

*Eastern Cape*  
PARKS & TOURISM AGENCY

Renew a sense of

DISCOVERY

ANNUAL REPORT  
2021 | 2022

*Renew a sense of*

**DISCOVERY**

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# PARRIVA

*General Information*



# GENERAL INFORMATION

<b>REGISTERED NAME</b>	Eastern Cape Parks and Tourism Agency
<b>REGISTERED OFFICE ADDRESS</b>	17 – 25 Oxford Street East London 5201
<b>POSTAL ADDRESS</b>	P.O. Box 11235 Southernwood East London 5213
<b>CONTACT TELEPHONE NUMBERS</b>	+27 43 492 0881
<b>EMAIL ADDRESS</b>	info@ecpta.co.za
<b>WEBSITE ADDRESS</b>	<a href="http://www.visiteasterncape.co.za">www.visiteasterncape.co.za</a>
<b>EXTERNAL AUDITORS</b>	Auditor-General South Africa
<b>BANKERS</b>	First National Bank
<b>BOARD SECRETARY</b>	Ms Xoliswa Mapoma

# BOARD MEMBERS



**TRACEY PUTZIER**

Acting Chair of the Board  
Chair of Marketing and Destination  
Development Committee  
Member of Human Resources and  
Remuneration Committee



**ZOLA FIHLANI**

Chairperson of Finance and  
Investment Committee  
Member of Human Resources and  
Remuneration Committee



**ANDREW BAXTER**

Chair of Biodiversity and  
Conservation Committee  
Member of Finance and  
Investment Committee



**NOMAKWEZI MZILIKAZI**

Chair of Human Resources and  
Remuneration Committee  
Member of Biodiversity and  
Conservation Committee



**LINDANI BEVILLE**

Member of Biodiversity and  
Conservation Committee



**SIYABULELA ONCEYA**

Member of Finance and  
Investment Committee  
Member of Marketing and Destination  
Development Committee



**THEMBINKOSI LEHLOESA**

Member of Marketing and  
Destination Development  
Committee



# GENERAL INFORMATION

<b>AGSA</b>	Auditor-General of South Africa	<b>NEM</b>	National Environmental Management (Act)
<b>AOP</b>	Annual Operational Plan	<b>NGO</b>	Non-governmental Organisation
<b>APP</b>	Annual Performance Plan	<b>NSSD</b>	National Strategy for Sustainable Development
<b>B-BBEE</b>	Broad Based Black Economic Empowerment	<b>OSI</b>	Organisational Sustainability Index
<b>BoD</b>	Board of Directors	<b>PA</b>	Protected Area
<b>CEO</b>	Chief Executive Officer	<b>PAES</b>	Protected Area Expansion Strategy
<b>CFO</b>	Chief Financial Officer	<b>PEDS</b>	Provincial Economic Development Strategy
<b>CITES</b>	Convention on International Trade in Endangered Species (of Wild Fauna and Flora)	<b>PDI</b>	Previously Disadvantaged Individual
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries	<b>PDP</b>	Provincial Development Plan
<b>DFFE</b>	Department of Forestry, Fisheries and the Environment	<b>PFMA</b>	Public Finance Management Act
<b>DEDEAT</b>	Department of Economic Development, Environmental Affairs and Tourism	<b>SANRAL</b>	South African National Roads Agency SOC Limited
<b>DORA</b>	Division of Revenue Act (Act 1 of 2018)	<b>SAT</b>	South African Tourism
<b>ECPTA</b>	Eastern Cape Parks and Tourism Agency	<b>SCM</b>	Supply Chain Management
<b>ED</b>	Executive Director	<b>SMME</b>	Small Medium and Micro Enterprises
<b>EPWP</b>	Extended Public Works Programme	<b>SoAIM</b>	State of Area Integrity Management
<b>GDP</b>	Gross Domestic Product	<b>StatsSA</b>	Statistics South Africa
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>TEP</b>	Tourism Enterprise Partnership
<b>Ha</b>	Hectares	<b>TGCSA</b>	Tourism Grading Council of South Africa
<b>HCM</b>	Human Capital Management	<b>TR</b>	Treasury Regulations
<b>ICT</b>	Information and communications technology	<b>UK</b>	United Kingdom
<b>KPIs</b>	Key Performance Indicators	<b>UNDP - GEF</b>	United Nations Development Program – Global Environmental Facility
<b>MEC</b>	Member of the Executive Council	<b>USA</b>	United States of America
<b>METT-SA</b>	Management Effectiveness Tracking Tool – South Africa	<b>VFR</b>	Visiting Friends and Relatives
<b>MTEF</b>	Medium Term Expenditure Framework	<b>WWF-SA</b>	World-Wide Fund for Nature (South Africa)
		<b>YES</b>	Youth Environmental Services

# FOREWORD

## by the Chairperson



It is my pleasure to present the 2021/22 Annual Report of the Eastern Cape Parks and Tourism Agency (ECPTA).

On reflecting on the past year, I am reminded of the Swahili proverb that says, "Smooth seas do not make skilful sailors." 2021/22 was an extremely challenging year for the ECPTA, faced as it was with ongoing budget cuts, socio-economic upheavals, Treasury moratoriums and unprecedented weather events. The staff and management of the Agency have successfully navigated the literal and figurative storms of 2021/22 and can confidently claim to have become proficient 'sailors' in the process.

Shortly after the ECPTA was founded in 2010, the Board of Directors quantified its expectation of acceptable performance. They set a 90% performance threshold, indicating that performance below that threshold was unacceptable. It took the ECPTA fully 6 years to reach the threshold. Despite all the challenges of 2021/22, the ECPTA secured its seventh consecutive clean audit and its sixth consecutive performance achievement over 90%. In the context of a struggling public service, this achievement stands out as a beacon of hope.

As the Board we are conscious, however, that audit opinions and outcomes tell only a part of the story. They cannot capture the bravery of the field ranger following poachers' spoor; or the commitment of the hospitality officer with 25 years unbroken service; or the creativity of the marketing team that conceptualises fresh campaigns; or the professionalism of the scientists who advise on carrying capacity of reserves and environmental impact mitigation. Audit outcomes are silent on the role played by the administrators who ensure compliance with systems and procedures; or the outreach officers who share their passion with communities and school children. As the Board, we wish to acknowledge all these contributions and the countless others that combine to produce the exceptional results reported between the covers of this Annual Report.

The continued excellence across the organisation will see us achieve a society where "Responsible conservation and tourism benefit current and future generations".

A handwritten signature in black ink, appearing to read 'Tracey Putzier'.

**TRACEY PUTZIER**

Acting Chairperson of the Board

Eastern Cape Parks and Tourism Agency

3 August 2022

# CEO'S

## Overview



As we close the book on another ECPTA success story, it is useful to reflect on how we got here. It would be simplistic to attribute our success to robust planning and competent execution. The truth is that the unpredictability of our current fiscal, and socio-economic environments has posed significant challenges over the past several years, and 2021/22 was no exception. In the wake of the COVID-19 pandemic, South Africa's triple challenge of inequality, poverty, and unemployment has been exacerbated. Tourism and wildlife markets remain tentative, recovery uncertain. Constraints on the national and provincial fiscus have intensified, leaving less money with which to do more. And that is exactly what ECPTA has achieved - doing more with less.

This Annual Report is an attempt at capturing the solid work of the ECPTA towards rebuilding tourism, stimulating conservation, and revitalising efforts to transform both the tourism and conservation industries in the province. We hope that the sense of renewal that has infused our work over the past year is apparent on these pages.

### GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

The final adjusted budget for the 2021/22 financial year was R471.772 million, including other grants and own revenue projections of R233.559 million and R24.037 million, respectively. The increased other grants projections relate to multi-year infrastructure projects whose budget is spread over the project term. These are projects for agreements with the National Department of Tourism (NDT), the National Department of Forestry, Fisheries and the Environment (DFFE), and non-governmental organisations. The statement of financial performance in the financial statements indicates total revenue of R362.825 million (Cash basis of R350.777 million) and expenditure of R294,421 million (Cash basis of R361.430 million) resulting in a surplus of R68.240 million (Cash Basis Deficit R10, 653 million).

Unspent conditional grants totalled R88.271 million, lower than the amount of R121.854 million in the previous year. Of the unspent funds, R40.130 million relates to the DFFE – Environmental Protection and Infrastructure Programme, a multi-year project.

### SPENDING TRENDS OF THE PUBLIC ENTITY

The ECPTA spent R294.421 million against eventual revenue of R362.825 million. The ECPTA budgeted for several multi-year projects that commenced in the prior year. The under-expenditure of goods and services is mainly due to the under-spending on conditional grant projects. In respect of capital expenditure, the underspending is again mainly due to the under-spending on conditional grant projects such as the NDT infrastructure projects, DFFE's infrastructure projects and various other capital projects. Funds for these projects were mostly committed by year-end, and a roll-over applied for. Note 18 of the financial statements provides details of the unspent grants.

The year-on-year increase of 2% in personnel expenditure is not comparable to the 5.5% in 2020, and 5.5% increase recorded in 2019. The ECPTA awarded a 2.5% cost of living adjustment during the year under review. Without fiscal support, this increase was funded by payroll savings and freezing vacant posts. This means that effectively there has been no progress in funding the vacancies in the organogram. There has been a slight increase in the repairs and maintenance in comparison to the previous year. This does not take away the chronic under provision for infrastructure in the province as a whole.

### CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

The overall vacancy rate for the ECPTA has remained constant at approximately 22% due to the inadequate funding of the ECPTA's baseline employment budget. In fact, as a result of the stagnation of personnel budgets described above, ECPTA employees are relatively worse off now than at any previous point in the history of the organisation. The majority of the vacancies remain in the Biodiversity and Conservation department. Consequently, related operational priorities on reserves are carried out by depleted teams who are required to work overtime and extended shifts to ensure that the ECPTA meets its mandate.

### SUPPLY CHAIN MANAGEMENT

The Auditor-General confirmed in the 2021/22 Financial Year that the ECPTA has incurred irregular expenditure in the amount of R5.7 million. The ECPTA awarded a number of bids, in the 2020/21 financial year based on the Provincial Local Economic Development Procurement Framework (LEDPF). The bids had a local authority pre-qualification criterion. The LEDPF was found to be in contravention of national prescripts and regulations.

The expenditure of R5.7 million (2021: R nil) on the contracts is therefore, deemed Irregular. The ECPTA has commenced with the processes to have the contracts and related expenditure condoned by the Provincial Treasury. Note 43 of the Annual Financial Statements provides further detail.

### EVENTS AFTER THE REPORTING DATE

The ECPTA and the Wilderness Foundation, in 2018, entered into a transfer agreement for high value species and parcels of land known as portions of the farms “Bank Kop” and “OnverWacht”. In 2019, the process started to transfer the land to the ECPTA, whilst a portion of a farm remained. The Board of Directors, in May 2022, approved that the remaining portion could not be transferred. Whilst the first transfer value was for R2,6 million, the remaining portion could not be determined at the reporting date. The parcels of land and any related infrastructure therein will be accounted for in terms of the applicable GRAP standards on completion of the transfer process.

### AUDIT REPORT MATTERS IN THE PREVIOUS YEAR

Management addressed all findings communicated by the Auditor-General and by Internal Audit during the year. Internal Audit completed follow-up audits of both internal and external audit findings, reporting progress to the Audit and Risk Committee, who then updated the Board.

### REQUESTS FOR ROLL OVER OF FUNDS

The Agency has requested the roll-over of 101.381 million of cash balances. This amount consists of:

MAIN ACCOUNT	6 835
Revenue account	12 242
NDT - Baviaanskloof account	10 433
NDT - Infrastructure account	4 110
NDT - Tourism Monitors account	17
NDT - Universal Accessibility account	637
N2 Biodiversity Offset account	1 116
National Lotteries Commission	537
South African National Parks account	1 156
South African National Biodiversity Institute account	407
Economic Stimulus Fund	19 905
DFFE - Environmental Protection and Infrastructure Programme	43 025
Rhino Impact Bond	953
African Wildlife Foundation	1
CATHSSETA	1
DFFE - Environmental Monitors	1
Marine Protected Areas - MPA	1
Green Trust	1
SANBI Presidential Youth Employment Intervention - PYEI	1
Wildlife Conservation Bond	1
WWF	1

### OUTLOOK / PLANS TO ADDRESS FINANCIAL CHALLENGES

ECPTA remains extremely well positioned to lead the recovery of the biodiversity conservation and tourism sectors in the province. The developmental approach adopted at the onset of the current Medium Term Strategic Framework is to be retained and expanded. Local-level participation in the various opportunities presented by the biodiversity economy will ensure that benefits will accrue to local communities as far as possible.

Challenges pertaining to inadequate provision of funds for Cost of Employment have been consistently raised with Legislators, the Shareholder Department and Provincial Treasury over the past several years. ECPTA is hopeful that a sustainable solution will be found.

### ACKNOWLEDGEMENTS

It is said that achieving a clean audit is easy; retaining that status is the difficult part. Having posted our seventh consecutive clean audit, we understand this sentiment very well. We also know that it takes every member of the team to pull in the same direction. Every member of staff has contributed to this achievement; their efforts and commitment are humbling and truly appreciated.



**VUYANI DAYIMANI**

Chief Executive Officer

Eastern Cape Parks and Tourism

8 August 2022

# STATEMENT OF RESPONSIBILITY

*and confirmation of the accuracy of the Annual Report*

**To the best of our knowledge and belief, we confirm the following:**

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General of South Africa (AGSA).

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2021.


Yours faithfully,



**Chief Executive Officer**

**VUYANI DAYIMANI**

**Date: 24 August 2022**



**Acting Chairperson of the Board**

**TRACEY PUTZIER**

**Date: 24 August 2022**



# STRATEGIC OVERVIEW

## *Vision*

ECPTA envisages inclusive economic growth supported by sustainable utilisation of natural resources.

## *Mission*

Our mission is to lead responsible conservation and tourism for the benefit of current and future generations.

## *Values*

ECPTA values RHINO:

### **RESPECT**

We treat the environment, our communities, our partners and one another with respect and dignity.

### **HUMILITY**

There is a spirit of caring, community, harmony, and responsiveness in our approach to our work.

### **INTEGRITY**

We conduct our business in a principled manner that is honest and uncompromising.

### **NECESSITY**

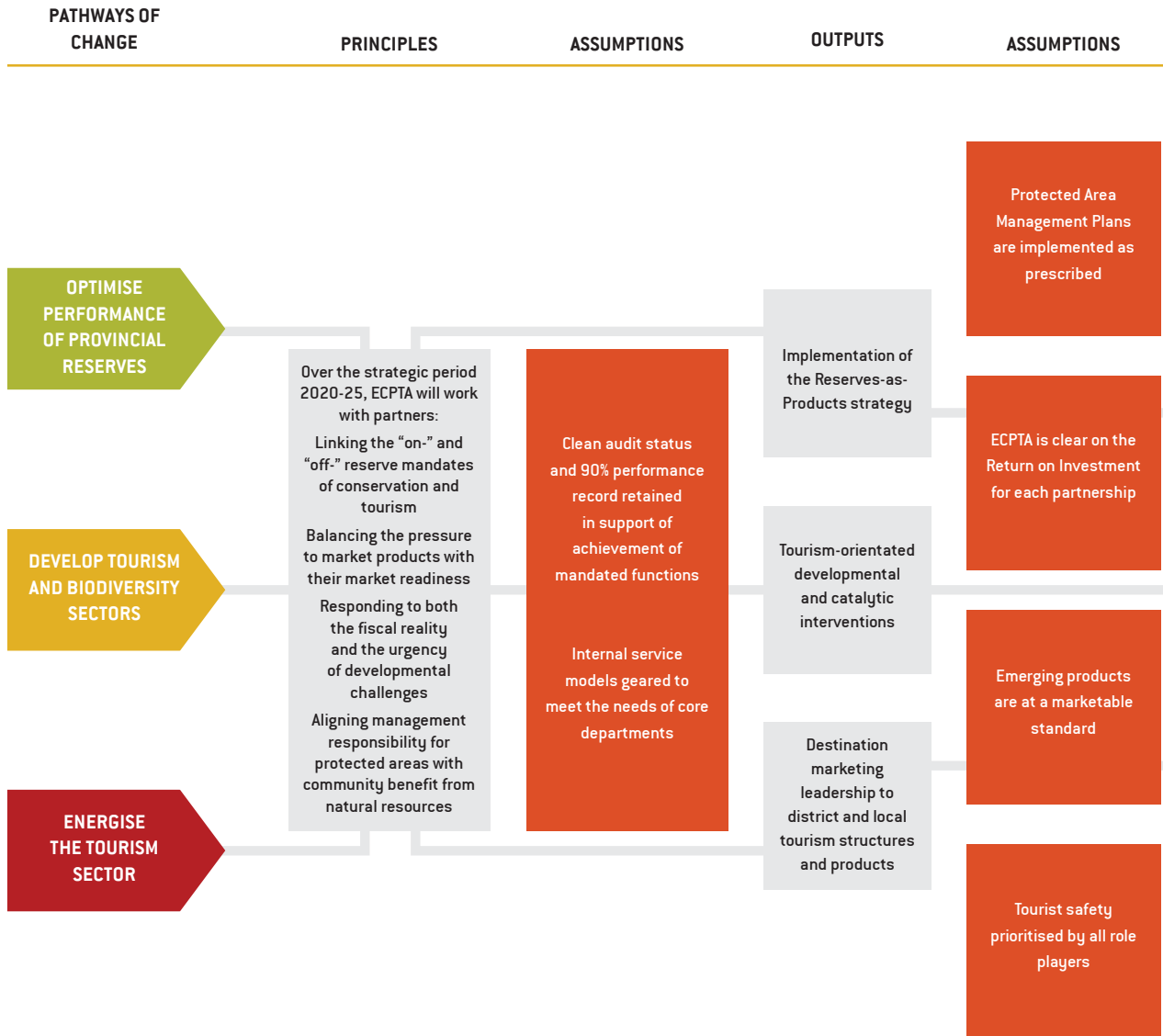
We are pragmatic about sustaining a balance between human progress, economic growth, and environmental conservation.

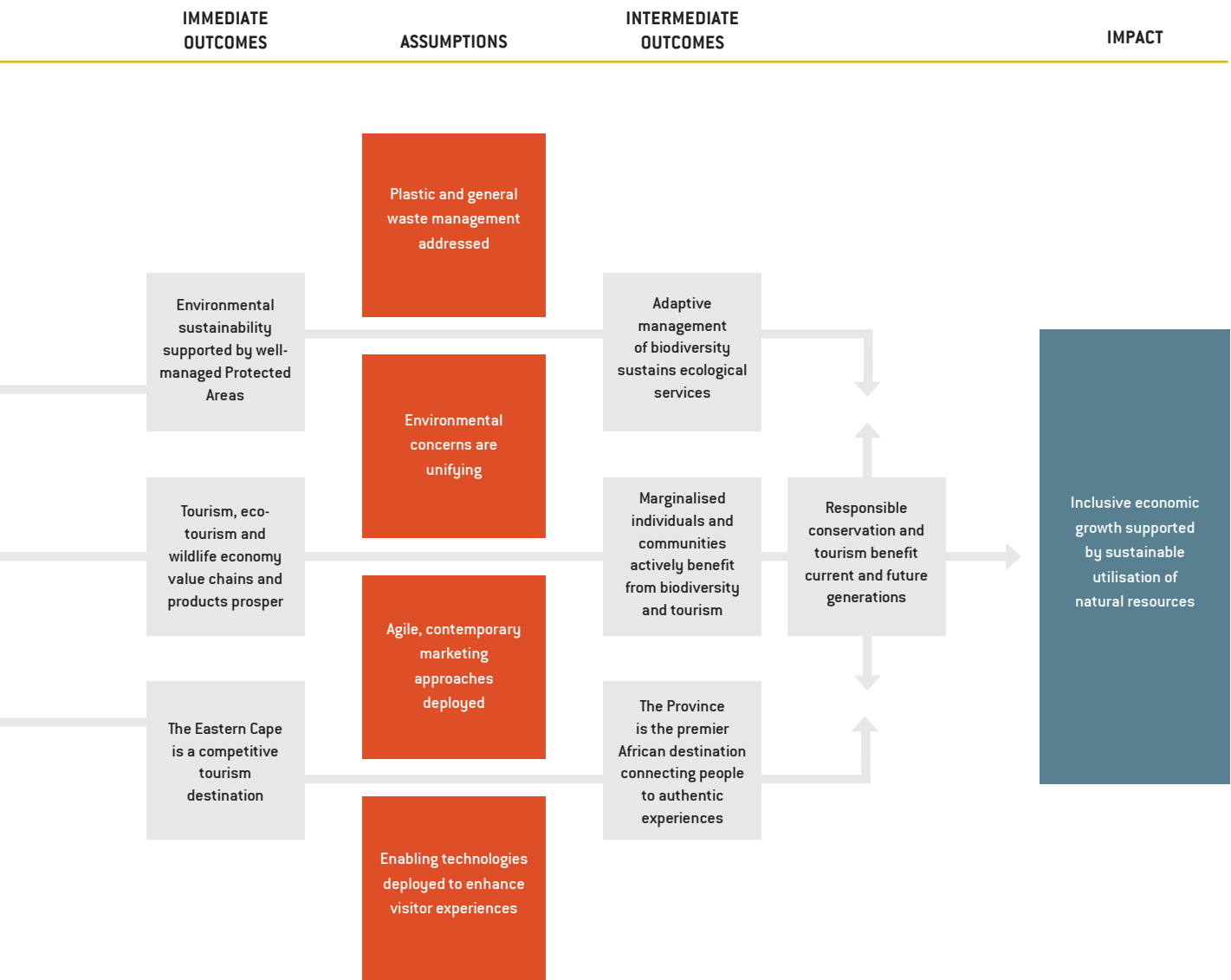
### **OPTIMISM**

We are committed to collaborations that build a positive future for our Province.

Our values inform how we respond to the challenges we encounter and guide our implementation of our strategic results chain for the Medium Term Strategic Framework (MTSF) period.

# STRATEGIC RESULTS CHAIN





## INTERMEDIATE (INSTITUTIONAL) OUTCOMES

- 1** Adaptive management of biodiversity sustains ecological services
- 2** Marginalised individuals and communities actively benefit from biodiversity and tourism
- 3** The Province is the premier African destination connecting people to authentic experiences
- 4** Organisational sustainability supported by capable, ethical and responsive administration

## IMMEDIATE (DEPARTMENTAL) OUTCOMES

- 1** Environmental sustainability supported by well-managed Protected Areas
- 2** Tourism, eco-tourism and wildlife economy value chains and products prosper
- 3** The Eastern Cape is a competitive international and domestic tourism destination
- 4** Internal service models geared to meet the needs of core departments

# LEGISLATIVE AND OTHER MANDATES

The ECPTA's founding legislation is the Eastern Cape Parks and Tourism Agency Act, 2010 (Act 2 of 2010). While the Act is under review, it remains in place until a new Act is promulgated by the Provincial Legislature. The Act specifies that the objects of the ECPTA are to:

- (a) manage biodiversity in protected areas located in the Province;
- (b) manage tourism in the Province;
- (c) ensure the effective implementation of its biodiversity management and tourism and powers and duties granted in terms of this Act and any other law; and
- (d) ensure excellence in the business and resource management of the Agency.

In doing so, ECPTA takes a range of national and provincial legislation into account, including but not exclusively the legislation listed in the table below:

## LEGISLATIVE MANDATES

RELEVANT ACTS	KEY RESPONSIBILITIES
<b>CAPE NATURE AND ENVIRONMENTAL CONSERVATION ORDINANCE (19 OF 1974)</b>	The provincial nature reserves in sections of the former Cape Province were declared under this legislation.
<b>CISKEI CONSERVATION ACT, 1987 (ACT 10 OF 1987) *</b>	The Eastern Cape is in the process of proclaiming new provincial environmental legislation where the old (pre-1994 democracy) ordinances remained relevant. This ordinance governs the management of biodiversity conservation areas in the former Ciskei.
<b>EASTERN CAPE PARKS AND TOURISM AGENCY ACT, 2010 (ACT 2 OF 2010) [UNDER REVIEW] *</b>	This is the ECPTA's establishment legislation, allowing for ECPTA to <ul style="list-style-type: none"> <li>(i) develop and manage protected areas</li> <li>(ii) promote and facilitate the development of tourism in the province.</li> </ul>
<b>FENCING ACT, 1963 (ACT 31 OF 1963) (AS AMENDED)</b>	The Fencing Act regulates the rights and obligations of adjacent owners regarding all types of boundary fences.
<b>FIREARMS CONTROL ACT, 2000 (ACT 60 OF 2000)</b>	National legislation prescribing competency, certification, licensing, storage, transport and carrying of firearms and ammunition is relevant to the security of reserves for which ECPTA is responsible.
<b>MARINE LIVING RESOURCES ACT, 1998 (ACT 18 OF 1998)</b>	This is the primary legislation governing the management of marine living resources and is applicable to all Marine Protected Areas.
<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 1977 (ACT 103 OF 1977)</b>	This legislation governs the building industry and is relevant for all ECPTA infrastructure development projects.
<b>NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT 107 OF 1998)</b>	This is the national environmental legislation which provides guidance on environmental management as well as the interpretation of the ECPTA Act (Act 2 of 2010).
<b>NATIONAL FORESTS ACT, 1998 (ACT 84 OF 1998)</b>	This is the primary legislation governing the management of indigenous forests and woodlands. Many state forests have been proclaimed as Forest Nature Reserves in terms of the National Forests Act.
<b>NATIONAL VELD AND FOREST FIRE ACT, 1998 (ACT 101 OF 1998)</b>	This is the primary legislation governing the prevention and control of runaway wildfires. Fire is used as a biodiversity management tool and control of excessive fires is also important for the management of protected areas and prevention of damage to infrastructure.
<b>NATIONAL WATER ACT, 1998 (ACT 36 OF 1998)</b>	This is the primary legislation governing the use of water.
<b>NEM: BIODIVERSITY ACT, 2004 (ACT 10 OF 2004) (AS AMENDED)</b>	This is the primary legislation for the management of biodiversity across the landscape and guides the interpretation of the ECPTA Act (Act 2 of 2010). Sections 43 and 44 concern the publication of Biodiversity Management Plans for conservation of ecosystems and indigenous species.
<b>NEM: INTEGRATED COASTAL MANAGEMENT ACT, 2008 (ACT 24 OF 2008)</b>	This is the primary legislation governing the management of the coastal areas and prescribes the management of coastal protected areas.
<b>NEM: PROTECTED AREAS ACT, 2003 (ACT 57 OF 2003)</b>	This is the primary legislation governing the management of protected areas and guides the interpretation of Act 2 of 2010.
<b>NEM: WASTE MANAGEMENT ACT, 2008 (ACT 59 OF 2008)</b>	This is the primary legislation governing waste management measures, waste management activities, and reporting on waste impact, including in protected areas.
<b>OCCUPATIONAL HEALTH AND SAFETY ACT, 1993 (ACT 85 OF 1993)</b>	This is the primary legislation governing health and safety standards in the context of all work environments.
<b>PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT 1 OF 1999) (AS AMENDED) (PFMA)</b>	Chapter 6 of the PFMA applies specifically to Public Entities. It lays out prescripts for the conduct of Accounting Authorities and other officials with respect to fiduciary responsibilities, planning, reporting and conduct.



RELEVANT ACTS	KEY RESPONSIBILITIES
<b>SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (ACT 16 OF 2013) (SPLUMA)</b>	Chapter 5 of SPLUMA specifies that land use management must ensure minimal impact on public health, the environment, and natural resources. Regulation 23 dictates that land use schemes must incorporate environmental requirements.
<b>TOURISM ACT, 2014 (ACT 3 OF 2014)</b>	The promotion of responsible tourism practices. Provisions for the effective marketing of the province, both domestically and internationally. The promotion of quality tourism products and services. The promotion of economic growth and development of the sector. The establishment of concrete inter-governmental relations to develop and manage tourism.
<b>TRANSKEI ENVIRONMENTAL CONSERVATION DECREE, 1992 (DECREE 9 OF 1992) *</b>	The Eastern Cape is in the process of proclaiming new provincial environmental legislation where the old (pre-1994 democracy) ordinances remained relevant. This ordinance governs the management of biodiversity conservation areas in the former Transkei.
<b>WORLD HERITAGE CONVENTION ACT, 1999 (ACT 49 OF 1999)</b>	This is the primary legislation governing the management of World Heritage Sites, which, in the case of the ECPTA, is applicable to the management of the Baviaanskloof section of the Cape Floral Region World Heritage Site.

\* Legacy legislation remains valid. This will be repealed once the requisite legislature processes for the Eastern Cape Environmental Management Bill are complete and the bill is assented to by the Premier.

## POLICY MANDATES

ECPTA's strategy aligns with a variety of strategy documents, such as:

NATIONAL AND PROVINCIAL STRATEGY DOCUMENTS	RELEVANCE TO ECPTA STRATEGY
<b>KHAWULEZA</b>	District-based coordination model aims to address service delivery and economic development challenges through the synchronisation of planning across all spheres of government, working alongside social partners such as business and community. Development will be pursued through single, integrated district plans enabled by the vision of "One District; One Plan; One Budget; One Approach". With effect from the 2020/21 Budget cycle, government budgets and programmes will be spatially referenced to districts and metros.
<b>2019-2024 MEDIUM TERM STRATEGIC FRAMEWORK (MTSF), INCLUDING 5-YEAR IMPLEMENTATION PLAN FOR THE NATIONAL DEVELOPMENT PLAN (NDP)</b>	The MTSF focuses on the seven priorities of the 6th administration. ECPTA's mandate finds expression across the 7 priorities with specific contributions to: Employment creation Address apartheid spatial discrepancies by identifying potential and developing industries in the former Bantustans, including tourism. Activate rural economies through investment in tourism (among others). Recreation and leisure The tourism economies to offer activities and experiences that are appealing to domestic travellers, not only international travellers. Clean environment Environmental sustainability and resilience are key features of the NDP approach to ensuring that oceans, soil, water, and biodiversity are protected.
<b>NATIONAL TOURISM SECTOR STRATEGY</b>	Contribute to global competitiveness of South African tourism sector through enhanced service levels and responsive product development
<b>NATIONAL STRATEGY FOR SUSTAINABLE DEVELOPMENT (NSSD)</b>	The NSSD defines the strategic imperatives of the South African Government as they relate to the interaction between people, the environment, and the economy.
<b>PROVINCIAL MEDIUM TERM STRATEGIC FRAMEWORK (P-MTSF) [2020 – 2025]</b>	The P-MTSF aligns the intentions of Vision 2030 (the Provincial Development Plan) with the pillars of the national MTSF. The priorities of the P-MTSF were confirmed once again in Premier Mabuyane's State of the Province Address on 17 February 2022. To give effect to the vision that the "Eastern Cape will be a place where all people reach their potential by 2030", the P-MTSF sets out a plan to deliver on the seven priorities: Priority 1: Capable, ethical and developmental state Priority 2: Economic transformation and job creation Priority 3: Education, skills and health Priority 4: Consolidating the social wage through reliable quality basic services Priority 5: Spatial integration, human settlements, and local government Priority 6: Social cohesion and safe communities Priority 7: A better Africa and a better world ECPTA is specifically mandated to contribute directly to Priorities 2 and 5, and is committed to contributing to Priority 1.

