Previously stated	-	24 269
Deposits correction	-	1 758
	-	26 027
Provisions		
Previously stated	-	63 369
Leave provision correction	-	(1 448)
	-	61 921
Trade Payables		
Previously stated	-	113 510
Accrued liability correction	-	(8 646)
	-	104 864
Accumulated surplus		
Previously stated	-	501 129
Revenue - Deposits correction	-	1 758
Operating expenses - Accrued liability correction	-	4 896
Employee costs - Accrued liability correction	-	3 750
Employee costs - Leave provision correction	-	1 448
	-	512 981

Cash Flow	Restated 2016	Prior Year 2016	Difference
Receipts			
Sale of goods and Services	272 215	273 973	(1 758)
Interest Income	20 547	18 789	1 758
	292 762	292 762	-
The change in sale of goods and services and interest income is due to the deposits correction.			
Payments			
Employee costs	639 774	644 972	(5 198)
Suppliers	206 415	201 217	5 198
	846 189	846 189	-
The change in employee costs and suppliers is due to the accrued liability and leave provision correction.			

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

3. CHANGES IN ACCOUNTING POLICY

The audited annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with prior year except for the following revised standard – GRAP 17.

During the year, the entity changed its accounting policy with respect to the treatment of buildings and structures. In accordance with Directive 11, the entity has elected the once off change to amend the accounting policy for buildings and structures from the revaluation model to the cost model. With the current financial constraints it is not feasible to have all our buildings revalued every 5 years.

The change in policy has no impact on the prior or current period as the exercise performed on initial adoption was to get all the buildings and structures correctly valued to clear the audit qualifications.

4. BIOLOGICAL ASSETS

Fauna and Flora

The biological assets of the entity comprise of a wide range of species of fauna and flora. These species are managed for conservation purposes and their sale is for species control and meta population management rather than a profit motive. It is intrinsically challenging to determine the numbers of species of the various flora as well as separate them by their major classes. At the same time the species of fauna are freely roaming and are managed through various ecosystem and species level of monitoring programmes. Therefore for both fauna and flora the estimation of the species numbers as well as their values is not reliable, and consequently we have not disclosed this information in the statement of financial position.

5. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	Cost / Valuation	Accumulated depreciation & accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation & accumulated impairment	Carrying value
Land	29 491	-	29 491	27 472	-	27 472
Buildings and Structures	1 154 757	(756 412)	398 345	1 150 609	(742 694)	407 915
Plant and machinery	16 309	(10 065)	6 244	15 222	(8 572)	6 650
Furniture, Tools and Equipment	111 251	(69 701)	41 550	100 262	(74 120)	26 142
Aircraft, Vehicles and boats	175 323	(86 957)	88 366	164 670	(75 139)	89 531
Computer Equipment	23 095	(14 515)	8 580	20 475	(11 870)	8 605
Roads	214 461	(89 726)	124 735	193 447	(99 552)	93 895
Dams, Reservoirs and Boreholes	8 045	(4 991)	3 054	6 820	(4 872)	1 948
Fencing	34 150	(19 541)	14 609	32 472	(17 945)	14 527
Work in progress	72 260	-	72 260	66 561	-	66 561
Total	1 839 142	(1 051 908)	787 234	1 778 010	(1 034 764)	743 246

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

5. PROPERTY, PLANT AND EQUIPMENT ...continued

	Opening balance	Additions	Disposals	Transfers	Depreciation	Accumulated Depreciation on disposals	Write up - Depreciation	Closing balance
Reconciliation of property, plant and equipment - 2017								
Land	27 472	2 008	-	11	-	-	-	29 491
Buildings and Structures	407 915	5 370	(2 757)	1 535	(15 796)	1 998	80	398 345
Plant and Machinery	6 650	1 251	(163)	(3)	(2 383)	150	742	6 244
Furniture, Tools and Equipment	26 142	11 666	(687)	16	(8 796)	648	12 561	41 550
Aircraft, Motor Vehicles and Boats	89 531	20 189	(9 967)	431	(25 065)	8 277	4 970	88 366
Computer Equipment	8 605	3 585	(961)	(5)	(4 990)	837	1 509	8 580
Roads	93 895	7 250	(29 087)	42 851	(6 860)	16 641	45	124 735
Dams, Reservoirs and Boreholes	1 948	989	(32)	268	(457)	27	311	3 054
Fencing	14 527	148	-	1 530	(1 596)	-	-	14 609
Work in progress	66 561	52 809	(476)	(46 634)	-	-	-	72 260
Total	743 246	105 265	(44 130)	-	(65 943)	28 578	20 218	787 234

