



CapeNature

**INTEGRATED
ANNUAL REPORT
2023**

ACKNOWLEDGEMENTS

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SCOPE AND BOUNDARIES

This report covers the financial year starting 1 April 2022 and ending 31 March 2023.

Data relating to CapeNature's operations (which includes conservation operations, eco-tourism operations, human capital and financial capital), includes all CapeNature offices and reserves within the Western Cape.

Data relating to CapeNature's regulatory mandate extends beyond the boundaries of its reserves to include the province's natural assets.



ABOUT THIS REPORT

Welcome to CapeNature's 2023 Integrated Annual Report, which provides insight into CapeNature's strategy, operating model, key financial streams, stakeholders, activities and material outcomes during the financial year ending 31 March 2023.

This report is intended for a broad audience that includes:

- Funders and donors.
- The Western Cape Government as CapeNature's key funder and oversight body.
- Communities throughout the province, especially those in and near areas of conservation interest.
- Members of the public and businesses of all sizes that directly or indirectly rely on the Western Cape's natural resources, which includes clean air and fresh water.
- Researchers and academics with an interest in sustainability, conservation and social development.
- Visitors who benefit from the Western Cape's natural beauty.

This report was prepared in accordance with the International Integrated Reporting Framework, while remaining cognisant of other reporting frameworks and guidelines such as the King IV Code of Good Governance and the JSE Sustainability Guidelines.

This report complements the mandatory Annual Report submitted to the Western Cape's Minister for Local Government, Environmental Affairs and Development Planning.





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INTRODUCTION



LETTER FROM THE CHAIRPERSON

Whenever I visit one of CapeNature's reserves I am struck afresh at the natural beauty of the province I call home. Our region, with its fynbos-clad mountains, is renowned for its exceptional biodiversity and ecological significance. Astonishingly, more than half of the country's plant species can be found within the borders of the Western Cape. It is no wonder that our reserves win points for being "Instagrammable".

However, pressing challenges lie ahead. Climate change projections paint a concerning picture in which more frequent heat waves and reduced rainfall will drive an increase in wildfires, which could, if not carefully managed, have severe consequences for biodiversity. The Western Cape is also not only a sanctuary for nature. It is also home to a rapidly growing population of people who, facing a rapid increase in employment opportunities, will struggle to overcome high endemic levels of poverty and unemployment.

In the absence of any mitigation, this collusion of poverty, unemployment and climate vulnerability will negatively impact on environmental conservation in the Western Cape. In this context, CapeNature, as the public entity responsible for the conservation of biodiversity in the Western Cape, focuses on solutions that address both environmental and social challenges. As much as we must expand our conservation estate, protect our water source areas, fight fires and raise awareness about environmental issues, we will continue to develop skills and create economic opportunities, to combat poverty and unemployment among the province's most vulnerable groups.

Our mission is shared by other conservation entities across the globe. In December 2022, the United Nations Conference of the Parties (COP 15) adopted the Kunming-Montreal Global Biodiversity Framework, committing signatories to protect the Earth's lands, oceans, coastal areas and inland waters. To do this, we need to demonstrate that it is possible to make a living while regenerating nature.

Although we have much work ahead of us to achieve the ambitious goal set by the global community, we are confident that we can secure our province's natural heritage for ourselves and future generations.

In this endeavour, we rely on your continued support, dedication and collaboration. Together, we can create a resilient and sustainable future for the Western Cape, safeguarding its invaluable ecosystems and the vital services they provide. Let us rise to the challenge and make a lasting impact for generations to come.



A handwritten signature in black ink, appearing to read "Denver Hendricks", written in a cursive style.

PROF DENVER HENDRICKS

CHAIRPERSON

OCTOBER 2023



LETTER FROM THE CEO

Nature – with its vast array of ecosystems, species and intricate interconnections – thrives on diversity. It is a tapestry woven together a myriad of interacting elements, each bringing their unique strengths to the collective whole. In the natural world, diversity is not only celebrated, but it is also the driving force behind its resilience and sustainability.

The same is true for CapeNature. As the public entity that promotes and ensures biodiversity conservation in the Western Cape, we are responsible for ensuring that the province's people and businesses use local natural resources within the precepts of the law and the Constitution. But that is not all that we are. We are also an employer and creator of economic opportunities in geographic areas where economic opportunities are few and challenges are many. Finally, we are also a sought-after travel destination that offers a variety of accommodation options and nature-based experiences that compete on the open market for tourism rands.

We regard this diversity of approaches as a strength, not only because it diversifies our income, but because our three strands of purpose – conservation, social development and tourism – are much stronger woven together than in isolation.

ABOUT THIS REPORT

This integrated report captures our progress towards achieving our mandated strategic objectives. We still have two years left under the five-year strategy that will take us to 2025, but the fact that we have achieved all interim targets for the year under review gives us reason to be optimistic that we will achieve all our mandated targets by March 2025.

This report also captures progress towards achieving our “stretch” ambitions and on the management of cross-cutting elements such as governance, human resources and our brand, which together enable us to do more with less. In this way, we combine the accountability, transparency and social focus of a well-run government entity with the ambition, efficiency and consumer focus of a private enterprise.

KEY HIGHLIGHTS

The year under review was a busy one for CapeNature, with our biodiversity assessments and conservation work continuing a pace even as Covid-19 travel restrictions were fully lifted for the first time in more than two years.

I highlight the following achievements and activities as being especially relevant to our mandate and our deeper purpose of conservation that creates opportunities for people:

- **We published our third State of Conservation report**, which provides a useful snapshot of the health of terrestrial, marine, freshwater and estuarine ecosystems across the province. The report highlights our substantial successes in recent years, which includes the recovery of Cape Mountain Zebra populations, which have gone from “Endangered” in 1996 to “Least Concern” today.
- **We secured formal protections for 10 749 ha of land and signed five biodiversity agreements**, incrementally contributing to global commitments to protect 30% of nature by 2030.
- **We noted a year-on-year decline in the area of land burned by wildfire since a peak in 2015/16**, with fewer than 50 000 hectares (ha) affected each year for the past three years despite the number of starts remaining relatively steady (Figure 1). This is a testament to the effectiveness of our rapid response approach to new start-ups and a relentless focus on fire preparedness before the fire season.



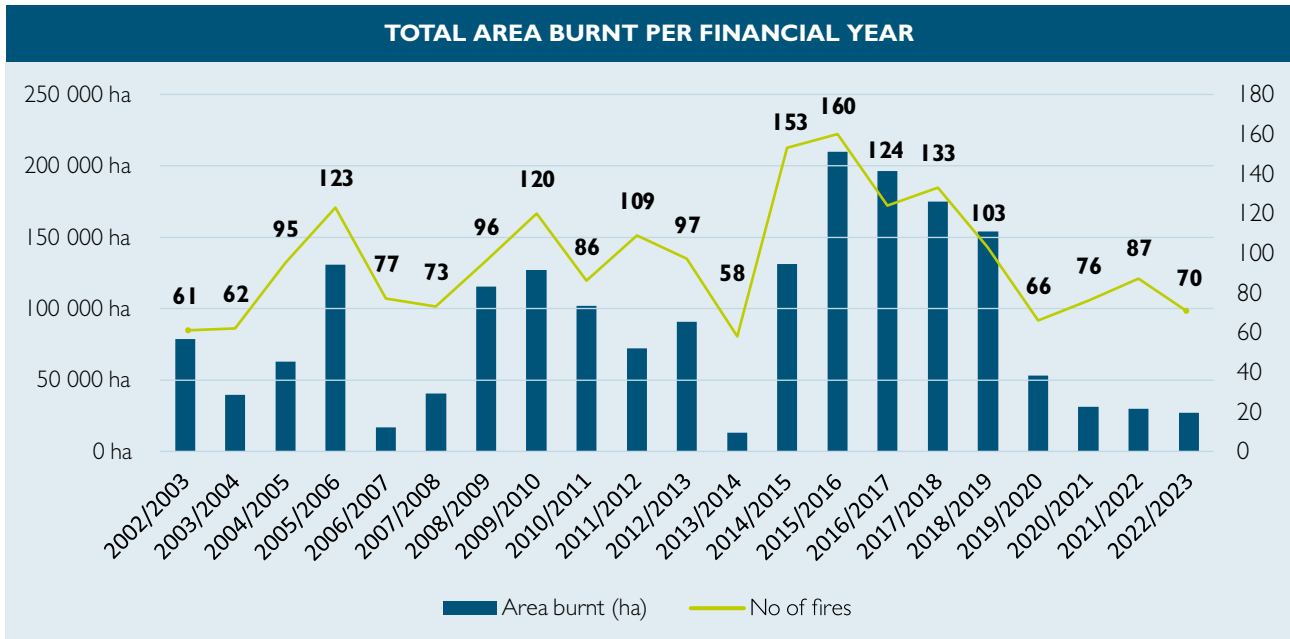


Figure 1: Total area burned and number of fires (2002/03 to 2022/23)

- **We collectively cleared 18 333 ha of water-intensive invasive alien vegetation**, returning kilolitres of water to the water source area, so reducing the likelihood of future droughts such as the one that nearly brought the City of Cape Town to Day Zero in 2018.
- **We created job opportunities for 608 contract employees** from 60 communities across the province, of which 60% were women, 76.7% were youth and 2.4% were people with disabilities which were well above the targets set. In addition to a reliable income, these opportunities come with skills training and certification that increase our participants' future employability.
- **We procured the services of 19 small, medium and micro-sized entities** to render various services on our reserves which contributed to job creation and improved socio-economic benefits within the biodiversity economy sector.
- **We provided protected area access to several hundred community members** who cut down alien invasive trees to sell on the commercial market as firewood and who seasonally harvest figs to eat, sell, or make jams for the retail market.

During the year, we increased our year-on-year tourism income by 20% (Figure 2), driven by a 43% increase in the number of day and overnight visitors to our reserves.

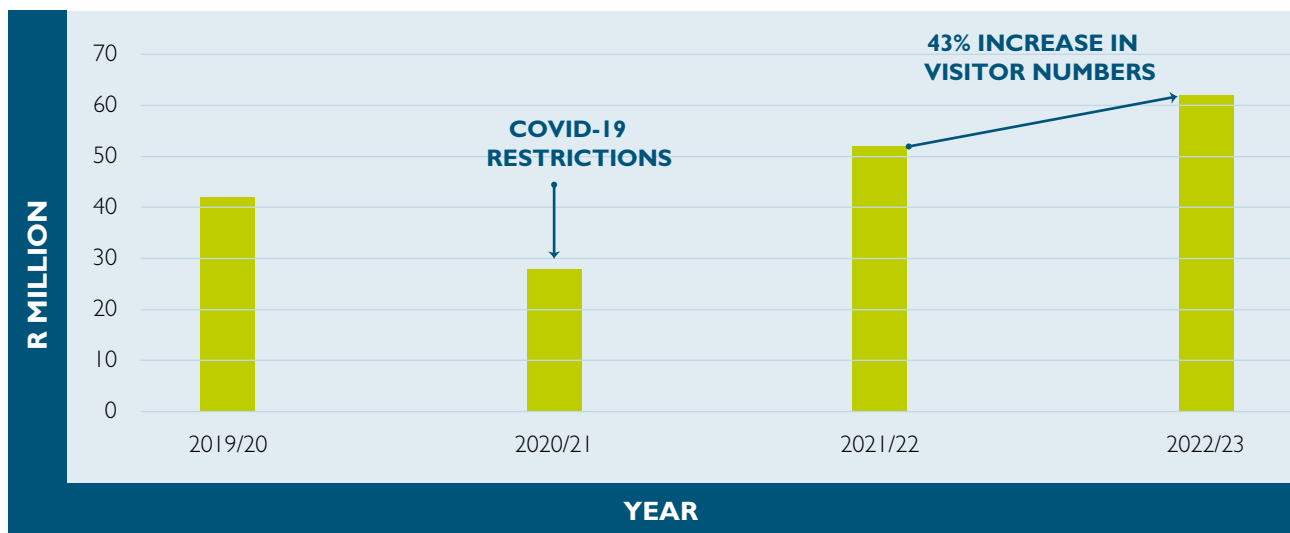


Figure 2: Eco-tourism income (2019/20 to 2022/23)

These achievements work together to strengthen the province's biodiversity in ways that cannot instantly or directly be observed or measured. Rather, their benefits are felt over the long term and in the form of a continuation of the gifts we have come to appreciate in the Western Cape: fresh water, clean air and a selection of richly beautiful natural protected areas in which people can reconnect with nature.



KEY CHALLENGES

The following issues were areas of concern during this financial year:

- **There was a steep increase in biodiversity crime**, in particular succulent poaching, which consumed substantial resources through monitoring compliance, engaging with communities and working across sectors to manage this risk. CapeNature has taken a leading role in the two-monthly Provincial Biodiversity Investigators Forum that aims to facilitate intergovernmental cooperation and information sharing. We are pleased to report that the South African National Biodiversity Institute (SANBI) and the national government have developed a coordinated response to this pervasive threat that will draw on the strengths of CapeNature and other players to combat this scourge, which affects both the Western and Northern Cape.
- **The loss of 844 ha of nature reserve** due to the withdrawal and abolishment of Driftsands Nature Reserve. Driftsands Nature Reserve had been subject to unlawful occupation since July 2020, resulting in the raising of more than 11 000 structures on the reserve. Despite efforts to achieve an amicable solution, including a public participation process, the unlawful occupation resulted in the abolishment of the reserve at the end of March 2023.
- **Funding constraints and delays limit our capacity**, especially when it comes to labour-intensive activities such as clearing alien invasive vegetation. We manage this risk by leveraging our assets to boost tourism income while scanning the horizon for new opportunities to secure development finance and partner with the private sector through public-private partnerships, concessions and purpose-driven trust funds.

A FINAL WORD

In any ecosystem, the whole is greater than the sum of the parts: the various elements of the system work together to produce outcomes that no single element would be able to produce. Yet within such systems there are also keystone species: those species that, simply by staying true to their nature and doing what they do, create massive change through their consistency and by shifting the trajectory of other species.

I take this opportunity to thank Minister Bredell, the members of the Board, and all the staff of CapeNature for their time, commitment and unwavering support during the year. Every one of you assists in safeguarding our precious natural assets.

As I look to the coming year, I do so with a sense of optimism. With a stronger global mandate than ever before, a purpose-driven and adept staff complement and the strong support of communities and the broader public, I am confident that CapeNature will contribute to a more sustainable, resilient and adapted natural environment.



A handwritten signature in black ink, which appears to read 'Razeena Omar'. The signature is fluid and cursive.