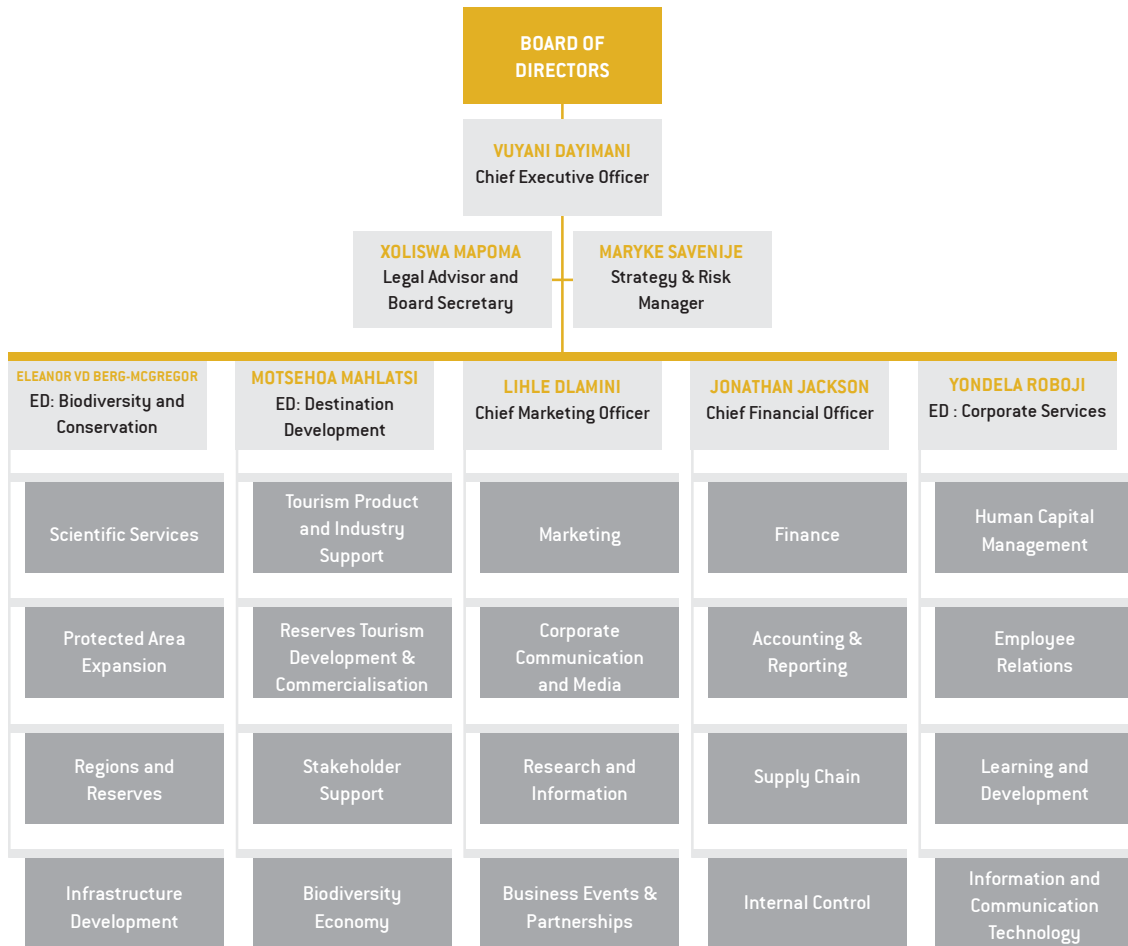
<b>EASTERN CAPE TOURISM MASTER PLAN</b>	<ul style="list-style-type: none"> <li>• Improve and maintain accessibility of tourism facilities</li> <li>• Reputation management</li> <li>• Tourist safety</li> <li>• Service standards</li> <li>• Transform and grow the economy</li> </ul>
<b>PROVINCIAL ECONOMIC DEVELOPMENT STRATEGY (PEDS)</b>	The PEDS identifies tourism as a high potential sector and identifies several opportunities. These include tourism, business tourism, and improved management of tourism “packages”, all of which will benefit from increased marketing of the province’s unique assets.
<b>NATIONAL BIODIVERSITY ECONOMY STRATEGY (NBES)</b>	The NBES describes the biodiversity economy as combining agriculture, eco-tourism and conservation. ECPTA’s strategy aligns to the NBES by supporting the full spectrum of the wildlife, tourism and eco-tourism value chains. The emphasis across all three is diversification of value chains and support for mainstreaming.
<b>DISASTER MANAGEMENT ACT (ACT 57 OF 2002)</b>	<p>On 15 March 2020, President Cyril Ramaphosa declared a National State of Disaster in terms of Section 27 of the Disaster Management Act (Act 57 of 2002).</p> <p>Extensions to the state of disaster and subsequent regulations have determined the movement of people and allowable activities.</p> <p>The risk adjusted lockdown levels were in place for most of the reporting period.</p> <p>Workplace protocols were developed and updated as lockdown levels changed.</p> <p>Compliance with workplace protocols for the prevention of the spread of the virus is compulsory.</p>

The table below demonstrates alignment of ECPTA’s strategic commitments to the Sixth Provincial Administration’s Programme of Action towards “**Building the Eastern Cape we want**”:

PROVINCIAL PRIORITY:	ECPTA POTENTIAL CONTRIBUTION:
A capable, ethical, and developmental state	<ul style="list-style-type: none"> <li>• To retain a clean audit status.</li> <li>• To adopt an overtly developmental approach to work in communities and with stakeholder groups.</li> </ul>
Economic transformation and job creation	<ul style="list-style-type: none"> <li>• Support new entrants and previously disadvantaged product owners in the conservation and tourism industries to operate in the mainstream as soon as possible.</li> <li>• Addressing industry blockages (particularly related to red-tape barriers to entry) with relevant stakeholders on a case-by-case basis.</li> <li>• Collaborate with national and provincial departments that are leading the development of coastal hubs and priority tourism growth points.</li> <li>• Facilitate integration of development plans for affected provincial nature reserves into overall development plans.</li> <li>• Continue to offer internship and learnership opportunities to young tourism and conservation graduates.</li> <li>• Amplify marketing efforts through increased utilisation of digital and social media platforms.</li> </ul>
Spatial integration, human settlements, and local government	<ul style="list-style-type: none"> <li>• Contribute to the science of conservation.</li> <li>• Conduct community engagement and awareness campaigns to encourage responsible resource use and decrease poaching.</li> <li>• Actively implement the agenda of the Provincial People and Parks Programme to ensure biodiversity conservation and economic opportunities are accessed as part of integrated development planning in local municipalities.</li> </ul>
Social cohesion and safe communities	<ul style="list-style-type: none"> <li>• Enhance the ECPTA’s anti-poaching and reserve security capability.</li> <li>• To work with law enforcement / security cluster partners to comply with National Environmental Management Act.</li> <li>• Support the Home of Legends project in establishing important historical sites as tourism products.</li> <li>• Efforts will continue throughout the MTEF period to ensure the activation of the necessary regulations to support the ECPTA Act (2 of 2010) provisions that allow for the retention of own revenue for conservation and tourism development.</li> <li>• In addition to revenue retention, ECPTA is working to ensure that regulations are activated to facilitate the regulation of tour guides in the Province as a mechanism for improving tourism standards.</li> </ul>

As a Schedule 3C public entity reporting to the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), the ECPTA contributes to the achievement of the Department’s mission to be “a provincial catalyst for sustainable and inclusive economic development that promotes sound environmental management”. These efforts dovetail with Executive Authority commitments, in particular Enterprise Development: SMMEs supported, Tourism Sector Development: Tourism promotion in the Province and Managing and Protecting the natural environment.

# ORGANISATIONAL STRUCTURE



# EXECUTIVE MANAGEMENT



**VUYANI DAYIMANI**  
Chief Executive Officer



**JONATHAN JACKSON**  
Chief Financial Officer



**LIHLE DLAMINI**  
Chief Marketing Officer



**ELEANOR VD BERG-MCGREGOR**  
Executive Director:  
Biodiversity and Conservation



**YONELA ROBOJI**  
Executive Director:  
Corporate Services



**MOTSEHOA MAHLATSI**  
Executive Director:  
Destination Development



**XOLISWA MAPOMA**  
Legal Advisor and  
Board Secretary







# PARTE B

*Performance Information*



# AUDITOR-GENERAL'S REPORT

## *Predetermined Objectives*

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit opinion on the performance against predetermined objectives is included in the report to management.

There were no findings on the audit of predetermined objectives in the auditor's report.

Refer to the "Report of the Auditor-General", published in Part E: Financial Information.

# OVERVIEW OF PERFORMANCE

## *Service delivery environment*

### PROVINCIAL SNAPSHOT

- The Eastern Cape is the second largest province with a total area of 168 966km<sup>2</sup>.
- According to the Statistics South Africa (StatsSA) Mid-year population estimates for 2021, the province is home to an estimated 6 676 590 million people, indicating a decline of around 60 000 since the 2020 estimate.
- The projected provincial share of the total South African population has declined steadily since 2003 to the current 11.1%, but the Eastern Cape remains the fourth most populous province.
- Children under the age of 15 account for 32.7% of the province's population, while there are proportionally more elderly people in the Eastern Cape than in any other province.

### PROVINCIAL OVERVIEW

#### LOCATION

The Eastern Cape accounts for 13.9% of the total land area of South Africa. The province is bordered by the Western Cape to the west, KwaZulu-Natal to the east, Lesotho and the Free State to the north, and the Northern Cape to the north west. Administratively, the province has 31 local municipalities, clustered in six districts. Two of the country's eight metropolitan municipalities are in the Eastern Cape. Buffalo City Metropolitan Municipality includes Qonce, Bhisho, and East London. The Nelson Mandela Bay Metropolitan Municipality incorporates Gqeberha, Uitenhage and Despatch. Other important towns in the province include Mthatha, Komani and Makhanda.

#### ENVIRONMENT

Protected areas are those protected by law and managed primarily for conservation of biodiversity. The National Environmental Management: Protected Areas Act (Act 57 of 2003) (NEM:PA) is the primary legislation guiding the establishment, declaration, and management of the protected area estate. The three protected area types that contribute most to the national protected area estate are Nature Reserves, National Parks, and Protected Environments. As the country's most biodiverse province, the imperative to protect and conserve the Eastern Cape's internationally recognised natural capital couldn't be more powerful. Currently almost 80% of vegetation types are insufficiently protected.

According to the South African Protected Areas Database, just over 7% of the terrestrial area of the Eastern Cape was set aside for conservation through NEM:PA by the end of 2020. This represents a 55% increase over a period of 20 years and is largely attributable to the increase in declaration of Protected Environments. By the end of 2020, Protected Environments contributed 38% of the provincial protected area estate. This is 28% more than in any other province, and only 6 336ha less than the terrestrial extent of proclaimed nature reserves. These increases are attributed to the success of the Stewardship Programme driven by ECPTA over the past decade.

The dispersed nature of protected areas across the province means, however, that considerable work is required to secure prioritised biodiversity features, biomes, and ecosystems. Doing so would significantly improve the province's resilience to climate change and to extreme weather events.

## ECONOMY

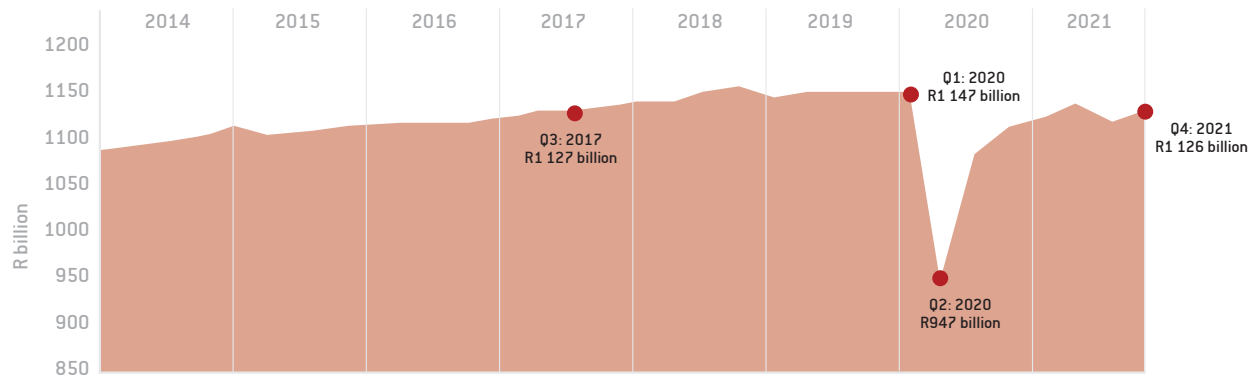


Figure 1: Comparative size of the SA economy pre-and post-COVID-19

The COVID-19 pandemic had a significant impact on South Africa's economy, poverty levels and industry performance in the period under review. By the end of 2021, the national economy was 1.8% smaller than in the first quarter of 2020 and approximated the size of the economy in Q3: 2017.

At the end of Q4: 2021, the province recorded the highest official and expanded unemployment rates in SA at 45.0% and 53.2% respectively (the rates for South Africa were 35.3% and 46.2%). The inflation rate for the Eastern Cape was 4.8% for 2021, compared to the national inflation rate of 4.5%. The national average inflation rate was higher than both 2020 (3.3%) and 2019 (4.1%), and continued to be driven higher by increasing food and transportation costs. In 2021, the national economy grew by 4.9%. The provincial economy appeared to be static.

## TOURISM

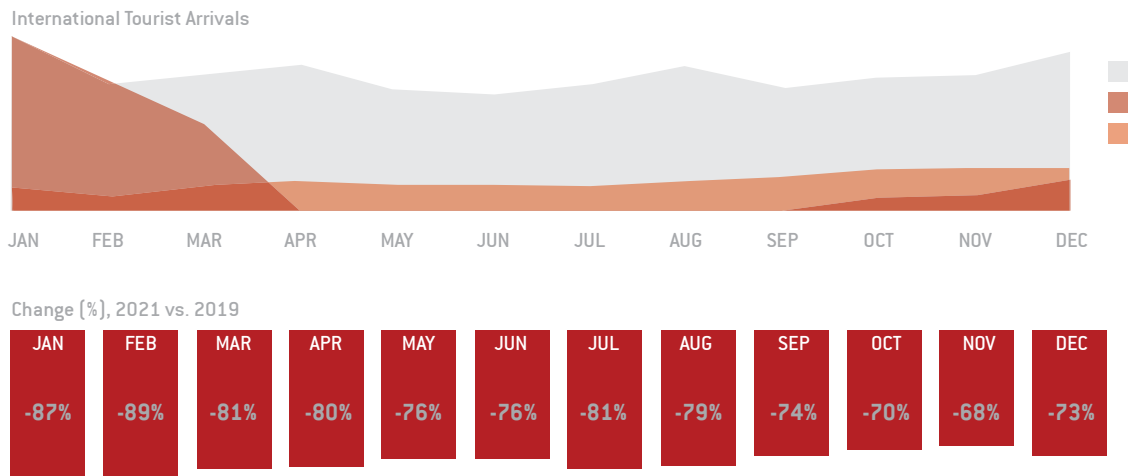


Figure 2: UNWTO International Tourism and COVID-19 Dashboard

Of all sectors, tourism was arguably most severely affected by the global response to the pandemic. In comparison to pre-COVID-19 tourism trends, one billion fewer international arrivals were recorded worldwide in 2021. The World Tourism Organisation of the United Nations (UNWTO) estimates that revenues from international tourism dropped by between US\$ 0.9 and 1.0 trillion, putting over 100 million direct tourism jobs at risk. In South Africa, seasonally adjusted income from tourism accommodation increased by 4.4% month-on-month in February 2022 having decreased by 5.4% month-on-month in January 2022. These fluctuations underscore the difficulties faced by SMMEs involved in the tourism value chain, as there appears to be little predictability on which to base plans and recovery efforts.

Against this background, the ECPTA chose to focus on developing the local and domestic travel markets from both demand and supply side perspectives.

Preliminary tourist accommodation figures released by StatsSA in April 2022 indicate that total income for the tourist accommodation industry increased by 139.5% in February 2022 compared with February 2021. Income from bed nights (accommodation only) increased by 98.3% year-on-year in February 2022, consequent to a 59.8% rise in the number of stay unit nights sold and a 24.1% increase in the average cost per stay unit night sold. These green shoots hold promise for tourism sector resilience and recovery.

All statistics in this overview are sourced from publications by Statistics South Africa (StatsSA) unless stated otherwise

## Organisational environment

The strategy in respect of which this Annual Report accounts hinges on a clear Strategic Results Chain (SRC) with three distinct pathways of change. The three pathways converge wherever necessary and are understood to be symbiotic. Underlying the delivery model is a “killer assumption” that the administrative and governance functions of the organisation support the achievement of mandated functions.

### EXECUTIVE LEADERSHIP

In 2020/21, the Board resolved to split the Chief Operations Officer post into two Executive Director (ED) posts to facilitate a more manageable span of control and specialist focus, these being Biodiversity and Conservation on one hand, and Destination Development on the other. The Executive Management team thus consists of the Chief Executive Officer (CEO) and five Executive Directors. The ED: Biodiversity and Conservation position was filled from 1 April 2021, and the ED: Destination Development from 1 October 2021. The ED: Corporate Services resigned at the end of the first quarter, and the new ED took up the position from 1 October 2021. ECPTA thus ended the year with a full complement of executives.

### BUSINESS CONTINUITY

During the 2020/21 financial year, ECPTA activated a business continuity strategy that ensured that the ECPTA continued to operate and provide services to clients and stakeholders throughout the first year of the pandemic. The automations and online alternatives initiated in 2020 have been further developed and synchronised to ensure the ongoing modernisation of administrative functions.

This modernisation has also been pivotal in establishing ECPTA as a world leader in protected species management and ensured that the Eastern Cape was the only province to increase domestic tourist arrivals in the reporting period.

## Key policy developments and legislative changes

DEDEAT initiated the process of reviewing the Eastern Cape Parks and Tourism Agency Act in 2017. The Eastern Cape Parks and Tourism Agency Bill, 2019 was endorsed by the Executive Council towards the end of the previous reporting period and will be tabled at the Provincial Legislature in due course. The Bill aligns the Eastern Cape legislation with national legislation. The Bill has been translated into isiXhosa.

The ECPTA is aware of claims against it by third parties, especially those relating to fire claims. Because ECPTA is a Schedule 3C entity, the Provincial Government is the guarantor and funder of any claims that may arise, and the entity is not permitted to retain funds to build up reserves to mitigate future claims. Management has therefore not seen the need to doubt the ECPTA's ability to continue as a going concern.

## Progress towards priorities

The assumptions detailed through the Theory of Change (ToC) and the Strategic Results Chain clarify that ECPTA expects to contribute to:

Inclusive economic growth supported by sustainable utilisation of natural resources in a society where responsible conservation and tourism benefit current and future generations.

ECPTA contributes to the realisation of these ideals by working toward four intermediate outcomes:

OUTCOME	OUTCOME STATEMENT	SHORT TITLE
1. Adaptive management of biodiversity sustains ecological services	Environmental sustainability supported by well-managed protected areas	ADAPTIVE MANAGEMENT
2. Marginalised individuals and communities actively benefit from biodiversity and tourism	Tourism and biodiversity value chains and products prosper	BIODIVERSITY ECONOMY VALUE CHAINS
3. The Province is the premier African destination connecting people to authentic experiences	The Eastern Cape is a competitive international and domestic tourism destination	TOURISM COMPETITIVENESS
4. Organisational sustainability supported by capable, ethical, and responsive administration	Internal service models geared to meet the needs of core departments	ORGANISATIONAL SUSTAINABILITY INDEX

These are accomplished through the achievement of associated immediate outcomes:

ADAPTIVE MANAGEMENT	BIODIVERSITY ECONOMY VALUE CHAINS	TOURISM COMPETITIVENESS	ORGANISATIONAL SUSTAINABILITY INDEX
Biodiversity Decision Support	Tourism Value Chain Support	Destination Marketing	Reputation Dimension
Provincial Protected Area Expansion	Biodiversity Economy: Tourism	Public Relations and Communication	Financial Dimension
Protected Area Management Plan Implementation	Biodiversity Economy: Wildlife	Research and Information Management	Social Dimension
Projects Implementation	Stakeholder Support	Business Events and Partnerships	Security Dimension

Despite the challenges of the year dominated by the pandemic, ECPTA was able to sustain the positive performance record of the past five years, with 94.5% of all outcome and output targets achieved in 2021/22. These achievements align directly to the four Intermediate Outcomes as presented below.



Figure 3: Progress towards achieving Intermediate Outcomes. ECPTA. 2021/22

The graph above illustrates the extent of success across all four Intermediate Outcomes and provides visual confirmation of the professionalism and commitment with which the management and staff of ECPTA tackle their responsibilities.

# PROGRAMME PERFORMANCE INFORMATION

## A NOTE ON SCORES

ECPTA has matured its performance measurement methodology to use scores for almost all Intermediate Outcome and Output indicators. Scores are calculated through the accumulation of lower-level weighted scores assigned to contributing activities and outputs. A maximum score is 100, and a minimum score is zero.

The Board of ECPTA has retained its requirement that performance of 90% and above is acceptable, target scores of 90 are set throughout. Contributing items are weighted according to their importance and influence on the achievement of higher-level targets.

On a quarterly basis, the active contributing scores add up to the higher-level target of 90. A target can only be exceeded to the maximum of 100% of its weight for the period. The average of the four quarterly scores gives the annual score, which is also limited to 100% of its weight.

## A NOTE ON ROUNDING

All calculations are executed using Microsoft Excel. Where the calculation method is “average of quarterly actuals”, results are rounded to at least one decimal place in the Annual Report. There are instances where more than one decimal place influences the interpretation of performance. In such cases, more decimal places may be used.

## A NOTE ON ZEROS

Underperformance is distinguished from inactive indicators by the use of zeros for the former and dashes for the latter.

## DISCLOSURE OF ERRORS IN ANNUAL PERFORMANCE PLAN

Two errors in respect of performance targets were identified over the course of the 2021/22 performance year.

PAGE	SUBJECT	PUBLISHED (INCORRECT)	CORRECT	IMPACT ON PERFORMANCE INFORMATION
26	3 Tourism Competitiveness	Annual target 200 000 additional domestic holiday travellers compared to previous year	40 000 additional domestic holiday travellers compared to previous year	None Reported correctly against Annual target: 40 000 as per Quarterly targets on page 27 200 000 is the national target
31	4.1 Reputation Dimension	Annual and Quarterly target score: 18	Annual and Quarterly target score: 27	None Reported consistently and correctly against Annual and Quarterly target score: 27 as per first table on page 31



## A NOTE ON PERFORMANCE INFORMATION

The performance information environment at ECPTA involves planning and tracking performance at three levels: Intermediate Outcomes (aligned to the Strategic Plan); Immediate Outcomes and Outputs (in the Annual Performance Plans); and Activities (presented in the Operational Plan). The Theory of Change demonstrates that to achieve Intermediate Outcomes (and Impacts), it is necessary to first achieve activity, then output and then immediate outcome targets. The narrative following the performance tables thus focuses on activities executed to produce higher level performance.

In 2021/22, ECPTA was responsible for 200 indicators across its three plan levels (Strategic, Performance and Operational), including 149 activity indicators, 30 output indicators, 15 immediate outcome indicators and 4 intermediate outcome indicators. The targets for 189 indicators were either achieved or exceeded, yielding an overall achievement rate of 94.5%. This compares to an overall achievement rate of 89.4% in 2020/21.

In respect of the Outcome and Output-level Indicators presented in the Strategic and Annual Performance Plans, ECPTA undertook to deliver on 51 performance indicators. In total, 49 of the 51 outcome and output indicators were achieved, representing an achievement rate of 96.1%.

INTERMEDIATE OUTCOME INDICATOR (SHORT TITLE)	ANNUAL PERFORMANCE		
Immediate Outcome Indicators	Planned	Actual	Result
<b>1. Adaptive Management</b>	90.0	95.97	Achieved
1.1 Biodiversity Decision Support	90.0	100.0	Achieved
1.2 (Provincial) Protected Area Expansion <sup>1</sup>	90.0	94.13	Achieved
1.3 Protected Area Management Plan Implementation	90.0	95.82	Achieved
1.4 Projects Implementation	90.0	93.93	Achieved
<b>2. Biodiversity Economy Value Chains</b>	90.0	92.14	Achieved
2.1 Tourism Value Chain Support	90.0	100.0	Achieved
2.2 Biodiversity Economy: Tourism	90.0	98.09	Achieved
2.3 Biodiversity Economy: Wildlife	90.0	76.46	Partial
2.4 Stakeholder Support	90.0	94.00	Achieved
<b>3. Tourism Competitiveness</b>	40 000	147 400	Achieved
3.1 Destination Marketing	90.0	100.0	Achieved
3.2 Public Relations and Communication	90.0	99.86	Achieved
3.3 Research and Information Management	90.0	95.83	Achieved
3.4 Business Events and Partnerships	90.0	100.0	Achieved
<b>4. Organisational Sustainability Index</b>	90.0	99.38	Achieved
4.1 Reputation Dimension	27.0	30.00	Achieved
4.2 Financial Dimension	31.5	34.38	Achieved
4.3 Social Dimension	18.0	20.00	Achieved
4.4 Security Dimension	13.5	15.00	Achieved

<sup>1</sup> For brevity, the phrase "Protected Area Expansion" is used

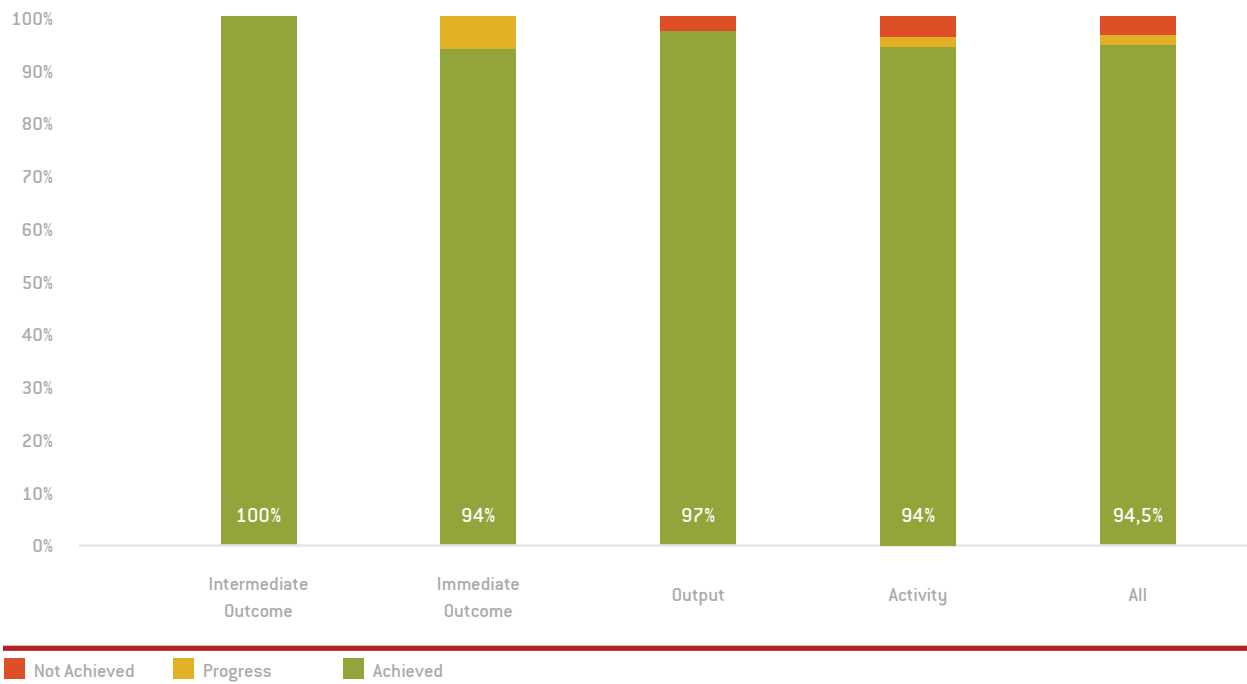


Figure 4: Graphic representation of overall performance by Indicator Level in 2021/22

To ensure an understanding of context, Intermediate and Immediate performance results are presented for each Programme, while Output performance is presented per Sub-programme. Activity results are discussed in the narratives that follow performance tables. Comparisons to prior year results are not always possible as new indicators were developed for the new strategic cycle and revised for the second Annual Performance Plan of the MTEF period. ECPTA did not re-table the Annual Performance Plan in the year under review. Year-on-year increases in achievement rates were recorded by all four Programmes as illustrated below:

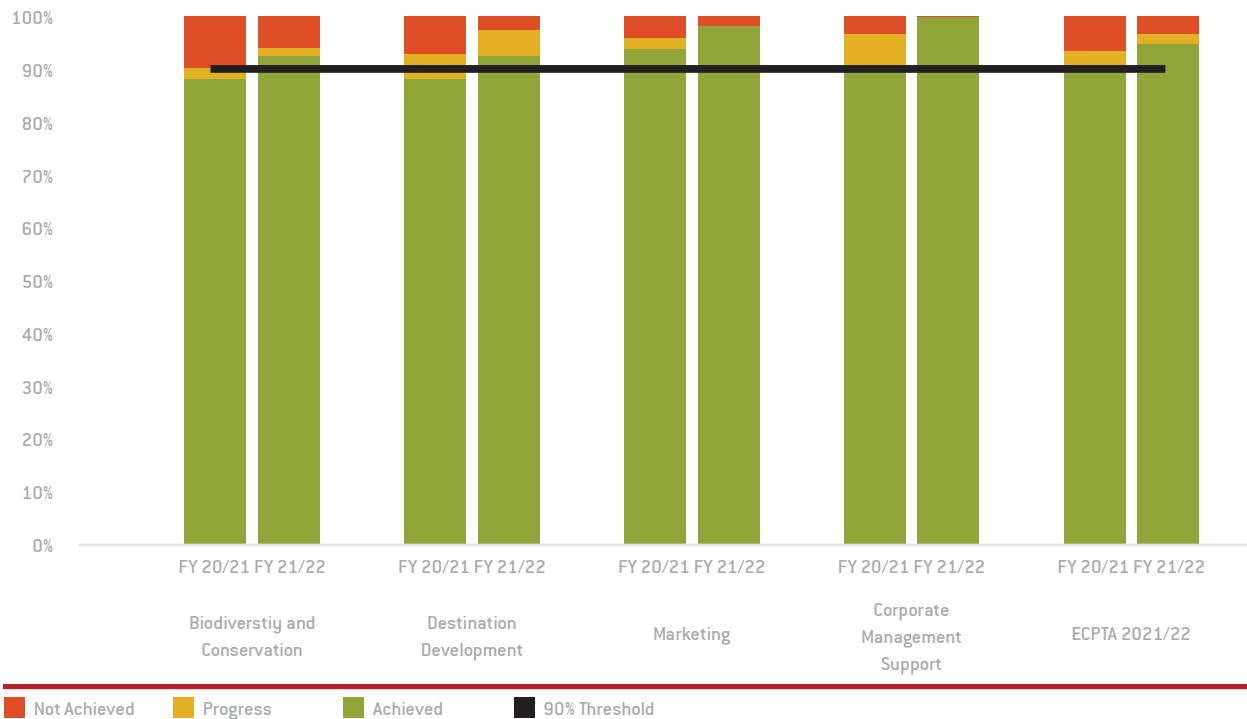


Figure 5: Comparative year-on-year analysis of Programme performance

# PROGRAMME 1

## Biodiversity and Conservation

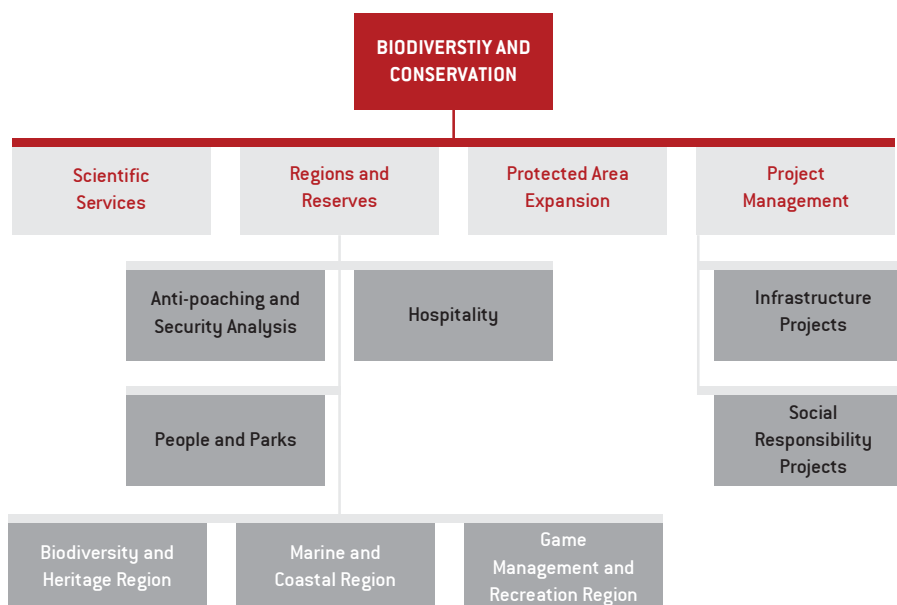
The Biodiversity and Conservation Department is home to Biodiversity Conservation and Reserve Operations. The units within the programme combine to ensure that the natural biodiversity of these areas is protected for current and future generations. The three regions each include five reserves that are clustered together according to their dominant niche and geographic proximity. The reserves and regions are in turn supported by specialised units that provide scientific support, planning support, hospitality support, community engagement expertise and infrastructure development, project management and maintenance.

### DESCRIPTION OF PROGRAMME

#### PURPOSE

- Strategically and operationally manage the provincial declared protected areas (nature reserves) assigned to ECPTA in accordance with approved protected area management plans.
- Ensure that biodiversity in these nature reserves is adequately protected and managed.
- Provide professional scientific information and planning support to guide and inform biodiversity management, strategy, and decision making in the Agency.
- Lead efforts to expand the protected area estate through stewardship.
- Actively engage with stakeholders and neighbouring communities; and
- Ensure compliance with Occupational Health and Safety legislation.

#### SUB-PROGRAMMES



## CONTRIBUTION TO INSTITUTIONAL OUTCOMES

The Biodiversity and Conservation department is responsible for delivering services towards the achievement of the following outcomes through a set of weighted outputs and activities. Together these contribute 35% to the overall organisational performance.

## INTERMEDIATE OUTCOME

Adaptive management of biodiversity sustains ecological services

## OUTCOME STATEMENT

Environmental sustainability supported by well-managed protected areas

IMMEDIATE OUTCOME INDICATORS	RELATIVE WEIGHT	OUTPUT INDICATORS	RELATIVE WEIGHT
1.1 Biodiversity Decision Support	25%		
		1.1.1 Biodiversity Research	30%
		1.1.2 Biodiversity Monitoring	40%
		1.1.3 Ecological Planning	30%
1.2 Protected Area Expansion	15%		
		1.2.1 Stewardship Programme	50%
		1.2.2 Integrated Planning Support	50%
1.3 PAMP <sup>2</sup> implementation	35%		
		1.3.1 Conservation Management	80%
		1.3.2 Reserves Tourism Management	10%
		1.3.3 People and Parks <sup>3</sup>	10%
1.4 Projects Implementation	25%		
		1.4.1 Infrastructure Project Implementation	70%
		1.4.2 Social Responsibility Projects	30%

Each Immediate Outcome is the responsibility of a dedicated Sub-programme:



<sup>2</sup> Protected Area Management Plan

<sup>3</sup> Full title: Socio-economic beneficiation through People and Parks Programme

## INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Table 1: Intermediate Outcome: Adaptive management of biodiversity sustains ecological services

INTERMEDIATE OUTCOME	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
Adaptive management of biodiversity sustains ecological services	New	100 (score)	90 (score)	96.0 (score)	+ 6 (points)	All underlying immediate outcomes achieved

Table 2: Immediate Outcomes: Adaptive Management <sup>4</sup>

IMMEDIATE OUTCOME	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
1.1 Biodiversity Decision Support	3 (index score)	3 (index score)	90 (score)	100 (score)	+ 10 (points)	All underlying output targets achieved
1.2 Protected Area Expansion	12 627 (ha)	96.9 (score)	90 (score)	94.1 (score)	+ 4.1 (points)	All output targets achieved in first three quarters
1.3 PAMP implementation	New	98.5 (score)	90 (score)	95.8 (score)	+ 5.8 (points)	Output targets met or exceeded
1.4 Projects Implementation	New	89.7 (score)	90 (score)	93.9 (score)	+ 3.9 (points)	Most output targets met or exceeded

### SUB-PROGRAMME 1.1

## *Scientific Services*

Table 3: Output Indicators: Biodiversity Decision Support <sup>5</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
1.1.1 Biodiversity Research	3 (index score)	30 (score)	27 (score)	30 (score)	+ 3 (points)	All underlying activity targets achieved
1.1.2 Biodiversity Monitoring	3 (index score)	40 (score)	36 (score)	40 (score)	+ 4 (points)	All underlying activity targets achieved
1.1.3 Ecological Planning	3 (index score)	30 (score)	27 (score)	30 (score)	+ 3 (points)	All underlying activity targets achieved

4 Short title

5 Per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 53

The Scientific Services Sub-programme's outputs and activities are carefully planned to compliment the management of the protected area estate as per the ECPTA's mandate.