	Opening balance	Additions	Disposals	Transfers	Depreciation	Accumulated Depreciation on disposals	Transfer - Depreciation	Write up - Depreciation	Closing balance
Reconciliation of property, plant and equipment - 2016									
Land	320	27 152	-	-	-	-	-	-	27 472
Buildings and Structures	445 016	4 460	(2 368)	6 415	(47 443)	1 458	(116)	493	407 915
Plant and Machinery	4 760	1 810	(177)	778	(2 146)	151	-	1 474	6 650
Furniture, Tools and Equipment	17 893	11 102	(1 247)	433	(8 092)	1 207	-	4 846	26 142
Aircraft, Motor Vehicles and Boats	24 129	35 286	(1 522)	17	(18 690)	1 002	-	49 309	89 531
Computer Equipment	6 559	2 591	(929)	44	(4 274)	833	-	3 781	8 605
Roads	77 747	9 854	(1 933)	12 870	(6 246)	1 137	126	340	93 895
Dams, Reservoirs and Boreholes	1 271	328	(3)	-	(431)	-	-	783	1 948
Fencing	18 868	33	-	369	(4 733)	-	(10)	-	14 527
Work in progress	44 199	47 043	(3 487)	(21 194)	-	-	-	-	66 561
Total	640 762	139 659	(11 666)	(268)	(92 055)	5 788	-	61 026	743 246

Fencing with a cost of R2,8 million and a book value of R 992 000 will be derecognised upon completion of the current construction.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

6. INTANGIBLE ASSETS

	2017			2016		
	Cost / Valuation	Accumulated depreciation & accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation & accumulated impairment	Carrying value
Computer software	22 219	(14 221)	7 998	22 219	(11 799)	10 420

	Opening balance	Amortisation	Closing balance
Reconciliation of intangible assets - 2017			
Computer software	10 420	(2 422)	7 998

	Opening balance	Additions	Transfers	Amortisation	Closing balance
Reconciliation of intangible assets - 2016					
Computer software	12 438	128	268	(2 414)	10 420

7. 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 for a period of 5 years ending in 2019.

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.
- > 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.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

8. EMPLOYEE BENEFIT OBLIGATIONS

Defined contribution plan

It is the policy of the entity to provide retirement benefits to all its employees. At 31 March 2017, there were 2058 (2016: 2122) 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 2017, there were 225 (2016: 240) employees on the Government Employee Pension Fund and 76 (2016: 83) employees on the Natal Parks Board Pension and Gratuity Pension Scheme.

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.

Actuarial valuations are performed every three years. An actuarial valuation of this scheme was performed at 31 July 2014. In the opinion of the actuary, the fund is in a sound financial position. The actuary reassessed the valuation to take account of changes which were likely to occur subsequent to 31 July 2014. Any shortfalls in benefit plans are the responsibility of the entity. The next valuation is due on 31 July 2017. As at 31 March 2017 the fund was in a sound financial position.

As at 31 July 2014, the actuarial present value of contracted retirement benefits amounted to R578,5 million, which is lower than the actuarial value of planned assets which amounts to R 601,2 million leaving a surplus of R 22,7 million, which was to be allocated between the different stakeholders by the trustees.

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

- Long term interest rate of 9% per annum and a 7.5% per annum for solvency.
- Long term increase assumption of 6% per annum.
- A long-term inflation rate of 5% per annum has been assumed.
- Promotional salary increases are assumed to take place in accordance with rates set out in Annexure IV of the valuation.
- 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.
- Pensions will be valued on retirement at an interest rate of 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. On a solvency (discontinuance matching) basis a rate of 4.9% has been used to value the pensions payable at retirement.
- All members will retire at the age of 60 and members over age 60 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.
- The salaries reflected on the latest salary return have been increased by 4.5% to reflect an assumed proportional increase for the period from date of last salary increase date to the current valuation date.