DR RAZEENA OMAR

CHIEF EXECUTIVE OFFICER

OCTOBER 2023





THE YEAR IN NUMBERS

20%

**YEAR-ON-YEAR INCREASE
IN ECO-TOURISM INCOME**
compared with previous year



43%

**GROWTH IN VISITOR
NUMBERS**



9KM

The length of the circular hiking trail in Robberg Nature Reserve that was named one of the top 35 hikes in the world by an international travel magazine



115

**STAKEHOLDER CAPACITY
BUILDING ACTIVITIES**
conducted



899

**PEOPLE EMPLOYED FULL-
TIME** as staff and through the
Expanded Public Works Programme
(EPWP)

11:11MIN

The length of the film for which CapeNature was nominated as a finalist at the International Tourism Film Festival Africa Awards. The film focused on customer service values at the Gamkaberg Nature Reserve



468

**AWARENESS-RAISING
ACTIVITIES**
conducted

10 749 HA

ADDED
to conservation area

19

SMMES CONTRACTED

to provide various services at our
nature reserves

86%

OF PERMIT APPLICATIONS

processed within legislated
timeframes

223

COMPLIANCE INSPECTIONS

conducted

60

CRIMINAL INVESTIGATIONS

handed over to national prosecutor
for further action



7

**THE NUMBER OF YEARS IN A
ROW THAT CAPENATURE HAS
ACHIEVED CLEAN AUDITS**





ABOUT CAPENATURE





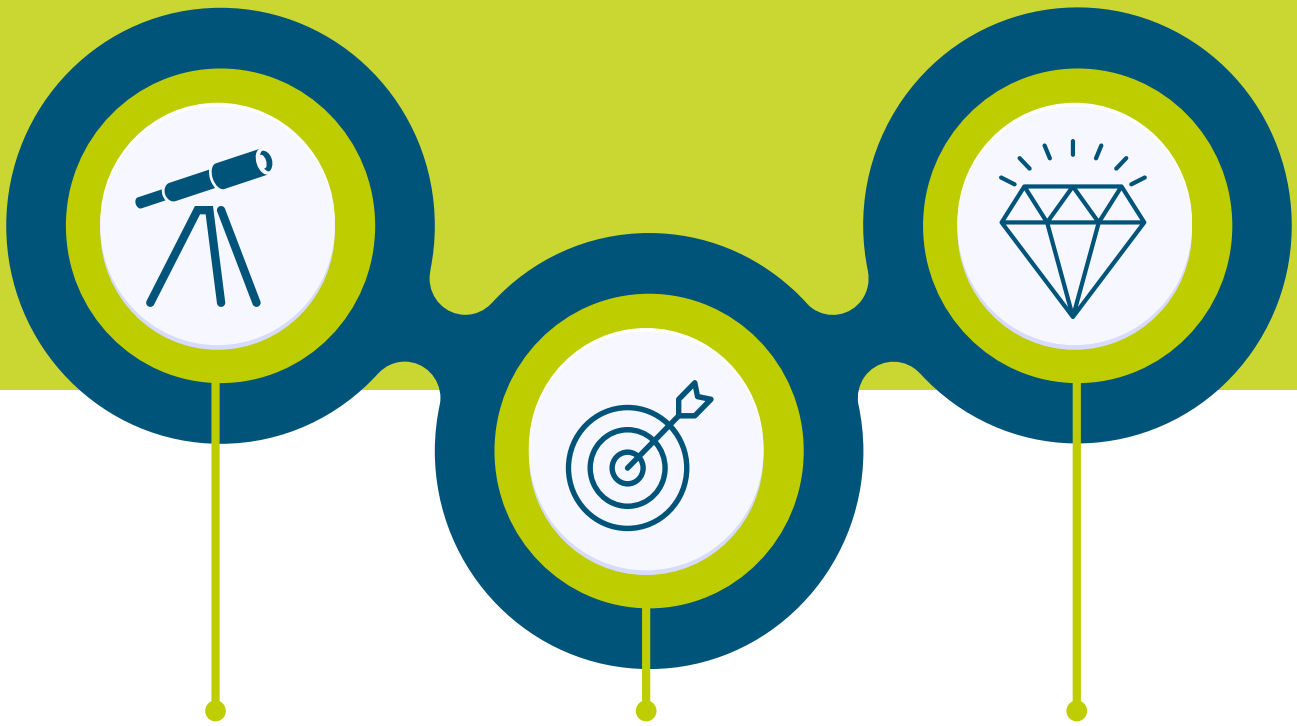
CapeNature is the provincial authority legally mandated to manage the Western Cape's natural heritage for the benefit of people, the economy and future generations.

In practice, we:

- **Implement legislation and policies** related to biodiversity management, conservation and economic development across the Western Cape, including issuing permits, ensuring compliance and partnering with law enforcement where relevant.
- **Monitor and report** on the state of biodiversity in the province to inform future action.
- **Partner with stakeholders** across all sectors to manage the province's biodiversity in line with international agreements and best practice, in the process creating financially and ecologically sustainable employment and economic opportunities.
- **Enhance public understanding** and appreciation of the province's natural heritage through outreach programmes.
- **Contribute to legislative and policy development** at the provincial and national level. Conserving nature for resilience and sustainability.







VISION

To conserve, protect and restore our natural environment by inspiring and influencing positive change.

MISSION

VALUES

CapeNature strives to create a work environment that nurtures people and motivates a high level of performance in putting people first through implementing the Batho Pele (People First) principles.



THE FOLLOWING ARE OUR CORE VALUES:

INNOVATION

We encourage creativity and invention by embracing sector and industry developments to enhance corporate and conservation capabilities and to stimulate new ideas and new approaches.

CUSTOMER SERVICE

We endeavour to care for the needs of our internal and external customers by providing professional, high-quality service and assistance. Advocate the principles of passion, responsiveness to queries, excellent customer support, professionalism, competence, commitment, courtesy, efficiency, active listening, empathy, warmth and friendliness (a smile on their face).

ACCOUNTABILITY

We encourage staff to take responsibility for their actions and outcomes. Advocate the principles of ownership, "I" language, victor rather than the victim, takes responsibility for errors, accepts the consequences with dignity problems into opportunities, owns up to mistakes and offers solutions.

RESPECT

We strive to treat people with care and courtesy, having a high regard for their wellbeing. Advocate the principles of thoughtfulness, attentiveness, politeness, kindness, patience, good listening skills and empathy.

ETHICS

We embrace ethics in all we do and conduct ourselves in a moral and ethical manner. Advocate the principles of morality, honesty, ideals, creed and ethos, rules of conduct, standards (of behaviour), virtues and honour.





OUR STAKEHOLDERS

CITIZENS

TYPICAL INTERESTS

- Visitors to our reserves want accessible information relevant to their stay and well maintained, safe facilities.
- Communities need work opportunities and sustainable livelihoods.
- Citizens and interest groups want access for cultural, medicinal and religious purposes.
- Teachers and learners want age-appropriate, curriculum-aligned education support.
- Private landowners want sufficient water for their land, safety against wildfire threats and a harmonious relationship with wildlife.
- Many citizens want an opportunity to contribute to the formation of national and provincial environmental legislation.
- All citizens rely on the fresh air and clean water that healthy ecosystems provide.



HOW WE ENGAGE

- Our website is content-rich. We prioritise answering public queries and manage our social media channels daily. We routinely update and maintain signage in our reserves to ensure a safe experience. We run environmental education campaigns for both children and adults.
- We run marketing campaigns to inform the public about our tourism offering and specials.
- We routinely engage communities in reserve buffer zones. We employ community members through the Expanded Public Works Programme (EPWP) and we create economic opportunities for local SMMEs.
- We do outreach at schools and provide downloadable, curriculum-aligned educational materials. We have a free online club for children between the ages of 4 and 13.
- We clear invasive alien vegetation where strategic water source areas overlap with the protected areas manage. We actively participate in local Fire Protection Associations, prepare our reserves for wildfire season and coordinate the disaster response in case of wildfires.
- In the case of human-wildlife conflict, we advise landowners, help develop management plans and host engagements with target interest groups.
- We facilitate roadshows to gather community inputs on national policy. Two key documents up for discussion during the year were the draft White Paper on Conservation and the Sustainable Use of South Africa's Biodiversity and the draft Game Meat Strategy for South Africa.
- We track the state of conservation of key ecosystems and plant and animal species of conservation concern and are constantly expanding the conservation estate, including by partnering with private landowners on stewardship agreements.



OUR STAKEHOLDERS

GOVERNMENT

TYPICAL INTERESTS

- National government requires CapeNature, as the Western Cape's nature conservation regulatory authority, to implement national biodiversity laws, contribute to the country's global conservation commitments and contribute local technical understanding to national legislation.
- Provincial government wants CapeNature to implement provincial conservation legislation and regulations, as well as provide technical support in developing relevant provincial policies and plans.
- Municipalities and other implementation entities such as law enforcement and prosecutors want capacity-building support so their agents can make informed decisions and properly execute their roles on the ground.

HOW WE ENGAGE

- Global and international conservation goals are integrated into our strategy and annual plans. We provide inputs to national white papers to help shape legislation.
- We are funded by the provincial Department of Environmental Affairs and Development Planning and submit a monthly highlights report to the minister. We work closely with the department on developing and mainstreaming provincial environmental and conservation legislation, regulations, policies and plans.
- We provide capacity-building and technical support to local government, law enforcement and the justice system.

OUR PEOPLE

TYPICAL INTERESTS

- CapeNature's full-time employees want fair reimbursement, a safe working environment, recognition for their skills and effort and to be informed about current events across the entity.
- Contract-based EPWP employees want a safe working environment and a chance to seize further opportunities beyond the contract period.

HOW WE ENGAGE

- CapeNature provides onboarding training and constant communication to ensure that its people are safe at the workplace. In 2022, we reintroduced an awards ceremony that recognises excellent work and long service. A weekly e-newsletter and quarterly e-magazine goes out to staff. Remuneration is in line with government salary levels.
- The EPWP has a strong training component that covers both technical and soft skills. Many full-time equivalents (FTEs) conclude their contract with certifications that secure further work opportunities.



OUR STAKEHOLDERS

BUSINESSES

TYPICAL INTERESTS

- Public-private partnerships (PPPs) operating on CapeNature-managed land want to be both financially and environmentally sustainable.
- Commercial farmers want water for crops and livestock, protection against wildfires and constructive approaches for managing conflict with wildlife.
- Regulated communities (for example game farms) need to comply with provincial legislation and regulation.
- Suppliers want transparent, fair and compliant procurement and timely payment.
- The private sector as a whole wants clean air, fresh water and a stable society in which to do business.

HOW WE ENGAGE

- We support potential private-sector partners who meet our environmental standards to navigate the PPP regulatory landscape and obtain the necessary permissions.
- We participate in community associations that allow us to engage with farmers and other stakeholders on integrated water management and wildfire preparedness.
- We have an effective supply chain management system in place and a clear Preferential Procurement Policy, which prioritises BB-BEE service providers. We work closely with the Provincial Treasury's Supply Chain Management Unit to ensure compliance with preferential procurement regulations.
- Healthy ecosystems provide clean air, fresh water and other ecosystem services that businesses value. We contribute to social stability by creating work opportunities and providing technical and soft skills training, in turn improving the employability of FTEs.

CIVIL SOCIETY

TYPICAL INTERESTS

- Environmental and social development NGOs want healthy ecosystems that support sustainable livelihoods.
- Community-based organisations (CBOs) want access to ancestral land or land of cultural or historic importance.
- Academics and researchers from tertiary and other institutions want access to both nature reserves and threatened or protected species outside nature reserves for field research and provincial ecological data for analysis.
- Media wants timely comment on news stories of conservation relevance.

HOW WE ENGAGE

- We partner with NGOs, academics and researchers to leverage each other's resources and explore novel ways to amplify the ecological and social benefits that each party provides.
- We provide CBOs who apply in advance for cultural access to reserves with free or low-cost access.
- We authorise permits for academics and researchers to access nature reserves and threatened or protected species.
- We prioritise responding to media enquiries and have contracted an independent service provider to measure CapeNature's advertising value equivalency (AVE).



OUR STRATEGY

Our strategic plan takes a multi-level, landscape approach to conservation that sees CapeNature partner with stakeholders from all sectors and dimensions of society to pursue the conservation and development goals enshrined in the Constitution of South Africa and other conservation and development legislation, frameworks and policies on the global, national and provincial arenas (see box, "Guiding frameworks and legislation").

GUIDING FRAMEWORKS AND LEGISLATION

CapeNature takes its mandate and high-level strategic guidance from the following key frameworks, legislation, and policies, among others:

- Provincial legislation, primarily the newly assented Western Cape Biodiversity Act (Act 6 of 2021). Regulations for the Act are still being developed.
- National strategic frameworks including the National Development Plan 2030 and the Medium Term Strategic Framework (2019–2024).
- Provincial strategic frameworks, including OneCape 2040, the Western Cape Government's Provincial Strategic Plan (2019–2024) and the Western Cape Delivery Plan (2015–2030).
- National legislation and policy white papers, including Section 24 of The Constitution of South Africa (1996), the National Biodiversity Act (2004), the National Protected Areas Act (2003) and the Carbon Tax Act (2019).
- International commitments, conventions and protocols, most notably the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the United Nations Framework Convention on Climate Change (UNFCCC).

The year under review is the midpoint of CapeNature's Five-year Strategic Plan, which was adopted in March 2020 for the period 2020 to 2025.

The plan is based on a complex systems thinking approach. This approach brings with it a deep understanding that no single entity can bring about positive change in isolation. Rather, the aim is to forge ongoing relationships that promote constructive dialogue and collaboration with a broad range of stakeholders, with the ultimate aim of developing and strengthening pro-nature practices

that enhance climate resilience, develop sustainable livelihoods, and benefit communities and society in general.

OUTCOMES

In practice, the strategy has targeted two main outcomes:

- Enhanced biodiversity conservation and landscape resilience
- Advanced economic sustainability.

OBJECTIVES

The following objectives were identified as key for achieving the above outcomes:

- Process permit applications within legislated time frames.
- Update the State of Conservation Report each year and publish a State of Biodiversity Report every five years.
- Conduct compliance inspections.
- Issue administrative enforcement notices.
- Conduct criminal investigations and prepare submissions to the National Prosecuting Authority.
- Assess the management effectiveness of CapeNature-managed protected areas.
- Implement protected area expansion in the land- and seascapes of the Western Cape.
- Facilitate environmental awareness and education.
- Achieve an unqualified audit report.
- Increase eco-tourism income.
- Market and promote activities to facilitate access.
- Provide employment opportunities through EPWP programmes.
- Provide learning opportunities within the sector.