#### 1.1.1 BIODIVERSITY RESEARCH

- Establish priority research agenda
  - Priority research needs were reviewed and updated in quarter 1.
  - Fieldwork for research continued to be subjected to strict COVID-19 mitigation protocols throughout the year.
- Research to fill identified knowledge gaps
  - The target of three research products was exceeded, with the following research reports / publications generated in 2021/22:
    - » Herpetological survey of The Island Nature Reserve (NR) in the Nelson Mandela Bay Municipality, Eastern Cape Province, South Africa (published paper);
    - » A decade of surf-zone linefish monitoring in the Dwesa-Cwebe Marine Protected Area, with a preliminary assessment of the effects of rezoning and resource use (published paper);
    - » Population and ecology of buffalo in the Great Fish River NR (ongoing study); and
    - » Vegetation ecology of Oviston and Commando Drift (ongoing study).
- Manage external research on reserves
  - A register of external (and internal) research applications is maintained by the Scientific Services Sub-programme.
  - Twenty-four external research applications were received and processed over the course of the year compared to nine in the previous year.
  - Sixteen applications were approved by year-end, while eight were still under consideration.
- Develop systems to support conservation
  - A memorandum of understanding (MoU) was entered into with Nelson Mandela University to facilitate collaborative research, education and problem solving in the fields of biodiversity conservation and tourism development.
  - The policy for "Research in Protected Areas" was updated to ensure that the content remains relevant.
  - A standard operating procedure for biodiversity data management was introduced in 2021.
- New taxon inventories developed
  - 13 taxon inventories were completed during 2021/22 for the following nature reserves:
    - » Amphibian list for The Island
    - » Bird list for The Island
    - » Mammal list for The Island
    - » Reptile list for The Island
    - » Amphibian list for Umtiza
    - » Bird list for Umtiza
    - » Mammal list for Umtiza
    - » Reptile list for Umtiza
    - » Amphibian list for Fort Pato
    - » Bird list for Fort Pato
    - » Mammal list for Fort Pato
    - » Reptile list for Fort Pato
    - » Plant species list for Commando Drift



### 1.1.2 BIODIVERSITY MONITORING

- Ecological monitoring conducted
  - Information on fires that occurred in the Protected Areas in 2021 was collected throughout the year and collated into an advisory report.
  - In addition, two detailed fire monitoring reports were compiled for the Baviaanskloof cluster and Formosa Nature Reserves.
- Priority taxon monitoring completed
  - Quarterly black rhino monitoring reports were generated for ECPTA's two rhino reserves, and detailed population status reports were prepared for 2021.
  - Other priority taxon monitoring reports concluded were on:
    - » Marine mammal drone survey on the Wild Coast;
    - » In- shore line fish monitoring in the Dwesa-Cwebe Marine Protected Area;
    - » Leopard monitoring in the Great Fish River Nature Reserve; and
    - » Black rhinoceros population status monitoring reports were conducted for three additional reserves.
- Game census completed
  - The annual game census is the foundation upon which recommendations for the following year's game off-take plan are dependent.
  - Fieldwork for the annual game census was completed during the first quarter and a detailed report generated in Q2.
- Monitor annual game off-takes
  - Game off-takes are carried out per the approved recommendations over the first three quarters of each financial year.
  - Hunting, culling, and translocation operations were monitored, and actual offtakes recorded monthly.

### 1.1.3 ECOLOGICAL PLANNING

- Subsidiary management plans developed
  - Work was completed on the alien plant management plan for the ECPTA-managed reserves.
- Annual Game Management Recommendations
  - The Board approved the Large Mammal Management Recommendations for 2022 during Q3, allowing time for preparatory work ahead of the 2022 off-take season. Procurement for related services was, however, halted by the National Treasury moratorium on purchases above a R30 000 limit.

## SUB-PROGRAMME 1.2

# Protected Area Expansion

Table 4: Output Indicators: Protected Area Expansion <sup>6</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
1.2.1 Stewardship programme	3 (index score)	50 (score)	45 (score)	45.7 (score)	+ 0.7 (points)	Most underlying activity targets were achieved
1.2.2 Integrated Planning Support	3 (index score)	50 (score)	45 (score)	48.4 (score)	+ 3.4 (points)	Underlying activity targets were achieved or exceeded

The Protected Area Expansion Sub-programme is responsible for efforts towards expanding the province's protected area system to conserve a suitably representative sample of the biodiversity of the province. In doing so ECPTA contributes to facilitating a continued supply of ecosystem services and achieving provincial and national protected area expansion targets. The Protected Areas Expansion unit implements the Stewardship Programme and supports conservation planning and environmental management in relation to the Provincial Nature Reserves.

The state has insufficient funds to purchase land for protected area expansion. The key alternative to purchasing land is stewardship, which aims to secure biodiversity assets in priority areas through voluntary agreements with private and communal landowners or users. Biodiversity stewardship contributes to securing biodiversity features and ecosystem services through agreements and formal declaration of protected areas, while also addressing socio-economic and rural development imperatives.

ECPTA, as protected area management authority, plays an important role in influencing biodiversity planning in and around the nature reserves under its management. Part of the process entails engagements with local authorities, municipalities, non-governmental organisations, and provincial and national government departments to ensure that there is integrated planning around ECPTA nature reserves. The Eastern Cape boasts the second largest relative increase in the proportion of a province protected between 2000 and 2020, with the majority of this increase attributed to the declaration of Protected Environments through Stewardship.

### 1.2.1 STEWARDSHIP PROGRAMME

- Expansion targets achievement (area)
  - To date this programme has secured the declaration of around 200 000 ha for the province.
  - The 2021/22 target for hectares prepared for declaration as part of the protected area estate was 20 000 ha. The Member of the Executive Council (MEC) for Economic Development, Environmental Affairs and Tourism declared 4 693 ha in March 2022
- Manage declaration processes for stewardship sites
  - The Stewardship unit prepared a pipeline of potential privately-owned properties in priority conservation areas and guides landowners through the bureaucratic and legal requirements of the declaration process.
- Assess annual implementation of protected area management plans
  - Once properties are declared as protected areas through the stewardship process, ECPTA is responsible for conducting regular assessments of the extent to which the Protected Area Management Plans (PAMPs) have been implemented. During 2021/22, assessments were done for five biodiversity stewardship sites:
    - » Kromme Riviers Hoogte Nature Reserve,
    - » Bergplaas Nature Reserve,
    - » Indalo Protected Environment,
    - » Noorsveld Protected Environment, and
    - » Buffalo Kloof Protected Environment.

<sup>6</sup> Per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 54

### 1.2.2 INTEGRATED PLANNING SUPPORT

- Mainstreaming biodiversity elements into provincial and municipal planning processes
  - The Planning unit engaged relevant stakeholders in relation to Municipal Biodiversity Sector Plans, Environmental Management Plans, Integrated Development Plans and Spatial Planning Tools (Spatial Development Plans and District Development Model).
- Participate in priority Environmental Impact Assessment (EIA) processes:
  - In general, the types of proposals interacted with included residential development, telecommunication masts, fencing, mining, wind energy development, and tourism infrastructure developments.
- Update Protected Area Management Plans (PAMP):
  - Section 39 of the National Environmental Management: Protected Areas Act (Act 57 of 2003) (NEM:PAA) requires that all protected areas in South Africa have a management plan. The Act requires that these plans be reviewed and submitted for approval to the relevant authority.
  - Following intense public participation processes, the Amathole PAMP was adopted by the ECPTA Board of Directors for onward submission to the Minister: Department of Forestry, Fisheries and the Environment.
- Preparation of Protected Area Expansion Strategy (PAES) for the Eastern Cape:
  - The Eastern Cape PAES was finalised during the reporting period.

### SUB-PROGRAMME 1.3

## *Regions and Reserves*

Table 5: Output Indicators: PAMP implementation <sup>7</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
1.3.1 Conservation Management	New	90 (score)	72 (score)	76.97 (score)	+ 4.97 (points)	Most underlying activity targets achieved
1.3.2 Reserves Tourism Management	New	8.3 (score)	9 (score)	9 (score)	No deviation	Not applicable
1.3.3 People and Parks	New	Changed 18.5/18 (score)	9 (score)	9.9 (score)	+ 0.9 (points)	Underlying activity targets achieved

The ECPTA is responsible for the management of the provincial protected areas located in the province. In total the ECPTA manages 596 000 ha, of which 423 000 ha is terrestrial (including one world heritage site) and 173 000 ha is comprised of Marine Protected Areas (MPAs). Within these areas the ECPTA is responsible for conserving and managing biodiversity as well as developing and managing tourism. The provincial protected area estate is arranged into 15 provincial nature reserves, each of which is the responsibility of a reserve manager. The 15 reserves are in turn clustered into three regions based on niche product offerings. The three regions (Biodiversity and Heritage, Game and Recreation, and Marine and Coastal) each include five reserves.

The sound management of the provincial nature reserves is dependent on the successful implementation of a wide range of activities and interventions. To effectively monitor the management of these areas, two high-level (summative) indicators have been developed – the first to assess conservation management, and the second to assess tourism management. These indicators are each achieved through the successful completion of contributing activities. Achievements against these two indicators then accumulate to an overall score for the Implementation of Protected Area Management Plans.

The People and Parks Programme is a national programme of the Department of Forestry, Fisheries and the Environment (DFFE), for which ECPTA coordinates and implements the provincial chapter. The programme aims to support the resolution of land claims in protected areas (PAs), to strengthen governance, participation, access to and benefit sharing from PAs, and to develop and implement a capacity building and awareness raising strategy. The focus of the People and Parks Programme in the 2021/22 financial year was on ensuring that socio-economic benefits (tangible and intangible) from protected areas reach the neighbouring communities, thus instilling a sense of ownership and understanding of the value of protected areas.

<sup>7</sup>

Per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 55

### 1.3.1 CONSERVATION MANAGEMENT

- Reserves with METT-SA score over 67:
  - Management Effectiveness Tracking Tool-South Africa (METT-SA) is a strategic review of all spheres of reserve management. Management effectiveness is defined by the International Union for Conservation of Nature is the global authority on the status of the natural world and the measures needed to safeguard it. The METT-SA assessment therefore provides insight as to how well a protected area is being managed, primarily in terms of the extent to which it is protecting the values and achieving the goals and objectives of the protected area.
  - The DFFE sets a standard score of 67% for all protected areas, at which level protected areas are considered to be effectively managed.
  - The annual METT-SA assessment was conducted during Q4 of 2021/22 using the new web-based METT-SA assessment tool.
  - The outcome of the assessment confirmed that the management of ECPTA-managed reserves has plateaued, and is at risk of deteriorating if resources are not directed to addressing the identified challenges in the coming year.
  - While in the previous year 14 of the 15 reserve clusters (93.3%) achieved a METT-SA of 67 or above, all 15 reserve clusters (100%) attained a score of 67 or above. The average score improved slightly year-on-year from 72% in 2020/21 to 74%.
  - New METT-SA turnaround plans will be developed in Q1 of 2022/23 to address identified issues. Implementation will be dependent on resource availability.
- Provincial State of Area Integrity Management (SoAIM) score:
  - The SoAIM is an annual audit to assess the ability of each reserve to perform its function efficiently and effectively.
  - The annual SoAIM assessments were conducted in March 2022.
  - An overall organisational score of 3.05 was attained, indicating ECPTA-managed reserves meet the required/agreed standards.
  - Turnaround plans will be developed in quarter 1 to address identified weaknesses.
- Reserve security:
  - Field rangers were classified as essential workers under the disaster management regulations, and remained on-post throughout the lockdown.
  - Firearm competency of reserve personnel was identified as a key risk that required attention in the 2020/21 financial year, and again in the year under review. The backlog in processing clearance certificates and firearm licences by the South African Police Service, which currently stands at over 85 000, has negatively impacted reserves' compliance in this regard.
- Waste management:
  - Waste sorting for recycling and removal was undertaken from all reserves according to waste management plans.
- Fire management:
  - All reserves in fire-prone areas are required to belong to the local or regional Fire Protection Association (FPA), a group of landowners that prevent and manage wildland fires in a defined area.
  - All FPA membership fees and certification were completed in the first half of the year.
  - Fires were dealt with as they occurred.
  - Fire breaks were prepared in Baviaanskloof, Ongeluksnek and Mkambati with the assistance of the Working on Fire (WoF) teams.
- Hectares (ha) cleared of invasive alien plants species:
  - The removal of alien vegetation is a key contributor to fire management.
  - Approximately 200 hectares were cleared of alien vegetation across the three ECPTA regions in 2021/22, exceeding the 150-hectare target.
  - WoF teams on reserves assisted with the alien clearing operations.
- Maintenance:
  - Routine maintenance did not always take place as planned due to resource constraints.
  - The Infrastructure Project Management Unit (PMU) has undertaken to build the skills base among general assistants by including them in work details on funded maintenance projects on reserves.

- Execution of prioritised turn around strategies recommended from evaluation report:
  - All reserves implemented prioritised turnaround strategies, resulting in stable METT-SA and SoAIM scores.
- Implementation of key species management plans:
  - Reserve teams implemented the key species (rhino) management plans as planned.
  - The support of private landowners, neighbouring communities, and various law enforcement agencies is gratefully acknowledged.
- Operational risks managed per reserve:
  - Each reserve prepared and managed their own risk register and response plan under the guidance of the Regional Managers.
  - All 15 reserves effectively managed their operational reserve risks.

### 1.3.2 RESERVES TOURISM MANAGEMENT

- Implementation of Tourism Development Plans:
  - Tourism Development Plans for Great Fish, Mkambati and Hluleka nature reserves were implemented as planned.
  - Municipalities incorporated activities in reserves' tourism plans in municipal integrated development plans (IDPs).
- Customer Feedback Response Plan implemented:
  - An annual plan to respond to visitor concerns in the prior year is implemented throughout the year.
  - The Standard Operating Procedures for all guest-facing functions as well as for guests were consistently implemented throughout the year.
- Hospitality revenue:
  - The trend of exceeding hospitality revenue in Q3 and Q4 of the last financial year was sustained.
  - Targets were exceeded in all four quarters due to concerted marketing efforts targeting local and domestic tourists.
- Grading tourism facilities (reserves):
  - Fifteen of the planned 16 tourist facilities on reserves were graded in 2021/22.
  - Due to delays in processing the outcome of grading assessments, not all facilities have been issued with certificates. Plans to address the backlog are underway at the Tourism Grading Council of South Africa (TGCSA).

### 1.3.3 SOCIO-ECONOMIC BENEFICIATION THROUGH PEOPLE AND PARKS PROGRAMME

- Monitor socio-economic beneficiation:
  - The People and Parks Programme worked with the Infrastructure Project Management Unit and Destination Development Department of ECPTA to facilitate employment opportunities for communities adjacent to reserves.
  - Employment on reserves of local people contributes positively to the livelihoods of the neighbouring communities and positively influences communities' understanding and appreciation of conservation
  - 121 local community members were employed on various infrastructure projects implemented by ECPTA during 2021/22.
  - Twelve (12) field ranger cadets for Groendal/Island, Mkambati, Dwesa-Cwebe and East London Coast Nature Reserves and Baviaanskloof World Heritage Site were appointed in Q3.
  - A further 161 People and Parks Youth Champions from communities neighbouring 11 ECPTA-managed nature reserves and two community reserves were appointed to work in the protected areas for four months from October 2021 to January 2022.
  - In Q4, 194 community members were recruited to fill temporary positions and one permanent field ranger post.
  - Procurement of services from local community-based providers totalled over half a million rand over the course of the financial year.
  - DFFE subsidised the costs for accommodation, meals, and transport for 23 delegates from the Eastern Cape to the 9<sup>th</sup> National People and Parks Conference in March 2022.
- Manage negotiation processes for co-management agreements towards finalisation:
  - The target for the 2021/22 financial year was to facilitate the negotiation processes of Silaka (Caguba) and Dwesa-Cwebe co-management agreements.

- To this end, terms of reference for the appointment of an independent facilitator for both Caguba and Dwesa-Cwebe have been approved and the procurement process initiated.
- The unit further undertook to monitor the implementation of the Mkambati and Double Drift co-management agreements.
- Implement capacity building for the land claimant communities:
  - A process to procure training for communities on environmental legislation and the negotiation of co-management agreements is currently underway.
- Facilitate development of business plans for the land claimant communities:
  - As part of implementing the settlement agreements of the protected areas, ECPTA received funds from the Department of Rural Development and Land Reform to facilitate the development of business plans for the Double Drift and Mkambati communities.
- Promote social development component of the N2 Biodiversity Offset Programme:
  - The unit facilitated the participation of the Provincial People and Parks Forum in engaging with the proposals made in the project's implementation plans.
- Support reserves to conduct environmental education and awareness programme:
  - When lockdown regulations curtailed the planned school-based education programmes, the unit supported reserve management and CPA committees to adjust their plans in accordance with alert levels.

## SUB-PROGRAMME 1.4

### *Project Management Unit*

Table 6: Output Indicators: Projects Implementation <sup>8</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
1.4.1 Infrastructure projects	3 (index score)	61.9 (score)	63 (score)	63.9 (score)	+ 0.9 (points)	Most underlying activity targets not achieved
1.4.2 Social Responsibility projects	3 (index score)	27.7 (score)	27 (score)	30.0 (score)	+ 3 (points)	All underlying activity targets achieved

The Project Management Unit (PMU) of the ECPTA is responsible for both infrastructure and social responsibility projects. These two priorities frequently align or overlap as ECPTA strives to utilise local labour for infrastructure projects as far as possible. The work of the unit is usually funded through conditional grants outside of the equitable share allocation. Most of the larger projects are multi-year. This has necessitated the adoption of a turnkey approach to ensure that project phases are smoothly managed across multiple reporting periods.

ECPTA implements several environmental programmes as an implementing agent for the Expanded Public Works Programme (EPWP), funded through DFFE. These programmes assist ECPTA to carry out its biodiversity conservation and tourism development mandates throughout the province. They also strengthen the People and Parks engagements with neighbouring communities through job opportunities and local economic participation.

<sup>8</sup> Per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 56



#### 1.4.1 INFRASTRUCTURE PROJECT IMPLEMENTATION

Unit work is focused on five distinct priorities, the majority of which are funded from outside the provincial equitable share allocation. (For a detailed list of projects, please see page 72.)

- 1) Reserve infrastructure maintenance:
  - Average of 96.3% of milestones achieved each quarter.
- 2) Reserve infrastructure asset maintenance value:
  - Maintenance to asset value tracked quarterly.
  - The reports highlight the need for increased budgetary allocation to maintenance.
- 3) New works and upgrades on reserves (in relation to the 2021 SoAIM report):
  - Average of 98.7% of project milestones achieved each quarter.
- 4) New works and upgrades outside reserves:
  - Average of 98.8% of project milestones achieved each quarter:
- 5) Projects implemented to adequately enclose reserves:
  - Linked to COVID-19 safety measures, community meetings could not be held during Q1 and Q2.
  - The original target of 20 kilometres fencing was reduced to 12km, of which only 9km were completed.

#### 1.4.2 SOCIAL RESPONSIBILITY PROJECTS

The programmes implemented by the PMU are funded through the National Department of Environment, Forestry and Fisheries (DEFF), National Department of Tourism (NDT) and the South African National Biodiversity Institute (SANBI) Presidential Youth Employment Intervention (PYEI).

- Social responsibility projects implemented:
  - Working for Fire – Baviaanskloof World Heritage Site.
  - Working for Fire – Mkambati Nature Reserve.
  - Working for Fire – Ongeluksnek Nature Reserve.
  - Infrastructure project for construction of Tourist Accommodation at Cape Morgan – East London Coast Nature Reserve.
  - Infrastructure project for construction of Interpretative Centre Building – Baviaanskloof World Heritage Site.
  - Reserve infrastructure project for fencing projects – Oviston and Hluleka Nature Reserves.
  - Infrastructure development projects for Economic Stimulus – Hluleka, Silaka & Dwesa Nature Reserves.
  - DFFE Environmental Monitors Programme at various reserves.
  - SANBI PYEI (Eco Advocates) at various reserves.
  - Infrastructure NDT coastal beaches projects and six-day hiking trail at Mngazana, Mpande, Hluleka, Krantz and Middle Beach in Port Alfred, Ndlambe Local Municipality.
  - Over the course of the year, the unit achieved a weighted average of 99.1% of project milestones
- Community beneficiation:
  - On average, around 230 employment opportunities were facilitated through EPWP and infrastructure projects each quarter. The number of community members employed on construction projects varied according to the phase of the project.
- SMMEs engaged:
  - The unit was party to enrolling SMMEs as sub-contractors on turnkey projects.

Table 7: Employment opportunities linked to EPWP and Infrastructure projects

PROGRAMME AREA / FOCUS	SPATIAL REFERENCE	# JOB OPPORTUNITIES	YOUTH		# OF WOMEN	# OF ELDERLY
			%	#		
1 WoF - Baviaanskloof	EC101 EC109	133	98%	130	34	0
2 WoF - Mkhambathi	EC153	77	91%	70	19	0
3 WoF - Ongeluksnek	EC441	75	95%	71	40	2
4 Baviaanskloof WHS - construction	EC101 EC109	86	94%	81	9	13
5 Cape Morgan tourist accommodation	EC123	103	80%	82	17	13
6 ESF tourist accommodation	EC154 EC155	84	83%	70	10	6
7 NDT beach upgrade and hiking trail	EC154 & 155 EC105	17	100%	17	2	0
8 EPIP - reserve infrastructure upgrade	Province-wide	30	100%	30	10	20
9 DFFE Environmental Monitors Programme	Province-wide	105	100%	105	54	0
10 SANBI PYEI Eco Monitors Programme	Province-wide	236	94%	222	110	0

## STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Biodiversity and Conservation programme was able to make in-year operational adjustments to address most difficulties encountered. Two (2) of the five (5) targets that were not achieved relate to the timing of final deliverables outside of the programme's control, being: declaration of protected areas, and approval of Protected Area Management Plans. One (1) of the five (5) was the result of incomplete reporting, not non-delivery on "Implementation of Tourism Development Plans". The last two areas of concern relate to adequate enclosure of reserves and reserve security. The PMU has been tasked with clearing the fencing backlog as a matter of priority, while the SAPS backlog with processing firearms licences is receiving attention at the national level.

# PROGRAMME 2

## *Destination Development*

The Destination Development Department draws its mandate from the ECPTA Act and focuses on developing the tourism industry in the province. Since 2016/17, this has included intentional attention to developing the tourism capacity of reserves.

### DESCRIPTION OF PROGRAMME

#### PURPOSE

Transformation of the tourism industry is critical to the future success of the industry. Whilst a certain degree of organic growth in transformation will occur in the industry over time, some interventions are necessary to assist with the process. Transformation programmes seek to ensure that emerging enterprises owned by previously disadvantaged individuals (PDIs) reach the mainstream of the sector through providing market access to SMMEs, providing tourism interventions / support to tourism associations and businesses, and preparing communities to leverage benefits from events held in their localities.

For the Eastern Cape to compete with other destinations, it has to offer unique, diverse and good quality tourism products. ECPTA supports this goal by:

- Supporting the growth of the tourism sector by supporting the tourism value chain.
- Strengthening product support with our partners in local and district municipalities.

The unit further seeks to support the tourism industry by implementing tourism support programmes, creating tourism awareness, facilitating seasonal tourism safety jobs and implementing initiatives to empower youth on tourism.

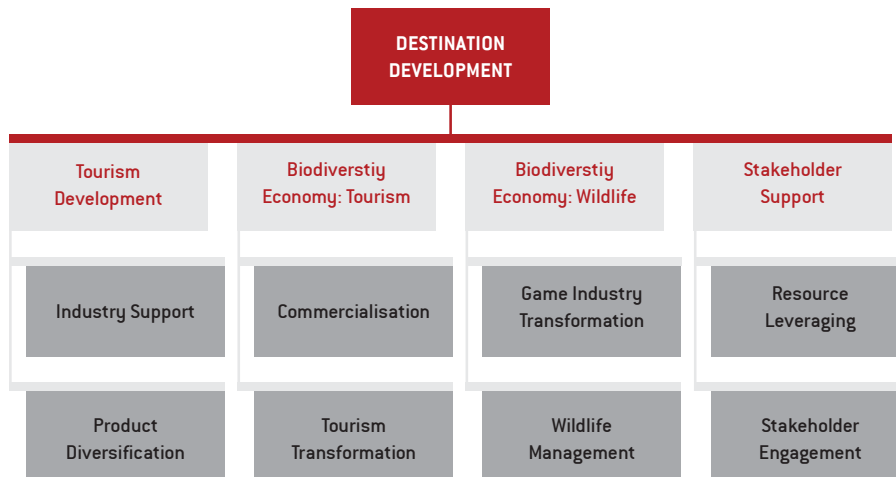
The quality assurance efforts seek to ensure that every visitor leaves the destination having experienced the warmth of the people and superior service excellence. Responsibilities include facilitating tourist guide compliance and implementing the tourism awards programmes.

Inclusion of the Stakeholder Engagement and Commercialisation functions in this Department ensure that the necessary linkages between conservation and tourism are actively developed and sustained.

Biodiversity economy (wildlife) initiatives focus on four inter-related areas:

- With regional management, facilitate access to the biodiversity economy.
- Implementing the game farm transformation programme, whereby emerging black game farmers enter into a custodianship agreement to manage ECPTA-owned game on their farms.
- Facilitating transformation initiatives such as mentoring within the established game farm industry in the province.
- Ensuring that the game management recommendations (including transformation transfers) are implemented according to Board resolution.

## SUB-PROGRAMMES



## CONTRIBUTION TO INSTITUTIONAL OUTCOMES

The Destination Development department is responsible for delivering services towards the achievement of the outcomes (detailed below) through a set of weighted outputs and activities. Together these contribute 20% to the overall organisational performance.

### INTERMEDIATE OUTCOME

Marginalised individuals and communities actively benefit from biodiversity and tourism.

### OUTCOME STATEMENT

Tourism, eco-tourism and wildlife economy value chains and products prosper

IMMEDIATE OUTCOME INDICATORS	RELATIVE WEIGHT	OUTPUT INDICATORS	RELATIVE WEIGHT
2.1 Tourism Value Chain Support	30%	2.1.1 Tourism experience diversification	40.0%
		2.1.2 Intergovernmental tourism functionality	35.0%
		2.1.3 Tourism business operationalisation	15.0%
		2.1.4 Tourism standards	10.0%
2.2 Biodiversity Economy: Tourism	20%	2.2.1 Reserve-based tourism	36.4%
		2.2.2 Reserve tourism product development	54.5%
		2.2.3 Tourism transformation	9.1%
2.3 Biodiversity Economy: Wildlife	25%	2.3.1 Game industry transformation	56.0%
		2.3.2 Wildlife management	44.0%
2.4 Stakeholder Support	25%	2.4.1 Stakeholder engagement	80.0%
		2.4.2 Resource leveraging	20.0%

Each Immediate Outcome is the responsibility of a dedicated Sub-programme <sup>9</sup>:

<b>TOURISM DEVELOPMENT</b>	<b>COMMERCIALISATION</b>	<b>GIT AND WILDLIFE MANAGEMENT</b>	<b>STAKEHOLDER ENGAGEMENT</b>
2.1 Tourism Value Chain Support	2.2 Biodiversity Economy: Tourism	2.3 Biodiversity Economy: Wildlife	2.4 Stakeholder Support

In addition to output 2.1 [Tourism Value Chain Support] the Tourism Development Sub-programme also shares responsibility for two [2] output indicators located under the Biodiversity Economy: Tourism outcome, namely 2.2.1 [Reserve based tourism] and 2.2.3 [Tourism transformation].

## INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Immediate Outcome and Output indicators for 2021/22 differ from those used in 2020/21 due to realignment and refinement of deliverables.

Table 8: Intermediate Outcome: Marginalised individuals and communities actively benefit from biodiversity

INTERMEDIATE OUTCOME	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
Marginalised individuals and communities actively benefit from biodiversity	New	100 (score)	90 (score)	92.1 (score)	+ 2.1 (points)	Most underlying immediate outcomes achieved

Table 9: Immediate Outcomes: Biodiversity Economy value chains <sup>10</sup>

IMMEDIATE OUTCOME	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
2.1 Tourism Value Chain Support	Changed	Changed 100/90	90 (score)	100 (score)	+ 10 (points)	All underlying output targets achieved
2.2 Biodiversity Economy: Tourism	New	Changed 100/90	90 (score)	98.1 (score)	+ 8.1 (points)	Most underlying output targets achieved
2.3 Biodiversity Economy: Wildlife	New	Changed 80/90	90 (score)	76.5 (score)	- 13.5 (points)	GIT and Wildlife Management targets not achieved
2.4 Stakeholder Support	2.9 (index score)	Changed 95.7/90	90 (score)	94 (score)	+ 4 (points)	Most underlying output targets achieved

<sup>9</sup> GIT = Game Industry Transformation

<sup>10</sup> Short title. Indicator statement: Tourism and biodiversity value chains and products prosper

## SUB-PROGRAMME 2.1

# Tourism Development

Table 10: Output Indicators: Tourism Value Chain Support <sup>11</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
2.1.1 Tourism experience diversification	New	36/90 (score)	36 (score)	40.0 (score)	+ 4 (points)	All underlying activity targets achieved
2.1.2 Intergovernmental tourism functionality	New	27/90 (score)	31.5 (score)	35.0 (score)	+ 3.5 (points)	All underlying activity targets achieved
2.1.3 Tourism business operationalisation	New	60/90 (score)	13.5 (score)	15.0 (score)	+ 1.5 (points)	All underlying activity targets achieved
2.1.4 Tourism standards	New	25/90 (score)	9 (score)	10.0 (score)	+ 1 (point)	All underlying activity targets achieved

Table 11: Output Indicators: Biodiversity Economy Tourism

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
2.2.1 Reserve- based tourism	New	15 (score)	32.7 (score)	36.4 (score)	+ 3.7 (point)	All underlying activity targets achieved
2.2.3 Tourism transformation	New	60 (score)	8.2 (score)	9.1 (score)	+ 0.9 (points)	All underlying activity targets achieved

As a tourism destination, the Eastern Cape competes with many other destinations worldwide. It is crucial that there is continuous improvement and diversification of tourism experiences in order to remain competitive. At the same time, ECPTA is mandated to ensure that marginalised individuals and communities actively benefit from tourism. To this end, ECPTA assisted the tourism sector to diversify product offerings, provided support to tourism enterprises and continued with the provincial tourism sector recovery project initiated in the previous financial year.

### 2.1.1 TOURISM EXPERIENCE DIVERSIFICATION

All contributing activities were successfully achieved each quarter to return a score of 100 by year end.

- Activate diverse urban tourism businesses to operate as tourism experiences:
  - A number of projects were implemented in collaboration with various stakeholders during the year under review. ECPTA worked with four entertainment venues and two community projects in Buffalo City Metropolitan Municipality to display local crafters' products at entertainment venues.
- Initiate micro-packaging collaborations between tourism products:
  - ECPTA assisted Mthontsi Lodge to embark on a study tour to Mehloing Community Trust and Lubisi Lodge. Key learning areas included the following:
    - » Orientation on how communities operate tourism projects successfully, mechanisms and disciplines that they followed for sustainable operational model, dealing with customers and staff, how to handle community interests and conflicts as well as financial management.
  - Developed a brochure for Road Trip Tours, an emerging Tour Operator operating on the Thunga-Thunga route.
  - With the Eastern Cape Liquor Board, ECPTA successfully launched the "Eastern Cape Craft Beer, Distillery and Wine Route"

<sup>11</sup> Per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 57



in October and November. ECPTA also facilitated cross-over by introducing the sale of locally produced beverages at signature events.

- Increase investment-ready tourism initiatives:
  - Facilitating access to business management training for the kayak-guides and massage therapists that have been supported by ECPTA at Dwesa-Cwebe.
- Assist in converting cultural and heritage sites into tourism experiences:
  - The Ingquza Hill Museum tourism concept plan has been developed in consultation with the Department of Sport Recreation Art and Culture, OR Tambo District Municipality (DM), Ingquza Hill Local Municipality (LM), and the National Department of Tourism (NDT). The concept plan recommends tourism programmes / initiatives that could be implemented which will in turn profile the museum as a key tourist attraction.

### 2.1.2 INTERGOVERNMENTAL TOURISM FUNCTIONALITY

- Support tourism organisations and associations to in turn support local tourism products:
  - This methodology is intended to ensure built-in sustainability and project longevity by working at a coordination (umbrella) level. Several associations from Tsitsikamma to Ingquza Hill were assisted with promotional and marketing materials.
- Implement mentorship programmes between functional and non-functional tourism organisations:
  - Elundini and Mbizana LTOs were selected to be part of the mentorship programme to capacitate LTO members on improving their skills on tourism development and marketing initiatives.
- Synchronise support interventions with the relevant District Development Plan:
  - The New Brighton Tourism Hub Business Plan was developed in partnership with Nelson Mandela Metro and the Nelson Mandela Bay Development Agency. The business plan has been submitted to the National Empowerment Fund and Business Process Enabling South Africa Investor Roadshow to lobby for funding.
- Share tourism trends at meetings with tourism organisations:
  - ECPTA's support of the provincial chapter of Women in Tourism included inputs from TGCSA, Small Enterprise Development Agency, NDT, Jurni and ECPTA's Destination Development department.
- Assist government stakeholders to identify service-related obstacles to growing the tourism sector:
  - ECPTA provides a platform for the tourism products to share their experiences (positive and negative) of factors that influence the success of their tourism businesses.