Figures in Rand thousand	March 2017	Restated March 2016
Assets		
Expected return on plan assets - Market value of assets	601 155	601 155
Assets distributed on settlements - reserve account	-	-
	601 155	601 155
Member Liabilities and contingencies reserves		
Current service cost - past service liabilities in respect of active members	97 415	97 415
Past service cost - Pensioner liabilities	410 201	410 201
Past service cost - Value of re-insured pension obligation	2 505	2 505
Value of DC voluntary contribution accounts and DC surplus allocated to active members.	8 203	8 203
Contingency reserves	60 126	60 126
	578 450	578 450

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

8. EMPLOYEE BENEFIT OBLIGATIONS ...continued

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 2014, the fund was 121.5% 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 at 31 March 2017. A valuation conducted by actuaries (Old Mutual Actuaries) in April 2017 reflected an estimated obligation of R 62,9 million as at 31 March 2017. This unfunded liability is being recognised as an expense over three years.

Figures in Rand thousand	March 2017	Restated March 2016
Post Retirement Medical Liability		
Baseline opening balance	67 890	65 027
Interest Cost	5 686	5 508
Current Service Cost	964	866
Actuarial gain	(7 917)	-
Benefit Payment	(3 690)	(3 511)
	62 933	67 890
The most significant actuarial assumptions are detailed in the table below:		
Assumptions		
(a) Discount rate	31 March 2017	31 March 2014
(b) Medical inflation	8.9%	8.6%
(c) Retirement age	7.8%	7.7%
(d) Proportion continuing membership at retirement	65	65
(e) Proportion of retiring members who are married	100%	100%
(f) Age of spouse	90%	90%
(g) Mortality of in-service members	3 years older than wives	3 years older than wives
(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) 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+	0%	0%

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

8. EMPLOYEE BENEFIT OBLIGATIONS ...continued

A discount rate of 8.9% 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 8.9% is the gross redemption yield on the R186 government bond as at 24 February 2017.

An expected long term rate of increase to the medical aid subsidy of 7.8% 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 R186 and the inflation-linked R197 bond after deducting an inflation risk premium of 0.5%. In addition to this, a medical inflation premium of 1.5% has been added to obtain the medical inflation rate of 7.8%. 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.

Sensitivity Analysis

The results are dependent on the assumptions used. The table below shows how the past service cost as at 31 March 2017 would be impacted by changes to these assumptions.

Figures in Rand thousand	March 2017	Restated March 2016
In-Service and Continuation Members	Accrued Service Liabilities as at 31.3.2017 (R Million)	% Increase
Assumptions as above	62 933	-
Discount rate - increases by 1% p.a.	56.441	(10)
Discount rate - reduces by 1% p.a.	70.796	12
Medical Inflation - increases by 1% p.a.	69.662	11
Medical Inflation - reduces by 1% p.a.	57.259	(9)
Retirement age - 60	72.162	15
The tables below show how the current service cost and interest cost for the year to 31 March 2017 would be impacted by changes to the assumptions:		
In-Service Members	Current Service Cost 1.4.2017 - 31.3.2018 (R Million)	% Increase
Assumptions as above	0.747	-
Discount rate - increases by 1% p.a.	0.630	(16)
Discount rate - reduces by 1% p.a.	0.829	11
Medical Inflation - increases by 1% p.a.	0.888	19
Medical Inflation - reduces by 1% p.a.	0.634	(15)
Retirement age - 60	0.734	(2)
In-Service and Continuation Members	Interest Cost 1.4.2017 - 31.3.2018 (R Million)	% Increase
Assumptions as above	5.412	-
Discount rate - increases by 1% p.a.	5.377	(1)
Discount rate - reduces by 1% p.a.	5.425	0
Medical Inflation - increases by 1% p.a.	6.011	11
Medical Inflation - reduces by 1% p.a.	4.907	(9)
Retirement age - 60	6.205	15