These outputs are periodically reviewed and updated for relevance, in recognition of the ever-changing nature of complex systems.

These objectives have been associated with targets, creating metrics for assessing progress towards achieving the desired outcomes. These metrics and targets were formalised in the entity's 2022/23 Annual Performance Plan, which was approved in March 2022 by the executive authority for CapeNature, who is the Provincial Minister of Local Government, Environmental Affairs and Development Planning.



HOW WE WORK

The operating model maps the above targets and outputs to CapeNature's programmes. It also summarises the external capitals that are required to achieve its objectives, and the external drivers that influence its mandate and affect its outcomes.

EXTERNAL INPUTS

SOCIAL CAPITAL CapeNature develops strong bonds with target communities whose cooperation and activities are foundational to achieving the province's conservation goals.

HUMAN CAPITAL CapeNature's people bring to their work a passion for conservation and development. They are also committed to connecting the public with nature through eco-tourism.

INTELLECTUAL CAPITAL CapeNature's scientists engage in research and monitoring activities that both inform its activities on the ground and contribute to shaping conservation policy and legislation.

FINANCIAL CAPITAL CapeNature receives funding from the provincial government, which is complemented by grant funding from key partners as well as revenue generated from eco-tourism and concessions to environmentally sustainable businesses.

NATURAL CAPITAL The Western Cape's natural assets are both the reason for CapeNature's existence and a lever for executing its mandate, in as much as the services provided by healthy ecosystems are used to attract fruitful partners and generate income, which in turn is used for conservation and eco-tourism activities.

MANUFACTURED CAPITAL While not a central aspect of CapeNature's work, some reserves include a curio shop where visitors can purchase manufactured keepsakes of their visit. Where possible, these keepsakes are manufactured by local communities and made from sustainable materials.



ADMINISTRATION AND GOVERNANCE

ACTIVITIES

- Ensure effective governance and compliance with legislative requirements.
- Ensure staff wellbeing and overall administrative functioning.
- Optimise CapeNature's finances, risk (including legal risk) and IT systems.
- Enhance the CapeNature brand.



OUTPUTS

- Unqualified audit report*
- Risks are managed within the entity's appetite and tolerance levels >> p 48 - 49
- A respected brand >> p 40 - 41
- An appropriately qualified and motivated workforce that is able to execute on the entity's strategy >> p 36
- A well-governed entity with transparent reporting, strong internal controls and accountability >> p 50 - 51.



BIODIVERSITY CAPABILITIES

ACTIVITIES

- Biodiversity surveillance, monitoring and research.
- Strategic expansion of the conservation estate and conservation activities.
- Mitigate threats to biodiversity.
- Issuing of permits and monitoring of legislative compliance.
- Knowledge dissemination.
- Policy advocacy and development.
- Manage natural disaster risks.
- Respond to climate change impacts on biodiversity.



OUTPUTS

- Updated annual State of Conservation Report* >> p 26
- Biodiversity spatial planning and mainstreaming* >> p 26
- Expansion of the conservation estate* >> p 27
- Permit applications processed within legislated timeframes* >> p 29.



EXTERNAL DRIVERS

- Growing number of threats to biodiversity
- Widespread poverty
- Areas of high vulnerability to climate change
- Global environmental commitments
- National and provincial environmental legislation and policy
- National and provincial social development goals

OUTCOMES

- Enhanced biodiversity conservation and landscape resilience*
- Advanced economic sustainability*
- Communities, businesses, the government and funders recognise CapeNature as a trusted partner in conservation.
- CapeNature creates environmentally sustainable economic and work opportunities for historically disadvantaged communities and individuals.
- CapeNature reserves are appreciated as world-class eco-tourism destinations that serve to reconnect people with nature, including for cultural reasons, while attracting revenue for future conservation and eco-tourism work.
- CapeNature facilitates and enables access to the province's natural assets for cultural, medicinal and religious purposes.
- CapeNature contributes to scientific understanding of the province's ecological importance, especially relating to the biodiversity of endemic fauna and flora.
- CapeNature contributes to shaping provincial and national environmental legislation and policies.

* **Outputs and outcomes marked with an asterisk are contained in the Annual Performance Plan.**



CONSERVATION OPERATIONS

ACTIVITIES

- Conserve, enhance and restore biodiversity resilience in Western Cape landscapes.
- Create work opportunities and provide skills training.



OUTPUTS

- Management effectiveness of CapeNature-managed protected areas assessed* >> p 26
- Integrated catchment management promotes sustainable water resources
- Wildfire management
- Work opportunities created through the biodiversity sector economy* >> p 32 - 33
- Compliance inspections conducted* >> p 29
- Administrative enforcement notices issued* >> p 29
- Criminal investigations handed to the NPA* >> p 29
- Job creation through EPWP/alien clearing and wildfire management
- Better opportunities through soft skills training and professionalisation (linked to EPWP).



ECO-TOURISM AND ACCESS

ACTIVITIES

- Develop and maintain CapeNature's tourism facilities and entrench a visitor-centric approach to increase income from eco-tourism.
- Advocate for sound conservation and environmental practices.
- Manage the CapeNature brand and communication platforms.
- Provide community access to natural resources.
- Facilitate economic and social opportunities in the biodiversity economy sector.



OUTPUTS

- Increased eco-tourism income* >> p 38
- Marketing and promotional campaigns to encourage visitors* >> p 39
- Environmental awareness collateral disseminated and education outreach conducted* >> p 30 - 31
- Stakeholder capacity-building activities conducted* >> p 31
- Provided access for cultural reasons >> p 34.





2022/23 PERFORMANCE REVIEW



OPERATING CONTEXT

The Western Cape is a province of outstanding natural beauty. Its importance for biodiversity has been globally acknowledged, with the province being home to a large proportion of the Greater Cape Floral Region (one of only six floral kingdoms in the world) and one of the world's 35 biodiversity hotspots.

According to climate change projections, the Western Cape will experience higher annual temperatures with more heat waves and reduced rainfall, increased wildfires, rising sea levels and an increase in extreme weather events, including flooding of the kind that affected the area during June 2023.

The province is also home to about 7.1 million people: a figure that is growing by more than 100 000 each year. In 2020, about 21% of the province's population – nearly 1.5 million people – lived below the lower-bound poverty line of R840 per person, per month. Although unemployment levels in the province show signs of improving after Covid-19-driven job losses, they remain high, with expanded unemployment reaching 25.9% in the first quarter of 2023 against 29% for the same period in 2022.

The combination of poverty and unemployment contributes to the destruction of ecosystems through several mechanisms. Poorer communities, especially in rural or underserved areas, are typically more directly reliant on ecosystem services such as water for growing crops, cleaning and consumption.

It is more important than ever for CapeNature as the Western Cape Government's environmental partner to proactively expand the province's conservation estate and to safeguard treasured ecosystems (and the services they provide) against the negative impacts of poverty and unemployment, crime syndicates, and climate change.

This imperative was underscored on the global arena in December 2022, when the United Nations Biodiversity Conference (COP15) adopted the landmark Kunming-Montreal Global Biodiversity Framework (GBF), which commits signatories – of which South Africa is one – to, by 2030:

- Protect 30% of the Earth's lands, oceans, coastal areas and inland waters.
- Reduce by \$500 billion harmful government subsidies.
- Cut food waste in half.



HOW WE DETERMINED MATERIALITY

The material matters were identified based on:

- **The strategic outcomes** captured in our annual performance plan.
- **Risks and opportunities that emerged during the year**, including those that received media attention.
- **The priorities of key stakeholder groupings.**

The material topics were identified in consultation with CapeNature executives who, in turn, receive ongoing feedback from CapeNature staff, communities and other stakeholder groupings with whom they regularly interact (see Our stakeholders).

SUMMARY OF PROGRESS AGAINST ANNUAL PERFORMANCE PLAN

Table 1 summarises the entity's progress towards achieving its annual performance plan targets. Note that although most achievements against targets are testament to the positive work CapeNature does, some targets are reflective of the entity's ability to deliver on its regulatory mandate (for example, the target related to the number of administrative enforcement notices issued for non-compliance with environmental legislation has been set at zero because the entity does not, and should not be seen as, pursuing non-compliance).



INDICATOR/METRIC	ANNUAL TARGET	ACTUAL	TARGET ACHIEVED?
PROGRAMME 1: ADMINISTRATION AND GOVERNANCE			
Audit opinion from Auditor-General of South Africa	Unqualified audit for previous year	Unqualified audit for previous year	✓
Number of employment opportunities provided through EPWP programmes	450	608 (higher number due to turnover rate)	✓
Number of learners appointed through various initiatives (including learnerships)	15	16	✓
PROGRAMME 2: BIODIVERSITY CAPABILITIES			
Number of hectares in conservation estate	Previous year + 5 000 ha	Previous year + 9 905.14 ha	✓
Number of State of Conservation reports completed	1	1	✓
Number of biodiversity stewardship sites	1	5	✓
Percentage of complete applications for biodiversity permits and authorisations finalised within legislated timeframes	80%	86%	✓
PROGRAMME 3: CONSERVATION OPERATIONS			
Percentage of area of state-managed protected areas assessed with a METT score above 67%	n/a	n/a	n/a
Number of work opportunities created through environmental public employment programmes (ie SMME procurement)	700	1 105	✓
Number of compliance inspections conducted	40	223	✓
Number of administrative enforcement notices issued for non-compliance with environmental legislation	0	0	✓
Number of completed criminal investigations handed to the National Prosecuting Authority for prosecution	20	60	✓
PROGRAMME 4: ECO-TOURISM AND ACCESS			
Percentage increase in tourism income generated	7%	38% over target	✓
Number of new and/or upgrades on existing tourism products	10	18	✓
Number of tourism promotional activities to promote access	11	12	✓
Number of environmental awareness activities conducted	300	468	✓
Number of environmental capacity-building activities conducted	80	115	✓

Table 1: Progress on Annual Performance Plan targets



FOCUS ON NATURE: SAFEGUARDING THE WESTERN CAPE'S UNIQUE BIODIVERSITY

Safeguarding the Western Cape's biodiversity by expanding the area under conservation is core to CapeNature's mandate.

CapeNature enhances biodiversity in the province primarily by:

- Coordinating scientific research activities.
- Expanding the area of land under conservation.
- Ensuring wildfire season planning and preparedness.
- Safeguarding water source areas.
- Managing human activities as they relate to the province's natural assets.
- Environmental education and awareness-raising.



KEY POINTS

- CapeNature coordinates research to better understand where the province's biodiversity is located.
- This knowledge helps the entity identify key biodiversity areas for protected area expansion and threat mitigation.
- The entity produces a Provincial Biodiversity Spatial Plan that is used when making decisions on development applications.

COORDINATING SCIENTIFIC RESEARCH

Scientific research helps develop a better understanding of where the province's biodiversity hotspots are so that the entity can strategically target these areas for formal protection and stewardship agreements.

CapeNature has limited in-house capacity to conduct field research over the vast area that constitutes the Western Cape. It therefore engages in strategic, unpaid partnerships with a wide range of scientific partners including conservation NGOs, citizen scientists, tertiary education institutions and communities to augment and improve the available data.

During the year, CapeNature recorded the following activities relating to research and knowledge development and dissemination:

- **The third annual Western Cape State of Conservation Report was published.** The report highlights that 16% of extant indigenous species in the Western Cape are threatened with extinction and that 37% of terrestrial Western Cape ecosystems are threatened. It will ultimately contribute to the more detailed "Western Cape State of Biodiversity Report", which is published every fifth year.

- **Computer-aided data gathering was rolled out** to enable scientists and technologists to capture and upload field observations to the entity's database in real time, empowering decision-makers with the most current data.
- **A partnership with NASA was initiated** to enable Western Cape researchers to look at real-time satellite imagery to identify where infestations of invasive alien species occur, rather than doing density mapping on foot. Remote sensing complemented with AI learning is already being used to a modest extent and remains an important focus area for the entity going forward.
- **CapeNature initiated the development of the second Provincial Biodiversity Spatial Plan.** The Western Cape Biodiversity Act mandates CapeNature to develop the Provincial Biodiversity Spatial Plan, which is to be adopted by the Department of Environmental Affairs and Development Planning and approved by the Provincial Minister of Local Government, Environmental Affairs and Development Planning, following public consultation. CapeNature produced the first Biodiversity Spatial Plan in 2017. The 2023 Western Cape Biodiversity Spatial Plan is comprised of a geographic information system-based interpretative tool and a guideline document. It is intended for use by environmental assessment practitioners and planners and will guide protected areas expansion.
- **CapeNature continued co-developing the regulations that will give effect to those sections of the Western Cape Biodiversity Act (6 of 2021)** that have not yet come into effect. Some sections came into effect in December 2022.

Biodiversity spotlight

The Brenton blue butterfly (*Orachrysops niobe*) is potentially extinct. This Critically Endangered taxon persisted at a single site near Knysna until 2017. The butterfly relies on a host plant and a host ant taxa for completion of its life cycle. Regular surveys show no sign of the butterfly or the host ant since a few months after the Knysna fire of 2017.



The Cape Vulture is globally listed as Vulnerable and regionally listed as Endangered. The only breeding colony in the Western Cape is at Potberg, in CapeNature's De Hoop Nature Reserve.





KEY POINTS

- During the year, 10 749ha of additional land was placed under legal protections, bringing the total area under formal protection in the province to more than 2 million hectares.
- Five biodiversity stewardship agreements were secured

EXPANDING PROTECTED AREAS

Globally, expanding the conservation estate is recognised as a key mechanism for conservation. During the year, CapeNature signed five biodiversity stewardship agreements and secured 10 749 hectares (ha) of land for conservation.

Driftsands Nature Reserve had been subject to unlawful occupation since July 2020, resulting in the raising of more than 11 000 structures on the reserve. Despite efforts to achieve an amicable solution, including a public participation process, the unlawful occupation resulted in the abolishment of the reserve at the end of March 2023, after which the Department of Human Settlements, supported by the Department of Transport and Public Works, took over managing the land. The deproclamation of Driftsands Nature Reserve led to a decrease of 844 ha of protected land during the year. CapeNature has developed a strategy for the Unlawful Occupation of Protected Areas that includes Early Detection and Rapid Response Plans for reserves at risk of unlawful occupation. Nature reserves at highest risk have been identified and early detection and rapid response plans developed for these reserves, including collaboration with local authorities to enable local law enforcement support to incidents of unlawful occupation.