### 2.1.3 TOURISM BUSINESS OPERATIONALISATION

- Provide information on support options to tourism stakeholders:
  - ECPTA shares funding information and opportunities with emerging tourism products to enhance their prospects of success. During the year under review, referrals / opportunities included:
    - » BANKSETA Entrepreneurship Program,
    - » Green Tourism Incentive Program,
    - » Lilizela success stories of survival, and
    - » Participation in Tourism Indaba 2022.
- Facilitate Provincial Tourism Safety Forum:
  - ECPTA chairs and co-ordinates the PTSF where tourism safety initiatives and plans are discussed, and topics of mutual interest raised, including:
    - » role and support of the Department of Home Affairs and FAMSA to distressed tourists who have been victims of crime,
    - » collaborations and partnerships with the Tourism Business Council of South Africa on safety matters,
    - » tourism safety initiatives,
    - » joint tourism awareness campaigns,
    - » partnership initiatives with South African Police Services and National Prosecuting Authority, and
    - » Community Safety and Community Policing forums as partners in promoting tourist friendly spaces.

#### 2.1.4 TOURISM STANDARDS

- Improve capacity of tourism experiences (individually and collectively):
  - ECPTA, in collaboration with South African Tourism, facilitated the participation of Kwanda Voluntourism and Chumile Tours in the BRICS India Trade Fair that was hosted virtually on 16- 18 August 2021.
  - ECPTA, through the Business Events and Partnerships Unit, identified and supported three (3) tourism SMMEs; namely Poni Boutique Farm Stay and Conferencing, Lilitha Hotel and Conferencing and Cosy Posy Hotel and Conferencing to participate in Meetings Africa that was held in Johannesburg on 01 and 02 March 2022.
- Conscientize communities and the general public about tourism opportunities and benefits:
  - ECPTA undertakes awareness raising campaigns to ensure that communities are aware of the potential benefits of tourism in their environments and the contribution they can make to encouraging tourism.
  - These awareness campaigns are geographically specific, and therefore undertaken with the support and involvement of municipalities' local tourism organisations.
- Support Tourism Service Excellence Programme:
  - In partnership with the Department of Tourism, ECPTA held a Tourism Service excellence training programme for tourism products from Biodiversity and Heritage Cluster and the Game Management and Recreation Cluster including ECPTA nature reserves. The training covered tourism service excellence under COVID-19 regulations and tourism complaints management procedures.
- Facilitate tour guide compliance:
  - By year end, 823 tour guides were registered on the database administered by ECPTA, an increase of 48 over the previous year. Of these, 76% were fully compliant. The support programmes and compliance inspections conducted by ECPTA seek to ensure that tourists are offered the highest possible quality guiding available.

#### 2.2.1 RESERVE BASED TOURISM

The Tourism Development Sub-programme prepares and updates Reserve Tourism Development Plans in order to sustain competitive product offerings on provincial nature reserves. Reserve-based tourism is an important revenue generating mechanism for funding conservation on reserves.

#### 2.2.3 TOURISM TRANSFORMATION

Tourism industry support programme is implemented in order to facilitate transformation of the tourism sector and facilitate provision of excellent service standard to the tourists visiting the Eastern Cape. Transformation of the tourism industry is critical to the future success of the industry. Whilst a certain degree of organic growth in transformation will occur in the industry over time, some interventions are necessary to assist with the process. Transformation programmes seek to ensure that emerging enterprises owned by Previously Disadvantaged Individuals (PDIs) reach the mainstream of the sector through providing various interventions / support to tourism associations, community tourism projects and businesses based on their individual needs.

- The Eastern Cape Provincial Tourism Transformation Forum comprising of tourism associations, local tourism organisations, local government, and the Eastern Cape Development Corporation held quarterly meetings.
- A collaborative approach to transformation of the sector was agreed to.
- The forum was the ideal vehicle for introducing opportunities for online booking systems and COVID-19 travel safe protocols, amongst others.

## SUB-PROGRAMME 2.2

### Commercialisation

Table 12: Output Indicators: Biodiversity Economy Tourism <sup>12</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
2.2.2 Reserve Tourism product development	New	60 [score]	49.1 [score]	54.5 [score]	+ 5.4 [points]	All underlying activity targets achieved

The Commercialisation Unit aims to create an extended range of tourism experiences on reserves that contribute to socio-economic development and provide satisfactory returns for investors.

#### 2.2.2 RESERVE TOURISM PRODUCT DEVELOPMENT

- Leverage investors to support on-reserves tourism initiatives:
  - Investment opportunities were packaged and presented on four platforms during the year under review:
    - » The Eastern Cape Development Corporation arranged for the Commercialisation Unit to present at the Dubai Expo in February 2022.
    - » ECPTA uploaded reserve-based investment opportunities to DFFE's recently launched Investment Portal.
    - » Reserve-based investment opportunities were included in the Eastern Cape investment booklet presented at the fourth South African Investment Conference at the Sandton Convention Centre.
    - » ECPTA and the Eastern Cape Socio-Economic Consultative Council hosted an Eastern Cape Investors Roadshow.
- Enhance visitor experience on reserves and support on reserve revenue generation:
  - The Commercialisation Unit worked with reserve-based hospitality staff and reserve managers to identify unique opportunities to enhance revenue generation by reserves. One such opportunity was the fly-fishing competition hosted at Oviston Nature Reserve.
  - Reserve-based concessioned activities earned almost R570 000 during the 2021/22 financial year.
  - The completion of the hikers' huts in the Baviaanskloof World Heritage Site immediately enhanced the popularity and commercial viability of the Leopard Trail concession.

## SUB-PROGRAMME 2.3

### Game Industry Transformation and Wildlife Management

Table 13: Output indicators: Biodiversity Economy: Wildlife <sup>13</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
2.3.1 Game industry transformation	New	Changed 45/90 [score]	50.4 [score]	46 [score]	- 4.4 [points]	Underlying activity targets in Q2 not achieved
2.3.2 Wildlife Management	New	Changed 29.9 [score]	39.6 [score]	30.5 [scores]	- 9.1 [points]	Wildlife revenue severely affected by depressed economy

12 Per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 58

13 Per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 59

The Game Industry Transformation and Wildlife Management Unit is responsible for ensuring that the movement of large mammals onto and off the reserves takes place in accordance with the Game Management Recommendations. The unit is further tasked with facilitating mechanisms to support the active transformation of the wildlife economy. Such mechanisms include preparing emerging game farmers to receive game, maintaining a register of emerging participants, and co-ordinating the Provincial Game Industry Transformation Forum.

During the year under review, the unit underwent a functional migration to Scientific Services, where it experiences greater synergy between operations. This realignment will be formalised in the 2022/23 financial year.

### 2.3.1 GAME INDUSTRY TRANSFORMATION

The game industry transformation component is aligned to the National Biodiversity Economy Strategy and the primary objective is to increase representation and participation of previously disadvantaged individuals and groups within the wildlife industry by:

- Identifying eligible landowners and providing them with the wildlife, support and assistance required for them to actively participate in the wildlife economy. The following activities occurred or were facilitated in the year under review:
  - Six applications were received in response to an expression of interest from potential transformation sites. Following site inspections and evaluations, the ECPTA Transformation Committee only recommended one property as ready to participate in the programme. A custodianship agreement was concluded, and this site will receive game in 2022/23.
  - The unit facilitated the capture and delivery of 95 head of game to registered project sites. This was fewer than the 137 animals allocated to the project, largely because the planned capture of black wildebeest at Tsolwana could not proceed as a result of delays with the renewal of the Certificate of Adequate Enclosure (CAE). This was resolved after the close of the hunting (capture) season.
  - Monitoring of game on custodian sites:
    - » A number of challenges including vandalism, theft and poaching have been noted at Brakfontein over the last year and a concerted effort will be made in the coming year to aid in resolving these challenges. In an attempt to empower the Brakfontein community to ultimately run and manage the reserve appropriately, ECPTA has successfully facilitated a funding application to the GEF 7 project. Funds will be availed over a period of five years to recruit critical staff and procure equipment for the community towards addressing these concerns.
    - » The challenges noted on various properties will be addressed with these landowners in 2022/23.
  - A number of the ECPTA custodianship sites / properties received additional game from South African National Parks during the course of 2021. This has both built numbers and given them access to species which ECPTA could not provide.
- Facilitating the establishment of an Eastern Cape Wildlife Industry Transformation Forum:
  - Two meetings of the forum took place as scheduled in 2021/22.
  - The forum sustains contact between meetings via an ECPTA administered WhatsApp group, where new opportunities and developments are constantly shared and discussed.

### 2.3.2 WILDLIFE MANAGEMENT

Revenue-generation from wildlife management activities remained under pressure during the second year of the pandemic. The anticipated sale of 10 black rhino has been postponed allowing for a more thorough due diligence process to be completed, and to ensure alignment with the objectives of the Wildlife Conservation Bond Project. While 94% of the game approved for offtakes were auctioned, hunted, culled or translocated as planned, revenue was just shy of 70% of the annual target; R4.674 million against a target of R6.762 million.

## SUB-PROGRAMME 2.4

# Stakeholder Engagement

Table 14: Output Indicators: Stakeholder Support <sup>14</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
2.4.1 Stakeholder engagement	New	Changed 68.4/63 (score)	72 (score)	74 (score)	+ 4 (points)	Most underlying activity indicator targets achieved
2.4.2 Resource leveraging	New	Changed 8.8/9 (score)	18 (score)	20 (score)	+ 2 (points)	All underlying activity indicator targets achieved

Work relating to the N2 Wild Coast Biodiversity Offset project (BOP) was co-ordinated through the Stakeholder Engagement Unit in 2021/22 as the Project Manager had not been appointed. The unit is further responsible for ensuring that ECPTA maintains a pipeline of potential off-budget funding to augment the dwindling equitable share allocation. This requires that existing stakeholders remain satisfied with the work of the ECPTA, and that new potential resources are identified regularly.

### 2.4.1 STAKEHOLDER ENGAGEMENT

Stakeholder surveys were conducted for all departments. With response rates between 5% and 30% per survey, outcomes were deemed to be reliable. On the whole, stakeholders expressed approval of and support for ECPTA's programmes and activities and confirmed the positive status of relations between ECPTA and stakeholders.

### 2.4.2 RESOURCE LEVERAGING

In light of dwindling equitable share allocations, ECPTA has prioritised the leveraging of resources from other sources. All resources leveraged in this way are reported to the Board via the Finance and Investment Committee on a quarterly basis.

PROGRAMME	SUB-PROGRAMME	Q1 21/22 (R'000)	Q2 21/22 (R'000)	Q3 21/22 (R'000)	Q4 21/22 (R'000)
Biodiversity & Conservation	Scientific Services	23	23	23	23
	People and Parks (Youth Champions)			672	672
	Game Management and Recreation Cluster			2 200	
	Oviston Nature Reserve			10	
	Marine and Coastal Cluster			240	
Destination Development	Tourism Development	56	45	45	45
Marketing	PR and Communication (AVE) <sup>15</sup>	5 001	15 600	175	9 400
Corporate Services	HCM (CATHSSETA)	28	28		
	HCD (WWF)	24	10	10	10
	HCD (OTP candidates)	24	24	24	24
<b>ECPTA</b>	<b>Various</b>	<b>5 156</b>	<b>15 730</b>	<b>3 398</b>	<b>10 174</b>

## STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Destination Development Programmes was responsible for 64 indicators over the reporting period. Ten (10) of those indicators were the responsibility of the Biodiversity: Wildlife Sub-programme, which is effectively managed under the Biodiversity and Conservation Programme. Four (4) of the Biodiversity: Wildlife targets were not achieved, and all are related to game capture and translocation. Plans for the 2022/23 offtakes were complete by year-end and will be implemented from the earliest legal date. Should implementation be successful, revenue and off-take targets for 2022/23 will be achieved.

<sup>14</sup> Per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 60

<sup>15</sup> AVE = Advertising Value Equivalence

# PROGRAMME 3

## Marketing

The Department is responsible for marketing and promoting of the Eastern Cape Province as a tourism destination in accordance with Section 13 of the ECPTA Act. It is further tasked with promoting facilities and activities on provincial reserves, supporting business events, public relations management, and performing internal and external corporate communication functions.

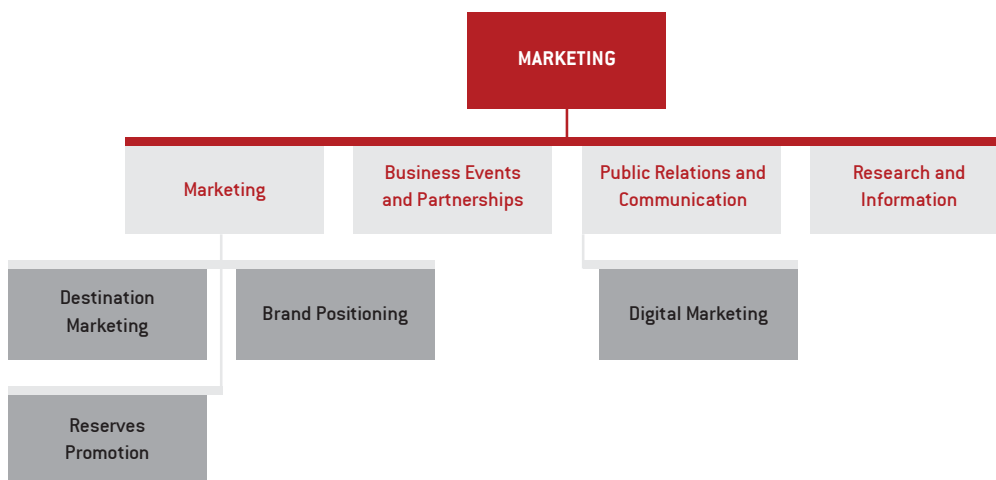
### DESCRIPTION OF PROGRAMME

#### PURPOSE

The purpose of the Marketing Department is to:

- Build a strong provincial tourism brand that is, ultimately, passionately lived by tourism stakeholders.
- Communicate better with partners, products, travellers, and citizens in order to inspire, champion and facilitate great tourism experiences.
- Support the growth of the tourism sector through value chain diversification.
- Strengthen product support with our partners in local and district municipalities.
- Refresh our marketing approaches, practices, platforms, and tools to take advantage of the opportunities attendant to the Fourth Industrial Revolution (4IR).

#### SUB-PROGRAMMES



## CONTRIBUTION TO INSTITUTIONAL OUTCOMES

Emanating from the ECPTA's overall Strategic Plan, the Intermediate Outcome of the Tourism Strategy (2020-25) is to ensure that "The Province is the premier African destination connecting people to authentic experiences". With an abundance of natural, cultural and heritage offerings, it is the authenticity of the tourist experience that distinguishes the Eastern Cape from other destinations.

The Marketing Department is responsible for delivering services towards the achievement of the outcomes detailed below through a set of weighted outputs and activities. Together these contribute 25% to the overall organisational performance.

### INTERMEDIATE OUTCOME

The province is the premier African destination connecting people to authentic experiences.

### OUTCOME STATEMENT

The Eastern Cape is a competitive international and domestic tourism destination

IMMEDIATE OUTCOME INDICATORS	RELATIVE WEIGHT	OUTPUT INDICATORS	RELATIVE WEIGHT
3.1 Destination Marketing	40%	3.1.1 Domestic Marketing	40.0%
		3.1.2 International Marketing	20.0%
		3.1.3 Brand Positioning	20.0%
		3.1.4 Provincial Nature Reserves Promotion	20.0%
		3.2 Public Relations and Communication	25%
		3.2.2 Digital Marketing	40.0%
3.3 Research and Information Management	15%	3.3.1 Information Leadership	50.0%
		3.3.2 Applied Research	50.0%
		3.4 Business Events and Partnerships	20%
		3.4.2 Destination Promotion to MICE <sup>16</sup>	45%

In the year under review, the Office of the Chief Marketing Officer was responsible for the Research and Information Management outcome. Each of the remaining Immediate Outcomes are the responsibility of dedicated Sub-programmes:

## INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Immediate Outcome and Output indicators for 2021/22 differ slightly from those used in 2020/21 due to refinement of deliverables and maturation of approaches.

Table 15: Intermediate Outcome: The Province is the premier African destination connecting people to authentic experiences

INTERMEDIATE OUTCOME	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
Tourism Competitiveness <sup>17</sup>	New	-225 824 {additional domestic holiday trips}	40 000 {additional domestic holiday trips}	147 400 {additional domestic holiday trips}	+ 107 400 {additional domestic holiday trips}	Agile response to pandemic-related challenges across the sector in the province led by intensive SMART marketing approach adopted by ECPTA

Table 16: Immediate Outcomes: Tourism Competitiveness

IMMEDIATE OUTCOME	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
3.1 Destination Marketing	New	Changed 100/90 {score}	90 {score}	100 {score}	+ 10 {points}	All underlying output targets achieved
3.2 Public Relations and Communication	New	Changed 70/63 {score}	90 {score}	99.9 {score}	+ 9.9 {points}	Most underlying output targets achieved
3.3 Research and Information Management	New	Changed 30/27 {Score}	90 {score}	95.8 {score}	+ 5.8 {points}	Most underlying output targets achieved
3.4 Business Events and Partnerships	New	Changed 91.6/90 {score}	90 {score}	100 {score}	+ 10 {points}	All underlying output targets achieved

17 Short title



## SUB-PROGRAMME 3.1

# Marketing

Table 17: Output Indicators: Destination Marketing<sup>18</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
3.1.1 Domestic Marketing	New	New	36 (Score)	40 (Score)	+ 4 (points)	All underlying activity targets achieved
3.1.2 International Marketing	New	New	18 (score)	20 (score)	+ 2 (points)	All underlying activity targets achieved
3.1.3 Brand Positioning	New	New	18 (score)	20 (score)	+ 2 (points)	All underlying activity targets achieved
3.1.4 Provincial Nature Reserve Marketing	New	New	18 (score)	20 (score)	+ 2 (points)	All underlying activity targets achieved

Domestic tourism performance is tracked by comparing the change in the number of domestic holiday visits from one year to the next.

PURPOSE	2019	2020	DIFFERENCE	
Holiday	16%	331 070	22% 478 470	147 400
VFR <sup>19</sup>	68%	1 434 636	52% 1 122 896	-311 741
Medical	5%	110 357	4% 91 599	-18 758
Business	5%	110 357	5% 113 152	2 795
Education	0%	0	2% 47 416	47 416
Religion	5%	110 357	14% 301 738	191 381
		<b>2 096 776</b>		<b>2 155 270</b>

### 3.1.1 DOMESTIC MARKETING

- Drive destination awareness of product offerings:
  - Product destination awareness campaigns were built around seasonal attractions.
  - Campaigns were flighted on social media, ECPTA's online platforms and through print and digital media.
  - Campaigns included the Sardine Run, Tourism Month - themed on 'inclusivity' (at the Cradock 4 Memorial Site in Cradock), Summer Launch (in Port Alfred), and the Easter Holiday campaign.
- Showcase Eastern Cape (EC) product experiences and locations:
  - The Destination Marketing Unit aimed to showcase 35 tourism products and experiences over the course of the year. As product owners began to see the benefit of the ECPTA initiative, more interest in participation was expressed.
  - Consequently, by year end, 79 products and experiences had participated.
- Enable sharing of user-generated content:
  - An 'Instameet' campaign was rolled out in the fourth quarter, and the content thus generated will be flighted in 2022/23.
    - » The campaign was promoted across various digital platforms through social media placement, social media advertising and through affiliate marketing and a partnership with the City of Gqeberha.
    - » The initiative secured various entries, from short form videos to still images.
    - » It showcased around 140 different scenes.
- Stimulate domestic tourism growth through strategic partnerships:

18 As per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 61

19 VFR: Visiting friends and relatives

- ECPTA concluded a partnership with Travelstart to grow domestic tourism receipts to the Eastern Cape.
- Showcase EC micro-trip offerings:
  - Building on the initiative of the previous year (to package close-to-home getaways), ECPTA was able to feature 11 micro-trips in its domestic campaigns in the first quarter.

### 3.1.2 INTERNATIONAL MARKETING

- Defend international source markets
  - ECPTA partnered with South African Tourism (SAT) to take advantage of established SAT offices and platforms across the world throughout the year.
  - This gave ECPTA and provincial tourism products direct access to travel trade representatives in several countries.
  - ECPTA also participated (virtually) in the World Travel Market Africa and the Arabian Travel Market during the first quarter. Both gave rise to subsequent engagements
- Showcase EC travel packages to international consumers:
  - Resource constraints limited ECPTA's ability to enter into a customary joint marketing agreement.
  - Alternate mechanisms were identified to ensure that the destination was promoted via multiple channels. These were:
    - » Internationale Tourismus-Börse (ITB) in Berlin (world's biggest travel trade show),
    - » Tom van der Leij - Wild Coast photo exhibition, and
    - » Meet Your South Africa short form video series, United Kingdom.

### 3.1.3 BRAND POSITIONING

- Create communication platforms to educate tourism stakeholders on destination brand alignment:
  - On a quarterly basis, ECPTA undertook to offer workshops with tourism stakeholders, communicate brand parameters and encourage tourism stakeholders to adopt the unifying destination brand.
- Educate ECPTA staff on correct usage and application of the corporate and destination brand:
  - Internal users of branding materials were similarly supported to adopt the corporate brand adopted in 2020.
- Engage with tourism stakeholders to communicate on ECPTA marketing initiatives:
  - ECPTA adopted a regional approach to stakeholder engagements. This ensured that region-specific plans, concerns and marketing initiatives were relevant.



### 3.1.4 PROVINCIAL NATURE RESERVE MARKETING

- Drive awareness for provincial nature reserve offerings
  - Quarter 1 promotions:
    - » Day Trip Visitor
    - » Healthcare Worker
  - Quarter 3 promotions:
    - » Wild Open Spaces
    - » Black Friday
- Connect niche activities to niche markets:
  - Both the "GO Camp" and "Take A Hike" campaigns were originally launched in 2020.
  - In order to build on the momentum that was generated through the campaigns, a decision was made to run them again in the 2021/22 financial year.
- Influence travellers by facilitating third-party content creation:
  - ECPTA invited two (2) social media influencers to visit Silaka and Hluleka nature reserves.
  - Between them they generated at least 4 000 likes, shares, and comments from their followers on Instagram and Facebook.

## SUB-PROGRAMME 3.2

# Public Relations and Communication

Table 18: Output Indicators: Public Relations and Communication <sup>20</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
3.2.1 Public Relations and Communication	New	New	54 (Score)	60 (Score)	+ 6 (points)	All underlying activity targets achieved
3.2.2 Digital Marketing	New	New	36 (Score)	39.9 (Score)	+ 3.9 (points)	Most underlying activity targets achieved

ECPTA delivered a number of campaigns in order to effectively tell the EC story, create brand reputation and deliver initiatives that reignite tourism through strategic intent, thoughtful messaging and effective engagement platforms that keep the Eastern Cape top of mind.

### 3.2.1 PUBLIC RELATIONS AND COMMUNICATION

- Drive targeted Public Relations (PR) and Communication campaign to re-ignite tourism during and after lockdown:
  - A six-month tourism feature campaign conducted on Unathi Nkayi's Midday Joy show on Kaya FM, consisted of content insert and interviews that engaged the public with all things Eastern Cape tourism.
  - A different format campaign was run on Metro FM where adverts and interviews reached the station's 4.3 million national listeners per week.
  - The provincial billboard outreach campaign initiated as a component of smart marketing in 2020/21 continued for Mthatha, Dutywa, Butterworth, East London, Gqeberha, Komani (N6), Cradock, Somerset East and Whittlesea.
  - Influencer and media partner campaigns saw ECPTA hosting five (5) influencer groups who toured various parts of the province. They undertook leisure activities and profiled the experiences to their captive audiences on their platforms.
- Drive internal communication to keep staff informed:
  - The Public Relations Sub-programme developed and disseminated an electronic newsletter to staff each quarter.
  - There was some overlap with the externally focused Travel Talk e-magazine prepared and shared to build brand reputation.

### 3.2.2 DIGITAL MARKETING

- Social media management:
  - The table below sets out the social media growth % across the reporting period as compared to the same period in 2020/21:

	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	AVERAGE
Facebook	24.67	26.86	36.88	36.05	31.115
Twitter	55.85	46.45	41.92	33.06	44.32
Instagram	180.00	138.97	109.15	106.72	133.71
<b>AVERAGE</b>	<b>85.9716</b>	<b>70.0524</b>	<b>62.0235</b>	<b>58.0239</b>	<b>69.01785</b>

- The above analysis indicates that Twitter and Instagram following has probably peaked, but offer continued return on investment and value for money.
- Engagements on all social media platforms have slowed down since the initial impetus provided by the lockdown response to the pandemic.
- Influencer and media partnerships:
  - ECPTA partnered with individual influencers and select print magazines to exploit their readership and reach to stretch the value of marketing investments. Getaway Magazine has become a relied-upon partner

<sup>20</sup> As per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 62

## SUB-PROGRAMME 3.3:

# Research and Information Management

Table 19: Output Indicators: Research and Information Management <sup>21</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
3.3.1 Information Leadership	New	Changed 55/49.5 (Score)	45 (Score)	50 (Score)	+ 5 (points)	All underlying activity targets met
3.3.2 Applied Research	New	New	45 (score)	45.8 (score)	+ 0.8 (points)	Research products delayed by 3 months

### 3.3.1 INFORMATION LEADERSHIP

- The Marketing programme was tasked with establishing information portal(s) through which tourism stakeholders can access credible information.
  - ECPTA has established, refined and adopted some old and new communication portals and streams to interact with and disseminate information to tourism trade and stakeholders.
  - ECPTA makes use of various portals, tools and platforms to facilitate stakeholder engagements between tourism stakeholders, the ECPTA and the public.

### 3.3.2 APPLIED RESEARCH

While the COVID-19 pandemic remains volatile in all regions across the world, it is difficult to predict with any certainty, the possible developments in the global tourism landscape. The Marketing Department has focused on a data- and insights-led approach to inform our marketing initiatives. This approach has, at the same time, ensured that stakeholders are well informed.

<sup>21</sup> Per Technical Indicator Description: Annual Performance Plan 2021/22-2023/24 March 2021 Page 63

## SUB-PROGRAMME 3.4:

# Business Events and Partnerships

Table 20: Output Indicators: Events Partnerships <sup>22</sup>

OUTPUT	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
3.4.1 Destination profiling through events	New	Changed 55/49.5 (Score)	49.5 (Score)	55 (Score)	+ 5.5 (points)	All underlying activity targets met
3.4.2 Destination promotion through MICE	New	Changed 42/40.5 (score)	40.5 (score)	45 (score)	+ 4.5 (points)	All underlying activity targets met

### 3.4.1 DESTINATION PROFILING THROUGH EVENTS

ECPTA utilises signature events to boost the profile of the Eastern Cape (destination), and local events to broaden the geographical spread of event offerings. In both instances, explicit marketing and branding plans are required to tailor ECPTA's presence at events in a manner that meets the particular objectives of involvement. ECPTA was only able to partner with events that were able to abide by the prevailing lockdown / COVID-19 prevention protocols at the time.

- In 2021/22, ECPTA partnered with the following events:
  - In collaboration with South African Tourism, ECPTA supported the IBF Elimination Boxing Lockdown which was hosted at Gqeberha in April. This event was identified as one of the platforms to boost sports tourism.
  - In 2021 ECPTA partnered for the second time with the National Arts Festival hosted in the new virtual format.
  - Amanzi Surf Challenge, Port Alfred.
  - Berlin November.
  - Ebubeleni Music at Prince Alfred Park, Gqeberha.
  - 2021 Karoo Food Festival, Cradock.
  - Coffee Bay Cultural Festival.
  - PGA Championships - St Francis, and
  - University of Fort Hare Golf Day and fund-raising dinner.

### 3.4.2 DESTINATION PROMOTION THROUGH MICE

Meetings, Incentives, Conferences and Exhibitions (MICE) are a niche tourism type that offers an opportunity to showcase the Eastern Cape as a destination to both domestic and international business travellers and their families.

ECPTA has been in communication with Nelson Mandela Bay Metro (NMBM) in supporting the Metro with establishing a Convention Bureau. The norm is for a Convention Bureau to be hosted by cities; the NMBM is in the process of establishing its CB and in the final stages of the process. ECPTA has taken a decision to support these efforts and identified areas of collaboration with the business events industry.

# PROGRAMME 4

## *Corporate Management Support*

Corporate Management Support is responsible for ensuring that all non-core functions of the organisation are executed effectively and efficiently to facilitate the unfettered delivery of mandated services by the core programmes, Biodiversity and Conservation and Marketing. Corporate Management Support services are delivered in a manner that contributes to national outcomes and provincial priorities.

### DESCRIPTION OF PROGRAMME

#### PURPOSE

Corporate Management Support (CMS) is delivered by three departments, being the Office of the CEO, Finance, and Corporate Services. The Theory of Change assumption propelling the work of these departments is that “Internal service models are geared to the needs of the core departments”. The Intermediate Outcome of the CMS programme was achieved in all four quarters, indicating successful adoption of the new service model.

#### EXECUTIVE OFFICE

The Executive Office ensures that effective planning and reporting systems are established and that external partnership networks are developed and managed to support the core functions of the ECPTA.

As the administrative head of the ECPTA, the CEO is responsible for providing strategic leadership to executive management, corporate positioning of the ECPTA, risk management and corporate legal compliance. The Office of the CEO monitors compliance with legislation, strategic and performance management plans, performance reports and the enterprise-wide risk profile.

The Office of the CEO further facilitates the coordination between the Board of Directors, Shareholder, Executive Directors and Stakeholders. The Board of Directors serves as the Accounting Authority for the Eastern Cape Parks and Tourism Agency in terms of the Public Finance Management Act. The CEO is responsible for the formulation of policy as a member of the Board of Directors and accountable for the implementation of policy and strategy as the most senior executive manager in the organisation.

#### FINANCE

The Financial Management Department provides strategic and managerial input on financial and administrative issues necessary to ensure the commercial effectiveness, financial viability, and sound corporate governance of the ECPTA. It ensures the provision of systematic financial management systems and information to co-ordinate the organisation’s budget and resource requirements. This includes ensuring compliance with regulatory provisions as well as taking appropriate steps to ensure that expenditure occurs within the approved budget. Systematic financial management systems entail the maintenance of a procurement system that is fair, equitable, transparent, and cost-effective; and ensure that the ECPTA takes effective and appropriate steps to prevent unauthorised, irregular, or fruitless and wasteful expenditure.

#### CORPORATE SERVICES

Corporate Services consists of two sections: Human Capital Management and Corporate Management Services. The Human Capital Management (HCM) section is responsible for ensuring the delivery of professional excellence in the disciplines of human capital management, training and development, organisational transformation, employee wellness, employee relations and occupational health and safety.

Corporate Management Services, through the Information Management and Communication Technology section, is responsible for the provision of appropriate communication technology across the organisation, for maintaining connectivity and for administering software. The Facilities section of this unit takes care of all head office facilities services.

**SUB-PROGRAMMES**



**CONTRIBUTION TO INSTITUTIONAL OUTCOMES**

The Corporate Management Support departments are together responsible for delivering services towards the achievement of the following outcomes through a set of weighted outputs:

**INTERMEDIATE OUTCOME**

Organisational sustainability supported by capable, ethical, and responsive administration.