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand	March 2017	Restated March 2016
9. Inventories		
Consumable stores	6 689	5 809
Other goods held for resale	5 965	4 671
Fuel (Diesel, Petrol and gas)	4 678	3 831
	17 332	14 311
Stock Losses	888	704
10. Trade and other receivables		
Trade receivables from exchange transactions	34 987	11 496
Less: Provision for impairment	(2 400)	(3 447)
Deposits	2 530	2 382
Prepayments	46	9 744
Other receivables	5 717	5 852
	40 880	26 027
Fair value of Trade and other receivables		
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.		
Aging of trade receivables from exchange transactions		
Current	24 918	3 180
30 days	359	481
60 days	516	531
90 days	77	601
120 days	608	83
+ 120 days	8 509	6 620
	34 987	11 496
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	3 447	3 913
Recoveries	(932)	(1 499)
Provision for impairment	169	1 033
Amounts written off as uncollectible	(284)	-
	2 400	3 447
The creation and release of provision for impaired receivables have been included in operating expenses in the statement of financial performance.		
11. Cash and cash equivalents		
Cash on hand	1 758	1 157
Bank balances	73 463	53 868
Short-term deposits	50 239	117 243
Short-term investments	47 756	131 079
Other cash and cash equivalents	230	548
	173 446	303 895
A guarantee for R 991 433 in favour of Eskom is held by First National Bank Limited.		

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand

	March 2017	Restated March 2016
12. DEFERRED INCOME		
Unspent conditional grants and receipts comprises of:		
Balance at beginning of period	94 971	58 065
Funds received	184 291	187 734
Disbursements	(214 519)	(150 828)
	64 743	94 971
Conditional grants represent assistance from external sources from which the entity has directly benefited.		

	Opening balance	Additions	Utilised during the year	Closing balance
13. PROVISIONS				
Reconciliation of provisions - 2017				
Leave Pay Provision	58 811	14 311	(8 661)	64 461
Contributory Pension	1 082	4 629	(4 563)	1 148
Post Retirement Medical Aid	67 890	-	(4 957)	62 933
Emergency Rescue Provision	2 028	-	(18)	2 010
	129 811	18 940	(18 199)	130 552
Reconciliation of provisions - 2016				
Leave Pay Provision	57 319	7 147	(5 655)	58 811
Contributory Pension	986	3 545	(3 449)	1 082
Post Retirement Medical Aid	65 027	2 863	-	67 890
Emergency Rescue Provision	2 028	-	-	2 028
	125 360	13 555	(9 104)	129 811

Figures in Rand thousand

	March 2017	Restated March 2016
Non-current liabilities	62 933	67 890
Current liabilities	67 619	61 921
	130 552	129 811
14. EXTERNAL PROJECTS		
Special Projects	11 224	10 370
Community Levy	12 314	11 334
Community Facilities control account	8 393	6 944
Wildcard and commercial marine licenses	2	2
	31 933	28 650

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand	March 2017	Restated March 2016
15. TRADE AND OTHER PAYABLES		
Trade payables	49 897	65 100
Deposits received	36 310	32 027
Other payables	8 135	7 737
	94 342	104 864
16. REVENUE		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Sale of goods	33 617	34 047
Accommodation	120 725	124 594
Natural Resource Trade	583	683
Hunting Revenue	567	1 131
Licences and permits	3	6
Admission	44 532	36 248
Trails, Rides and Tours	13 451	12 256
Game sales	25 146	16 602
	238 624	225 567
The amount included in revenue arising from non-exchange transactions is as follows:		
Fines	1 186	1 332
Transfers	645 472	649 726
	646 658	651 058
	885 282	876 625
17. OTHER INCOME		
The amount included in other revenue arising from exchange transactions are as follows:		
Concession and hire fees earned	5 229	4 656
Capture cost and transport recoveries	13 751	21 224
Donations	17 723	10 429
Agency Services- Marine Coastal Management	3 323	5 094
Other Revenue	17 910	7 328
Interest Income	12 481	20 547
	70 417	69 278
The amount included in other revenue arising from non-exchange transactions is as follows:		
Funder revenue	132 158	105 239
	202 575	174 517