The total area added to the conservation estate during the year was 10 749 ha, which, if combined, would be the size of Knysna. Of this, 3 474 ha has been identified as belonging to the Climate Change Adaptation Corridor, a 1.7 million-ha area of land that is important for enabling species to migrate from hotter areas to cooler areas and vice versa as climate change causes shifts in temperatures.

GENETIC MIXING AND HABITAT EXPANSION AT HEART OF ONGOING CAPE MOUNTAIN ZEBRA RECOVERY

From endangered, to vulnerable, to least concern, the Cape mountain zebra has galloped its way down the IUCN Red List over the last 50 years. At the beginning of the 20th century there were fewer than 60 of these animals left due to hunting and habitat destruction and fragmentation. Thanks to public and private efforts, there are now more than 5 000 zebra on more than 100 properties. In the Western Cape, 60% of Cape mountain zebra are found on protected areas, including five CapeNature reserves, while the rest are on private land.

CapeNature led the development of the Biodiversity Management Plan for Cape mountain zebra in South Africa, which was published in the government gazette in 2017. This plan aimed to ensure the long-term survival of this species by addressing the three major threats to Cape mountain zebra: loss of genetic diversity, habitat shortage and hybridization. Actions by CapeNature in the past year included:

- The initiation of a genetic mixing project at Sanbona Wildlife Reserve using stallions from Gamkaberg Nature Reserve and mares of De Hoop origin.
- The removal of plains zebra from a property that will be joined to Gamkaberg to allow for Cape mountain zebra range expansion.
- An assessment of the potential to expand Cape mountain zebra habitat in the Cederberg.



KEY POINTS

- Western Cape fynbos needs to burn intermittently to promote germination and growth.
- These wildfires need to be closely managed to ensure that they are not too frequent or too intense, which would negatively affect biodiversity.
- CapeNature partners with stakeholders to prepare for the summer wildfire season and effectively manage wildfires when they occur.
- Even though the number of wildfires in recent years has remained largely stable, the area burnt has decreased substantially.

FIRE SEASON PLANNING AND READINESS

Cape fynbos needs to burn intermittently to germinate and grow. However, wildfires can also be a hugely destructive force that, if allowed to burn too intensely or too frequently, or in areas where the fynbos is generally younger than 12 years, could lead to the



reduction and eventual demise of important biodiversity. Ensuring readiness for the summer wildfire season is therefore an important aspect of safeguarding the province's biodiversity, as well as the assets of the Western Cape's people and businesses.

CapeNature prepares for the summer wildfire season by:

- **Identifying which areas are “burn areas”** and which areas require immediate action in case of a wildfire.
- **Working with fire protection associations**, which include local authorities, landowners and businesses, to ensure that firebreaks are implemented and maintained with a particular focus on the removal of invasive alien species that tend to burn faster and increase fuel loads.
- **Making sure our protected areas have wildfire response plans and sufficient functioning equipment** before wildfire season begins.

- **Participating in coordinated disaster responses** with district municipalities, fire services, CapeNature reserves and private landowners in the event of a blaze.
- **Improving public awareness and attitudes** about wildfires, which is a key part of CapeNature's management strategy since most wildfires are deliberately started by people (see box, “Dousing fire with knowledge”).

Our wildfire preparation efforts, combined with improved strategies for attacking new starts, have driven a consecutive, year-on-year decline in the area of land burned since 2015/16, with the area affected totalling 25 135 ha in 2022/23 (compared with 29 916 ha in 2021/22), even though the number of wildfires remained relatively steady between 66 and 87 wildfires over the past four years (Figure 3).

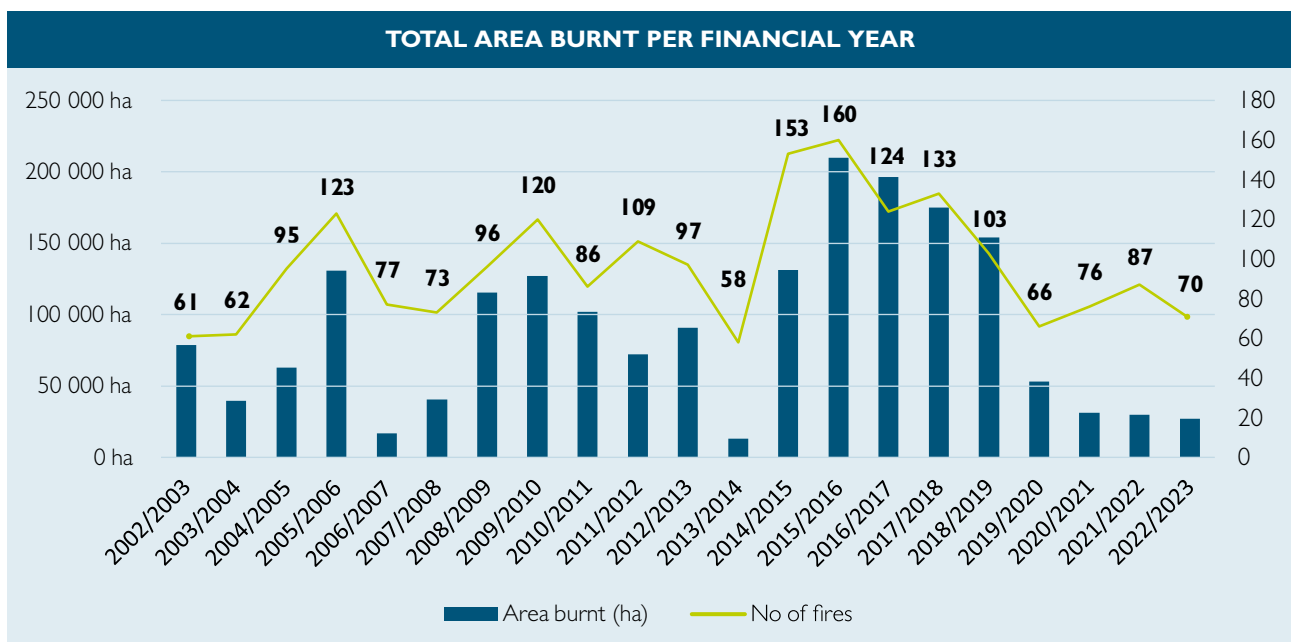


Figure 3: Total area burned and number of wildfires (2002/03 to 2022/23)

DOUSING FIRE WITH KNOWLEDGE

Each year, we run a fire awareness campaign from October to March. This year, the campaign focused on reporting smoke and fire prevention.

A total of 17 radio interviews and more than 20 online and social media events took place for the first part of this campaign. In addition, 39 contact events were hosted. In total, the campaign generated advertising value equivalent to R1.7 million.

In addition, an impact study conducted by Stellenbosch University during the year found that these contact events resulted in positive outcomes, with 89% of the children and 87% of the adults surveyed showing an increase in knowledge and 87% of the children and 79% of the adults surveyed reporting a change in attitudes and beliefs about wildfires.





KEY POINTS

- 25 615 ha of invasive alien vegetation was cleared from CapeNature-managed land.

SAFEGUARDING WATER SOURCE AREAS

CapeNature takes an integrated “catchment to coast” approach to managing water source areas in the province, working from their source in the mountains all the way down to the coast. Within these water source areas, CapeNature manages wildfires and removes invasive alien vegetation such as pines and blue gums to increase the volume and quality of freshwater available to people and ecosystems.

During the year, 25 615 ha of invasive alien vegetation was cleared from CapeNature-managed land. This achievement was a combined effort funded by the EPWP (7 415 ha), CapeNature (509 ha), the DFFE NRM (4 632 ha) and the Greater Cape Town Water Fund (13 059 ha), which is a public-private partnership that includes CapeNature.

CapeNature also contributes knowledge of evidence-based policy to the Table Mountain Water Source Area partnership, a multi-sectoral platform that aims to collectively and sustainably manage the Table Mountain Group’s underground water resources.



KEY POINTS

- CapeNature, as the regulatory body for biodiversity, is responsible for issuing permits for activities on protected land and relating to the province’s natural assets
- During the year, 86% of the 4 001 permits we processed were completed within allotted timeframe. This efficiency encourages compliance
- Even though the vast majority of citizens respect permit conditions, the illegal poaching of Succulent Karoo succulent plants for international markets has increased rapidly
- CapeNature is a key player in the country’s integrated response to this emerging threat.

MANAGING HUMAN ACTIVITIES

CapeNature is responsible for limiting the risks posed by human activities to biodiversity. It achieves this by:

- **Issuing permits for activities** that need to be done within sustainable conditions and parameters, while enabling citizens to appreciate the province’s natural environment. Such activities include hunting, recreational fishing, research and keeping wild animals in captivity for purposes of education and awareness-raising. A total of 4 001 permit applications were processed during the reporting period, of which 86% were processed within established timeframes. This efficiency supports future

compliance, as applicants are not made to wait for indefinite and unreasonable periods for permits.

- **Monitoring compliance** with the conditions of such permits. We conducted 223 compliance inspections of facilities that hold wild animals in captivity and that trade in protected plant species during the year.
- **Developing guidelines for self-assessment of compliance.** This empowers people to meet the requirements for compliance while reducing the administrative load on CapeNature, enabling the entity to dedicate resources where they are most needed.
- **Enforcing compliance** by issuing spot fines and contributing to the drafting of criminal investigation cases to address illegal or unsustainable practices. During the year, 48 spot fines were issued, 80 criminal case dockets were opened, and 60 completed criminal investigation dockets were handed over to the National Prosecuting Authority for consideration for prosecution. The increase of enforcement actions was mostly driven by an uptick in the illegal removal of Succulent Karoo succulent plants from the wild since 2021. To date, more than 240 000 illegally poached succulents have been confiscated, of which 160 000 were in the 2022 calendar year. These plants were being smuggled across and out of the province to be sold on international markets.

In response to this scourge, the South African National Biodiversity Institute (SANBI) and the national Department of Forestry, Fisheries and the Environment published a national response strategy and action plan in February 2022. This strategy clearly sets out the roles and responsibilities of relevant entities and organisations to ensure a cohesive approach to the fight against succulent poaching. In this context, CapeNature, as the provincial regulatory body for biodiversity, has played a key role by:

- Intensifying monitoring of known succulent flora populations in the province.
- Strengthening partnerships with landowners, land users and local farmers’ unions to raise awareness of the problem and encourage them to better monitor their succulent populations – with promising results.
- Developing and piloting methods to protect succulents in high-poaching-risk areas.
- Partnering with officials at airports, customs, ports and couriers to better patrol the province’s access points, including providing training on the treatment of seized succulents.
- Building the capacity of prosecutors to develop a criminal case against suspected succulent poachers.
- Taking a leading role in the two-monthly Provincial Biodiversity Investigators Forum that aims to facilitate intergovernmental cooperation and information sharing.



To support the fight against succulent poaching by raising public awareness, we also ran a biodiversity crime campaign that covered schools, radio interviews and social media between April and May 2023.

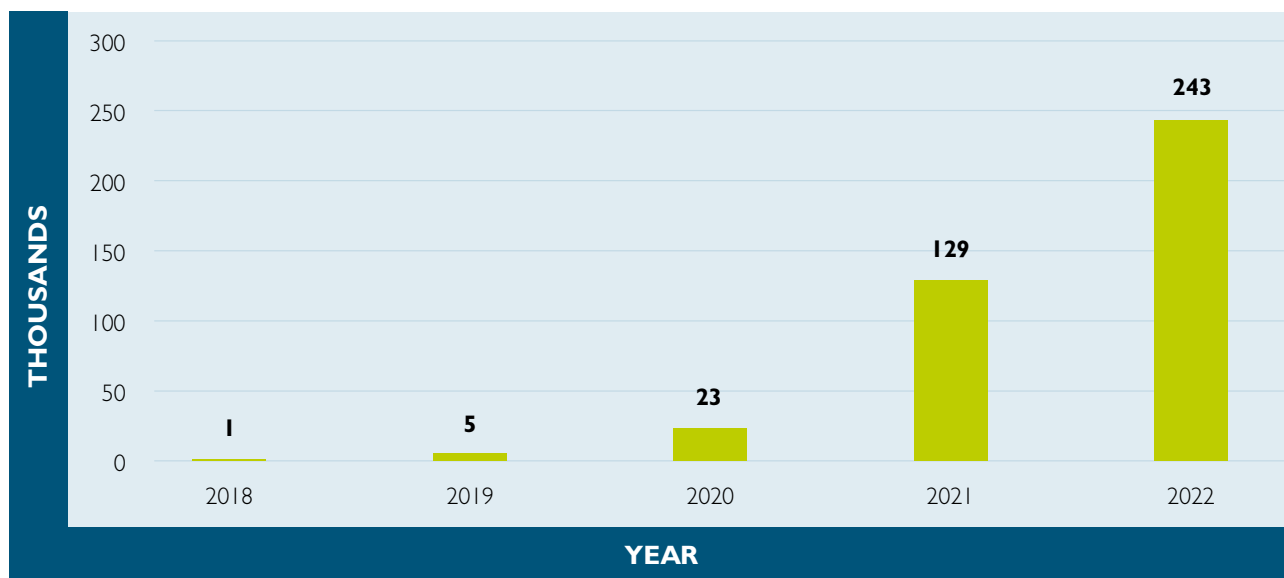


Figure 4: Number of plants seized during illegal succulent plant arrests from 2018 to 2022

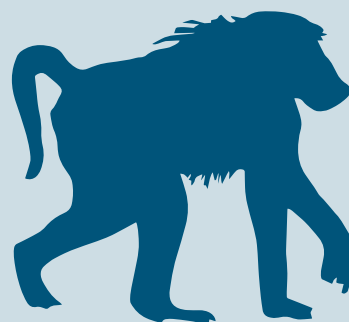
A CLEAR PLAN TO MANAGE HUMAN-BABOON CONFLICT

The Western Cape has a substantial baboon population living close to human settlements, which causes intermittent human-wildlife conflict both in nature reserves and when baboons enter urban areas in search of food or new territory.

During the year under review, the National Ministry of Environment, Forestry and Fisheries formed a Cape Peninsula Baboon Management Joint Task Team to develop a management plan for baboons in the City of Cape Town, which have over decades come to associate humans with food while simultaneously having less land on which to roam due to expanding urban development.

The task team – which brought together CapeNature as the regulating authority for human-wildlife conflict management in the Western Cape, the City of Cape Town as the local municipality and SANParks as the national parks authority under a formal Memorandum of Agreement has developed a Baboon Strategic Management Plan that clearly sets out areas of responsibility between the three regulating entities, who work with supporting structures such as the SPCA.

The plan has received public comment and is expected to come into effect, in a modified form, with the formalisation of a more permanent task team in the course of 2023/24.