**OUTCOME STATEMENT**

Internal service models geared to meet the needs of core departments (Organisational Sustainability Index)

IMMEDIATE OUTCOME INDICATORS	RELATIVE WEIGHT	OUTPUT INDICATORS	RELATIVE WEIGHT
4.1 Reputation Dimension	30%		
		4.1.1 Corporate governance	20%
		4.1.2 Code of ethics	10%
		4.1.3 Legislative compliance	20%
		4.1.4 Organisational accountability	25%
		4.1.5 Organisational performance	10%
		4.1.6 Risk management maturity	15%
4.2 Financial Dimension	35%		
		4.2.1 Materiality reporting	10%
		4.2.2 Budget management	20%
		4.2.3 Revenue management	10%
		4.2.4 Supply chain management	25%
		4.2.5 Customer service	10%
		4.2.6 Triple bottom line purchasing (social ffl environmental ffl financial)	10%
		4.2.7 Fleet management	15%
4.3 Social Dimension	20%		
		4.3.1 Transformation	15%
		4.3.2 Employee Relations Management	20%
		4.3.3 Learning and development	15%
		4.4.4 Talent management	20%
		4.4.5 Social responsibility	10%
		4.4.6 Customer orientation	10%
		4.4.7 Occupational Health and Safety	10%
4.4 Security Dimension	15%		
		4.4.1 Cybersecurity	40%
		4.4.2 System availability	40%
		4.4.3 Customer orientation	20%

Each Immediate Outcome is the responsibility of a dedicated Sub-programme:



## INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Table 21: Intermediate Outcome: Organisational sustainability supported by capable, ethical, and responsive administration

INTERMEDIATE OUTCOME	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
Organisational sustainability supported by capable, ethical, and responsive administration	96.7 (score)	96.2 (score)	90 (score)	99.4 (score)	+ 9.4 (points)	Most underlying immediate outcomes achieved

Table 22: Immediate Outcomes: Organisational Sustainability Index <sup>23</sup>

IMMEDIATE OUTCOME	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
4.1 Reputation Dimension	New	30 (score)	27 (score)	30 (score)	+ 3 (points)	All underlying output targets achieved
4.2 Financial Dimension	New	31.1 (score)	31.5 (score)	34.4 (score)	+ 2.9 (points)	Most underlying output targets achieved
4.3 Social Dimension	New	20 (score)	18 (score)	20 (score)	+ 2 (points)	All underlying output targets achieved
4.4 Security Dimension	New	15 (score)	13.5 (score)	15 (score)	+ 1.5 (points)	All underlying output targets achieved

23 Short title

## SUB-PROGRAMME 4.1

### Executive Office

Table 23: Output Indicators: Reputation Dimension

OUTPUT INDICATOR	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
4.1.1 Corporate governance	New	100 (score)	90 (score)	100 (score)	+ 10 (points)	Systems in place and respected
4.1.2 Code of ethics	New	1 (Yes)	1 (Yes=1; No=0)	1 (Yes)	None	No deviation
4.1.3 Legislative compliance	New	99 (score)	90 (score)	97.7 (score)	+ 7.7 (points)	Most key legislation fully adhered to
4.1.4 Organisational accountability	New	1.3 (score)	Zero deviation (100 %)	100 (%)	None	No deviation
4.1.5 Organisational performance	New	90.9 (%)	90 (%)	94.7 (%)	+ 4.7 %	Performance target exceeded in all 4 quarters
4.1.6 Risk management maturity	New	3.1 (maturity level)	3 (maturity level)	3.8 (maturity level)	+ 0.8 (maturity level)	Enterprise risk management improvement

## SUB-PROGRAMME 4.2

### Finance

Table 24: Output Indicators: Financial Dimension

OUTPUT INDICATOR	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
4.2.1 Materiality reporting	New	94.8 (score)	90 (score)	92.6 (score)	+ 2.6 (points)	Delayed internal audits in Q4
4.2.2 Budget Management	New	88.0 (score)	90 (score)	88.0 (score)	- 2 (points)	Budget variance
4.2.3 Revenue Management	New	100 (score)	90 (score)	100 (score)	+ 10 (points)	All underlying activity targets achieved
4.2.4 Supply Chain Management	New	0 (% deviation)	Zero deviation (100 %)	100 (%)	None	No deviation
4.2.5 Customer service	New	61.4 (% error reduction)	50 (% error reduction)	62.7 (% error reduction)	+ 12.7 (% error reduction)	Customer service interventions successful
4.2.6 Triple bottom line purchasing	New	1 (Yes)	1 (Yes=1; No=0)	1 (Yes)	None	No deviation
4.2.7 Fleet Management	New	70.7 (score)	90 (score)	94.8 (score)	+ 4.8 (points)	Most underlying activity targets achieved

## SUB-PROGRAMME 4.3

### Corporate Services HR

Table 25: Output Indicators: Social Dimension

OUTPUT INDICATOR	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
4.3.1 Transformation	New	100 (score)	90 (score)	90 (score)	None	No deviation
4.3.2 Employee Relations Management	New	88.0 (score)	90 (score)	100 (score)	+ 10 (points)	All contributing activity targets achieved
4.3.3 Learning and development	New	1 (Yes)	1 (Yes=1; No=0)	1 (Yes)	None	No deviation
4.3.4 Talent management	New	1 (Yes)	1 (Yes=1; No=0)	1 (Yes)	None	No deviation
4.3.5 Social Responsibility	New	1 (Yes)	1 (Yes=1; No=0)	1 (Yes)	None	No deviation
4.3.6 Customer orientation	New	0.8 (Yes)	1 (Yes=1; No=0)	1 (Yes)	None	No deviation
4.3.7 Occupational Health and Safety	New	1 (Yes)	1 (Yes=1; No=0)	1 (Yes)	None	No deviation

## SUB-PROGRAMME 4.4

### Corporate Services MCT

Table 26: Output Indicators: Security Dimension

OUTPUT INDICATOR	AUDITED ANNUAL 2019/20	AUDITED ANNUAL 2020/21	PLANNED ANNUAL TARGET 2021/22	ACTUAL ACHIEVED 2021/22	DEVIATION (TARGET TO ACTUAL) 2021/22	REASONS FOR DEVIATIONS
4.4.1 Cybersecurity	New	96 (%)	95 (%)	95.6 (%)	+ 0.6 (%)	Most underlying activity targets achieved
4.4.2 System availability	New	100 (%)	95 (%)	100 (%)	+ 5 (%)	All contributing activity targets achieved
4.4.3 Customer orientation	New	100 (%)	95 (%)	100 (%)	+ 5 (%)	All contributing activity targets achieved

# LINKING PERFORMANCE WITH EXPENDITURE

BIODIVERSITY AND CONSERVATION	2021/22			2020/21		
	BUDGET	ACTUAL	(OVER)/UNDER	BUDGET	ACTUAL	(OVER)/UNDER
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services	52 921	28 698	24 223	47 091	22 463	24 628
Cost of Employment	101 783	104 111	(2 328)	106 749	103 083	3 666
Capital Expenditure	166 607	92 464	74 143	154 989	24 618	130 371
<b>TOTAL</b>	<b>321 311</b>	<b>225 273</b>	<b>96 038</b>	<b>308 829</b>	<b>150 164</b>	<b>158 665</b>

DESTINATION DEVELOPMENT	2021/22			2020/21		
	BUDGET	ACTUAL	(OVER)/UNDER	BUDGET	ACTUAL	(OVER)/UNDER
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services	17 073	12 054	5 019	29 582	14 294	15 288
Cost of Employment	16 649	15 078	1 571	11 931	12 710	779
Capital Expenditure	9 103	279	8 824	3 300	1 023	2 277
<b>TOTAL</b>	<b>42 825</b>	<b>27 411</b>	<b>15 414</b>	<b>44 813</b>	<b>28 027</b>	<b>18 344</b>

MARKETING	2021/22			2020/21		
	BUDGET	ACTUAL	(OVER)/UNDER	BUDGET	ACTUAL	(OVER)/UNDER
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services	18 880	17 354	1 526	14 021	12 482	1 539
Cost of Employment	11 647	11 895	(248)	13 567	11 428	2 139
Capital Expenditure	92	20	72	37	0	37
<b>TOTAL</b>	<b>30 619</b>	<b>29 269</b>	<b>1 350</b>	<b>27 625</b>	<b>23 910</b>	<b>3 715</b>

CORPORATE MANAGEMENT SUPPORT	2021/22			2020/21		
	BUDGET	ACTUAL	(OVER)/UNDER	BUDGET	ACTUAL	(OVER)/UNDER
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services	41 027	40 737	290	47 071	41 139	5 932
Cost of Employment	35 366	36 337	(971)	41 490	36 553	4 937
Capital Expenditure	624	610	14	1 065	894	1 958
<b>TOTAL</b>	<b>77 017</b>	<b>77 684</b>	<b>-667</b>	<b>89 626</b>	<b>76 798</b>	<b>12 827</b>

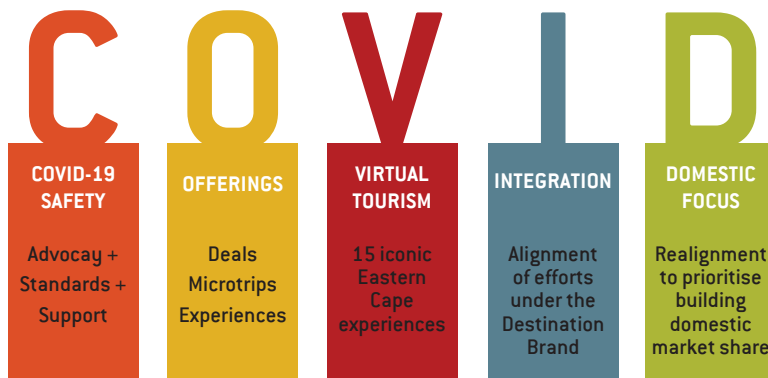
# REPORTING ON ECPTA'S RESPONSE TO THE COVID-19 PANDEMIC

## WORKING ARRANGEMENTS

ECPTA used the initial lockdown period in April 2020 to put systems and procedures in place to ensure that staff, communities and tourists are able to continue with their work in the safest manner possible. In instances where it has not been possible to accommodate vulnerable employees with remote work arrangements, individuals have been offered voluntary severance packages. At no point were salaries reduced or not paid, placing ECPTA staff among the 92% of employed persons nationally who continued to receive full pay during lockdown<sup>24</sup>.

Since February 2022, the Safe Work Procedures have allowed for an office/remote 80/20 split of head office employees to ensure that workplace density is managed safely, particularly for employees in open plan sections. Screening protocols have evolved as the health and employment regulations have changed. Vaccination continues to be encouraged as the best protection against severe and fatal infection. The wearing of masks remains compulsory for everyone working in an indoor environment.

## TOURISM MARKETING AND DEVELOPMENT



The work initiated in 2020/21 under the Provincial Tourism Recovery Fund was carried through to 2021/22 under the three themes: Business continuity and sustainability, Tourism Intelligence, and Smart marketing. Operations were undertaken under the auspices of the Marketing and Destination Development Committee of the Board. Proposals to the Medium-Term Expenditure Committee for expansion of these programmes were unsuccessful.

The institutional response to COVID-19 during the 2020/21 financial year provided avenues for improved effectiveness, efficiency and value for money. Delivery models that were adjusted to meet challenges posed by COVID-19 were retained, and there was no need for a freestanding COVID-19 intervention.

24 Source: Quarterly Labour Force Survey, Quarter 4:2021. Statistics South Africa

# REVENUE COLLECTION

SOURCES OF REVENUE	2021/22			2020/21		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Accommodation	3 564	4 079	(515)	1 809	2 421	(612)
Actuarial Gains	-	2 380	(2 380)		2 362	(2 362)
Conservation	1 010	1 576	(566)			
Concessions	496	569	(73)			
Donation Received	-	10 661	(10 661)	0	0	0
Finance Income	5 566	5 611	(46)	8 118	5 704	2 414
Non exchange transactions	447 737	328 355	119 383	448 524	276 065	172 459
Other Income	4 488	2 748	1 740	5 653	1 206	4 447
Profit & Loss	-	-	-		0	0
Rendering of services	534	638	(104)	1 815	1 441	374
Rental Income	1 617	1 535	83	1 373	1 498	(125)
Wildlife Sales	6 762	4 674	2 088	3 700	2 199	1 501
<b>TOTAL</b>	<b>471 774</b>	<b>362 825</b>	<b>108 949</b>	<b>470 992</b>	<b>292 896</b>	<b>178 096</b>

# CAPITAL INVESTMENT

INFRASTRUCTURE PROJECTS	2021/22			2020/21		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Baviaanskloof (WHS)	35 177	31 184	3 993	48 936	10 705	38 230
Various Reserves (NDT - projects)	19 644	6 070	13 573	19 880	337	19 543
National Lottery - Thomas Baines	826	406	420	1 895	990	904
Universal Accessibility	821	311	509	1 436	615	821
EPIP - Various Reserves	86 520	41 143	45 378	95 705	1 4955	80 749
Economic Stimulus Fund - Various	37 732	3 694	34 038	6 997	2 187	4 810
<b>TOTAL</b>	<b>180 719</b>	<b>82 808</b>	<b>97 911</b>	<b>174 849</b>	<b>29 789</b>	<b>145 057</b>

Infrastructure projects for which ECPTA is responsible are managed by the Project Management Unit (PMU) of the Biodiversity and Conservation department. Funding for the bulk of the infrastructure portfolio is sourced from outside the provincial fiscus through conditional grants of other spheres of government.

ECPTA identified a need for an Infrastructure Asset Management Plan as well as an Infrastructure Delivery Master Plan. Terms of reference for the appointment of a service provider in this regard were approved in Q4 of the 2020/21 financial year. Responses received indicated that the projects required significantly more resources than allocated, so the procurement process was set aside. The PMU undertook to prepare the plans in-house over a longer period than would have been the case had the work been outsourced.

## INFRASTRUCTURE PROJECTS PORTFOLIO

The PMU currently manages almost 30 multi-year infrastructure projects valued at around R175 million:

NATURE RESERVE	FUNDER / PROGRAMME	NATURE	DESCRIPTION	AMOUNT ESTIMATE	STATUS	COMPLETION EXPECTED
1. Thomas Baines	National Lotteries Commission	Environmental Centre	Alterations and upgrading of EE centre	R2 000 000.00	Complete	Q2 2021/22
2. Double Drift – Brakfontein Farm	Environmental Protection and Infrastructure Programmes (EPIP)	Hunters Facilities	3 2-sleeper hunters' facilities	R3 800 000.00	Construction stage	Q4 2022/23
3. Cape Morgan NR	EPIP	Tourists Accommodations	32 2-sleeper guest house units	R31 000 000.00	Construction stage 85%	Q1 2022/23
4. Cape Morgan NR	EPIP	Tourists Accommodations	90-seater restaurant	R31 000 000.00	Completed	Q4 2021/22
5. Silaka NR	EPIP	Upgrades to existing chalets	19 chalets thatched roofs upgrades	R8 900 000.00	Completed	Q3 2021/22
6. Baviaanskloof WHS	EPIP	Upgrades of existing facilities	Geelhoutbos accommodation	R3 400 000.00	Planning (PSP appointed)	March 2024
7. Great Fish NR	EPIP	Upgrades of existing facilities	Mvubu Lodge upgrades Picnic and camp sites	R7 000 000.00	Planning (PSP appointed)	March 2024
8. Oviston NR	EPIP	Construction of new tourist facility	New lodge	R1 300 000.00	Planning (PSP appointed)	March 2024
9. Baviaanskloof WHS	National Department of Tourism (NDT)	Construction of new facilities	Interpretive Centre	R42 000 000.00	Completed	Q4 2021/22
10. Baviaanskloof WHS	NDT	Construction of new facilities	Leopard Trail hikers' huts	R6 000 000.00	Completed	Q3 2021/22
11. EC Dwesa NR	NDT Universal Access	Upgrades of existing facilities	Provision of universal accessibility to existing tourists' facilities	R1 400 000.00	Completed	Q2 2021/22
12. 6-day Hiking Trail	NDT Infrastructure	Upgrades of existing infrastructure	X3 sites Mpande, Mngazana and Hluleka	R6 000 000.00	Construction (70%)	Q2 2022/23
13. 6-day Hiking Trail	NDT Infrastructure	New lodge	X1 Mngcibe Lodge	R3 500 000.00	Planning (EIA)	Q1 2024/25
14. Port Alfred Beaches	NDT Infrastructure	Provision of new infrastructure and upgrades	Kowie River	R2 200 000.00	Construction (0%)	Q1 2023/24
15. Port Alfred Beaches	NDT Infrastructure	Provision of new infrastructure and upgrades	Middle Beach	R1 200 000.00	Construction (70%)	Q2 2022/23
16. Port Alfred Beaches	NDT Infrastructure	Provision of new infrastructure and upgrades	Krantz Recreation Centre	R4 600 000.00	Construction (90%)	Q2 2022/23
17. State-owned Tourism Attractions 4 projects	NDT Maintenance and Beautification	Maintenance Programme	Upgrades at i. Hluleka NR ii. Mpofu NR iii. Oviston NR iv. Double Mouth NR	R12 800 000.00	Planning Stage	Q1 2023/24



NATURE RESERVE	FUNDER / PROGRAMME	NATURE	DESCRIPTION	AMOUNT ESTIMATE	STATUS	COMPLETION EXPECTED
18. Marine Coastal Cluster 4 projects	DEDEAT Economic Stimulus Fund (ESF)	Upgrades to existing and new infrastructure	i. Dwesa NR – 5 chalets, EE Centre, curio shop & water treatment works ii. Hluleka NR – 4 chalets & viewing deck iii. Mkambati NR – viewing deck and curio shop iv. Silaka NR - viewing deck and curio shop, a swimming pool	R26 000 000.000	Construction Stage (15%)	Q4 2022/23
19. Game Management and Recreation Cluster 3 projects	DEDEAT ESF	Upgrades to existing and new infrastructure	i. Tsolwana NR – upgrades of existing infrastructure and new swimming pool ii. Oviston NR – viewing deck iii. Double Mouth NR - viewing deck and ticket office	R7 000 000.00	Tender and Documentation Stage	Q1 2023/24
20. Biodiversity and Heritage Cluster 2 projects	DEDEAT ESF	Upgrades to existing and new infrastructure	i. Baviaanskloof WHS – upgrades to existing Infrastructure ii. Great Fish NR - upgrades to existing infrastructure iii. Groendal NR - upgrades to existing infrastructure	R7 000 000.00	Tender and Documentation Stage	Q1 2023/24

- Plans to close down or down-grade current facilities are made in relation to the asset management plans.
- Fixed Asset Register indicates a depreciation rate of 60%.





# PARTRIC

*Governance*

## INTRODUCTION

The Board is the designated Accounting Authority of the ECPTA and governs the entity in accordance with the provisions of the Eastern Cape Parks and Tourism Agency Act (Act 2 of 2010) and the Public Finance Management Act 1 of 1999 (as amended) (PFMA). The Board also strives to comply with the principles and standards of integrity, accountability and good governance contained in the recommendations of the King IV report on corporate governance.

## PORTFOLIO COMMITTEES

The ECPTA engaged with the Portfolio Committee for Economic Development, Environmental Affairs and Tourism on 6 May 2021 and 19 November 2021. The full Board was present at both engagements. The portfolio committee made findings and recommendations which were duly responded to by ECPTA.

1. Budget Vote 2021/22
  - a. Submit a funding plan to the Committee clarifying how its operations will be impacted by the projected shortfalls.
2. Half-Year Report
  - a. Provide reasons for underspending and steps taken to ensure adequate budget expenditure.
  - b. Submit a plan to the Committee for improving its revenue generation.
3. Annual Report 2020/21
  - a. Explanation of the overspending.
  - b. Clarification of rollover for projects that were committed towards the end of the year.
  - c. Reasons for the irregular expenditure, consequence management steps taken, and measures to prevent a recurrence.

## EXECUTIVE AUTHORITY

The MEC for DEDEAT is the Executive Authority for ECPTA as a Schedule 3C public entity. The MEC engaged with the ECPTA through one formal meeting in the year under review. There were no major issues raised in the meeting. The Executive Authority supported the work of the ECPTA by participating in a range of events during the pandemic period.

## ACCOUNTING AUTHORITY

The fiduciary duties and general responsibilities of the Accounting Authority are prescribed by Sections 50 and 51 of the PFMA. The Board of Directors further ensures that its obligations in terms of the relevant legislation, including the PFMA are effectively discharged. The Board is responsible for the appointment of Executive Managers, including the Chief Executive Officer. It is also responsible for identifying risk areas and retaining full and effective control over the strategic operations of the ECPTA.

In summary, the Board gives strategic direction to the ECPTA, is responsible for the performance of the Agency, and is accountable to the MEC, by whom members are appointed, for the performance of the ECPTA. The Board is bound by a Charter, adherence to which is monitored on an ongoing basis.

# COMPOSITION OF THE BOARD

The current ECPTA Board was appointed by Honourable MEC Mvoko for a three-year term from 1 May 2019.

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS
<b>MS T. PUTZIER</b>	Acting Chair of the Board; Chair of Marketing and Destination Development Committee; Member of Human Resources and Remuneration (HR&R) Committee	1 May 2019	N/A	BCom, Postgraduate Diploma in Business Administration	Tourism and Marketing	Nil
<b>DR N. MZILIKAZI</b>	Chair of HR&R Committee; Member of Biodiversity and Conservation	1 May 2019	N/A	PhD Zoology, MSc Zoology, BSc (Hons) Zoology, BSc Zoology Chemistry, Tropical Ecology Field-Course	Biodiversity and Conservation	Nil
<b>MR Z. Fihlani</b>	Chairperson of Finance and Investment Committee (FINCO); Member of HR&R Committee	1 May 2019	N/A	MCom (Tax), Higher Diploma in Tax Law, Higher Diploma in International Tax Law, CA (SA), BCompt (Hons), BCom in Accounting, Bridging Course	Finance	Nil
<b>DR A. BAXTER</b>	Chair of Biodiversity and Conservation; Member of FINCO	1 May 2019	N/A	PhD in Faculty of Science, BSc & BSc (Hons),	Biodiversity and Conservation	Nil
<b>MR L. BEVILE</b>	Member of Biodiversity and Conservation	1 May 2019	N/A	BA, Higher Diploma in Education (HDE)	Representing the Community	Chairperson Provincial People and Parks Forum
<b>MS S. ONCEYA</b>	Member of FINCO; Member of Marketing and Destination Development Committee	1 May 2019	N/A	Master's in Economics, BCom (Hons) Transport Economics, BCom Business Management & Economics, Current studies: PhD in Economics Research	Shareholder Representative Finance Marketing	Nil
<b>MRT T. LEHLOESA</b>	Member Marketing and Destination Development Committee	1 April 2021		MA in International Studies	Culture and Heritage	Nil

## Committees

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
<b>AUDIT AND RISK COMMITTEE</b>	5	3	Mr L. Mangquku Mr S. Dzengwa Mr J. Emslie
<b>HUMAN RESOURCES AND REMUNERATION</b>	4	3	Dr N. Mzilikazi Ms T. Putzier Mr Z. Fihlani
<b>FINANCE AND INVESTMENT</b>	4	3	Mr Z. Fihlani Dr A. Baxter Ms S. Onceya
<b>BIODIVERSITY AND CONSERVATION</b>	4	3	Dr A. Baxter Dr N. Mzilikazi Mr L. Bevile
<b>MARKETING AND DESTINATION DEVELOPMENT COMMITTEE</b>	4	3	Ms T. Putzier Ms S. Onceya Mr T. Lehloesa

# Remuneration of Board members

The ECPTA Board of Directors is remunerated according to its Subsistence and Travel Policy which was approved by the MEC. Members' remuneration details, including other expenses, are included in the Annual Financial Statements for the year ended 31 March 2022. The official that is employed by DEDEAT to serve as the Shareholder Representative is not remunerated by ECPTA.

## RISK MANAGEMENT

The ECPTA prepares an annual strategic risk register in accordance with the organisational risk management policy. The CEO appoints a Risk Management Committee (consisting of all Executive Directors and their direct managerial reports) annually to implement the Risk Management Charter. The Risk Management Committee advises the CEO on the control measures necessary to manage identified risks.

Each reserve and every department prepare an annual operational risk register. Monthly and quarterly reserve or departmental risk discussions precede quarterly RMC meetings. Progress towards successful execution of risk management measures is discussed, and adjustments to plans made. This progress and any emerging risks are presented to the Audit and Risk Committee of the Board at their scheduled quarterly meetings.

The 2021/22 audit of risk management maturity utilised the "Risk Maturity Model" (RMM) for the second time. The RMM consists of 25 Enterprise Risk Management success components. These are underpinned by 71 competency drivers that are mapped and benchmarked to ISO 31000: 2009; OCEG "Red Book" 2.0: 2009; BS 31000: 2008; COSO: 2004; FERMA: 2002; and Solvency II: 2012 risk standards. The model includes consideration of root cause analysis as required by the Audit and Risk Committee.

MATURITY LEVEL	LEVEL SCORE
Leadership	4 to 5
Managed	3 to 4
Repeatable	2 to 3
Initial	1 to 2
Ad Hoc	0 to 1

The resulting score is compared to a 5-level benchmark, while the detailed attribute analysis provides clear insight into the steps necessary for improvement. The target for the ECPTA in the second year of using the new methodology was to maintain a Maturity Level "Managed" and a score of 3. The ECPTA successfully attained this target with a score of 3.77 (Managed).

The risk management system at ECPTA is a robust, combined assurance one which is underlined by the risk-orientated approach to planning. Risks, potential risks, and required risk controls are consequently the foundation of strategic, performance and operational plans.

## INTERNAL CONTROL UNIT

The Internal Control Unit ensures that the internal and external audit processes are managed efficiently and effectively. Responsibilities include:

- Using a "Findings Tracker" to monitor the Internal Audit and AGSA response plans emanating from audits.
- Preparation of Planning Audit File.
- Co-ordinating the annual policy review process.
- Reporting on departmental (finance) and strategic risks.
- Preparing quarterly progress reports on Fraud Prevention Plan progress.
- Performing test of controls; and
- Conducting fraud awareness sessions.

# INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the ECPTA. It assists the ECPTA in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's governance, risk management and internal control universe.

The task of the internal auditors is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight.

For an internal audit function to be considered effective, the following principles should be present and operating effectively:

- Demonstrates integrity,
- Demonstrates competence and due professional care,
- Is objective and free from undue influence (independent),
- Aligns with the strategies, objectives, and risks of the organisation,
- Is appropriately positioned and adequately resourced,
- Demonstrates quality and continuous improvement,
- Communicates effectively,
- Provides risk-based assurance,
- Is insightful, proactive, and future-focused, and
- Promotes organisational improvement.

The Internal Audit function must assist the CEO in achieving the objectives of ECPTA by evaluating and developing recommendations for the enhancement or improvement of key processes.

## *List of audit engagements conducted*

### 2021/22

- Audit of Predetermined Objectives – Q1.
- Strategic Plan and Annual Performance Plan Review.
- Audit of Predetermined Objectives – Q2.
- Executive Performance Outcome Review.
- Risk Management Maturity.
- Audit of Predetermined Objectives – Q3.
- Internal and External Vulnerability Assessment (IT).
- Review of Interim Financial Statements.
- Legal and Compliance Review.
- Annual Performance Plan Review.
- Follow-up Review.
- Supply Chain Management.
- Asset Management.
- Audit of Predetermined Objectives – Q4.
- Interim Financial Statements Review.
- Annual Financial Statements; and
- Audit of Predetermined Objectives – Annual.

## Key activities and objectives of the Audit and Risk Committee

The Audit and Risk Committee, as a representative of the Accounting Authority, is a specially appointed independent committee to assist management in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process and ECPTA's process for monitoring compliance with laws and regulations and the code of conduct.

The Audit and Risk Committee performs an advisory role to ECPTA. The Audit and Risk Committee is accountable to the Accounting Authority to properly consider and evaluate any matter that it must deal with or referred to it. The Audit and Risk Committee is responsible for the following auditing and related matters:

- Evaluation of management procedures regarding internal controls (Treasury Regulations 27.1.8(a)).
- Evaluation of the Internal Audit Plan.
- Evaluation of the external auditors.
- Internal Audit Function (Treasury Regulations 27.1.8(g)).
- Review the annual financial statements and interim reports (Treasury Regulations 27.1.8(d)).
- Consideration of significant matters arising out of regularity audits.
- Consideration of significant matters arising out of other external audits; and
- Review and evaluation of management comments on reports issued by the Internal Audit Function and management letters issued by the external auditors.

NAME	QUALIFICATIONS	INTERNAL / EXTERNAL	DATE APPOINTED	DATE RESIGNED	# MEETINGS ATTENDED
Mr L.M. Manguku (Chairperson)	CA(SA); Master of Business Leadership; Advanced Company Law I&II; Bachelor of Accounting Sciences (Hon); Bachelor of Commerce (Hon) (Accounting)	External	April 2020	N/A	5
Mr J.J. Emslie	Bachelor of Commerce (Hon) (Accounting); CA(SA)	External	April 2020	N/A	5
Mr S. Dzengwa	BA (Hon); Master of Public Administration; Master of Business Administration	External	April 2020	N/A	3

## COMPLIANCE WITH LAWS AND REGULATIONS

The ECPTA strives to comply with all relevant laws. The ECPTA has adopted a compliance tool with which to track compliance. Management prepares a legal compliance status report for quarterly scrutiny by the Audit and Risk Committee and the Board.

## FRAUD AND CORRUPTION

**ECPTA adopts a zero-tolerance stance towards fraud and corruption.**

ECPTA has a Board -approved Fraud Prevention Policy in place, with the objective of promoting a culture of honesty and integrity in the ECPTA. Further to the policy, the Internal Control Unit developed an accompanying Fraud Prevention Plan, which the Board reviewed and approved in February 2021.

ECPTA appointed a service provider (Whistle Blower) to provide and monitor an anonymous ethics and fraud reporting hotline. The service provider compiles reports for the attention of the CEO and CFO. In the event of conflict of interest, the necessary escalations to either Accounting Authority or Executive Authority are applicable. Cases are investigated, and the status of the cases and sanctions are communicated to the Board via the Audit and Risk Committee.



## MINIMISING CONFLICT OF INTEREST

The Board of Directors is required and encouraged to declare their personal and business interests on an annual basis and in every Board meeting. All employees on employment level C2 and above are required to declare their interests by completing the annual declaration of interest forms. Employees at lower levels are encouraged to declare their interests as and when required.

## CODE OF CONDUCT

ECPTA subscribes to the Code of Ethics that was approved by its Board of Directors. It is a policy document containing the rules and standards that govern the conduct of employees and stakeholders. It provides guidance as to the expected ethical behaviour.

## HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety of employees, during the year under review, has been prioritised to ensure that effective measures are in place to combat COVID-19 and that these measures are regularised in every workstation. This relates to management of safe work daily register, symptom screening to ensure compliance with Health and Safety Protocols. Employees are sensitised regarding wearing their masks, social distancing, and thorough washing of their hands.

Corporate Services also ensured flexibility in relation to COVID-19 where employees who showed symptoms or who were in close contact with people who tested positive for COVID-19 were requested to self-isolate and consult a medical practitioner. Employees with proven comorbidities were permitted to work from home.

## BOARD SECRETARY

Xoliswa Mapoma, the Board Secretary, assists the Board in the execution of its fiduciary duties.

## SOCIAL RESPONSIBILITY

All infrastructure projects adhere to local employment and empowerment guidelines in keeping with the principles of the Extended Public Works Programme. A total of 181 job opportunities for local community members were facilitated in this manner over the course of the year.

## B-BBEE COMPLIANCE PERFORMANCE INFORMATION

ECPTA has applied the relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

CRITERIA	DISCUSSION
Developing and implementing a preferential procurement policy	The ECPTA has a Procurement Policy that complies with all Treasury Regulations. The ECPTA Procurement Policy is updated on an annual basis with all new circulars and instruction notes from Treasury being incorporated into the Policy as they are issued by the Treasury. Implementation of the policy is circulated to all users with clear guidelines on how to effect the new changes.

# AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

## AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## THE EFFECTIVENESS OF INTERNAL CONTROL

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, specifically around asset management and supply chain management, which were then raised with the public entity. Commitments and plans to improve the underlying control environment have been received from management.

The following internal audit work was completed during the year under review in accordance with the approved 3-year rolling strategic internal audit plan:

- Interim and Annual Financial Statements
- Quarterly, Half-year and Annual Performance Information
- Executive Performance Outcome Review
- Supply Chain Management Review
- Asset Management Review
- General Financial Controls Review
- Human Resources Management and Payroll Review
- Internal Network Vulnerability Assessment
- Technical Firewall Review
- Supply Chain Management Deviations
- Audit findings follow up reviews
- Ad Hoc Review
- Payment made in error

It is our view that the Internal Audit function has been effective during the year and conducted its activities independently and objectively. Some of the significant findings identified during the internal audits conducted as listed above include:

#	AUDIT AREA	FINDING	RATING
1.	Human Resource Management	Weaknesses noted on Leave management	Significant
2	Supply Chain Management	Functionality scoring applied inconsistently	Significant
3	Asset Management	Assets could not be verified	Significant
4	Asset Management	Assets could not be traced to the asset register	Significant
5	Internal Network Vulnerability Assessment	Various Vulnerabilities Identified on the Hosts Assessed	Significant
6	Technical Firewall Review	Identified configurations, rule and status weaknesses identified on the FortiGate Firewall	Significant

We have engaged management on their remedial action plans on these matters and will review progress through follow up audits.

## IN-YEAR MANAGEMENT AND MONTHLY / QUARTERLY REPORT

The public entity has reported monthly and quarterly to the Treasury as is required by the PFMA.

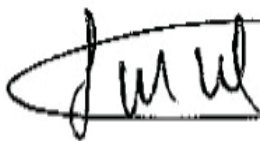
## EVALUATION OF FINANCIAL STATEMENTS

We have reviewed the annual financial statements prepared by the public entity.

## AUDITOR'S REPORT

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are satisfied that the agency has a plan in place to address the outstanding matters.

The Audit and Risk Committee concurs and accepts the conclusions of the Auditor-General of South Africa on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



**LUYANDA M. MANGQUKU CA(SA)**

Chairperson of the Audit and Risk Committee

03 August 2022







# PART 1

*Human Resource Management*



# INTRODUCTION

## *Overview of Human Resources*

This Annual Report marks the second year completed under pandemic conditions. ECPTA is proud to confirm that no employee lost their job or went without pay as a result of the dire economic conditions that have accompanied the COVID-19 pandemic.

The COVID-19 Coordinating Team that was established before the first lockdown has continued to meet fortnightly to ensure co-ordination, compliance, monitoring and evaluation of the implementation of COVID-19 protocols in the workplace. The structure was pivotal to the success of the summer tourist that coincided with the fourth wave of infections in South Africa.

## *HR priorities for the year under review*

- Occupational Health Safety

Health and Safety of employees was prioritised during the year under review to ensure that effective measures are in place to combat COVID-19 and that these measures are regularised in every workstation. This relates to management of safe work daily register and symptom screening to ensure compliance with Health and Safety Protocols. Employees are sensitised regarding wearing their masks, social distancing, and thorough washing of their hands.

Corporate Services also ensured flexibility in relation to COVID-19 where employees who showed symptoms or who were in close contact with people who tested positive for COVID-19 were requested to self-isolate and consult a medical practitioner. Employees with proven comorbidities were permitted to work from home.

- Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

The Talent Management Strategy approved by the Board during the financial year and as a result thereof there are a number of initiatives that were implemented including the 'Care and Share Programme' which is a strategy to ensure skills transfer by employees who are nearing retirement, including those who applied for Voluntary Early Retirement to the young up-and-coming leaders. This will ensure that the employees occupying entry level jobs are skilled to fairly compete for promotion level positions should they become vacant.