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand	March 2017	Restated March 2016
18. OPERATING EXPENSES		
Administration and management fees	52 531	49 311
Auditors remuneration	3 347	4 731
Bank charges	2 857	2 880
Bad Debts	170	1 033
Consulting and professional fees	15 782	11 998
Consumables	11 901	10 109
Contracted Services	27 635	13 808
Depreciation	48 143	33 438
Marketing	9 112	6 334
Subscriptions and membership fees	2 386	1 396
Board members remuneration	5 900	4 753
Transport and freight	32 145	31 750
Electricity	22 974	22 838
Gas	3 941	5 257
Sewerage and waste disposal	294	573
Water	10 385	3 911
Refuse	198	147
Utilities - generator diesel	2 156	1 610
Loss on exchange differences	324	211
Loss on Disposal of assets	11 407	5 556
Loss on Asset write-off	310	167
Repairs and maintenance	31 254	32 787
Non-exchange expenditure- projects	132 600	103 127
Sale of goods	29 761	26 786
Cost of services rendered	561	398
	458 074	374 909
19. EMPLOYEE RELATED COSTS		
Basic salary	416 581	418 893
Medical aid - company contributions	46 511	43 604
Unemployment Insurance Fund (UIF)	4 003	3 733
Workmans Compensation (WCA)	5 673	4 578
Skills Development Levy (SDL)	5 305	5 084
Leave pay provision charge	8 661	5 655
Other personnel costs	13 396	7 652
Post-retirement contributions	60 181	55 367
Subsistence Allowance	3 777	3 238
Overtime payments	10 877	9 532
13th Cheques	32 919	30 031
Car allowance	14 306	14 051
Housing benefits and allowances	41 866	38 356
	664 056	639 774
Remuneration:		
Chief Executive Officer		
Annual Remuneration including Allowances	2 202	2 627
Contributions to Medical and Pension Funds	-	69
	2 202	2 696
Chief Financial Officer		
Annual Remuneration including Allowances	1 332	1 242
Contributions to Medical and Pension Funds	166	159
	1 498	1 401

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand	March 2017	Restated March 2016
20. CASH (USED IN) GENERATED FROM OPERATIONS		
Surplus/(Deficit) for the year	(34 283)	36 358
Adjustments for:		
Depreciation and amortisation	48 147	33 443
Movements in provisions	741	4 451
Changes in working capital:		
Inventories	(3 021)	(2 446)
Trade and other receivables	(14 853)	(969)
Trade and other payables	(10 522)	(9 433)
Deferred Income	(30 228)	36 906
	(44 019)	98 310
21. NET MOVEMENT IN EXTERNAL PROJECTS		
Balance at beginning of the year	(28 650)	(29 889)
Balance at end of the year	31 933	28 650
	3 283	(1 239)
22. COMMITMENTS		
Already contracted for but not provided for		
> Capital expenditure	45 229	20 381
> Operating expenditure	100 368	242 607
	145 597	262 988
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	847	1 496
- in second to fifth year inclusive	572	644
- later than five years	27	28
	1 446	2 168
Operating leases – as lessor (income)		
Minimum lease payments due		
- within one year	373	412
- in second to fifth year inclusive	333	631
- later than five years	3 256	3 300
	3 962	4 343
Operating leases comprise of rentals		

23. 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 91 096 hectares have been settled and co-management agreements entered into with the claimants. In terms of the land settlement agreements, 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 91,9 million (2016: R 73,7 million).

According to the Department of Rural Development and Land Reform (DRDLR), an additional 22 claims have been lodged. 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.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Figures in Rand thousand	March 2017	Restated March 2016
23. CONTINGENCIES ...continued		
Legal claims		
The financial implications of the current cases are:		
Probable	-	480 000
Improbable	-	4 838 000
24. RELATED PARTIES		
Ezemvelo KZN Wildlife is one of the entities within the Department of Economic Development, Tourism & Environmental Affairs (EDTEA). As such, these entities and other entities within the sphere of Government are considered to be related parties.		
Relationships		
Ultimate entity	Ezemvelo KZN Wildlife	
1. Economic Development Tourism and Environmental Affairs	Controlling Department	
2. KZN Sharks Board	Under same control of EDTEA	
3. KZN Tourism Board	Under same control of EDTEA	
4. Trade and Investment KZN	Under same control of EDTEA	
5. Moses Kotane Institute	Under same control of EDTEA	
6. Richards Bay Industrial Development Zone	Under same control of EDTEA	
7. Ithala Development Finance Corporation	Under same control of EDTEA	
8. KwaZulu-Natal Growth Fund	Under same control of EDTEA	
9. KwaZulu-Natal Film Commission	Under same control of EDTEA	
10. Dube Tradeport	Under same control of EDTEA	
11. KZN Rehabilitation Trust	Under same control of EDTEA	
12. KZN Liquor	Under same control of EDTEA	
Department of Economic Development, Tourism and Environmental Affairs - Shareholder		
The entity received grants of R 645,5 million (2016 : R 649,7 million) from the Department for operating purposes.		
25. GOING CONCERN		
The 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.		
26. FRUITLESS AND WASTEFUL EXPENDITURE		
Opening balance	176	155
Fruitless and Wasteful Expenditure	-	252
Fruitless and Wasteful Expenditure Condoned	(176)	(231)
	-	176
27. IRREGULAR EXPENDITURE		
Opening balance	18 879	7 771
Irregular Expenditure	17 488	11 317
Irregular Expenditure Condoned	-	(209)
	36 367	18 879