KEY POINTS

- 468 educational outreach sessions were held, reaching nearly 8 000 adults and children.
- 51 outreach and educational products were produced or updated, including 13 videos, of which four were translated into three languages.
- A free club for children between the ages of four and 13 was launched, attracting more than 500 signups since May 2022.

ENVIRONMENTAL EDUCATION AND AWARENESS-RAISING

Environmental education, awareness-raising and youth development are central aspects of CapeNature's role as envisaged in the Western Cape Biodiversity Act (2021). We pursued this mandate in various ways during the year:

- We worked with the Western Cape Education Department to develop educational materials that support teachers in delivering on the curriculum while preventing duplication of effort.

- During the year we developed and published 51 newsletters, holiday toolboxes, videos, lesson plans, evaluation forms and similar outreach and educational materials. These are used in our engagements and distributed online.
- We held 468 outreach sessions (target: 300), most of which (75%) were in-person events. The remaining engagements were online, maintaining the hybrid approach that was initiated during the pandemic.
- We took part in a study to measure the impact of our education initiatives (see “Fire season planning and readiness” above).
- We ran several marketing campaigns around “days” and “months” to raise awareness of conservation issues.
- We launched our new Cubs Club, a free club for children between the ages of four and 13 that comes with various benefits for families and members, including holiday discounts, merchandise, engaging educational material and incentives to participate in green activities. More than 500 members have subscribed to the club since its launch in May 2022.

Overall, we reached nearly 8 000 adults and children through our outreach activities. Going forward, we are increasingly looking towards building partnerships with the private sector to accelerate our education and advocacy work.



A YEAR OF “DAYS”

CapeNature uses international “days” and “months” as a springboard for marketing campaigns and when engaging with communities and schools on conservation topics.

Outreach events and marketing campaigns arranged in this way during the year included, among others:



22 MAR

WORLD WATER DAY:

We made presentations on the importance of water and the environmental impacts of plastic to Grade 8 learners from Qhayiya High School in a joint outreach with the Two Oceans Aquarium.



22 MAY

INTERNATIONAL DAY OF BIODIVERSITY:

We launched our new Cubs Club with the donation of an insect hotel to Woodlands Primary School and a hike with the Hikers Network in Newlands Forest.



5 JUN

WORLD ENVIRONMENT DAY:

During the month of June, we completed 29 community and school events and ran a successful media campaign under the theme of “Only One Earth”. Overall, the campaign generated an advertising value equivalency of more than R330 000.



11 DEC

INTERNATIONAL MOUNTAIN DAY:

This year, we invited women to experience mountains in nature under the theme of “Women Move Mountains”. A total of 17 activations included eight contact events.



FOCUS ON SOCIAL DEVELOPMENT: BUILDING COMPETENCE AND CREATING ECONOMIC OPPORTUNITIES

As a government entity, CapeNature’s mandate explicitly extends beyond the task of biodiversity conservation to include social development. It pursues this mandate by using its position as the province’s conservation regulating entity to:

- Create economic opportunities.
- Build competence.
- Encourage and enable access to the province’s nature reserves.

THE EXPANDED PUBLIC WORKS PROGRAMME

The EPWP is a long-standing national government programme to provide poverty and income relief through creating temporary work for the unemployed. The EPWP supports CapeNature’s conservation mandate by funding labour-intensive activities such as clearing invasive alien vegetation, making and maintaining firebreaks and maintaining hiking trails. It also makes CapeNature relevant to the communities near its reserves, which are often in very rural and impoverished areas.

CapeNature’s EPWP runs on a three-year cycle, with the year under review being the second year. Because of the nature of the work, there is typically a high turnover among EPWP contract employees. During the year, CapeNature generated 608 EPWP employment contracts (target: 450). Of this number:

- 81% were active employees.
- 60% were women.
- 76.7% were youth, defined as 18 to 35 years of age.
- 2.4% were disabled persons. Disabled persons are typically employed for administrative or tourism-focused tasks.

In total, EPWP staff benefitted from a R1 million investment in skills training.



KEY POINTS

- 608 EPWP employment contracts were generated.
- 19 SMMEs were contracted to provide products and services to CapeNature reserves.
- Innovative ways to support SMMEs were explored.

CREATING ECONOMIC OPPORTUNITIES

With the Western Cape’s expanded unemployment at 25.9% in the first quarter of 2023, creating inclusive economic opportunities remains a priority for the province. CapeNature directly creates economic opportunities for poor communities, primarily through the Expanded Public Works Programme (EPWP) and small, medium- and micro-enterprise (SMME) development.

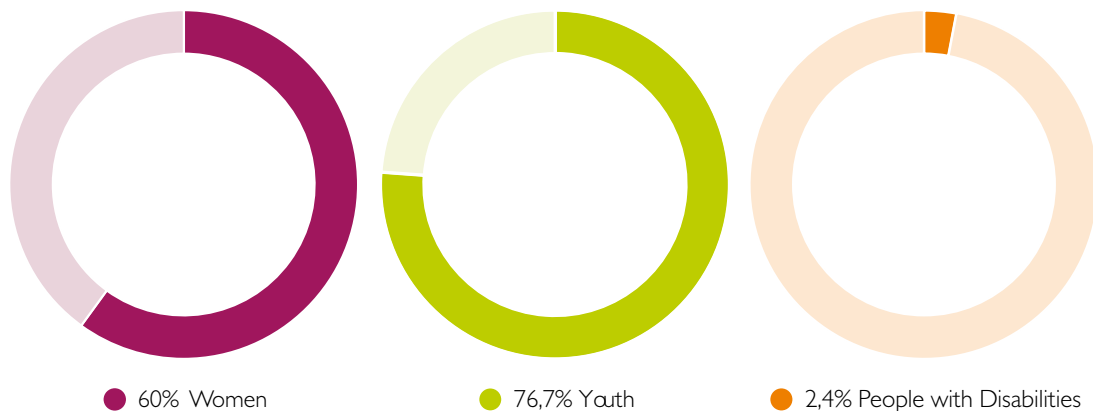


Figure 5: Demographic profile of EPWP contract employees

DEVELOPING SMALL, MEDIUM- AND MICRO-SIZED ENTERPRISES

CapeNature procured the services of 19 SMMEs (target: 14) to provide key services to the entity, which included gate guarding services and tourism services. These procurements generated a total of 1 105 work opportunities (target 750).

These SMMEs include five enterprises that receive free access to De Hoop Nature Reserve to harvest invasive alien trees to package and sell the wood to the Cape Town market and locally. These

five SMMEs collectively employ 80 people and remove more than 600 000 pieces of Rooikrans wood from the reserve each month, so removing the load of invasive alien trees from the reserve while generating income.

During the year, CapeNature started identifying nature reserves where this economic and ecological model could be replicated. Three have been identified (Wolwekloof, Goukamma, and



Riverlands). The next steps are to engage with communities and invite proposals.

The entity also has a dedicated SMME development unit that hosted regular workshops during the year, including a session to generate business ideas and raise awareness of grants available for youth entrepreneurs (September 2022) and provide first aid training and fight gender-based violence (December 2022).

GOING WILD FOR FIGS IN FIREBREAKS

CapeNature issues permits allowing communities near the Walker Bay Nature Reserve to enter the reserve to harvest indigenous sour figs *Carpobrotus edulis*; a ground-creeping plant with succulent leaves, native to South Africa, to eat, sell or make jams for the retail market.

During the year, 50 tons of figs were harvested at five reserve locations, benefitting 218 members of nearby communities. Now, CapeNature is looking to expand the conservation and economic benefits of this project by exploring the possibility of actively planting sour figs in firebreaks. Sour figs are succulents, so inherently contain high volumes of water and could serve to slow the spread of wildfires. If CapeNature's conservation team approves the concept, this would increase yield (and, consequently, economic benefits to communities) while replacing the fire-prone grasses that currently inhabit firebreaks.



PRIVATE SECTOR PARTNERSHIPS AND CONCESSIONS

CapeNature believes that connecting people with nature is central to its conservation mandate, because people who spend time in nature learn what is at stake and become invested in conserving it. It therefore partners with like-minded tourism-focused businesses that take nature and sustainability seriously.

This partnership is achieved in two ways: through public-private partnerships (PPPs), which is when private entities own and run businesses on government land, with CapeNature receiving financial benefits) and through concessions (when private entities operate on CapeNature land).

There are currently seven formal PPPs at De Hoop Nature Reserve and seven concessions for various activities across all reserves. The concessions include a ferry tour operator on Keurbooms

River, a zipline operator in the Hottentots Holland reserve near Grabouw, and a new concession for abseiling off the coastal cliffs of Robberg Nature Reserve in Plettenberg Bay, which was launched in December 2022.

Like all concessions, the Robberg Nature Reserve concession underwent a thorough vetting process to ensure alignment with CapeNature's conservation, development and financial objectives, as well as its values. A willingness to actively invest in conservation activities is a key consideration in this decision. Further opportunities for partnership with this operation are being explored.

WORK INTEGRATED LEARNING AND INTERNSHIPS

Work integrated learning and internships are powerful tools for economically including young people who might otherwise struggle to gain the experience needed to break into the working world. These arrangements also meet CapeNature's human resources needs.

During the year, 16 paid work integrated learning and graduate interns were appointed (target: 15). Work integrated learning is when a learner completes a period of theoretical training (usually about 18 months) and is then expected to complete a practical component before achieving a qualification. Graduate interns complete their qualification with a recognised tertiary education facility before taking a paid internship for a set term. Work integrated learning and graduate intern contracts usually last between 12 and 18 months.

Of the 18 graduates that held internships with CapeNature last year, we employed four full time on completion of their internship.

BUILDING COMPETENCE

For CapeNature, the EPWP is as much about developing crucial competencies as it is about creating job opportunities. These competencies range from softer skills (such as driving and CV writing) to specialised skills required to complete a task safely and effectively (such as firefighting, chainsaw handling and herbicide use). By providing training and, where relevant, certification for such skills, CapeNature contributes to the employability of EPWP contract employees so that they are better able to find work after the contract has concluded.

During the year, CapeNature added employee code of conduct and ethics training to the basic skills induction training that all EPWP contractors receive. For many EPWP employees the position with CapeNature is the first that they will have, and such training provides valuable grounding in what is acceptable workplace behaviour (See "Focus on our people" for more).



ENABLING AND ENCOURAGING ACCESS

In line with our philosophy of connecting people with nature, we hosted 383 NGOs at reduced or no cost to learn first-hand about the province's precious biodiversity. This number includes recognised community-based organisations who applied for access on the basis of cultural reasons.

When we receive applications based on cultural purposes, we consult with the Western Cape Department of Cultural Affairs and Sport for guidance, engage the applicant to identify an appropriate site and collaborate to reach agreements on appropriate safeguards to both protect our ecosystems and ensure the safety of our visitors.

To streamline this process going forward, during the year under review we started drafting a formal position statement on access for cultural purposes. This statement will be tabled for approval in the year to come.

ACCESS WEEK

In line with our philosophy of connecting people with nature, we hosted 383 NGOs at reduced or no cost to learn first-hand about the province's precious biodiversity. This number includes recognised community-based organisations who applied for access on the basis of cultural reasons.

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REFRIGERATED TRUCK ENSURES SUSTAINABILITY OF FISH-HUNTING PILOT PROJECT

A fledgling CapeNature project was given wings when Gift of the Givers donated a refrigerated truck, ensuring that invasive fish caught by recreational hunters could be safely distributed to communities both near and far.

In 2018, CapeNature piloted a project to remove carp, an invasive freshwater fish species, from Groenvlei lake by giving a non-profit organisation of volunteer sports fishers access to hunt the invasive species using fishing bows.

In the two years that followed, nearly 3 000 carp were removed and discarded. When Covid-19 intensified economic pressures in nearby communities, CapeNature partnered with Knysna Municipality, Gift of the Givers and the non-profit organisation to distribute the harvested carp to nearby communities. In this way, more than 3 500 kg of fish was distributed as food.

This year, Gift of the Givers donated a refrigerated truck, giving the makeshift food charity the equipment it needed to become a sustainable supply chain. In its maiden voyage, the truck transported nearly 600 carp across a distance of 75 kilometres –

from Groenvlei lake to Bridgeton community near Oudtshoorn – where community members enjoyed a feast of fish at their local soup kitchen.

The carp project benefits biodiversity at Groenvlei lake by managing an invasive species, restoring a damaged ecosystem, while enhancing food security for benefitting communities, creating a win-win situation.



FOCUS ON OUR PEOPLE: A DIVERSE, MOTIVATED WORKFORCE WITH APPROPRIATE SKILLS

CapeNature draws on a broad range of expertise to achieve its mandate. We strive to create an inclusive culture and ensure that each one of our 423 core employees – from doctorate-holding scientists who monitor the province's biodiversity status to financial managers who ensure effective internal controls – is motivated and has the opportunity to upskill themselves for the benefit of nature, CapeNature and themselves. We do this by:

- Engaging in performance management.
- Prioritising employee safety.
- Providing ad hoc skills training and bursaries for study.
- Following our Employment Equity Policy when making new hires.
- Ensuring that all grievances are investigated.



KEY POINTS

- CapeNature's workforce is proudly diverse and inclusive
- Core staff benefited from a R1.5 million investment in skills training and bursaries
- Half of bursary holders were black women.

OUR REPRESENTATIVE CORE WORKFORCE

Table 2 provides a detailed breakdown of different types of core employees, while Table 3 provides insight into our core staff's demographic profile.