- Employee performance management framework

The ECPTA Performance Management Policy as well as the management process thereof has continuously ensured that individual performance is monitored and evaluated thus having a positive direct impact on an exceptional Organisational Performance.

- Employee wellness programmes

Employee wellness interventions became crucial during this year due to COVID-19. The consequences of COVID-19 had been unimaginable as some employees had lost their loved ones and this necessitated provision of psycho-social, emotional, and mental support by the organisation. ECPTA provided ongoing online employee wellness support services to staff. Regular employee capacitation on various topical issues, e.g., managing anxiety, mental illness awareness, financial services skills workshops, trauma debriefing etc., were also entrenched.

- Policy development

A Policy Review Workshop was conducted during the year updating all policies that needed reviewal including the development and approval of the Prevention and Management of COVID-19 in the workplace.

- Highlight achievements
  - The Risk Adjusted Strategy was approved by the Board in March 2020. This ensured that:
    - » There was consistent messaging at every alert level.
    - » ECPTA have made counselling helplines and wellness sessions available to employees and their families.
    - » The change management sentiment was conducted, and the report indicates the increase to 86% of staff feelings about the programme; and
    - » A culture of online training was entrenched thus saving the organisation funds from travelling costs. This approach heightened the promotion and enhancement of digital learning.
  - Board-approved WAN to enable seamless connectivity of staff while working from home.
  - Adequate provision of Tools of Trade for working from home personnel while ensuring optimised cybersecurity.
  - The systems and controls put in place by ECPTA have proven very resilient in managing the impact of COVID-19 in ECPTA. The OHS function supported by the COVID-19 Structure have played a pivotal role in ensuring the employees adhere to the existing health and safety protocols.
  - The remote working and rotational schedule have been a success as ECPTA has been able to operate seamlessly.
  - A survey to ascertain employees' experience of the COVID-19 response at ECPTA returned a 71% satisfaction score. Staff strongly indicated confidence that their needs for guidance, information and personal protective equipment were met, while glitches with distribution of remote work tools of trade required attention.
- Challenges faced by the public entity
 

Managing people remotely proved to be challenging especially at workstations like the reserves. Despite online platforms set-up like Zoom and Microsoft Teams, the employees in reserves still prefer face-to-face interactions. Contingencies were however in place to mitigate such challenges.

The introduction of Workplans, bi-weekly and monthly reports have been brought about to ensure that employees are engaged and monitored when not working in the office as a risk mitigation measure. This is to also ensure timeous intervention where non-compliance is detected to eradicate the negative ripple effect onto the Organisational Performance.

Much as the ECPTA has made strides to move some of its IMCT services and offering to the cloud, outdated ICT infrastructure equipment remains a major challenge that impacts on the speed and quality of delivering IMCT services to staff members and clients. To address this challenge an infrastructure audit has been conducted which aims at testing the market of the most suitable server infrastructure solution the ECPTA should pursue. In the meantime, obsolete ICT infrastructure has been decommissioned.

Cyber security remains a challenge that affects many organisations across the world and the ECPTA is no different as we continue to face the daily threat and challenge of cybersecurity. To address this matter, the ECPTA has employed several controls that minimise the chance of a successful intrusion.
- Future HR plans / goals:
  - Establishing the Organisational Alignment Panel to assist with implementing reviewed strategic objectives.
  - Implementation of the Talent Management Committees and identification of critical and scarce skills.
  - Conducting the Universal Access Audit in all the ECPTA establishments.
  - The ECPTA will be reviewing the Microsoft Enterprise Agreement to ensure that relevant solutions such as Microsoft Teams are licensed and implemented.
  - Microsoft Teams will be the core telephone system replacing Skype for Business.
  - Microsoft power apps will be implemented following a phased approach.
  - The ECPTA will be procuring and implementing new server infrastructure equipment to replace any outdated equipment. This will remove all the bottleneck of the network and improve speed and reliability.
  - Implementation of Central Reservation system; Help Desk System and SAGE 300.

# HUMAN RESOURCES OVERSIGHT STATISTICS

## Personnel cost by programme

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP. (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Biodiversity and Conservation (B&C)	225 273	105 241	29.26%	383	275
Destination Development (DD)	27 411	15 242	4.24%	22	693
Marketing	29 269	12 024	3.34%	20	601
Corporate Management Support (CMS)	77 684	36 731	10.21%	61	602
<b>TOTAL</b>	<b>359 637</b>	<b>169 238</b>	<b>47.06%</b>	<b>486</b>	<b>348</b>

## Personnel cost by salary band

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	9 461	5.59%	6	1 577
Senior Management	36 111	21.34%	36	1 003
Professional qualified	18 884	11.16%	36	525
Skilled	32 674	19.31%	58	563
Semi-skilled	49 835	29.45%	224	222
Unskilled	22 275	13.16%	126	177
<b>TOTAL</b>	<b>169 238</b>	<b>100%</b>	<b>486</b>	<b>348</b>

## Performance Rewards

LEVEL	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management	1 106	9 461	11.69%
Senior Management	2 747	36 111	7.61%
Professional qualified	779	18 884	4.12%
Skilled	756	32 674	2.31%
Semi-skilled	975	49 835	1.96%
Unskilled	362	22 275	1.62%
<b>TOTAL</b>	<b>6 725</b>	<b>169 238</b>	<b>3.97%</b>



## Training Costs

PROGRAMME / ACTIVITY / OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE ('000)
Training priorities undergone to capacitate the ECPTA workforce	169 238	902.681	0.53%	321	2.812

## Employment and vacancies

PROGRAMME	2020/21 NO. OF EMPLOYEES	2021/22 APPROVED POSTS	2021/22 NO. OF EMPLOYEES	2021/22 VACANCIES	% OF VACANCIES
B&C	386	509	383	126	88.11%
DD	21	29	22	7	4.90%
Marketing	17	25	20	5	3.50%
CMS	62	66	61	5	3.50%
<b>TOTAL</b>	<b>486</b>	<b>629</b>	<b>486</b>	<b>143</b>	<b>100%</b>

LEVEL	2020/21 NO. OF EMPLOYEES	2021/22 APPROVED POSTS	2021/22 NO. OF EMPLOYEES	2021/22 VACANCIES	% OF VACANCIES
Top Management	4	6	6	0	0.00%
Senior Management	39	45	36	9	6.29%
Professional qualified	36	53	36	17	11.89%
Skilled	53	71	58	13	9.09%
Semi-skilled	229	274	224	50	34.97%
Unskilled	125	180	126	54	37.76%
<b>TOTAL</b>	<b>486</b>	<b>629</b>	<b>486</b>	<b>143</b>	<b>100%</b>

## Employment changes

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	4	3	1	6
Senior Management	39	0	3	36
Professional qualified	36	2	3	35
Skilled	53	8	3	58
Semi-skilled	229	10	14	225
Unskilled	125	17	16	126
<b>TOTAL</b>	<b>486</b>	<b>40</b>	<b>40</b>	<b>486</b>

### Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	3	7.50%
Resignation	18	45.00%
Dismissal	0	0.00%
Retirement	19	47.50%
Ill health	0	0.00%
Expiry of contract	0	0.00%
Other	0	0.00%
<b>TOTAL</b>	<b>40</b>	<b>100.00%</b>

### Labour Relations: Misconduct and disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Grievances	0
Verbal Warning	1
Written Warning	9
Final Written warning	6
Dismissal	0
<b>TOTAL</b>	<b>16</b>

## Equity Target and Employment Equity Status

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Mx	1		0		0		1	
Senior Mx	15		1		0		3	
Professional	14		0		0		3	
Skilled	20		0		0		2	
Semi-skilled	119		17		0		0	
Unskilled	54		14		0		0	
<b>TOTAL</b>	<b>223</b>	<b>213</b>	<b>32</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>15</b>

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	3		1		0		0	
Senior Mx	14		0		1		2	
Professional	18		0		0		1	
Skilled	32		2		0		2	
Semi-skilled	80		8		0		0	
Unskilled	52		6		0		0	
<b>TOTAL</b>	<b>199</b>	<b>197</b>	<b>17</b>	<b>27</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>12</b>









# PARTIE

*Financial Information*



# GENERAL INFORMATION

<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>LEGAL FORM OF ENTITY</b>	Schedule 3C Public Entity in terms of the Public Finance Management
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	Biodiversity Conservation and Tourism Management
<b>ACCOUNTING AUTHORITY</b>	Ms T Putzier Ms S Onceya * Dr N Mzilikazi Dr A Baxter Mr ZL Fihlani Mr L Bevile Mr. T Lehloesa
<b>REGISTERED OFFICE</b>	17 - 25 Fleet Street East London 5201
<b>POSTAL ADDRESS</b>	P.O. Box 11235 Southernwood East London 5213
<b>BANKERS</b>	First National Bank Limited
<b>AUDITORS</b>	Office of the Auditor General
<b>WEBSITE</b>	<a href="http://www.visiteasterncape.co.za">www.visiteasterncape.co.za</a>

\*Shareholder representative, not remunerated

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CATHSSETA	Culture, Arts, Tourism Hospitality and Sports Sector Education and Training Authority
COID	Compensation for Occupational Injuries and Diseases
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DFFE	Department of Forestry, Fisheries and the Environment
ECPTA	Eastern Cape Parks & Tourism Agency
GRAP	Generally Recognised Accounting Practice
NDT	National Department of Tourism
TERS	Temporary Employer Relief Scheme

## ACCOUNTING AUTHORITY'S

### *Responsibilities and Approval*

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

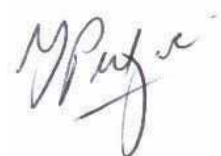
The members have reviewed the entity's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the shareholder department (DEDEAT) for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the board of members are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 5 to 75, which have been prepared on the going concern basis, were approved by the board on 24 May 2022 and were signed on its behalf by:



**MST PUTZIER**

Acting Chairperson of the Board



# REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON THE

## *Eastern Cape Parks and Tourism Agency*

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

1. I have audited the financial statements of the Eastern Cape Parks and Tourism Agency set out on pages 100 to 171, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as notes to the annual financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Parks and Tourism Agency as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practise (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### BASIS FOR OPINION

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

#### RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

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

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

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

### REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

#### INTRODUCTION AND SCOPE

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by

the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the entity's annual performance report for the year ended 31 March 2022:

PROGRAMME	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 1 – biodiversity and conservation	33 - 44

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for programme 1 - biodiversity and conservation.

### OTHER MATTER

15. I draw attention to the matter below.

### **ACHIEVEMENT OF PLANNED TARGETS**

16. Refer to the annual performance report on pages 26 to 73 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

## **REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION**

### INTRODUCTION AND SCOPE

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
18. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### **OTHER INFORMATION**

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
20. My opinion on the financial statements and reports on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
22. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### **INTERNAL CONTROL DEFICIENCIES**

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
24. I did not identify any significant deficiencies in internal control.

*Auditor-General*  
East London, 29 July 2022



# ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

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

## FINANCIAL STATEMENTS

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

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

# STATEMENT OF *Financial Position*

FIGURES IN RAND THOUSAND	NOTE(S)	2022	2021 RESTATED*
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventories	3	3 338	5 210
Receivables from exchange transactions	4	980	1 169
Receivables from non-exchange transactions	5	3 960	2 641
Cash and cash equivalents	6	101 633	148 601
Game held for sale	7	5 794	6 762
		<b>115 705</b>	<b>164 383</b>
<b>Non-Current Assets</b>			
Intangible Assets	8	1 275	131
Property, plant and equipment	9	355 853	299 012
Service concession assets	10	38 853	24 032
Heritage assets	11	22 991	22 991
Investment property	12	19 673	20 097
		<b>438 501</b>	<b>366 263</b>
<b>TOTAL ASSETS</b>		<b>554 206</b>	<b>530 646</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	13	45	103
Payables from exchange transactions	14	16 945	24 145
Payables from non exchange transactions	15	14 882	14 000
Social responsibility projects	16	82	633
Provisions	17	7 131	10 386
Unspent grants and receipts	18	88 271	121 854
Deferred revenue - game held for sale	7	5 794	6 762
		<b>133 150</b>	<b>177 883</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	13	-	45
Employee benefit obligation	19	16 450	16 516
		<b>16 450</b>	<b>16 561</b>
<b>TOTAL LIABILITIES</b>		<b>149 600</b>	<b>194 444</b>
<b>Net Assets</b>		<b>404 606</b>	<b>336 202</b>
Accumulated surplus		404 606	336 202
<b>Total Net Assets</b>		<b>404 606</b>	<b>336 202</b>

# STATEMENT OF *Financial Performance*

FIGURES IN RAND THOUSAND	NOTE(S)	2022	2021 RESTATED*
<b>REVENUE</b>			
<b>Revenue from exchange transactions</b>			
Wildlife income	21	4 674	2 199
Rendering of services	22	9 207	4 890
Rental income		1 535	1 498
Interest received - investment	23	5 611	5 704
Actuarial gains		2 380	2 362
<b>Total revenue from exchange transactions</b>		<b>23 407</b>	<b>16 653</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	25	328 354	276 064
Donations	23	10 661	-
Fines and Penalties		403	178
<b>Total revenue from non-exchange transactions</b>		<b>339 418</b>	<b>276 242</b>
<b>TOTAL REVENUE</b>	20	<b>362 825</b>	<b>292 895</b>
<b>Expenditure</b>			
Employee related costs	26	(169 238)	(164 037)
Depreciation and amortisation	27	(21 696)	(24 863)
Impairment of assets	9	(717)	-
Finance costs	28	(2 330)	(2 269)
Debt Impairment	32	(295)	(163)
Loss on disposal of assets		(837)	(1 216)
General Expenses	29	(94 109)	(86 367)
Repairs and maintenance	30	(5 199)	(4 208)
<b>TOTAL EXPENDITURE</b>		<b>(294 421)</b>	<b>(283 123)</b>
<b>Surplus for the year</b>		<b>68 404</b>	<b>9 772</b>

## STATEMENT OF *Changes in Net Assets*

FIGURES IN RAND THOUSAND	ACCUMULATED SURPLUS	TOTAL NET ASSETS
<b>Balance at 01 April 2020</b>	<b>326 430</b>	<b>326 430</b>
Changes in net assets		
Surplus for the year	9 772	9 772
Total changes	9 772	9 772
Opening balance as previously reported	336 695	336 695
Adjustments		
Prior year adjustments	(493)	(493)
<b>Restated* Balance at 01 April 2021 as restated*</b>	<b>336 202</b>	<b>336 202</b>
Changes in net assets		
Surplus for the year	68 404	68 404
Total changes	68 404	68 404
<b>Balance at 31 March 2022</b>	<b>404 606</b>	<b>404 606</b>

# CASH FLOW

## Statement

FIGURES IN RAND THOUSAND	NOTE(S)	2022	2021 RESTATED*
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Sale of goods and services		16 812	7 793
Grants		292 700	264 998
Interest income		5 611	5 704
		<u>315 123</u>	<u>278 495</u>
<b>PAYMENTS</b>			
Employee costs		(171 820)	(162 623)
Suppliers		(104 291)	(94 587)
Finance costs		(7)	(12)
		<u>(276 118)</u>	<u>(257 222)</u>
<b>Net cash flows from operating activities</b>	33	<b>39 005</b>	<b>21 273</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Purchase of property, plant and equipment	9	(85 319)	(25 648)
<b>Cash flows from financing activities</b>			
Social responsibility projects		(551)	(818)
Finance lease payments		(103)	(43)
		<u>(654)</u>	<u>(861)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(46 968)</b>	<b>(5 236)</b>
Cash and cash equivalents at the beginning of the year		<b>148 601</b>	<b>153 837</b>
<b>Cash and cash equivalents at the end of the year</b>	6	<b>101 633</b>	<b>148 601</b>

## STATEMENT OF

# Comparison of Budget and Actual Amounts

FIGURES IN RAND THOUSAND	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	NOTE 39
<b>Statement of Financial Performance</b>						
<b>RECEIPTS</b>						
<b>Revenue from exchange transactions</b>						
Sale of goods	5 589	1 173	<b>6 762</b>	4 674	<b>(2 088)</b>	
Rendering of services	8 592	1 500	<b>10 092</b>	9 207	<b>(885)</b>	
Rental income	1 617	-	<b>1 617</b>	1 535	<b>(82)</b>	
Other	-	-	-	1 396	<b>1 396</b>	
Interest received - investment	5 566	-	<b>5 566</b>	5 611	<b>45</b>	
<b>Total revenue from exchange transactions</b>	<b>21 364</b>	<b>2 673</b>	<b>24 037</b>	<b>22 423</b>	<b>(1 614)</b>	
<b>Revenue from non-exchange transactions</b>						
Grants	212 543	1 633	<b>214 176</b>	214 133	<b>(43)</b>	
Other grants	164 571	68 988	<b>233 559</b>	114 221	<b>(119 338)</b>	
<b>Total revenue from nonexchange transactions</b>	<b>377 114</b>	<b>70 621</b>	<b>447 735</b>	<b>328 354</b>	<b>(119 381)</b>	
<b>TOTAL RECEIPTS</b>	<b>398 478</b>	<b>73 294</b>	<b>471 772</b>	<b>350 777</b>	<b>(120 995)</b>	
<b>PAYMENTS</b>						
Compensation of employees	(163 402)	(2 422)	<b>(165 824)</b>	(171 819)	<b>(5 995)</b>	
Goods and services	(140 710)	14 586	<b>(126 124)</b>	(104 292)	<b>21 832</b>	
Capital expenditure	(94 366)	(85 458)	<b>(179 824)</b>	(85 319)	<b>94 505</b>	
<b>TOTAL PAYMENTS</b>	<b>(398 478)</b>	<b>(73 294)</b>	<b>(471 772)</b>	<b>(361 430)</b>	<b>110 342</b>	
<b>Deficit</b>	-	-	-	<b>(10 653)</b>	<b>(10 653)</b>	
<b>Deficit for the year</b>	-	-	-	<b>(10 653)</b>	<b>(10 653)</b>	
<b>RECONCILIATION</b>						
<b>Format and classification differences</b>						
Revenue from exchange transactions				1 387		
Donations				10 661		
Compensation of employees				2 581		
Depreciation and amortisation				(21 696)		
Impairment loss				(717)		
Finance charges				(2 330)		
General expenses				3 852		
capital expenditure				85 319		
<b>ACTUAL AMOUNT IN THE STATEMENT OF FINANCIAL PERFORMANCE</b>				<b>68 404</b>		



# ACCOUNTING POLICIES

## 1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All financial information presented has been rounded to the nearest thousand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

### **1.1 GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the foreseeable future.

### **1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Annual Financial Statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **1.3 BASIS OF MEASUREMENT**

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost unless stated otherwise. Under this basis, the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent are received or paid) and they are recorded in the accounting records and reported in the Annual Financial Statements of the periods to which they relate.

### **1.4 OFFSETTING**

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to set off amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

### **1.5 COMPARATIVE INFORMATION**

Comparative information is presented on the same basis as current year information. There were no changes in accounting policies in the current financial year.

## ACCOUNTING POLICIES

### 1.6 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless of whether those rights are transferable or separate from the entity or from other rights and obligations.

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost. The cost of intangible assets is its fair value as at the date of acquisition.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

Item	Useful life
Computer software licences	3 years

Intangible assets are derecognised on disposal; or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

### 1.7 INVESTMENT PROPERTY

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	50 years

## ACCOUNTING POLICIES

### 1.8 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Land accounted for as property, plant and equipment has an indefinite useful life and is not depreciated. Water tanks, septic tanks, geysers and ablutions attached to buildings; or fencing surrounding buildings and infrastructure are presumed to be part of the buildings or infrastructure unless specifically identified; and otherwise stated.

The cost of storm water drainage is included in the cost of the road where this takes the form of minimal transverse culverts and open drains alongside the road. Where local topography requires more than minimal drainage, the cost will be shown separately. Road signs are included in the cost of roads. The inclusion of storm water and signage is in line with the Department of Cooperative Governance and Traditional Affairs Industry Guide to Infrastructure Service Delivery Levels and Unit Costs.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Work in progress represents capital projects in progress at year-end. Expenditure incurred on WIP projects is recognised at cost and is only transferred to the relevant asset category on completion of the project. Work in progress is not depreciated.

## ACCOUNTING POLICIES

### 1.8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	5 -50 years
Plant and machinery	Straight-line	5 years
Furniture and fixtures	Straight-line	6 years
Motor vehicles	Straight-line	4 years
Office equipment	Straight-line	5 years
IT equipment	Straight-line	3 years
Building Attachments	Straight-line	5 years
Field Equipment	Straight-line	2 - 30 years
Roads and storm water	Straight-line	10 - 60 years
Electricity infrastructure	Straight-line	30 - 40 years
Sanitation infrastructure	Straight-line	10 -60 years
Water Supply infrastructure	Straight-line	30 - 50 years
Fencing	Straight-line	10 - 40 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

**Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.**

Changes in residual value, depreciation method and useful life represents changes in estimates and are accounted for prospectively.

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, and when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable service amount of that asset. An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss. A reversal of an impairment loss for an asset shall be recognised immediately in surplus or deficit.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

# ACCOUNTING POLICIES

## 1.9 SERVICE CONCESSION ARRANGEMENTS

### Identification

#### Service concession assets

The entity recognises an asset provided by the operator and an upgrade to an existing asset of the entity as a service concession asset if:

- the entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price;
- the entity controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement;
- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Service concession assets are measured at their fair value on initial recognition except where the assets are reclassified in which case they will only be reclassified in accordance with the applicable asset related GRAP Standard. The entity reclassifies assets to service concession assets at their carrying amounts; without any fair valuing at the date of reclassification.

Except where an asset was reclassified by the entity to a service concession asset, the entity initially measures the corresponding liability at the same amount as the service concession asset adjusted for any cash consideration from either the entity or operator to either the entity or operator.

Reclassified service concession assets are accounted for in accordance with the Standards of GRAP on investment property, property, plant and equipment, intangible assets, or heritage assets, as appropriate.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the entity to the operator are allocated by reference to the relative fair values of the service concession asset and the services. Where the asset and service components are not separately identifiable, the service component of payments from the entity to the operator is determined using estimation techniques.

After initial recognition, the entity applies the accounting policies on investment property, property, plant and equipment, intangible assets and heritage assets to the subsequent measurement and derecognition of similar items of service concession assets. For the purposes of applying the accounting policies on investment property, property, plant and equipment, intangible assets and heritage assets, service concession assets are treated as a separate class of assets.

The accounting policies on impairment of non-cash generating assets and impairment of cash-generating assets are applied in considering whether there is any indication that a service concession asset is impaired.

Amortisation is provided on service concession assets in terms of similar items of property, plant and equipment, investment property, intangible assets and heritage assets, to write down the cost, less residual value, by equal installments over their useful lives which have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	5 -50 years
Plant and machinery	Straight-line	5 years
Furniture and fixtures	Straight-line	6 years
Office equipment	Straight-line	5 years
IT equipment	Straight-line	3 years
Electricity infrastructure	Straight-line	30 - 40 years
Sanitation infrastructure	Straight-line	10 - 60 years
Water Supply infrastructure	Straight-line	30 - 50 years

## ACCOUNTING POLICIES

### 1.9 SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

#### Service concession liabilities

Where the entity has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the entity accounts for the liability recognised as a financial liability.

Where the entity does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue generating asset, the entity initially recognise the unearned portion of the revenue arising from the exchange of service concession assets between the entity and the operator as a deferred revenue - service concession liability.

A deferred revenue - service concession liability is initially measured at the same amount as the service concession asset adjusted for any additional consideration from the entity to operator or vice versa. Subsequently, the entity recognises revenue and reduces the liability recognised in accordance with the substance of the service concession arrangement.

#### Service concession revenue

Revenue from a service concession arrangement is recognised as it accrues over the period of the agreement. When the operator provides an upfront payment, a stream of payments, or other consideration to the entity for the right to use the service concession asset over the term of the service concession arrangement, the entity accounts for these payments in a manner that better reflect the operator's economic consumption of its access to the service concession asset and/or the time value of money. The timing of the revenue recognition is determined based on the substance of the service concession arrangement. When the conditions for revenue recognition are met, the liability is reduced as the revenue is recognised accordingly.

### 1.10 HERITAGE ASSETS

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

#### Recognition

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

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

#### Impairment

The entity assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

#### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

## ACCOUNTING POLICIES

### 1.10 HERITAGE ASSETS (CONTINUED)

#### Derecognition

The entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### 1.11 FINANCIAL INSTRUMENTS

A derivative is a financial instrument or other contract with all three of the following characteristics:

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

#### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade receivables	Financial asset measured at amortised cost
Other receivables	Financial asset measured at amortised cost
Cash and Cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade payables	Financial liability measured at amortised cost

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

#### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

## ACCOUNTING POLICIES

### 1.11 FINANCIAL INSTRUMENTS (CONTINUED)

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment.

#### Measurement of specific financial instruments

##### Trade receivables and other receivables

Trade receivables and other receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Trade receivables and other receivables are assessed at least annually for possible impairment. Impairment adjustments are made through the use of an allowance account. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end.

The entity provides for bad debts on outstanding trade receivables and other receivables as follows:

Outstanding balance	Provision for bad debts
Older than six months but less than a year	50.00 %
Older than a year	100.00 %

##### Trade payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

##### Cash and cash equivalents

Cash and cash equivalents consist of:

- Cash relating to own revenue and the funds transferred from DEDEAT in respect of the mandate of the ECPTA as defined in the Eastern Cape Parks and Tourism Agency Act (Act 2 of 2010); and
- Cash relating to funds transferred from various agencies for specific projects of which the ECPTA has been appointed as the implementing agent.

All funds received for specific projects are separately managed and used only for such funds unless written permission is obtained from the relevant funder.

##### Derecognition



## ACCOUNTING POLICIES

### 1.11 FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial assets

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

#### Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

## ACCOUNTING POLICIES

### 1.12 INVENTORIES

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

### 1.13 IMPAIRMENT OF CASH-GENERATING ASSETS

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

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

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

#### Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

## ACCOUNTING POLICIES

### 1.13 IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

#### Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.14 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired.

If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

#### Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

## ACCOUNTING POLICIES

### 1.14 IMPAIRMENT OF NON-CASH-GENERATING ASSETS (CONTINUED)

#### Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.15 EMPLOYEE BENEFITS

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

## ACCOUNTING POLICIES

### 1.15 EMPLOYEE BENEFITS (CONTINUED)

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

#### Post-employment benefits: Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the annual valuation is performed at an earlier date.

Post service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs.

### 1.16 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

#### Contingent assets

Contingent assets arise from unplanned or other unexpected events that are not wholly within the control of the entity and give rise to the possibility of an inflow of economic benefits or service potential to the entity.

## ACCOUNTING POLICIES

### 1.16 IMPAIRMENT OF NON-CASH-GENERATING ASSETS (CONTINUED)

Contingent assets are not recognised in Annual Financial Statements since this may result in the recognition of revenue that may never be realised. However, when the realisation of revenue is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the Annual Financial Statements.

The ECPTA shall disclose for each class of provisions, contingent assets and liabilities, unless the possibility of any cash flow is remote, at the end of the reporting period a brief description of the nature of the provision, contingent liability and contingent asset and where practicable, an estimate of its financial effect, an indication of uncertainties relating to the amount or timing of any cash flow and the possibility of any reimbursement.

#### Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

### 1.17 REVENUE FROM EXCHANGE TRANSACTIONS

The ECPTA's revenue from exchange transactions is derived from sources of activities done at the Reserves. Exchange Revenue comprises principally of wildlife income, reserve activities - services rendered, accommodation and camping, concession income. Other revenue from exchange transactions is derived from rental of properties income, implementers fees from projects, interest in respect of bank accounts held, these as well as any other income. The revenue is realised when the service is rendered.

#### Sale of goods

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

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

#### Rendering of services

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

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

## ACCOUNTING POLICIES

### 1.17 REVENUE FROM EXCHANGE TRANSACTIONS (CONTINUED)

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

#### Interest

Revenue arising from investments is recognised when:

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

### 1.18 REVENUE FROM NON-EXCHANGE TRANSACTIONS

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory

Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

### 1.19 BORROWING COSTS

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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

## ACCOUNTING POLICIES

### 1.20 FRUITLESS AND WASTEFUL EXPENDITURE

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the 9 months that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Irregular expenditure is expenditure that is contrary to legislation and has not yet been condoned or regularised by management. Irregular expenditure is accounted for as an expense in the statement of financial performance and where recovered it is subsequently accounted for as revenue in the statement of financial performance.

Fruitless and wasteful and irregular expenditure is disclosed in the notes to the Annual Financial Statements when confirmed.

The amount disclosed is equal to the total value of the fruitless and wasteful or irregular expense unless it is impracticable to determine in which case reasons therefore is provided in the disclosure note. The expenditure is removed from the disclosure note when it is either condoned by the relevant authority or transferred to receivables for recovery.

### 1.21 BUDGET INFORMATION

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.22 RELATED PARTIES

The ECPTA operates in an economic sector whereby it interacts with other entities within the national and provincial sphere of government. Such entities are considered to be related parties.

Key management is defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity whether directly or indirectly. The Board, Audit Committee, Executive Management as well as the Legal Advisor /

Board secretary are considered to be key management per the definition of the financial reporting standard. Close family members of key management personnel are considered to be those family members who may be expected to influence or to be influenced by key management.

Transactions between the entity and key management personnel are disclosed in related party disclosures. Compensation paid to / remuneration of key management personnel is included in the related parties disclosure note.



## ACCOUNTING POLICIES

### 1.23 GAME HELD FOR SALE

#### Recognition

#### Game held for sale

Large mammals which are identified through the ECPTA game census process as being excess game, are classified as “held for sale” and are reflected in the Annual Financial Statements at fair value less estimated point of sale costs of disposal.

The ECPTA classifies excess game identified for off take (disposal), as “held for sale” as their fair value will be recovered principally through a sale transaction rather than through continuing use.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. The fair values and estimated point of sale costs for game classified as “held for sale” are determined annually by management by considering:

- excess game quantities as approved by the Board of Directors for off take (disposal);
- auction reserve prices established by reference to historical data and industry conditions for live game sales;
- target selling prices set by management for hunting packages;
- animal weights and prices as mutually agreed with service providers for external culling game, by a bidding process;
- average animal weights and management set venison prices for internal culling game; and
- significant costs of disposal, where such costs can be separately identifiable from normal biodiversity conservation costs.

The ECPTA is responsible for biodiversity conservation in defined protected areas and the biological assets consists of a large variety of species and it is thus not practical to list such species, their quantities or their values. The Annual Game Census for some protected areas is done on a rotational basis.

Attaching a reliable “fair value” to all biodiversity not “held for sale” is not possible, for the following reasons:

The key drivers for successful biodiversity conservation include scientific management of the entire ecosystem in terms of flora and fauna (from the smallest organism to the largest) as well as the processes that maintain these patterns. It is not possible to place a reliable fair value on all material aspects of biodiversity. Valuing certain animal species without taking into account the contribution of other organisms and other aspects of the ecosystem is not in line with biodiversity conservation principles.

Fauna move naturally from one place to the other in search of preferred habitat and are therefore unpredictable in terms of their availability for counting. This issue is further complicated by short term responses of game to weather conditions. While fences are used as artificial barriers to control movement of some species, this is not an ideal situation, and some species move freely despite these barriers, which make counting impractical.

Game counts are also extremely expensive processes, as these frequently require the use of sophisticated technology (helicopters, GPS, GIS) and data analysis. In addition, the complexity in counting different species varies, such that elephants are easier to census than small species such as the blue duiker. Applying a uniform accounting approach to this range of species will not be practical.

In terms of the Framework for Preparation and Presentation of Financial Information, the ECPTA does not recognise its biodiversity assets and only reflect the excess game identified for off take (disposal) as additional disclosure for the benefit of users to the Annual Financial Statements.

By virtue of these species being included in the defined protected areas they form part of the legislative mandate of the ECPTA to conserve biodiversity in these areas.

## ACCOUNTING POLICIES

### 1.24 COMMITMENTS

Commitments relate to outstanding capital and current purchase orders at year-end subject to the availability of funds. Where contracts are funded in the Medium-Term Expenditure Framework period through explicit contracts, these are also recorded as commitments as the funds are set out in contractual arrangements. Commitments are not recognised as a liability in the statement of financial position or as expenditure in the statement of financial performance but are included in the disclosure notes.

### 1.25 SURRENDERS TO PROVINCIAL REVENUE FUND

Amount due to provincial revenue fund relate to unspent funds which means the positive balance in "cash and cash equivalents" as per cash flow statement as at the end of the financial year plus current receivables, less any accruals and other current payables relating to that financial year and/or surpluses approved for accumulation in terms of section 53(3) of Public Finance Management Act (Act 1 of 1999).

### 1.26 SOCIAL RESPONSIBILITY PROJECTS

ECPTA is the implementing agent for projects undertaken on behalf of other state organs. The bank balances held on behalf of the various projects are included as cash and cash equivalents in the Annual Financial Statements, and the corresponding project liabilities as a result of uncompleted projects at reporting date are recorded as a current liability.

### 1.27 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

### 1.28 SHARE CAPITAL / CONTRIBUTED CAPITAL

Capital reserves consist of:

- Reserves created upon the initial valuation of game held for sale; and
- Reserves raised upon the assignment of assets to the ECPTA on establishment.

# NOTES TO THE *Annual Financial Statements*

FIGURES IN RAND THOUSAND

2022

2021

## 2. NEW STANDARDS AND INTERPRETATIONS

### 2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 25 (as revised 2021): Employee Benefits	01 April 2022	Unlikely there will be a material impact
GRAP 104 (amended): Financial Instruments	01 April 2025	Unlikely there will be a material impact

## 3. INVENTORIES

Maintenance materials	3 291	5 162
Fuel	47	48
	<b>3 338</b>	<b>5 210</b>

During the year, fencing materials of R nil (2021: over R3 million), was purchased for projects funded by DFFE. An amount of R1,87 million (2021: R Nil) was transferred from inventory to property, plant and equipment. In addition, an amount of R nil (2021: R303 thousand) was transferred from property, plant and equipment to inventory.