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

28. 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 2017 was R 40,8 million (restated 2016: R 26 million) relating to trade and other receivables (Note 10) and R 173,4 million (2016: R 303,9 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 991 433 in favour of Eskom is held by First National Bank Limited as at 31 March 2017.

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.

It is the policy of the entity not to 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

It is the policy of the entity not to borrow monies, resulting in no risk related to changes in the interest rate.

Fair values

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

LEGISLATION APPLICABLE TO EZEMVELO

THE FOLLOWING LEGISLATION IMPACTS ON THE OPERATIONS OF THE ENTITY:

- > Constitution of the Republic of South Africa Act (Act No. 108 of 1996)

FOUNDING LEGISLATION

- > KwaZulu-Natal Nature Conservation Management Act (Act No. 9 of 1997)

BIODIVERSITY CONSERVATION AND HERITAGE

- > National Environmental Management Act (Act No. 107 of 1998)
- > World Heritage Convention Act (Act No. 49 of 1999)
- > National Forest Act (Act No. 84 of 1999)
- > National Water Act (Act No. 36 of 1998)
- > Marine Living Resources Act (Act No. 18 of 1998)
- > KwaZulu-Natal Heritage Act (Act No. 10 of 1997)
- > Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- > NEMA: Protected Areas Management Act (Act No. 57 of 2003)
- > NEMA: Biodiversity Act (Act No. 10 of 2004)
- > Natural Scientific Professions Act (Act No. 27 of 2003)
- > Natal Nature Conservation Ordinance (Act No. 15 of 1974)
- > Veld and Forest Fire Act (Act No. 101 of 1998)
- > National Heritage Resources Act (Act No. 25 of 1999)
- > Environment Conservation Act (Act No. 73 of 1989)
- > KwaZulu Nature Conservation Act (Act No. 29 of 1992)

EMPLOYMENT AND ECONOMIC EMPOWERMENT

- > The Labour Relations Act (Act No. 66 of 1995)
- > Employment Equity Act (Act No. 55 of 1998)
- > Skills Development Act (Act No. 97 of 1998)
- > Skills Development Levies Act (Act No. 9 of 1999)

- > Unemployment Insurance Act (Act No. 63 of 2001)
- > Basic Conditions of Employment Act (Act No. 75 of 1997)
- > Promotion of Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- > COIDA (Act No. 130 of 1993)
- > Occupational Health and Safety Act (Act No. 85 of 1993)
- > Broad-based Black Economic Empowerment Act (Act No. 53 of 2003)
- > Finance and Information
- > Public Finance Management Act (PFMA) (Act No. 1 of 1999)
- > Promotion of Access to Information Act (Act No. 2 of 2000)
- > Electronic Communications and Transactions Act (Act No. 25 of 2002)
- > Income Tax Act (Act No. 61 of 1957)
- > Preferential Procurement Policy Framework Act (Act No 5 of 2000)
- > Protected Disclosures Act (Act No. 26 of 2000)
- > Vat Act No. 89 of 1991
- > Treasury Regulations

LAND AND ROADS

- > Development Facilitation Act (Act No. 67 of 1995)
- > Restitution of Land Rights Act (Act No. 22 of 1994)
- > Municipal Demarcation Act (Act No. 27 of 1998)
- > Expropriation Act (Act No. 63 of 1957)
- > National Road Safety Act (Act No. 9 of 1972)
- > National Road Traffic Act (Act No. 93 of 1996)
- > National Roads Act (Act No. 54 of 1971)
- > Land Affairs Act (Act No. 101 of 1987)

SUNDRY

- > Criminal Procedure Act (Act No. 51 of 1977)
- > Firearms Control Act (Act No. 60 of 2000)
- > Liquor Act (Act No. 49 of 2003)
- > Promotion of Administrative Justice Act (Act No. 3 of 2000)





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