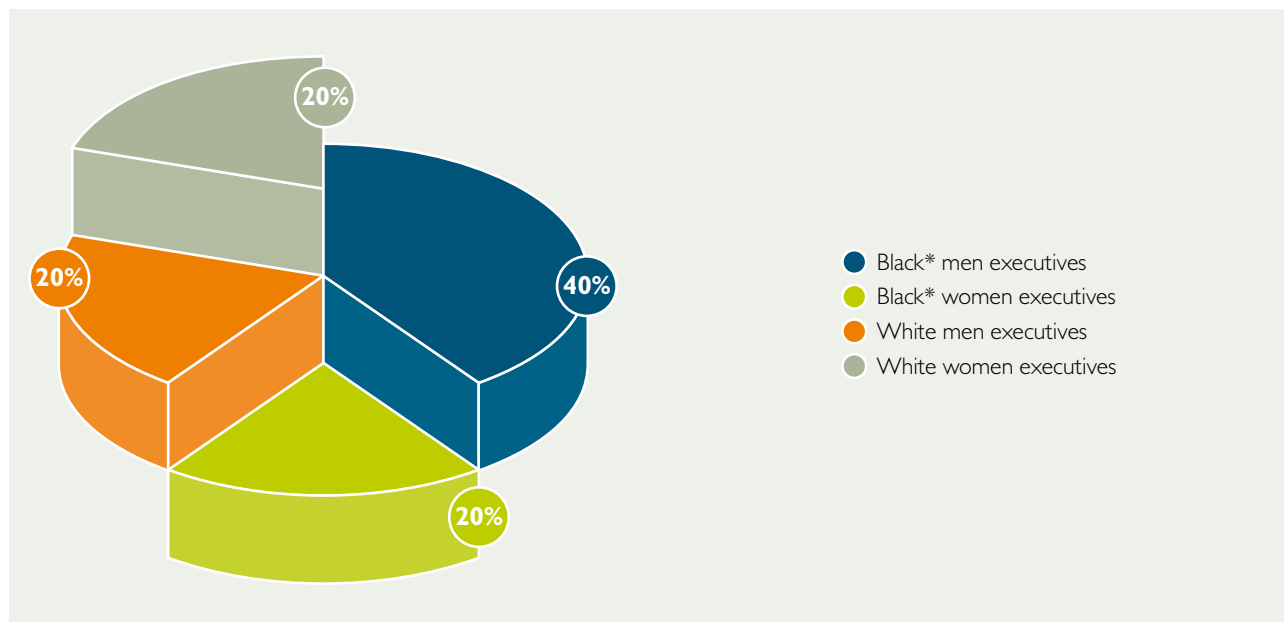


Figure 6: Staff profile at executive level (*"Black people" as defined in terms of the Employment Equity Act (1998) refers to people that could be classified as African, Coloured or Indian.)



	NUMBER OF BLACK* MEN EMPLOYEES	NUMBER OF BLACK* WOMEN EMPLOYEES	NUMBER OF WHITE MEN EMPLOYEES	NUMBER OF WHITE WOMEN EMPLOYEES	TOTAL
Permanent core employees (full-time)	209	132	41	41	423
TOTAL NUMBER OF VACANCIES: 107					

Table 2: Core South African employees by gender, race and employment type (as at financial year end)

* "Black people" as defined in terms of the Employment Equity Act (1998) refers to people that could be classified as African, Coloured or Indian.

CapeNature did not employ temporary core or non-guaranteed-hours workers during the year.

	NUMBER OF BLACK* MEN EMPLOYEES	NUMBER OF BLACK* WOMEN EMPLOYEES	NUMBER OF WHITE MEN EMPLOYEES	NUMBER OF WHITE WOMEN EMPLOYEES
Executives (salary level 13 and above)	2	1	1	1
Senior managers (salary level 11 and 12)	11	4	10	7
Middle managers (salary level 9 and 10)	15	13	20	13
Junior managers (salary level 7 and 8)	48	50	7	10
Rest of staff (salary level 1–6)	133	64	3	10

Table 3: South African full-time, permanent core employees by gender, race and employment level (as at financial year end)

* "Black people" as defined in terms of the Employment Equity Act (1998) refers to people that could be classified as African, Coloured or Indian.

CapeNature did not employ temporary core or non-guaranteed-hours workers during the year.

Of our core staff, 3.7% are classified as disabled, reflecting our commitment to include this often-marginalised group in our working environment.

During the year, five core employees retired and 36 resigned, totalling a core staff turnover of 10%. At the same time, 49 new appointments were finalised, of which 92% were black (African, Coloured or Indian), in line with our Employment Equity Policy.



APPROPRIATE SKILLS THROUGH TRAINING AND BURSARIES

During the year, R1.5 million was spent on training and training-related logistics (transport and accommodation) for core staff across the province, as well as bursaries (see box, "Internal bursaries").

INTERNAL BURSARIES

Seven CapeNature employees held internal bursaries for study in conservation or related fields during the 2022 academic year. Of this number, one graduated with a business administration degree in environmental management and is still with CapeNature.

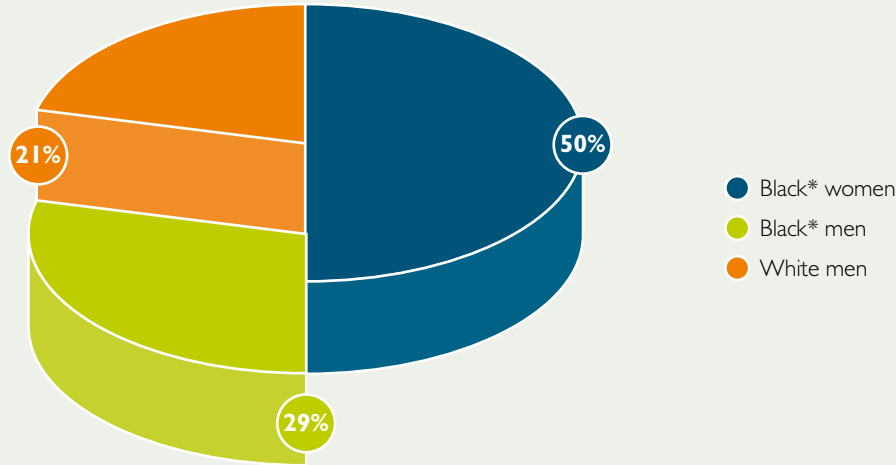


Figure 7: Demographic profile of bursary recipients

* "Black people" as defined in terms of the Employment Equity Act (1998) refers to people that could be classified as African, Coloured or Indian.

RECOGNITION

In March 2023, a number of deserving staff members, nominated by the CEO and Executive Managers received recognition for outstanding service and a commitment to CapeNature's values at award ceremonies held at three locations across the province.

At the ceremonies, long service awards were also handed to staff members who had been with CapeNature for 10, 20, 30 and 40 years. Recipients included Dr Ernst Baard, the Executive Director of Conservation Operations, and Paul Gildenhuys, Biodiversity Conservation Enforcement Specialist, who each received awards for 40 years of service. Dr Baard retired at the end of June 2023.



Paul Gildenhuys (left) and Dr Ernst Baard (right) receive their 40-year Service Awards from CEO, Dr Razeena Omar (centre).

DISPUTES AND GRIEVANCES

During the year, we received five grievances and handled 58 disciplinary matters or incidents. Most of these were resolved to the satisfaction of all parties. However, eight employee disputes were referred to the Commission for Conciliation, Mediation and Arbitration. Of these, seven were settled in favour of CapeNature and one was awarded against the entity. The employee in question was reinstated and the line manager instructed to ensure substantive compliance more closely before taking action in the future. The employee in question continued failing to report for duty and was again dismissed following a full and fair procedure after the close of the financial year.

EMPLOYEE SAFETY

We strive to create a culture of workplace safety by providing routine safety training for new and existing employees and ensuring that personal protective equipment is sufficient and well maintained, especially ahead of the summer wildfire season.

Thanks to our efforts, only 41 injuries on duty occurred during the year under review. Of these injuries, 18 resulted in lost time (2021/22: 25), with the total accumulated lost time totalling 109 days (2021/22: 174). Overall, these figures represent a substantial improvement over the previous year's number of injuries and lost working days. All injuries are investigated to determine the underlying cause and to identify remedial actions to prevent further injury.



FOCUS ON VISITORS: IMPROVING OUR TOURISM OFFERING

Increasing eco-tourism income and expanding the tourism offering are key deliverables for CapeNature, for which we receive an earmarked allocation from Provincial Treasury.

To ensure that we have sufficient capacity to meet our visitor needs without compromising on our conservation objectives, we employ dedicated tourism staff at all levels of the entity, supported by our cross-cutting marketing function. These teams work to enhance the visitor experience by:

- Developing and executing targeted marketing campaigns to promote our reserves.
- Improving and maintaining on-reserve tourism infrastructure and signage.
- Augmenting and enhancing channels for booking with CapeNature.

This strategy is yielding positive results, with overall tourism income totalling R61.5 million (2021/22: R51.3 million). A breakdown of tourism income indicates that this increase was driven largely by an increase in day and overnight visitors, which increased by 43% year on year (Figure 8) and collectively account for 89% of generated revenue (Figure 9).



KEY POINTS

- Tourism income increased by 20% year on year.
- Visitor numbers increased by 43% .
- The launch of online reservations gave visitors more ways to book.



Figure 8: Eco-tourism income (2019/20 to 2022/23)



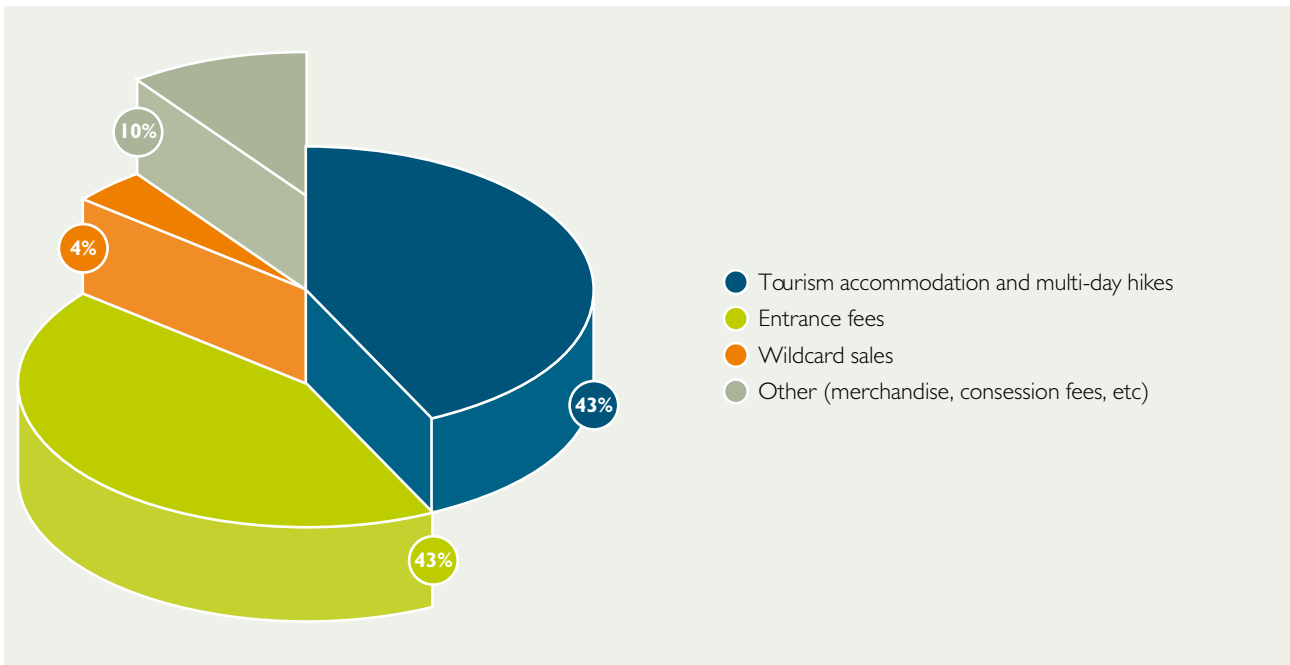


Figure 9: Breakdown of tourism revenue by source

TOURISM MARKETING CAMPAIGNS

Building the CapeNature brand through targeted marketing campaigns that support our conservation objectives and promote our tourism offerings is a strategic imperative.

During the year, we executed 12 marketing campaigns (target: 11), including the successful winter campaign (see box, “Winter campaign warms public to CapeNature tourism”) and a marketing campaign jointly delivered with the Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro) to inspire domestic visitors to travel the province for Easter. The joint campaign reached an advertising value equivalent of R1.34 million, of which R721 315 was for a social media campaign under the hashtag #GetInAGoodSpace. Going forward, we plan to leverage our relationship with Wesgro to strengthen our presence at international trade and consumer shows.

TOURISM INFRASTRUCTURE INVESTMENTS

Our capital investment of R38.7 million during the year included maintenance and repair to hiking trails at Vrolijkheid Nature Reserve

and the Whale Trail, the construction of new accommodation at De Mond and Grootvadersbosch nature reserves, and the addition of value-added accommodation elements such as viewing decks and wood-fired hot tubs at various reserves.

MORE WAYS FOR VISITORS TO BOOK

Online bookings have increased steadily, while the number of contact centre bookings has remained relatively stable. The contact centre is open from Monday to Saturday morning and received 37 546 calls during the year (2021/22: 39 092). CapeNature can also be directly contacted via customercare@capenature.co.za (customer care centre) and reservation.alert@capenature.co.za (booking process and enquiries).

As of the year under review, the website also offers an online gift voucher for use at any CapeNature reserve. In the coming year, the site is launching the use of chatbots to help visitors to the site find what they are after more quickly.

WINTER CAMPAIGN WARMS PUBLIC TO CAPENATURE TOURISM

The Winter Campaign sought to encourage domestic visitors to make the most of a 40% deduction in our fees during winter. The approach was to publish four search engine optimized (SEO) blogs, each examining a different aspect of what CapeNature has to offer during the winter months and school holidays. Our campaign generated total advertising value equivalent of R324 721 and contributed to a 35% increase in Winter Campaign revenue income, from R3.5 million in 2021/22 to R4.8 million in 2022/23.



FOCUS ON OUR BRAND: EFFECTIVE MARKETING AND A STRONG ONLINE PRESENCE

Although everything we do contributes to the strength of our brand, our more strategic brand-building activities are concentrated on:

- **Marketing** to support to our tourism and conservation objectives.
- **Developing a vibrant online presence.**



KEY POINTS

- We invested R2 million on paid marketing and advertising.
- As much as R71.7 million in advertising value equivalency was generated.
- Our brand ranks highly, with 99% of people reporting a positive or neutral attitude towards CapeNature.
- The launch of our redesigned website has had a marked effect on the number of pages viewed during the year.

MARKETING

Marketing campaigns to support our conservation and tourism functions are discussed above. These campaigns are both paid and unpaid. During the year, we spent R2 million on paid marketing and advertising (2021/22: R3.2 million). We also drive pro-active media engagement which generated an advertising value equivalency of R71.7 million, excluding paid marketing (2021/22: R106.4 million, including paid marketing). The combined public sentiment remained positive, at a combined positive and neutral high of 99%.

A VIBRANT ONLINE PRESENCE

To optimise our relevance in the digital landscape, we manage social media pages on Twitter, Facebook, Instagram, LinkedIn and YouTube and published a bi-monthly e-newsletter to subscribers. The overall follower base for these platforms has steadily grown over the course of the past five years (Figure 10). This growing social media presence enables CapeNature to reach a wider audience – now roughly twice the size compared to 2018 – and amplify our messages in the online sphere.