## 4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	893	881
Operating lease receivables	6	66
Rent receivable	81	222
	<b>980</b>	<b>1 169</b>
<b>Trade and other receivables</b>		
<b>Trade debtors</b>		
Gross Balance	<b>893</b>	<b>881</b>
<b>Operating lease receivables</b>		
Gross Balance	<b>6</b>	<b>66</b>
<b>Rent receivable</b>		
Gross Balance	<b>81</b>	<b>222</b>
<b>Total Balance of the disclosure</b>		
Gross Balance	<b>980</b>	<b>1 169</b>

## NOTES TO THE

# Annual Financial Statements

FIGURES IN RAND THOUSAND

2022

2021

### 4. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

There were no trade and other receivables pledged as security. ECPTA considers that the carrying amount of trade receivables and other receivables approximates their fair value.

#### Trade and other receivables past due but not impaired

Trade and other receivables which are less than 1 year past due are not considered to be impaired. At 31 March 2022, R 28 (2021: R 28) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

12 months past due

Trade and other receivables impaired

As of 31 March 2022, trade and other receivables of R757 thousand (2021: R462 thousand) were impaired and provided for.

30 days	295	-
180 days	462	462

#### Reconciliation of provision for impairment of trade and other receivables

Opening balance	(17)	-
Amounts written off as uncollectible	-	(17)
	<b>(17)</b>	<b>(17)</b>

### 5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Grants receivable	2 071	-
SARS	243	190
Staff debts	57	87
Social projects	773	1 395
Deposits	637	559
Prepaid expenses	935	872
Impairment allowance	(756)	(462)
	<b>3 960</b>	<b>2 641</b>

The receivable from Social projects consists of amounts owed in respect of the National Department of Forestry, Fisheries and the Environment funded Double Drift Project and Youth Environmental Services Programme.

#### Grants receivable

##### Grants receivable comprise of:

Marine and Coastal Management	571	-
South African Tourism (SAT)	1 500	-
	<b>2 071</b>	<b>-</b>

#### Reconciliation of movement in grants receivable

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### 5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

31 MARCH 2022	BALANCE RECEIVABLE AT START OF YEAR	CURRENT YEAR RECEIPTS	TRANSFERS TO REVENUE	TOTAL
South African Tourism (SAT)	-	-	1 500	1 500
Marine and Coastal Management	-	-	571	571
	-	-	<b>2 071</b>	<b>2 071</b>

31 MARCH 2021	BALANCE RECEIVABLE AT START OF YEAR	CURRENT YEAR RECEIPTS	TRANSFERS TO REVENUE	TOTAL
South African Tourism (SAT)	366	(366)	-	-
Marine and Coastal Management	343	(343)	-	-
	<b>709</b>	<b>(709)</b>	-	-

#### Receivables from non-exchange transactions pledged as security

There were no other receivables from non-exchange transaction pledged as security.

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

Opening balance	(462)	(299)
Provision for impairment	(295)	(163)
	<b>(757)</b>	<b>(462)</b>

### 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	173	176
Bank balances	101 381	147 795
Other cash and cash equivalents	79	630
	<b>101 633</b>	<b>148 601</b>

The entity had the following bank accounts with First National Bank

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### 6. CASH AND CASH EQUIVALENTS (CONTINUED)

The entity had the following bank accounts with First National Bank

ACCOUNT NUMBER / DESCRIPTION	BANK STATEMENT BALANCES	
	31 March 2022	31 March 2021
Main account	6 835	7 401
Revenue account	12 242	21 427
NDT - Baviaanskloof account	10 433	6 399
NDT - Infrastructure account	4 110	9 073
NDT - Tourism Monitors account	17	3 079
NDT - Universal Accessibility account	637	1 088
N2 Biodiversity Offset account	1 116	9 900
National Lotteries Commission	537	104
South African National Parks account	1 156	691
South African National Biodiversity Institute account	407	133
Economic Stimulus Fund	19 905	5 876
DFFE - Environmental Protection and Infrastructure Programme	43 025	81 504
Rhino Impact Bond	953	1 120
African Wildlife Foundation	1	-
CATHSSETA	1	-
DFFE - Environmental Monitors	1	-
Marine Protected Areas - MPA	1	-
Green Trust	1	-
SANBI Presidential Youth Employment Intervention - YEIP	1	-
Wildlife Conservation Bond	1	-
WWF	1	-
<b>Total</b>	<b>101 381</b>	<b>147 795</b>

The ECPTA'S Bankers First National Bank with credit rating BB-, where duly appointed by the Board of Directors

The Main and Revenue accounts are maintained for day to day activities. The ECPTA has project accounts, totalling to R82 million (2021: R119 million), as Treasury allows. These approximate the monies unspent. Refer to notes 18 and 38. The unspent amounts of R54 million (2021: R108.5 million) excluding DEDEAT grants, is less than the bank balances of R82 million (2021: R119 million) due to accruals charged to the projects but only paid after reporting date.

Other cash and cash equivalents relates to social responsibility projects. These bank balances are held by the ECPTA in its capacity as the implementing agent and are ring fenced for application to activities within those projects, refer to note 16. Economic Stimulus Fund and Environmental Protection and Infrastructure Programme balance of R63 million relates to grant funding for multi-year projects. The amounts received for these multi-year projects, were received in the prior financial years.

The entity's exposure to interest rate risk including risk to its financial assets and liabilities is disclosed in note 37.

There were no cash and cash equivalents pledged as security.

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### 7. GAME HELD FOR SALE

Game held for sale	5 794	6 762
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A census to determine the current numbers of game and to ensure that the veld carrying capacity is not exceeded, in line with biodiversity best practices, is held over a 3-year cycle. Excess game are identified for sale in the following year and the sale comprises live game sale, hunting packages and culling.

The table below gives an indicative number of animals to be disposed of. Management has the delegated authority to switch between the methods listed below to achieve the desired capacity.

#### Number of animals

Live game	152	110
Hunting game	666	218
External culling game	1 635	1 678
Internal culling game	299	328
	<b>2 752</b>	<b>2 334</b>

The number of animals for off-take (disposal) is approved by the ECPTA Board, and the value of game held for sale varies with the type of species identified for disposal. The Board has resolved at its board meeting during the year on the off-take (disposal) figures for the current year. The actual figures of wildlife sales made during the year are included in revenue, refer to note 21.

#### Deferred revenue

Game held for sale	5 794	6 762
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Deferred revenue - game held for sale relates to the corresponding revenue for large mammals which are identified through the game census process as being excess game, and have been recognised as "held for sale" for deferral until when the sale has been concluded and the ECPTA has discharged its responsibilities in terms of the sale agreement.

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### 8. INTANGIBLE ASSETS

	2022			2021		
	COST	ACCUMULATED AMORTISATION	CARRYING VALUE	COST	ACCUMULATED AMORTISATION	CARRYING VALUE
Computer Software licences	5 154	(3 879)	1 275	3 628	(3 497)	131

#### Reconciliation of intangible assets - 2022

	OPENING	ADDITIONS	AMORTISATION	TOTAL
	BALANCE	THROUGH TRANSFER		
Computer Software licences	131	1 527	(383)	1 275

A transfer of R1,527 million was made from Infrastructure - work in progress (note 9) for computer software infrastructure project brought into use during the year.

#### Reconciliation of intangible assets - 2021

	OPENING	AMORTISATION	TOTAL
	BALANCE		
Computer Software licences	230	(99)	131

### 9. PROPERTY, PLANT AND EQUIPMENT

	2022			2021		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Buildings	192 855	(53 245)	139 610	190 692	(49 931)	140 761
Plant and machinery	9 250	(7 459)	1 791	8 915	(7 274)	1 641
Furniture and fixtures	18 776	(16 195)	2 581	18 726	(15 625)	3 101
Motor vehicles	38 656	(25 982)	12 674	35 270	(23 747)	11 523
Office equipment	11 120	(5 307)	5 813	5 525	(4 057)	1 468
IT equipment	16 592	(11 151)	5 441	11 969	(9 617)	2 352
Roads and storm water	370 940	(316 123)	54 817	370 940	(311 769)	59 171
Building attachment	10 090	(5 788)	4 302	6 990	(4 883)	2 107
Fencing	75 363	(60 055)	15 308	75 334	(58 551)	16 783
Field equipment	3 586	(2 273)	1 313	3 506	(1 978)	1 528
Infrastructure - work in progress	93 461	-	93 461	39 006	-	39 006
Electricity infrastructure	11 262	(6 657)	4 605	11 226	(6 397)	4 829
Sanitation infrastructure	7 387	(4 061)	3 326	7 375	(3 894)	3 481
Water supply infrastructure	24 063	(13 252)	10 811	24 063	(12 802)	11 261
Total	883 401	(527 548)	355 853	809 537	(510 525)	299 012



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### 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Reconciliation of property, plant and equipment - 2022

	OPENING BALANCE	ADDITIONS	DISPOSALS	TRANSFERS	DEPRECIATION	IMPAIRMENT LOSS	TOTAL
Buildings	140 761	9 321	(5 070)	-	(5 084)	(318)	139 610
Plant and machinery	1 641	576	(39)	-	(387)	-	1 791
Furniture and fixtures	3 101	768	(195)	-	(725)	(368)	2 581
Motor vehicles	11 523	4 375	(148)	-	(3 076)	-	12 674
Office equipment	1 468	5 651	(3)	-	(1 277)	(26)	5 813
IT equipment	2 352	4 765	(12)	-	(1 664)	-	5 441
Roads and storm water	59 171	-	-	-	(4 354)	-	54 817
Building attachment	2 107	3 154	(8)	-	(951)	-	4 302
Fencing	16 783	29	-	-	(1 504)	-	15 308
Field equipment	1 528	88	-	-	(299)	-	1 313
Infrastructure - work in progress	39 006	78 075	-	(23 620)	-	(4)	93 461
Electricity infrastructure	4 829	36	-	-	(260)	-	4 605
Sanitation infrastructure	3 481	13	-	-	(168)	-	3 326
Water supply infrastructure	11 261	-	-	-	(450)	-	10 811
	<b>299 012</b>	<b>106 851</b>	<b>(5 475)</b>	<b>(23 620)</b>	<b>(20 199)</b>	<b>(716)</b>	<b>355 853</b>

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### 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Reconciliation of property, plant and equipment - 2021

	OPENING BALANCE	ADDITIONS	DISPOSALS	TRANSFERS	DEPRECIATION	TOTAL
Buildings	142 168	5 239	(1 165)	-	(5 481)	140 761
Plant and machinery	1 993	249	(28)	-	(573)	1 641
Furniture and fixtures	3 775	409	(14)	-	(1 069)	3 101
Motor vehicles	15 229	530	-	-	(4 236)	11 523
Office equipment	1 742	210	1	-	(485)	1 468
IT equipment	3 217	587	(22)	-	(1 430)	2 352
Roads and storm water	65 246	-	-	-	(6 075)	59 171
Building attachment	2 688	118	(2)	-	(697)	2 107
Fencing	18 997	108	(249)	-	(2 073)	16 783
Field equipment	1 910	63	-	-	(445)	1 528
Infrastructure - work in progress	20 569	23 475	-	(5 038)	-	39 006
Electricity infrastructure	5 156	1	(32)	-	(296)	4 829
Sanitation infrastructure	3 679	-	-	-	(198)	3 481
Water supply infrastructure	11 763	-	(9)	-	(493)	11 261
	<b>298 132</b>	<b>30 989</b>	<b>(1 520)</b>	<b>(5 038)</b>	<b>(23 551)</b>	<b>299 012</b>

#### Pledged as security

No property, plant and equipment is pledged as security

Property, plant and equipment amounting to R23,620 million (2021: R5,038 million) and included in additions was transferred from Infrastructure - work in progress. An amount of R1,87 million (2021: R Nil) was transferred from inventory to property, plant and equipment. Refer to note 3

#### Assets subject to finance lease (Net carrying amount)

IT equipment	35	137
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### 10. SERVICE CONCESSION ASSETS

	2022			2021		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED	CARRYING VALUE
		IMPAIRMENT			IMPAIRMENT	
IT equipment	1 021	(924)	97	1 021	(883)	138
Buildings	31 049	(2 660)	28 389	18 950	(2 145)	16 805
Furniture and fixtures	639	(65)	574	24	(15)	9
Office equipment	458	(288)	170	394	(265)	129
Plant and machinery	550	(414)	136	550	(381)	169
Electricity infrastructure	5 079	(644)	4 435	4 300	(543)	3 757
Building attachments	97	-	97	-	-	-
Sanitation infrastructure	1 203	(40)	1 163	375	(33)	342
Water supply infrastructure	4 025	(377)	3 648	3 001	(318)	2 683
<b>Total</b>	<b>44 121</b>	<b>(5 412)</b>	<b>38 709</b>	<b>28 615</b>	<b>(4 583)</b>	<b>24 032</b>

### Reconciliation of service concession assets - 2022

	OPENING BALANCE	ADDITIONS	TRANSFERS	AMORTISATION	TOTAL
IT equipment	138	-	-	(41)	97
Buildings	16 805	12 099	(101)	(414)	28 389
Furniture and fixtures	9	615	(39)	(11)	574
Office equipment	129	64	-	(23)	170
Plant and machinery	169	-	-	(33)	136
Electricity infrastructure	3 757	779	-	(101)	4 435
Building attachments	-	97	-	-	97
Sanitation infrastructure	342	827	-	(6)	1 163
Water supply infrastructure	2 683	1 025	-	(60)	3 648
<b>Total</b>	<b>24 032</b>	<b>15 506</b>	<b>(140)</b>	<b>(689)</b>	<b>38 709</b>

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### 10. SERVICE CONCESSION ASSETS (CONTINUED)

#### Reconciliation of service concession assets - 2021

	OPENING BALANCE	AMORTISATION	TOTAL
IT equipment	244	(106)	138
Buildings	17 215	(410)	16 805
Furniture and fixtures	11	(2)	9
Office equipment	164	(35)	129
Plant and machinery	226	(57)	169
Electricity infrastructure	3 861	(104)	3 757
Sanitation infrastructure	348	(6)	342
Water supply infrastructure	2 743	(60)	2 683
	<b>24 812</b>	<b>(780)</b>	<b>24 032</b>

#### Concession service arrangements

##### Mthatha dam concession

In 2015 the ECPTA entered into a service concession agreement with Naritasan Koya Trading, trading as Mthatha Dam Amenities (the operator). The overall objective and purpose of the service concession arrangement is whereby the entity has granted the operator the right during the concession period to generate, charge and collect revenues from the operation of Mthatha dam facilities at Luchaba Nature Reserve during the concession period of twenty (20) years, with no renewal option. This facility was donated to ECPTA by the then National Department of Environmental Affairs (now DFFE), as a PFMA Section 42 transfer.

Donated assets to the value of R66,869 million (2021: R56,238 million); and consisting of service concession assets (R37,717 million) and property, plant and equipment (R29,062 million) have been received from the DFFE (formally National Department of Environmental Affairs) by the ECPTA for this project. Service concession assets are maintained by the operator during the concession period; and after expiry of the concession period, the facilities are to be operated by the local community identified as beneficiaries in partnership with the entity.

The concession payments, subject to annual review and payable by the operator are as follows:

- Fixed rental of R85 thousand per annum with escalation linked to the consumer price index payable to the ECPTA;
- Concession fee of four percent (4.00%) of net profit payable to the community development fund; and
- Concession fee of four percent (4.00%) of net profit and fifty percent (50%) of gate takings profit payable to the ECPTA

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### 10. SERVICE CONCESSION ASSETS (CONTINUED)

#### Baviaanskloof Leopard Trail concession

In 2014 the ECPTA entered into a service concession agreement with Another Way Trust (the operator). The overall objective and purpose of the service concession arrangement is whereby the ECPTA has granted the operator the right during the concession period to generate, charge and collect revenues from the multi-day hiking trail in the Baviaanskloof World Heritage Site during the concession period of ten (10) years, with no renewal option. The operator provided tented accommodation prior to the investment in 2021.

In the 2020/21 Infrastructure on the hiking trail was completed (classified as property, plant and equipment) and formally handed to the operator in the 2021/22 financial year for R4, 698 million and duly recorded as Service Concession Assets (see note 10). This facility was funded by the National Department of Tourism. Service concession assets are maintained by the operator during the concession period.

The operator is required to collect a daily permit fee for each hiker as part of the daily permit fee for Baviaanskloof and pay the fees to the ECPTA on a monthly basis. Permit fees will be subject to yearly increases and according to the approved ECPTA tariffs.

### 11. HERITAGE ASSETS

	2022			2021		
	COST	ACCUMULATED	CARRYING	COST	ACCUMULATED	CARRYING
		IMPAIRMENT			IMPAIRMENT	
	LOSSES	VALUE	LOSSES	VALUE		
Land	22 991	-	22 991	22 991	-	22 991

#### Reconciliation of intangible assets - 2022

	OPENING	
	BALANCE	TOTAL
Land	22 991	22 991

#### Reconciliation of intangible assets - 2021

	OPENING	
	BALANCE	TOTAL
Land	22 991	22 991

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### 11. HERITAGE ASSETS (CONTINUED)

#### Heritage assets which fair values cannot be reliably measured

##### Reserve

	ESTIMATED AREA IN HECTARES	ESTIMATED AREA IN HECTARES
Great Fish River Nature Reserve	43 417	43 417
- Comprising of Sam Knott and Double Drift Nature Reserves		
Baviaanskloof Nature Reserve	193 011	193 011
- Comprising of Baviaanskloof Wilderness Area, Stinkhoutberg and Cockscomb		
Formosa Nature Reserve	25 490	25 490
Groendal Nature Reserve	44 877	44 877
The Island Nature Reserve	495	495
Thomas Baines Nature Reserve	2 588	2 588
Waters Meeting Nature Reserve	4 217	4 217
Tsolwana Nature Reserve	7 796	7 796
Mpofu Nature Reserve	10 104	10 104
Fort Fordyce Nature Reserve	2 970	2 970
East London Coast Nature Reserve	3 827	3 827
Hamburg Nature Reserve	1 466	1 466
Dwesa – Cwebe Nature Reserve	5 529	5 529
Hluleka Nature Reserve	4 665	4 665
Silaka Nature Reserve	400	400
Nduli – Luchaba Nature Reserve	518	518
Mkhambathi Nature Reserve	7 736	7 736
Ongeluksnek Nature Reserve	11 540	11 540
Oviston Nature Reserve	1 455	1 455
Commando Drift Nature Reserve	5 746	5 746
	<b>377 847</b>	<b>377 847</b>

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### 11. HERITAGE ASSETS (CONTINUED)

#### Heritage assets measured at cost

##### Details of heritage assets

Heritage assets in the form of various provincial protected areas were transferred to ECPTA by the former Eastern Cape Parks Board. The fair values of these could not be determined due to the nature of ECPTA's activities. The total hectares of ground transferred is estimated at 20 592. For that reason, ECPTA heritage assets acquired from non-exchange transactions could not be recognised in the Annual Financial Statements.

Land purchased by the former Eastern Cape Parks Board to the cost of R 22,991 million was recognised as heritage assets at the fair value of the consideration paid on purchase by the entity.

The nature reserves, including land acquired subsequent to the transfer, comprise the following:

##### Great Fish River Nature Reserve

Comprising of Sam Knott and Double Drift Nature Reserves

5 659

5 659

- 1,605 hectares acquired at cost

##### Baviaanskloof Nature Reserve

Comprising of Sam Knott and Double Drift Nature Reserves

15 534

15 534

- 18160 hectares acquired at cost

##### Mpofu Nature Reserve

827 hectares acquired at cost

35

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### 12. INVESTMENT PROPERTY

	2022			2021		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED	CARRYING	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED	CARRYING
		IMPAIRMENT	VALUE		IMPAIRMENT	VALUE
Investment property	22 554	(2 881)	19 673	22 554	(2 457)	20 097

#### Reconciliation of investment property - 2022

	OPENING BALANCE	DEPRECIATION	TOTAL
Investment property-Buildings	20 097	(424)	19 673

#### Reconciliation of investment property - 2021

	OPENING BALANCE	DEPRECIATION	TOTAL
Investment property-Buildings	20 531	(434)	20 097

#### Pledged as security

There was no investment property pledged as security:

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity.



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### 12. INVESTMENT PROPERTY (CONTINUED)

#### Details of property

Unit 2 Bhisho Business Village	809	876
Tourism House Phalo Avenue	4 421	4 778
Somerset House	160	160
Cape Morgan multi-purpose facility	14 283	14 283
	<b>19 673</b>	<b>20 097</b>

#### Unit 2 Bhisho Business Village:

The property consists of an office block situated in the Bhisho Business Village and transferred to the ECPTA as at 1 July 2010. The building is currently occupied by the Provincial Department of Cooperative Governance and Traditional Affairs. Fair value of the investment property as determined by an independent valuer, P Lindstrom (Registration no 935/7 registered in terms of the Valuers Act No.47 of 2000) is R1,790 million (2021: R1,860 million).

#### Tourism House Phalo Avenue:

The property consists of an office block situated in Phalo Avenue in Bhisho and was transferred to the ECPTA as at 1 July 2010. It is currently being occupied by the National Prosecuting Authority (NPA). Fair value of the investment property as determined by an independent valuer, P Lindstrom (Registration no 935/7 registered in terms of the Valuers Act No.47 of 2000) is R10,720 million (2021: R10,170 million).

#### Somerset House:

The property consists of land with a historically and current dilapidated building situated in Somerset Street in Aliwal North and was transferred to the ECPTA as at 1 July 2010. It is currently not occupied. The property will be valued on completion of renovations that are currently underway.

#### Cape Morgan multi-purpose facility:

The property consists of land with a conference facility in Cape Morgan Bay and transferred from service concession assets in the 2019/20 financial year. The carrying amount at date of transfer was R14,796 million. It is currently not occupied. The property will be valued on completion of related infrastructure in the medium term.

#### Amounts recognised in surplus

Rental revenue from Investment property	1 510	986
<b>From Investment property that generated rental revenue</b>		
Repairs and maintenance	112	102

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### 13. FINANCE LEASE OBLIGATION

**Minimum lease payments due**

- within one year	45	46
- in second to fifth year inclusive	-	111
	45	157
less: future finance charges	-	(9)
<b>Present value of minimum lease payments</b>	<b>45</b>	<b>148</b>

**Present value of minimum lease payments due**

- within one year	45	103
- in second to fifth year inclusive	-	45
	<b>45</b>	<b>148</b>

Non-current liabilities

- 45

Current liabilities

45 103

**45 148**

The entity has considered the following leases as significant

- Equipment located at the East London head office is leased from Konica Minolta South Africa for a period of three years ending 31 August 2020, at a lease rental of R26 thousand per month, with no escalation.
- A new lease rental of R6,5 thousand per month for a period of two years ending 31 August 2022 with no escalation has been entered into.
- Equipment located at nature reserve offices is leased from Bytes Document Solutions for a period of three years ending 31 August 2020, with an option to be extended at the sole discretion of the ECPTA for a maximum period of two years on same terms and conditions, except for a reduction in rental. The lease rental for the equipment is R13 thousand per month, which shall be reduced by seventy five (75%) on extension of the contract. The option to extend was considered with the change in lease rental to R2,6 thousand per month effective from September 2020 to 31 August 2022.

### 14. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	11 019	14 975
Revenue received in advance	3 872	2 010
Other trade payables	28	20
Accrued expense trade	2 026	7 036
Operating lease payments	-	104
	<b>16 945</b>	<b>24 145</b>

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### 15. PAYABLES FROM NON EXCHANGE TRANSACTIONS

Employee benefit obligation	578	729
Salaries and Wages	485	536
Skills development levy	148	141
Accrued leave pay	11 936	11 507
PAYE	300	-
COVID contributions	514	129
Pension and provident	5	3
Medical aid	916	955
	<b>14 882</b>	<b>14 000</b>

The ECPTA, as a schedule 3C Public Finance Management Act (Act 1 of 1999) entity, is required to surrender surplus cash resources to the Provincial Treasury. Historically, the ECPTA has not retained cash to fully back the accrued leave pay accrual in light of this. The Provincial Treasury does however allow a retention based on prior year trends. The cash back portion is equivalent to the prior payments to employees leaving the ECPTA amounting to R1, 2 million (2021: R 785 thousand).

The ECPTA considers that the carrying amount of employee related payables approximates their fair value. The entity's exposure to liquidity risk related to employee related payables is disclosed in note 37.

### 16. SOCIAL RESPONSIBILITY PROJECTS

Social responsibility projects	82	633
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This represents amounts available for social responsibility projects (formerly poverty alleviation projects) which are administered on behalf of the National Department of Forestry, Fisheries and the Environment, refer to note 6.

These projects have been audited by the external auditors.

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### 17. PROVISIONS

#### Reconciliation of provisions - 2022

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	TOTAL
Legal proceedings	135	-	-	135
Professional fees	71	-	-	71
Voluntary Severance Package	577	-	(577)	-
Natural disasters	-	200	-	200
Performance bonus	9 603	6 886	(9 764)	6 725
	<b>10 386</b>	<b>7 086</b>	<b>(10 341)</b>	<b>7 131</b>

#### Reconciliation of provisions - 2021

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	TOTAL
Legal proceedings	165	-	-	(30)	135
Professional fees	130	-	(59)	-	71
Voluntary Severance Package	-	577	-	-	577
Performance bonus	9 631	9 610	(9 638)	-	9 603
	<b>9 926</b>	<b>10 187</b>	<b>(9 697)</b>	<b>(30)</b>	<b>10 386</b>

#### Legal proceedings provisions

The provision on legal proceedings represents management's best estimate of the entity's liability on legal costs relating to the following cases:

Resettlement of people	20	20
Eviction of former employees	30	30
Public liability claim against employees	35	35
Employment dismissal	30	30
Reckless and negligent driving	25	25
	<b>135</b>	<b>135</b>

The actual amounts to be paid will depend on the nature and extent of work performed by the attorneys in the litigation process.

#### Voluntary Severance Package provision

The provision on Voluntary Severance Packages (VSP's) 2022: R nil (2021: R577 thousand) represents the Cost of Employment of employees requesting VSPs effective in the 2021/2022 Financial Year. The applicable applications were approved in March 2021, subject to the availability of funds. The entity experienced higher than average applications in the prior year as a result mainly from circumstances of the Covid-19 pandemic. The VSP payments were made in the year.

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### 17. PROVISIONS (CONTINUED)

#### Professional fees provision

The provision on professional fees represents the remaining proportion of fees anticipated to be paid to the Special Investigation Unit in respect of the special investigation services rendered to the entity. The Special Investigation Unit (SIU) was appointed, pursuant to the Presidential Proclamation to investigate activities surrounding the late President Mandela's funeral in 2013. The SIU have indicated that the report on the investigation has been submitted to the Office of the Presidency.

The report will be released by the Presidency in due course.

#### Performance bonus provision

The provision on performance bonus of R6,7 million (2021: R9,6 million) relates to management's estimate on possible performance payments in terms of the entity's performance management policy. The payments of such bonuses is subject to the availability of funds and dependent on the outcome of performance evaluations which are conducted after year-end.

#### Provision for natural disasters

The provision for natural disasters of R200 thousand (2021: R nil) relates to management's estimate on possible natural disasters such as persistent dry conditions causing fires and excessive rainfall causing flooding. The ECPTA has in prior periods expended monies on fire containment, mainly in the western part of the Province. The effects of climate change are also felt with sporadic and destructive rainfall especially in the Wild Coast region.

### 18. UNSPENT GRANTS AND RECEIPTS

#### Unspent grants and receipts comprises of:

Unspent grants and receipts	2022	2021
DEDEAT - Equitable Share	-	633
DEDEAT - Economic Stimulus Fund	34 038	6 111
DEDEAT - Tourism Relief Fund	-	6 952
SANBI Presidential Youth Employment Intervention	275	-
South African National Biodiversity Institute	-	9
South African National Parks	2 491	2 057
Green Trust	5	5
CATHSSETA	88	99
National Lotteries Commission	420	26
National Department of Tourism	10 209	14 402
DFFE - Environmental Protection and Infrastructure Programme	40 130	81 273
Rhino Impact Bond	204	629
Commission on Restitution of Land Rights	-	207
South African National Roads Agency Limited	288	9 189
African Wildlife Foundation	123	123
Marine and Coastal Management	-	139
	<b>88 271</b>	<b>121 854</b>

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### 18. UNSPENT GRANTS AND RECEIPTS (CONTINUED)

#### Movement during the year

Balance at the beginning of the year	121 854	133 629
Additions during the year	294 771	264 289
Income recognition during the year	(328 354)	(276 064)
	<b>88 271</b>	<b>121 854</b>

See note 25 for reconciliation of grants from National/Provincial Government.

### 19. EMPLOYEE BENEFIT OBLIGATIONS

#### Defined benefit plan

The ECPTA has unfunded defined benefit plans that relates to long service awards and post retirement medical aid benefits.

An actuarial valuation was performed using the Projected Unit credit method.

The amounts recognised in the statement of financial position are as follows:

#### Carrying value

Long service award	(2 073)	(2 366)
Medical aid benefit	(14 377)	(14 150)
	<b>(16 450)</b>	<b>(16 516)</b>

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	16 516	16 487
Benefits paid	-	3 789
Net expense recognised in the statement of financial performance	(66)	(3 760)
	<b>16 450</b>	<b>16 516</b>

Net expense recognised in the statement of financial performance

Current service cost	(9)	(3 655)
Interest cost	2 323	2 257
Actuarial (gains) losses	(2 380)	(2 362)
	<b>(66)</b>	<b>(3 760)</b>

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### 19. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

#### Key assumptions used

Assumptions used at the reporting date:

Long service discount rate	10,00 %	8,90 %
Benefit inflation rate	7,50 %	6,60 %
Medical aid discount rate	11,05 %	14,50 %
General inflation rate	6,55 %	9,60 %
Salary inflation rate	7,55 %	10,60 %
Medical inflation rate	8,55 %	11,60 %

The discount rate has been determined with reference to market yields at the date of the valuation using the yield curve determined by the Bond Exchange of South Africa.

No ill-health retirement assumption was made and it was assumed that all staff will retire at average age 65 (2021: 65 years).

The results of the valuation are sensitive to the assumptions chosen.

The ECPTA, as a schedule 3C Public Finance Management Act, (Act 1 of 1999) entity, is required to surrender surplus cash resources to the Provincial Treasury. Historically, the ECPTA has not retained cash to fully back the employee benefit obligation in light of this. In addition, the Provincial Treasury does not allow a retention of cash for this obligation. The entity, therefore, does not cash back employee benefit obligation.

### 20. REVENUE

Wildlife income	4 674	2 199
Rendering of services	9 207	4 890
Rental income	1 535	1 498
Actuarial gains/losses	2 380	2 362
Interest received - investment	5 611	5 704
Government grants & subsidies	328 354	276 064
Donations	10 661	-
Fines, Penalties and Forfeits	403	178
	<b>362 825</b>	<b>292 895</b>

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### 20. REVENUE (CONTINUED)

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

Wildlife income	4 674	2 199
Rendering of services	9 207	4 890
Rental income	1 535	1 498
Actuarial gains/losses	2 380	2 362
Interest received - investment	5 611	5 704
	<b>23 407</b>	<b>16 653</b>

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

<b>Transfer revenue</b>		
Government grants & subsidies	328 354	276 064
Donations	10 661	-
Fines, Penalties and Forfeits	403	178
	<b>339 418</b>	<b>276 242</b>

### 21. WILDLIFE INCOME

Culling revenue	1 093	1 787
Hunting and fishing income	2 275	34
Live game sales	1 121	215
Venison sales	185	163
	<b>4 674</b>	<b>2 199</b>

### 22. RENDERING OF SERVICES

Accommodation Fees	2 846	1 826
Camping Fees	1 232	595
Concession income	569	31
Commission	91	88
Ecological services income	44	15
Implementers fees	1 876	677
Sundry income	377	217
Conservation fees	1 532	953
Day tours and activities	620	419
Other services	20	69
	<b>9 207</b>	<b>4 890</b>



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### 23. INVESTMENT REVENUE

#### Interest revenue

Bank	5 611	5 676
Interest charged on trade and other receivables	-	28
	<b>5 611</b>	<b>5 704</b>

### 24. DONATIONS

Donations	10 661	-
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The Department of Forestry, Fisheries and the Environment transferred property, plant and equipment R10,541 million (2021: R nil) to the ECPTA as duly required by Section 42 of the PFMA. These assets form part of the Mthatha dam Concession (see note 10). A further R120 thousand was classified as operating expenditure.

### 25. GOVERNMENT GRANTS AND SUBSIDIES

#### Operating grants

DEDEAT - Equitable share	214 133	211 814
DEDEAT - Economic Stimulus Fund	3 694	2 187
DEDEAT - Tourism Relief Fund	6 952	12 048
DFFE - Environmental Protection & Infrastructure Programme	41 143	14 432
South African National Roads Agency Limited	8 901	6 877
South African National Biodiversity Institute	201	42
National Lotteries Commission	406	991
Department of Transport	3 000	-
National Department of Tourism	35 970	11 678
SANBI Presidential Youth Employment Intervention	2 405	-
TERS UIF Covid-19	-	9 327
South African National Parks	2 887	2 669
Marine and Coastal Management	4 460	2 989
Rhino Impact Bond	432	479
CATHSSETA	763	531
Commission on the Restitution of Land Rights	207	-
Sarah Baartman District Municipality (SBDM)	300	-
South African Tourism (SAT)	1 500	-
Dept of Sports, Recreation, Arts and Culture (DSRAC)	1 000	-
	<b>328 354</b>	<b>276 064</b>

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### 25. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### Grants and subsidies

Included in above are the following grants and subsidies received:

Grants	214 133	211 814
Other grants	114 221	64 250
	<b>328 354</b>	<b>276 064</b>

Spending on grants refers to instances where the entity receives the grant and subsequently spends thereon and the revenue is realised on the expenditure incurred. Re-imburements refers to instances where the entity incurs expenditure on the applicable grant and is subsequently re-imbursed.