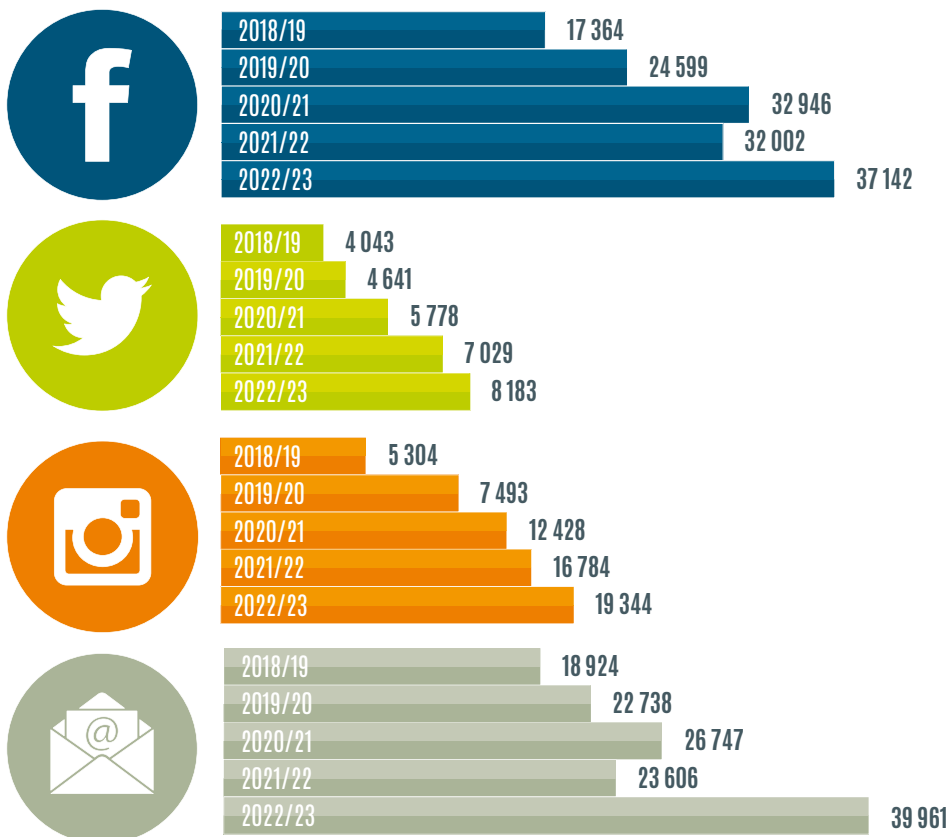


Figure 10: Social media followers and newsletter subscriptions (2018/19 to 2022/23)

As a centralised platform for providing up-to-date information to the public, our website is a key component of our stakeholders' engagement. The site has seen similar growth in online presence, with website traffic increasing steeply after the site was relaunched in 2020/21 (Figure 11). This increase in traffic, despite a fairly stable number of unique users, can be attributed to the new website containing more informative blogs and curriculum materials, as well as serving as a portal for online bookings. Page views in 2022/23 reached just more than 1.6 million.

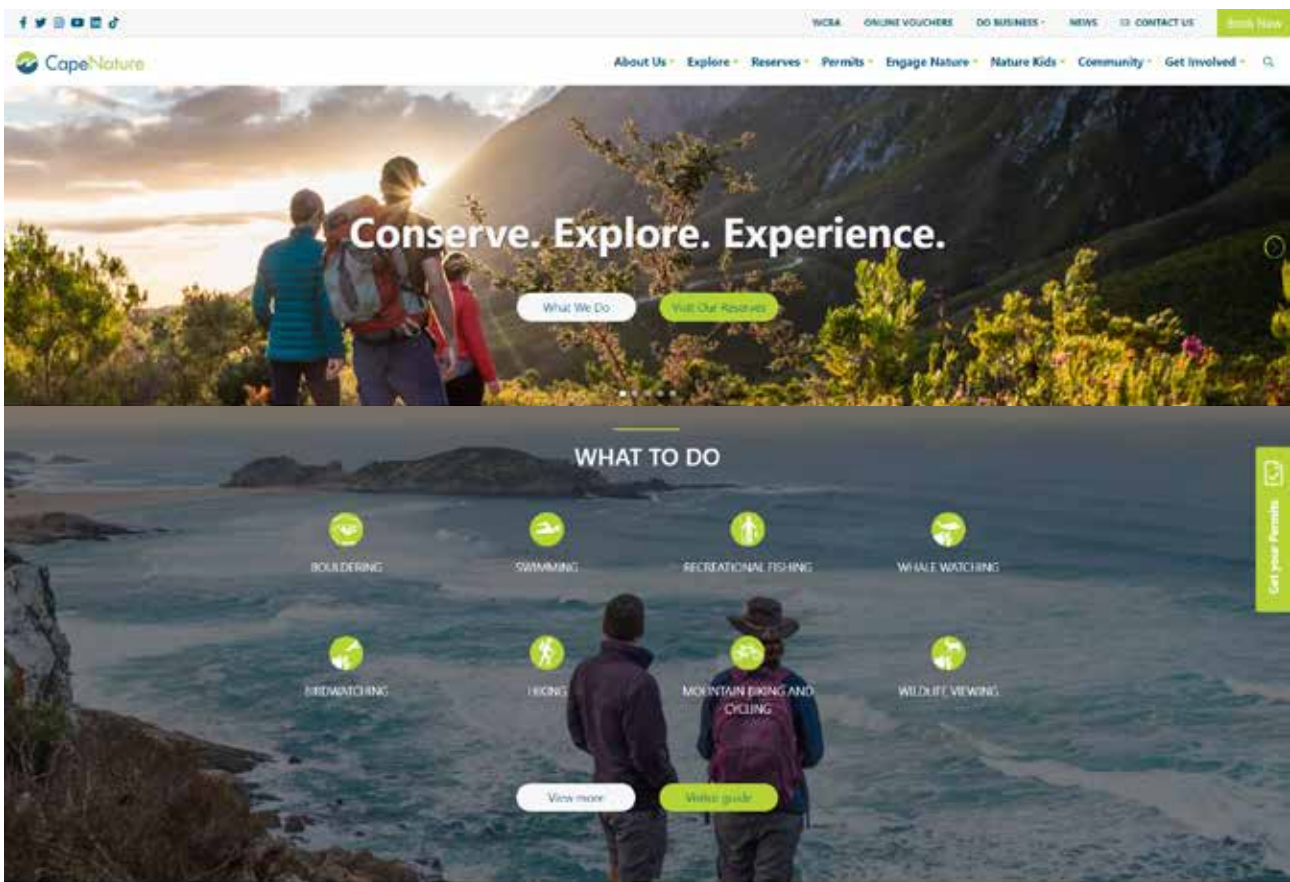
Unique visitors



Page views



Figure 11: CapeNature website traffic



FOCUS ON GOVERNANCE: ENSURING GOOD GOVERNANCE, SOUND FINANCIAL OVERSIGHT, AND TRANSPARENCY AND ACCOUNTABILITY

GOVERNANCE PERFORMANCE

CapeNature's Board consists of seven non-executive members and two executive members, namely the Chief Executive Officer and an official of the Department of Environmental Affairs and Development Planning, designated by the provincial Minister.

Board members are appointed by, and answerable to, the provincial Minister for Local Government, Environmental Affairs and Development Planning.

The Board also has two independent committee members, one each on the Risk and ICT Committee and the Audit and Finance Committee. CapeNature does not have a Company Secretary.

OUR NON-EXECUTIVE DIRECTORS

	<p>PROF DENVER HENDRICKS</p> <p>Non-executive director Chairperson</p>	<p>Appointed: 11 April 2021 Term ends: 10 April 2026</p> <p>Highest qualification level: Doctorate</p> <p>Fields of study/expertise: Biochemistry; Natural Sciences; Biodiversity</p> <p>Committees: Audit and Finance (Ex-Officio); Eco-tourism and Access; Conservation</p>
	<p>PROF GAVIN MANEVELDT</p> <p>Non-executive director Vice chairperson</p>	<p>Appointed: 01 March 2023 Term ends: 28 February 2026</p> <p>Highest qualification level: Doctorate</p> <p>Fields of study/expertise: Marine Biology; Botany</p> <p>Committees: Conservation; Human Resource and Remuneration; Risk and ICT</p>
	<p>MR MERVYN BURTON</p> <p>Non-executive director Member</p>	<p>Appointed: 14 June 2020 Term ends: 14 June 2025</p> <p>Highest qualification level: BCompt (Hons)</p> <p>Fields of study/expertise: Financial Management; Corporate Governance and Risk</p> <p>Committees: Audit and Finance; Eco-tourism and Access; Risk and ICT</p>
	<p>DR COLLIN JOHNSON</p> <p>Non-executive director Member</p>	<p>Appointed: 11 April 2021 Term ends: 10 April 2026</p> <p>Highest qualification level: Doctorate</p> <p>Fields of study/expertise: Natural Sciences; Botany</p> <p>Committees: Conservation; Human Resource and Remuneration</p>
	<p>MS MARGUERITE LOUBSER</p> <p>Non-executive director Member</p>	<p>Appointed: 01 March 2023 Term ends: 28 February 2026</p> <p>Highest qualification level: Postgraduate Diploma</p> <p>Fields of study/expertise: Tax and Environmental Law</p> <p>Committees: Eco-tourism and Access; Risk and ICT</p>





PROF AUBREY REDLINGHUIS
Non-executive director
Member

Appointed: 14 June 2020 | **Term ends:** 14 June 2025
Highest qualification level: Doctorate
Fields of study/expertise: Education
Committees: Human Resource and Remuneration; Conservation



MR PAUL SLACK
Non-executive director
Member

Appointed: 14 June 2020 | **Term ends:** 14 June 2025
Highest qualification level: BCom (Hons)
Fields of study/expertise: Financial Management; Corporate Governance and Risk
Committees: Audit and Finance; Risk and ICT

OUR INDEPENDENT COMMITTEE MEMBERS

NIRVANI DHEVCHARRAN	Appointed: 1 June 2022 Term ends: 31 May 2025 Highest qualification level: BSc Honours Fields of study/expertise: Computer Science Committee: Risk and ICT
LEON MOSER	Appointed: 1 June 2022 Term ends: 31 May 2025 Highest qualification level: BCom Committee: Audit and Finance
BURTON VAN STAADEN	Appointed: 1 June 2021 Term ended: 31 May 2022 Highest qualification level: Postgraduate Certificate Fields of study/expertise: Auditing Committee: Audit and Finance

BOARD RESPONSIBILITIES AND KEY DECISIONS

BOARD RESPONSIBILITIES	KEY DECISIONS DURING THE YEAR
<ul style="list-style-type: none"> Ensures alignment with the objectives of the overseeing provincial ministry and national government. Evaluates and approves long-term strategies and plans. Evaluates and approves the entity's annual budget, projections and financial statements. Evaluates and approves major resource allocations and capital investments. Reviews financial and operating outcomes. Reviews and approve the strategic policies. Adopts and ensures compliance with CapeNature's Code of Conduct, the PFMA and all relevant legislation . Oversees risk management strategy and implementation. Oversees transformation in the social context. 	<p>The Board approved the following policies:</p> <ul style="list-style-type: none"> Subsistence and Travel Policy. Accounts Receivable Policy. Bank and Cash Policy. Asset Management Policy. Supply Chain Management Policy. Integrated Veldfire Management Policy. <p>The Board approved the following tenders:</p> <ul style="list-style-type: none"> De Hoop Shuttle Service for a period of three years. Development of picnic sites at Wolwekloof. Alterations and additions at De Mond Nature Reserve. Lease of photocopiers.



BOARD RESPONSIBILITIES	KEY DECISIONS DURING THE YEAR
	<ul style="list-style-type: none"> Installation of solar power at Anyenberg Nature Reserve. <p>Delegated the CEO to approve and submit the entity's quarterly performance reports on the Provincial electronic performance management system.</p> <p>Approved the appointment of new internal auditors for a period of three years.</p> <p>Approved the write-off of concession fees for 2020/21 and part of 2021/22 from the Public-Private Partner at De Hoop due to poor performance as a result of Covid-19 travel bans.</p> <p>Approved the Garden Route Protected Area Management Plan.</p> <p>Approved the 2022/23 Annual Financial Statements.</p>

Table 4: Board responsibilities and key decisions

BOARD COMMITTEES AND KEY RESPONSIBILITIES

The Board is supported in its task by five committees, each with its own charter that sets out the roles and rules for the committee (Table 5).

BOARD COMMITTEE	KEY RESPONSIBILITIES
Human Resources and Remuneration	<ul style="list-style-type: none"> Oversees human resource management strategy and related policies.
Audit and Finance	<ul style="list-style-type: none"> Oversees internal control systems, the management of operational risks and the auditing process. Reviews adequacy of financial management and budgeting processes and the accuracy of financial reporting. Recommends significant financial transactions. Ensures compliance with relevant legislation.
Conservation	<ul style="list-style-type: none"> Oversees strategy to achieve biodiversity conservation. Reviews progress towards meeting conservation objectives.
Eco-tourism and Access	<ul style="list-style-type: none"> Oversees strategy to achieve eco-tourism objectives (including decisions relating to infrastructure, marketing, fundraising and partnerships). Reviews progress towards achieving objectives.
Risk and ICT	<ul style="list-style-type: none"> Provides independent counsel to support CapeNature's risk identification and management processes. Monitors compliance with corporate governance policies and guidelines. Oversees ICT environment, especially regarding compliance with laws, best practice and innovation.

Table 5: Board committee and their key responsibilities



BOARD MEETING ATTENDANCE

Table 6 outlines the meeting attendance by Board member and committee meeting. All of the committee meetings achieved a quorum during the year.

BOARD MEMBERS	BOARD	HUMAN RESOURCES AND REMUNERATION	AUDIT AND FINANCE	CONSERVATION	ECO-TOURISM AND ACCESS	RISK AND ICT
	Total # meetings	Total # meetings	Total # meetings	Total # meetings	Total # meetings	Total # meetings
	5	4	5	4	4	4
Prof Denver Hendricks	5		3	4	3	
Prof Gavin Maneveldt	5	3		3		
Mervyn Burton	5		5		4	3
Dr Colin Johnson	5	4		4		
Marguerite Loubser	3				3	4
Prof Aubrey Redlinghuis	5	4		3		
Paul Slack	3		4			3
INDEPENDENT COMMITTEE MEMBERS						
Nirvani Dhevcharran						3
Leon Moser Term started: 1 June 2022			3			
Burton van Staaden Term ended: 31 May 2022			2			

Table 6: Attendance at Board and Board committee meetings



BOARD REMUNERATION

The remuneration of Board members is determined by scales approved by the National Treasury.

NAME	REMUNERATION (RANDS)	OTHER ALLOWANCES (RANDS)	OTHER RE-IMBURSEMENTS (RANDS)	TOTAL (RANDS)
Prof Denver Hendricks	43 755	-	146	43 901
Prof Gavin Maneveldt	29 841	-	217	30 058
Mervyn Burton	35 457	-	-	35 457
Dr Colin Johnson	28 755	-	1 838	30 593
Marguerite Loubser	22 914	-	188	23 102
Prof Aubrey Redlinghuis	21 417	-	-	21 417
Paul Slack	26 808	-	125	26 933
Nirvani Dhevcharran	11 688	-	-	11 688
Leon Moser *	11 804	-	-	11 804
Burton van Staaden **	6 378	-	-	6 378
TOTAL	238 817	-	2 514	241 331

Table 7: Board remuneration

* Leon Moser was appointed on 1 June 2022

** The term of Burton van Staaden ended on 31 May 2022





RISK IDENTIFICATION AND MANAGEMENT

We are constantly scanning the external environment for emerging risks and updating our risk register. On a quarterly basis, the Audit and Risk Committee and the Board review our risk register to oversee the appropriateness of the identified risks and the effectiveness of control measures. The risk table below highlights the five most highly rated risks and their mitigating actions.

DESCRIPTION	RISK RATING	CONTROL	RESIDUAL RISK
<p>Increased fiscal pressures</p> <p>Reduced funding security from both provincial treasury and project funders.</p>	Extreme	<ul style="list-style-type: none"> Improved fiscal management and investment in infrastructure and systems. Upgraded existing products. Increased income generation via public-private partnerships and concessions and explored additional funding streams. Invested in innovation and technology. 	High
<p>Climate change resilience</p> <p>Inappropriate land use and increased population density could undermine the climate change resilience of ecosystems.</p>	Extreme	<ul style="list-style-type: none"> Implemented protection and restoration interventions to facilitate water resilience. Implemented sustainability initiatives through water reduction and rainwater harvesting and solar energy within protected areas. Cooperated and collaborated with partners in the application of integrated catchment management principles and initiatives. Applied an integrated catchment management approach to reduce increased threats to biodiversity. Participated in and created structures and fora to facilitate environmental education and awareness and stakeholder and community engagement and interaction. Identified and mitigated environmental risks posed by droughts and floods. Implemented integrated land use planning and management. 	High
<p>Reduced socio-economic opportunities and access</p> <p>The inability to contribute to social upliftment and poverty alleviation, could result in increased biodiversity crime, illegal access, loss of biodiversity and reputational damage.</p>	High	<ul style="list-style-type: none"> Implemented EPWP projects. Formal contractor and SMME development. Facilitated access to protected areas for sustainable utilisation, recreation, environmental awareness as well as for cultural, spiritual and traditional purposes. 	Medium



DESCRIPTION	RISK RATING	CONTROL	RESIDUAL RISK
<p>Reduced socio-economic opportunities and access</p> <p>The inability to contribute to social upliftment and poverty alleviation, could result in increased biodiversity crime, illegal access, loss of biodiversity and reputational damage.</p>	High	<ul style="list-style-type: none"> Participated in and created structures and fora to facilitate environmental education and awareness and stakeholder and community engagement and interaction. 	Medium
<p>Inadequate reputation management</p> <p>Failure to fulfil the entity's legal mandate could result in significant reputational damage, which could impact the entity's ongoing operations and sustainability.</p>	High	<ul style="list-style-type: none"> Focused on communication and awareness interventions to showcase the strategic, business and operational activities of CapeNature. Strengthened partnerships to ensure positive message management. Implemented laws and regulations, policies and procedures in the execution of the legal mandate. 	Medium
<p>Biodiversity loss</p> <p>The primary cause of biodiversity loss in the Western Cape is the loss of habitat. This can be attributed to land transformation (i.e., conversion from natural to manmade landscapes), climate change causing a shift in species distribution, over-abstraction and modification of natural watercourses, increased frequency and shifts in the fire season, unsustainable land use practices, alien species infestation and poaching.</p>	High	<ul style="list-style-type: none"> Implemented integrated land use planning and management. Co-ordination and planning of integrated invasive alien plant clearing and fire management. Provided specialist commentary on the development of Integrated Development Plans (IDPs) and Spatial Development Frameworks (SDFs) of municipalities. Identified and monitored reserves and locations threatened by unlawful occupation. Participated in and created structures and fora to facilitate environmental education and awareness and stakeholder and community engagement and interaction. 	Medium
<p>Ongoing load shedding</p> <p>Due to shortage in electrical capacity the entity's operations have been impacted, including an increase in operational cost.</p>	High	<ul style="list-style-type: none"> Implemented business continuity plans and strategies. Activated back-up power generating capability at selected sites. Applied alternative power supply initiatives. Applied remote working. Migrated to cloud-based platforms. 	High

Table 8: Risk register (as in annual performance plan)



POLICY REVIEW

No new policies were tabled during the year. The following policies were reviewed during the year:

- Accounts Receivable.
- Asset Management.
- Bank and Cash.
- Integrated Veldfire Management.
- Subsistence and Travel Allowance.
- Supply Chain Management.



FRAUD AND CORRUPTION

CapeNature manages fraud and corruption through its Board-approved Fraud Prevention Policy, which confirms a zero-tolerance approach to fraud and outlines fraud prevention mechanisms and initiatives that are in place.

This policy is propagated throughout the entity through induction training and ongoing communication to raise awareness of employees' responsibilities when it comes to reporting suspected fraud or corruption incidents. Reporting can be done through a range of potential channels, including by doing directly to the CEO, the Chair of the Board, or via the National Anti-Corruption Toll-free number on 0800 701 701.

During the year, no incidents of fraud or corruption were reported through established channels.

FINANCIAL OVERSIGHT

Financial checks and balances are crucial for any entity to ensure the accuracy, integrity and transparency of financial operations. Even with robust systems in place, it is imperative to constantly seek ways to improve an entity's financial controls and reporting.

One of the improvements successfully implemented during the year for CapeNature's financial operations was a transition from a complex and cumbersome SAP system to a fit for purpose cloud-based accounting system. The SAGE system offers several advantages, including better financial reporting capabilities, so enabling better financial analysis and decision-making.

This focus on ensuring the integrity of financial data while looking at ways to innovate within the established laws and regulations resulted in another unqualified audit report from the Auditor-General of South Africa for 2022/23. The entity has a proud history of clean and unqualified audits receiving an unqualified audit for the past 10 years and having a clean audit for nine of those years.





INCOME

CapeNature's revenue for the year totalled R381 million, divided into:

- R292 million in funding from the Department of Environmental Affairs and Development Planning, which includes EPWP allocations.
- R27.5 million from other income sources.
- R61.5 million in income from tourism activities (Figure 9).

EXPENDITURE

During the year, the entity spent 99% of its cash budget of R383 million, spending R378 million, broken down as follows:

- R209 million was spent on employee costs (including salaries for core and EPWP staff).
- R135 million on goods and services.
- R34 million went to capital expenditure projects.



ENSURING TRANSPARENCY AND ACCOUNTABILITY

Regular and comprehensive reporting that is complemented by shared information systems and strengthened by explicit, quantifiable targets gives CapeNature's governing ministry, Board and executives line of sight over all conservation activities within the province, with a particular focus on the 32 reserves and 13 estuaries under its direct management.

Key performance reports produced by the entity during the year include, among others:

- A monthly ministerial highlights report, which is submitted to the province's Minister of Local Government, Environmental Affairs and Development Planning.
- Quarterly Board reports, including a special conservation report that is submitted to the Conservation Committee.
- An annual management authorities' report, which is submitted to government.
- An annual fire report, which is submitted to the Board.

The entity also develops protected area management plans for the landscapes under its authority to ensure that its overall strategy is translated into clear, effective action plans that align with the latest approaches to conservation. During the year, three multi-year protected area management plans were updated to incorporate international best practice for conservation (conservation standards) and submitted to the Board for approval. These were for the Garden Route, the Walker Bay complex and the Sandveld complex.

At the reserve level, reserve managers are expected to develop integrated annual plans for operations with clear targets and budget allocations to ensure that they achieve a balance between their eco-tourism and conservation goals within their allocated budget. Each plan is subject to public consultation through the Protected Area Advisory Committee, which includes community representatives. The reserve managers' report on these targets to the landscape manager, which in turn escalates it to executives.





THANK YOU





We owe our thanks to our partners in conservation and eco-tourism, who support us in achieving our goals in both financial and practical ways.

BIODIVERSITY CONSERVATION PARTNERS

We have formal biodiversity conservation agreements with the following partners:

- Bergriver Municipality
- BirdLife SA
- Buffalo Valley Trust
- Cape Leopard Trust
- Cape Peninsula Fire Protection Association
- Cape Peninsula University of Technology
- Cape Winelands District Municipality
- Centre for Estuarine Research and Conservation (CERC)
- Centre for Invasion Biology (CIB)
- City of Cape Town
- Conservation at Work
- Conservation Outcomes
- Department of Agriculture
- Department of Forestry, Fisheries and the Environment (DFFE)
- Dyer Island Conservation Trust
- Endangered Wildlife Trust
- Flower Valley Conservation Trust
- Friends of the Tollhouse
- Fynbos Trust
- Gift of the Givers
- Gouritz Cluster Biosphere Reserve (GCBR)
- Greater Cederberg Fire Protection Association
- Greater Overberg FPA



- Heuningvlei Community
- Invasive Fish Species Management (IFSM)
- Leisure Conservation Trust
- McGregor Tourism
- MTO Forestry
- Nelson Mandela University
- NRF
- NRF SAIAB
- Overberg District Municipality
- Overberg Renosterveld Conservation Trust
- Overstrand Municipality
- SAEON
- SANBI
- Sanbona Wildlife Reserve
- SANCCOB
- South African National Parks
- South African Shark Conservancy (SASC)
- Southern Cape Fire Protection Association
- Swartland Municipality
- Table Mountain Fund
- The Nature Conservancy
- University of the Free State
- University of the Western Cape
- Volunteer Wildlife Services
- West Coast District Municipality
- Western Cape Government
- Western Cape Umbrella Fire Protection Association
- Working on Fire
- WWF



SUMMARISED FINANCIAL STATEMENTS

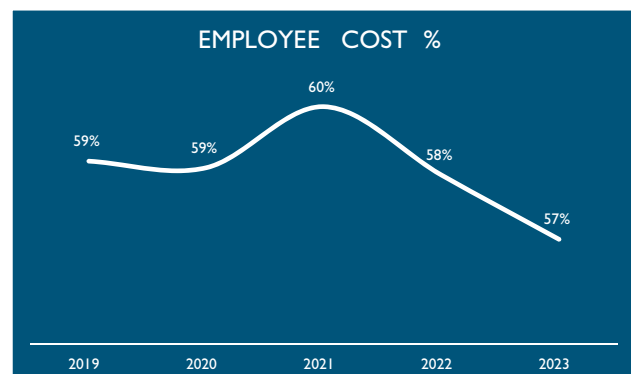
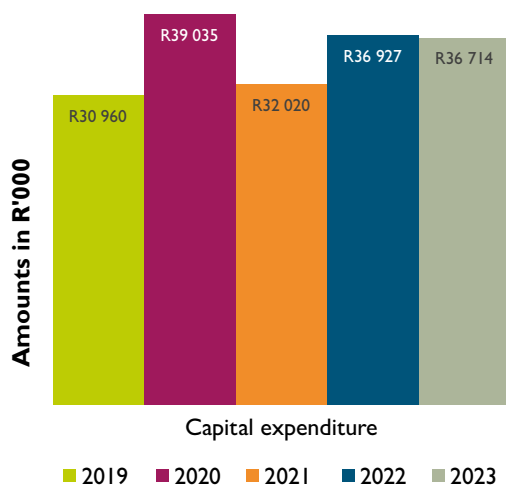


SUMMARISED FINANCIAL STATEMENTS

AUDIT OUTCOME	CLEAN	CLEAN	CLEAN	CLEAN	CLEAN
Irregular expenditure	Nil	Nil	Nil	Nil	Nil
Fruitless and Wasteful expenditure	Nil	Nil	Nil	Nil	Nil

Abridged Statement of Financial Performance 5 years (AUDITED)

Amounts in R'000	2023	2022	2021	2020	2019
Revenue					
Eco-Tourism & Access	61 512	51 326	27 790	42 151	43 759
MTEF allocation	292 090	286 757	297 087	314 474	290 531
Other grants and donations	4 485	7 709	17 099	16 089	14 553
Other income	22 644	16 992	16 477	23 925	21 984
Total revenue	380 731	362 784	358 453	396 639	370 827
Expenditure					
Employee related costs	209 398	207 868	210 319	221 622	217 307
Depreciation and amortisation	25 661	23 563	22 089	20 330	18 275
Other goods and services	134 184	124 624	117 195	136 425	134 354
Total expenditure	369 243	356 055	349 603	378 377	369 936
Operating surplus/(loss)	11 488	6 729	8 850	18 262	891
Capital expenditure	36 714	36 927	32 020	39 035	30 960



Employee costs as a percentage of total expenditure is within target set by the board of 60% despite public sector wage increases. This is due to effective management of the employee cost budget by EXCO.



Abridged Statement of Financial Position 5 years (AUDITED)

Amounts in R'000	2023	2022	2021	2020	2019
Curent assets					
Bank and cash	134 148	138 229	165 617	168 836	169 295
Receivables	16 121	10 067	15 536	6 848	7 211
Inventories	1 749	1 611	1 329	1 645	1 535
	152 018	149 907	182 482	177 329	178 041
Property plant and equipment	215 075	201 000	180 445	175 303	157 094
Total assets	367 093	350 907	362 927	352 632	335 135
Current liabilities					
Finance lease obligations	4 562	3 570	3 716	5 063	8 497
Short term employee benefits	11 578	11 397	12 780	12 786	13 581
Payables	33 430	28 250	45 938	36 794	35 620
Unspent grants	5 556	3 316	3 005	7 141	3 338
	55 126	46 533	65 439	61 784	61 036
Non-current liabilities					
Finance lease obligations	31 969	30 355	27 662	29 583	29 822
Payables				525	1 495
Unspent grants	27 844	32 700	34 672	35 881	34 012
Employee benefit obligation	4 584	4 795	5 348	4 387	5 299
	64 397	67 850	67 682	70 376	70 628
Total liabilities	119 523	114 383	133 121	132 160	131 664
Total net assets	247 570	236 524	229 806	220 472	203 471



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