#### DEDEAT - Equitable share

Balance unspent at beginning of year	633	-
Current-year receipts	213 543	212 447
Conditions met - transferred to revenue	(214 133)	(211 814)
Other	(43)	-
	<b>-</b>	<b>633</b>

#### DEDEAT - Economic Stimulus Fund

Balance unspent at beginning of year	6 111	5 263
Current-year receipts	31 621	4 435
Conditions met - transferred to revenue	(3 694)	(2 187)
Other - Surrender	-	(1 400)
	<b>34 038</b>	<b>6 111</b>

#### DEDEAT - Tourism Relief Fund

Balance unspent at beginning of year	6 952	-
Current-year receipts	-	19 000
Conditions met - transferred to revenue	(6 952)	(12 048)
	<b>-</b>	<b>6 952</b>

#### SANBI Presidential Youth Employment Intervention

Current-year receipts	2 680	-
Conditions met - transferred to revenue	(2 405)	-
	<b>275</b>	<b>-</b>

#### SANBI - GEF 5

Balance unspent at beginning of year	9	-
Current-year receipts	192	9
Conditions met - transferred to revenue	(201)	-
	<b>-</b>	<b>9</b>

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### 25. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### SANParks - GEF 5

Balance unspent at beginning of year	2 057	2 936
Current-year receipts	3 321	1 791
Conditions met - transferred to revenue	(2 887)	(2 670)
	<b>2 491</b>	<b>2 057</b>

#### Green Trust

Balance unspent at beginning of year	5	-
Current-year receipts	-	5
	<b>5</b>	<b>5</b>

#### South African Tourism - SAT

Conditions met - transferred to revenue	(1 500)	-
Other - grant receivable	1 500	-
	-	-

Conditions still to be met - remain liabilities (see note 5 and 18).

#### CATHSSETA

Balance unspent at beginning of year	99	306
Current-year receipts	752	324
Conditions met - transferred to revenue	(763)	(531)
	<b>88</b>	<b>99</b>

#### National Lotteries Commission

Balance unspent at beginning of year	26	1 017
Current-year receipts	800	-
Conditions met - transferred to revenue	(406)	(991)
	<b>420</b>	<b>26</b>

#### Sarah Baartman District Municipality - SBDM

Current-year receipts	300	-
Conditions met - transferred to revenue	(300)	-
	-	-

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## 25. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

### **DFFE - Environmental Protection and Infrastructure Programme**

Balance unspent at beginning of year	81 273	95 705
Conditions met - transferred to revenue	(41 143)	(14 432)
	<b>40 130</b>	<b>81 273</b>

### **Rhino Impact Bond**

Balance unspent at beginning of year	629	1 109
Current-year receipts	6	-
Conditions met - transferred to revenue	(431)	(480)
	<b>204</b>	<b>629</b>

### **Dept of Sports, Recreation, Arts and Culture - DSRAC**

Current-year receipts	1 000	-
Conditions met - transferred to revenue	(1 000)	-
	-	-

### **Commission on Restitution of Land Rights**

Balance unspent at beginning of year	207	207
Conditions met - transferred to revenue	(207)	-
	-	<b>207</b>

### **South African National Roads Agency Limited**

Balance unspent at beginning of year	9 189	-
Current-year receipts	-	16 066
Conditions met - transferred to revenue	(8 901)	(6 877)
	<b>288</b>	<b>9 189</b>

### **Department of Transport**

Current-year receipts	3 000	-
Conditions met - transferred to revenue	(3 000)	-
	-	-

### **African Wildlife Foundation**

Balance unspent at beginning of year	<b>123</b>	<b>123</b>
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### 25. GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### Marine and Coastal management

Balance unspent at beginning of year	139	878
Current-year receipts	3 750	2 250
Conditions met - transferred to revenue	(4 460)	(2 989)
Transfer to grants receivable	571	-
	-	<b>139</b>

Conditions still to be met - remain liabilities (see note 18).

### 26. EMPLOYEE RELATED COSTS

Basic salary	121 782	116 346
Performance bonus	6 761	9 607
Medical aid contributions	12 066	12 267
Unemployment insurance fund	986	878
Skills development levy	148	141
Leave pay provision charge	1 615	1 521
Workmen's compensation	1 757	1 713
Defined contribution plans	17 710	16 588
Overtime payments	4 128	3 769
Car allowance	487	342
Other allowances (relocation and acting)	1 798	865
	<b>169 238</b>	<b>164 037</b>

Included in employee related costs is an amount of R12,951 million (2021: R9,348 million) for projects that are funded outside the provincial fiscus. In addition, included in medical aid contribution is an amount for former employees that enjoy benefits under the defined benefit plan.

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### 27. DEPRECIATION AND AMORTISATION

Property, plant and equipment	20 199	23 551
Investment property	424	434
Service concession assets	690	780
Intangible assets	383	98
	<b>21 696</b>	<b>24 863</b>

Change in estimate - change in economic useful lives.

DEPRECIATION AND AMORTISATION	AS PER REVISED USEFUL LIFE	AS PER ORIGINAL USEFUL LIFE	CHANGE IN ESTIMATE
Property, plant and equipment	20 199	(20 334)	(135)
Investment property	424	(424)	-
Service concession assets	690	(691)	(1)
Intangible assets	383	(485)	(102)
	<b>21 696</b>	<b>(21 934)</b>	<b>(238)</b>

### 28. FINANCE COSTS

Employee benefit obligations	2 323	2 257
Finance leases	7	12
	<b>2 330</b>	<b>2 269</b>

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### 29. GENERAL EXPENSES

Advertising and marketing	18 037	12 271
Animal Costs	324	30
Auction expenses	560	551
Auditors remuneration	2 688	2 448
Bad Debts	-	17
Bank charges	268	273
Board expenses	1 814	1 603
Chemicals	689	504
Cleaning	1 693	3 005
Community projects	142	45
Compliance and law enforcement**	968	1 680
Computer expenses	55	69
Conferences and seminars	1 330	1 357
Consulting and professional fees	8 802	9 209
Consumables	1 347	1 347
Electricity	6 248	5 415
Entertainment	4	6
Fleet	3 496	2 834
Fuel and oil	478	407
Game management *	2 767	1 968
Hire expenses	1 099	637
Insurance	2 236	1 993
Internal audit fees	853	1 800
Lease rentals on operating lease	6 248	5 824
Levies - Buildings	158	180
Medical expenses	13	8
Postage and courier	55	27
Printing and stationery	772	582
Profit or loss on foreign exchange	(21)	(3)
Protective clothing	205	180
Refuse	304	276
Research and development costs	2	248
Royalties and license fees	4 360	3 383
Security	1 370	1 491
Staff relocation	424	25

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### 29. GENERAL EXPENSES (CONTINUED)

Staff welfare	252	106
Subscriptions and membership fees	404	549
Telephone and fax	9 567	10 054
Tourism development	1 380	1 861
Training	2 377	3 070
Travel - local	7 231	6 313
Travel - motor car, accommodation and subsistence	1 621	1 111
Uniforms	1 489	1 613
	<b>94 109</b>	<b>86 367</b>

\*\* Compliance and law enforcement includes expenditure related to the ECPTA biodiversity and conservation mandate (includes Fire prevention, ammunition costs, compliance law enforcement).

\* Game management relates to expenditure in bringing game held for sale into account, includes veterinary and aviation services.

The tables below provide details of the expenditure included in Compliance and law enforcement, and in Game management:

#### **Compliance and law enforcement**

Fire prevention	735	1 485
Ammunition	18	10
Compliance law enforcement	215	185
	<b>968</b>	<b>1 680</b>

#### **Game management**

Rhino security	43	57
Game census	1 303	1 126
Game vet drugs	389	240
Game translocation	1 032	545
	<b>2 767</b>	<b>1 968</b>

### 30. REPAIRS AND MAINTENANCE

Property, plant and equipment	5 087	4 106
Investment property	112	102
	<b>5 199</b>	<b>4 208</b>



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### 31. AUDITORS' REMUNERATION

Fees

2 688

2 448

Auditors' remuneration includes audit fees for projects amounting to R376 thousand (2021: R nil).

### 32. DEBT IMPAIRMENT

Debt impairment

295

163

### 33. CASH GENERATED FROM OPERATIONS

Surplus

68 404

9 772

**Adjustments for:**

Depreciation and amortisation

21 695

24 863

Donations

(10 661)

-

Loss / (profit) on disposal of assets

837

1 216

Impairment deficit

717

-

Debt impairment

295

163

Movements in retirement benefit assets and liabilities

(217)

28

Movements in provisions

(3 255)

460

**Changes in working capital:**

Inventories

1 872

(3 312)

Receivables from exchange transactions

(106)

(324)

Receivables from non-exchange transactions

(972)

61

Payables from exchange transactions

(7 055)

(611)

Payables from non-exchange transactions

1 034

732

Unspent grants and receipts

(33 583)

(11 775)

39 005

21 273

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### 34. OPERATING LEASE

The entity has considered the following leases as significant, where it rents office space:

- Hemipac Investments (Pty) Ltd, a division of SKG Properties Group, in East London, at number 17-25 Oxford Street, Central Business District. Pursuant to a procurement process the landlord was appointed for 3 years with an option to extend for a further period of 2 years from October 2021. At the time of reporting, contractual arrangements had not been finalized. The lease is R507 thousand per month including parking with an escalation of eight percent (8,00%) per annum.
- SKG Africa (Pty) Ltd, in East London, at number 17-25 Oxford Street, Central Business District, for the rental of storage facilities. The lease contract is for a period of 36 months commencing on 01 March 2022 to 28 February 2025, with an option to renew for a further period of two (2) years. The rental amount is R7 thousand including vat with an escalation of eight percent (8,00%) per annum.
- Gana and Dimpo Developers CC in Lusikisiki, in Lungani Drive, Newtown. The lease contract is for a period of twenty four (24) months commencing on 01 November 2019. The rental per month is R21 thousand with no escalation.
- Gana and Dimpo Developers CC in Lusikisiki, in Lungani Drive, Newtown. The lease contract is for a period of thirty six (36) months commencing on 09 February 2022 with an option to renew for a further twenty four (24) months. The rental per month is R33 thousand including parking with an escalation of eight point eight percent (8,8%) in year two and nine point five (9,5%) in year three.

The ECPTA has considered the following leases as significant, where it rents equipment:

- Sanitary equipment located at Head office in East London is leased from Red Alert for a period of three years commencing on 01 October 2017 at a lease rental of R4 thousand per month, with an escalation of 6.7% and 8.3%, after the first and second year, respectively. The contract period ended in September 2020.
- Coffee machines located at Head office in East London are leased from Red Alert for a period of thirty (30) months commencing on 01 April 2018 at a lease rental of R3 thousand per month, with an escalation of 6.7% and 8.3%, after the first six (6) months and eighteen (18) months, respectively. The contract has since ended in September 2020.

Operating leases as the lessor:

#### Minimum lease payments due

- Not later than one year	7 475	1 187
- in second to fifth year inclusive	13 405	99
	<b>20 880</b>	<b>1 286</b>

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### 34. OPERATING LEASE (CONTINUED)

The current year minimum lease payments due in respect of SKG Africa office space amounts are estimated at R6 985 million (not later than one year) and R12 384 million (in second to fifth month), as the contract has not been finalised.

The entity has considered the following leases as significant, where it rents out office space:

- National Prosecuting Authority (NPA) at Tourism House, in Phalo Avenue in Bhisho. The contract was a thirty six (36) months lease, commencing on 01 May 2016. The rental was R82 thousand per month with a six percent (6.00 %) escalation rate on renewal of the lease. The rental amount was adjusted to R85 thousand on 01 December 2018 and the contract ended on 30 April 2019.
- new contract was entered with The National Prosecuting Authority (NPA) during the year. The contract is a thirty six (36) months lease, commencing on 01 May 2019. The rental is R93 thousand per month with a six percent (6.00 %) annual escalation rate. The contract ends 30 April 2022.
- Department of Public Works at Erf 292, Unit 02, Business Village in Bhisho. The contract is a thirty six (36) months lease, commencing on 01 April 2018 with an option to renewal for a further twenty four (24) months. The commencement rental is R22 thousand per month with a six percent (6.00 %) escalation rate at the end of each lease year. The rental is R25 thousand from April 2020. The contract ended on 31 March 2021. A new contract has been signed for a year to March 2022.

### 35. CONTINGENCIES

#### **Contingent liabilities**

Contingent liabilities comprising of damage claims are as follow

#### **Damage claims:**

- Khayaletu Geelbooi v ECPTA:

This is a claim for personal injuries. The ECPTA was served with a letter of demand in which the claimant is claiming R500 thousand for damages. A summon has been issued. The ECPTA is defending the matter through the attorneys appointed by its insurers and is accordingly not in a position to quantify its legal costs. This matter has been dormant over a year as no further steps have been taken by the Plaintiff (K Geelbooi). The total legal fees paid to date amount to R70 539.

- Andre Prinsloo v ECPTA:

This matter relates to a buffalo attack which took place on the Baviaanskloof Nature Reserve on 13 June 2015. The ECPTA is being sued for damages to the amount of R3,089 million. A settlement proposal has been accepted by the Plaintiff and the damages have been quantified. A sum of R900 thousand was served to the Plaintiff's attorneys and their response is still awaited. The ECPTA is defending the matter through the attorneys appointed by its insurers and is accordingly not in a position to quantify its legal costs. An Industrial Psychologist has been appointed, as we have been unable to settle this claim. The Plaintiff is intent on pursuing a substantial claim for loss of income/earning capacity and the head of damage can only be determined once a report is received from an Industrial Psychologist. Plaintiff has passed on and the process of appointing an executor is underway. With the Plaintiff's passing the only claims which now remain are the claim for past hospital and medical expenses with limited general damages claim, and a claim for any past loss of earnings (if same can be proven). The insurers are responsible for the litigation costs. A trial date is awaited.

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### 35. CONTINGENCIES (CONTINUED)

- Vuyisile Diko v ECPTA:

The matter relates to a claim for damages alleged to have occurred when an ECPTA vehicle collided with the plaintiff's stationary vehicle. The ECPTA was served with a letter of demand in which the claimant is claiming R140 thousand for the damages. Summons has been issued and are awaiting a trial date in this matter. The ECPTA insurers are handling the matter and are responsible for the litigation costs. We are awaiting a trial date in this matter.

- Anthony McCune Mortlock v ECPTA:

The matter relates to a claim for bodily injury alleged to have occurred to a client at the Blue Bend Nahoon River beach in February 2018. The plaintiff is claiming an amount of R366 thousand for personal injuries. The ECPTA insurers are handling the matter. A pre-trial conference was recently convened as a precursor to an application for a trial date. The claim is being defended by virtue of the licence that was given by the erstwhile Department of Forestry to the erstwhile East London Municipality for the construction and maintenance of the wooden steps in question. A pre-trial conference was recently convened as a precursor to an application for a trial date. The claim is being defended by virtue of the license that was given by the erstwhile Department of Forestry to the erstwhile East London Municipality for the construction and maintenance of the wooden steps in question. The insurers are responsible for the litigation costs. A trial date is awaited.

#### Contingent assets

Contingent assets comprising of damage claims are as follows:

##### ECPTA v Medbury Farm:

This matter relates to the recovery of animals that crossed over to the neighbouring farm. The ECPTA is demanding the return of the animals, alternatively, payment of the sum of R4 million being the reasonable market value of the animals. Judgement in favour of the ECPTA has been received from the Supreme Court of Appeal. A settlement offer was made by the defendant and the matter stands in court without a trial date. The legal costs paid amount to R2 million.

The Supreme Court of Appeal awarded costs to the ECPTA. At the reporting date these had not been determined and are expected to be in line with costs paid to date of R2 million. The entity expects to recover R500 thousand after the taxing of the bills. A trial date is still awaited, and no legal fees have been paid since 2019.

#### Contingencies summary:

##### Contingent Assets:

ECPTA v Medbury Farm

4 000

4 000

##### Contingent Liabilities:

Khayaletu Geelbooi v ECPTA

500

500

Andre Prinsloo v ECPTA

3 089

3 089

Vuyisile Diko v ECPTA

140

140

Anthony McCune Mortlock v ECPTA

366

366

4 095

4 095

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### 36. RELATED PARTIES

#### Relationships

Controlling entity	Department of Economic Development, Environmental Affairs and Tourism as directed by the MEC as the Executive Authority.
Controlled entities	Coega Development Corporation East London Industrial Development Zone Eastern Cape Development Corporation Eastern Cape Gambling and Betting Board Eastern Cape Liquor Board
National government departments	National Department of Forestry, Fisheries and the Environment National Department of Tourism
Entities with co-management agreements	Dwesa-Cwebe Land Trust Mkhambathi Land Trust
Strategic partnership entities	Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority South African National Biodiversity Institute South African National Parks
Members of key management	Commission on Restitution of Land Rights members of The Board and key management personnel are disclosed in Note 35

#### Related party balance

##### Amounts included in Trade receivable (Trade Payable) regarding related parties

Debt receivable (staff debtors)	63	90
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##### Amounts received from related parties for tourism development programmes

National Department of Tourism	34 810	
Tourism Relief Fund (DEDEAT)	-	19 000
	<b>34 810</b>	<b>19 000</b>

##### Amounts received from related parties for biodiversity conservation projects

National Department of Forestry, Fisheries and the Environment	3 750	2 250
South Africa National Biodiversity Institute	192	394
South African National Parks (Including Environmental Monitoring Programme)	3 321	1 748
South Africa National Biodiversity Institute Youth Employment Integration Programme	2 680	-
	<b>9 943</b>	<b>4 392</b>

##### Amounts received from related parties for skills development programme

Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority	752	752
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### 36. RELATED PARTIES (CONTINUED)

#### Remuneration of management

#### Management class: Board members

2022

NAME	FEES FOR SERVICES AS A MEMBER OF THE BOARD	OTHER BENEFITS RECEIVED	TOTAL
Ms T Putzier - (Acting Chairperson of the Board effective 01 April 2021) - Appointed 01 September 2017 *	208	22	230
Dr N Mzilikazi - (Board Member) - Appointed 01 May 2019	138	-	138
Dr A Baxter - (Board Member) - Appointed 01 May 2019	120	-	120
Mr ZL Fihlani - (Board Member) - Appointed 15 August 2017	123	-	123
Mr L Beville - (Board Member) - Appointed 01 May 2019	87	-	87
Mr TL Lehloesa (Board Member) - Appointed 01 March 2021	90	-	90
	<b>766</b>	<b>22</b>	<b>788</b>

2021

NAME	FEES FOR SERVICES AS A MEMBER OF THE BOARD	OTHER BENEFITS RECEIVED	TOTAL
Ms N Mona - (Chairperson of the Board) - Appointed 01 May 2019 - Resigned 31 March 2021	128	5	133
Dr N Mzilikazi - (Board Member) - Appointed 01 May 2019	170	12	182
Dr A Baxter - (Board Member) - Appointed 01 May 2019	143	10	153
Ms T Putzier - (Board member) - Appointed 01 September 2017 *	143	6	149
Mr ZL Fihlani - (Board Member) - Appointed 15 August 2017	143	12	155
Mr L Beville - (Board Member) - Appointed 01 May 2019	100	10	110
	<b>827</b>	<b>55</b>	<b>882</b>

\* Re-appointed by the Member of the Executive Council with effect from 1 May 2019.

Other benefits include stakeholder engagements and cellphone allowances.

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### 36. RELATED PARTIES (CONTINUED)

#### Audit Committee

2022

NAME	FEES FOR SERVICES		TOTAL
	AS A MEMBER OF THE BOARD	OTHER BENEFITS RECEIVED	
Mr L Mangquku (Chairperson) - Appointed 01 May 2020	119	7	126
Mr S Dzengwa - (Member) - re appointed on 1 May 2020	40	-	40
Mr J Emslie - (Member) - Appointed 01 May 2020	50	-	50
	<b>209</b>	<b>7</b>	<b>216</b>

2021

NAME	FEES FOR SERVICES		TOTAL
	AS A MEMBER OF THE BOARD	OTHER BENEFITS RECEIVED	
Mr L Mangquku (Chairperson) - Appointed 01 May 2020	110	28	138
Mr S Dzengwa - (Member) - re appointed on 1 May 2020	-	-	-
Mr J Emslie - (Member) - Appointed 01 May 2020	48	5	53
	<b>158</b>	<b>33</b>	<b>191</b>

\* Non-remunerated member

Other benefits include stakeholder engagements and cellphone allowances.

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### 36. RELATED PARTIES (CONTINUED)

Management class: Executive management

2022

NAME	BASIC SALARY	BONUSES AND PERFORMANCE RELATED PAYMENTS	POSTEMPLOYMENT BENEFITS	OTHER BENEFITS RECEIVED	TOTAL
Mr V Dayimani - (Chief Executive Officer)	2 358	451	-	69	2 878
Mr J Jackson - (Chief Financial Officer)	1 506	329	218	81	2 134
Ms E Van Den Berg-McGregor - (Executive Director: Biodiversity and Conservation) - Appointed 01 April 2021	1 158	153	167	65	1 543
Ms N Ali - (Executive Director: Corporate Services) - resigned 30 June 2021	396	327	-	263	986
Ms TS Dlamini - (Chief Marketing Officer)	1 314	253	-	61	1 628
Ms M Mahlatsi - (Executive Director: Destination Development) - Appointed 01 October 2021	580	-	84	169	833
Ms Y Roboji - (Executive Director: Corporate Services) - Appointed 01 October 2021	771	-	-	213	984
Ms X Mapoma - (Legal Advisor and Board Secretary)	1 056	153	156	68	1 433
Mr L Oliphant - (Acting Executive Director: Corporate Services) - July to September 2021	211	106	31	51	399
Ms F Mlungu - (Acting Executive Director: Destination Development) - April to September 2021	473	141	74	140	828
	<b>9 823</b>	<b>1 913</b>	<b>730</b>	<b>1 180</b>	<b>13 646</b>



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### 36. RELATED PARTIES (CONTINUED)

Management class: Executive management

2021

NAME	BASIC SALARY	BONUSES AND PERFORMANCE RELATED PAYMENTS	POSTEMPLOYMENT BENEFITS	OTHER BENEFITS RECEIVED	TOTAL
Mr V Dayimani - (Chief Executive Officer)	2 336	389	-	7	2 732
Mr J Jackson - (Chief Financial Officer)	1 730	276	227	7	2 240
Ms TS Dlamini - (Chief Marketing Officer)	1 286	155	-	9	1 450
Ms X Mapoma - (Legal Advisor and Board Secretary)	1 041	139	162	19	1 361
Ms N Ali - (Executive Director: Corporate Services)	1 711	265	-	127	2 103
Dr D Peinke - (Acting Chief Operations Officer) - April 2020 to March 2021	898	136	135	201	1 370
	<b>9 002</b>	<b>1 360</b>	<b>524</b>	<b>370</b>	<b>11 256</b>

Other benefits comprise travel allowance, reimbursements and medical benefits.

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### 37. RISK MANAGEMENT

#### Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The ECPTA has a risk management framework, risk management policy, and risk management committee in place which meets on a quarterly basis and reviews the strategic and operational risk registers. The risk management committee comprises of executive and senior management and reports to the audit and risk committee which in turn reports to the Board.

#### Classification of financial instruments

31 MARCH 2022	AT AMORTISED COST	AT COST	TOTAL
Receivables from exchange transactions	980	-	980
Receivables from non-exchange transactions	3 960	-	3 960
Cash and cash equivalents	101 633	-	101 633
Payables from exchange transactions	(16 945)	-	(16 945)
	<b>89 628</b>	<b>-</b>	<b>89 628</b>

31 MARCH 2021	AT AMORTISED COST	AT COST	TOTAL
Receivables from exchange transactions	1 169	-	1 169
Receivables from non-exchange transactions	2 641	-	2 641
Cash and cash equivalents	148 601	-	148 601
Payables from exchange transactions	(24 145)	-	(24 145)
	<b>128 266</b>	<b>-</b>	<b>128 266</b>

#### Liquidity risk

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset

A significant percentage of the ECPTA's liabilities consist of trade creditors. This relates to goods and services obtained during the normal course of business and is budgeted for. Quarterly cash flow forecasts and expenditure analysis reports enable the entity to ensure that adequate cash will be available to meet its obligations. Cognizance has also been made of the historical deficit of current assets over current liabilities and in the medium term this is not expected to impact the entity's obligations. Liquidity risk is regarded as being low.

Contractual maturities of financial liabilities.

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### 37. RISK MANAGEMENT (CONTINUED)

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date.

31 MARCH 2022	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
Payables from exchange transactions	16 945	-	-	16 945
Social responsibility projects	82	-	-	82
	<b>17 027</b>	<b>-</b>	<b>-</b>	<b>17 027</b>

31 MARCH 2021	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
Payables from exchange transactions	24 145	-	-	24 145
Social responsibility projects	633	-	-	633
	<b>24 778</b>	<b>-</b>	<b>-</b>	<b>24 778</b>

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The ECPTA only deposits cash with the major banks with high quality credit standing. The risk on cash and cash equivalents is thus low. The ECPTA does not operate on a credit basis with customers and a significant portion of trade receivables relate to specific amounts receivable through agreed projects and agreements. A small portion relates to staff debts but this has been mitigated through the creation of an impairment allowance.

Financial assets exposed to credit risk at year end were as follows:

#### Neither past due nor impaired

Cash and cash equivalents	101 633	148 601
Receivables from exchange and non exchange transactions	4 322	2 911
	<b>105 955</b>	<b>151 512</b>

#### Past due and not impaired

Receivables from exchange and non exchange transactions	28	28
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#### Past due and impaired

Receivables from exchange and non exchange transactions	757	462
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### 37. RISK MANAGEMENT (CONTINUED)

#### Market risk

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the ECPTA has no significant interest bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates. All interest bearing assets are included under cash and cash equivalents. These are all short term as they relate to mainly to the transfer payments received from DEDEAT as part of our budgeted grants to be used for operational expenditure.

The sensitivity analysis below has been determined on financial instruments exposure to interest rates at reporting date, assuming the amount of the instrument outstanding is outstanding for the whole year. The analysis, as detailed in the table below was determined by management and indicate a reasonable estimate of the increase / (decrease) on surplus from an increase in interest rates by 100 basis points. There were no changes from the prior year in the methods and assumptions used in preparing the sensitivity analysis:

Cash and cash equivalents	1 016	1 486
Employee benefit obligation	(170)	(172)
	<b>846</b>	<b>1 314</b>

##### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The nature of our business is on a cash basis for revenue received and for expenditure incurred it is all short term trades relating only to the relevant financial year. As a result the impact of market price fluctuations does not impact on the ECPTA.

##### Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The main foreign currency transactions which the entity is exposed to, is the accommodation revenue received from overseas customers. The amounts received are not significant so the currency risk of the entity is regarded as being low.

The ECPTA has a software licencing agreement with a service provider where amounts payable are denominated in US Dollars. A new contract was entered into in the current year for a period 3 years and the currency risk of the entity in relation to the agreement is regarded as being low. Refer to note 38.

##### Capital risk management:

The ECPTA's objectives when managing capital is to safeguard the entity's ability to continue as a going concern. The ECPTA does not enter into any high risk financial instruments and reviews its cash flows on a quarterly basis to ensure that it maintains its ability to operate as a going concern. The mandate of the ECPTA is largely driven by the constitution and by the Provincial Growth and Development Plan and we are thus assured of funding from DEDEAT for biodiversity conservation.

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### 38. COMMITMENTS

Capital expenditure - approved, funded and contracted	53 806	95 505
Goods and services - approved, funded and contracted	3 537	13 332
	<b>57 343</b>	<b>108 837</b>

The committed expenditure relates to outstanding expenditure orders at half-year and will be financed from available resources within a year, as follows:

DEDEAT - Economic Stimulus Fund	23 845	1 710
DEDEAT - Tourism Relief Fund	-	6 941
National Department of Forestry, Fisheries and the Environment	21 990	52 755
National Department of Tourism	10 046	44 863
National Lotteries Commission	-	406
South African National Biodiversity Institute	-	181
South African National Roads Agency Limited	-	208
Own revenue	1 016	633
Marine and Coastal Management	446	874
Rhino Impact Bond	-	266
	<b>57 343</b>	<b>108 837</b>

The ECPTA entered into an agreement with Microsoft for an amount of R7.4 million ( 503 thousand USD) During the year for a period of 3 years. The balance of the contract at the reporting date is R4.9 million (335 thousand USD) and will be funded in the short term.

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### 39. BUDGET DIFFERENCES

The Annual Financial Statements are prepared on an accrual basis of accounting while the budget is on a cash basis. The amounts in the Annual Financial Statements were recalculated from the accrual to cash basis. A reconciliation between the budget and the actual amounts in the statement of financial performance is presented on a comparable basis in the face of the statement of comparison of budget and actual amounts for the year ended 31 March 2022.

Detailed below are explanations of material differences between the budget and actual amounts on a comparable basis. The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters.

#### **Revenue from exchange transactions:**

The under-collection of R1,614 million is mainly from the implementers fees deferred to 2022/23 and the sale of game of R2 million being deferred to 2022/23. The non-collection of implementors fees was due to delays on projects and was offset by other revenue items such as accommodation being above budget.

#### **Other grants:**

The difference of R119,338 million arises from grants received in 2019/20 such as the DFFE - Environmental Protection Infrastructure Programme and NDT-Infrastructure grants which were unspent at year-end and the unspent grants from the previous year. Refer to note 38 for commitments and note 18 for unspent grants.

#### **Grants and subsidies:**

Nil

#### **Compensation of employees:**

The difference of R5,995 million arises mainly from the reduction of R2,9 million for the provision for Performance Bonuses, employee leave provisions of R1,2 Million and Voluntary Severances Packages of R577 Thousand.

#### **Goods and Services:**

The difference of R21,832 million arises mainly for Project funds like DFFE - Environmental Protection Infrastructure Programme and NDT-Infrastructure grants that were not spent.

#### **Capital expenditure:**

The underspending of capital expenditure of R94,505 million arises from grants received for this period such as the Provincial Economic Stimulus Fund (ESF) the DFFE - Environmental Protection Infrastructure Programme grant which was unspent at year-end and the unspent grants from the previous year. Refer to note 38 for commitments and note 18 for unspent grants.

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### 40. SEGMENT INFORMATION

#### General information

##### Identification of segments

The ECPTA is organised and reports to management on the basis of four major functional areas: head office, biodiversity and heritage cluster, game management and recreation cluster and marine and coastal cluster. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

##### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Head Office	Corporate Management Services and Head Office
Biodiversity and heritage cluster	Biodiversity and heritage management
Game management and recreation cluster	Game management and recreation management
Marine and coastal cluster	Tourism and coastal conservation management

##### Segment surplus or deficit, assets and liabilities

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### 40. SEGMENT INFORMATION (CONTINUED)

#### Segment surplus or deficit

2022

	REVENUE FROM NONEXCHANGE TRANSACTIONS	REVENUE FROM EXCHANGE TRANSACTIONS	TOTAL SEGMENT REVENUE	SALARIES AND WAGES	DEPRECIATION AND AMORTISATION	OTHER EXPENSES	TOTAL SEGMENT EXPENDITURE	TOTAL SEGMENT SURPLUS
<b>Revenue</b>								
Head office	160 576	11 882	172 458	87 631	21 006	86 003	194 640	(22 182)
Biodiversity and heritage	82 884	3 906	86 790	36 422	-	7 404	43 826	42 964
Game management and recreation	26 807	3 907	30 714	19 790	690	3 734	24 214	6 500
Marine and coastal	69 151	3 712	72 863	25 395	-	6 346	31 741	41 122
<b>Total</b>	<b>339 418</b>	<b>23 407</b>	<b>362 825</b>	<b>169 238</b>	<b>21 696</b>	<b>103 487</b>	<b>294 421</b>	<b>68 404</b>
<b>Revenue</b>			<b>362 825</b>					
<b>Surplus for the period</b>								<b>68 404</b>

2021

	REVENUE FROM NONEXCHANGE TRANSACTIONS	REVENUE FROM EXCHANGE TRANSACTIONS	TOTAL SEGMENT REVENUE	SALARIES AND WAGES	DEPRECIATION AND AMORTISATION	OTHER EXPENSES	TOTAL SEGMENT EXPENDITURE	TOTAL SEGMENT SURPLUS
<b>Revenue</b>								
Head office	154 433	10 615	165 048	81 924	24 083	80 562	186 569	(21 521)
Biodiversity and heritage	58 497	1 769	60 266	35 591	-	6 670	42 261	18 005
Game management and recreation	27 916	2 479	30 395	18 677	780	2 698	22 155	8 240
Marine and coastal	35 396	1 790	37 186	27 845	-	4 293	32 138	5 048
<b>Total</b>	<b>276 242</b>	<b>16 653</b>	<b>292 895</b>	<b>164 037</b>	<b>24 863</b>	<b>94 223</b>	<b>283 123</b>	<b>9 772</b>
<b>Revenue</b>			<b>292 895</b>					
<b>Surplus for the period</b>								<b>9 772</b>



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### 40. SEGMENT INFORMATION (CONTINUED)

#### Segment assets and liabilities

2022

	INVENTORIES	GAME HELD FOR SALE	RECEIVABLES FROM EXCHANGE AND NONEXCHANGE TRANSACTIONS	PROPERTY. PLANT AND EQUIPMENT	TOTAL SEGMENT ASSETS	TOTAL SEGMENT LIABILITIES
Head Office	2 931	-	4 895	381 218	389 044	-
Biodiversity and heritage	64	1 324	23	21 193	22 604	1 325
Game management and recreation	21	4 394	3	36 090	40 508	4 393
Marine and coastal	322	76	19	-	417	76
<b>Total segment assets</b>	<b>3 338</b>	<b>5 794</b>	<b>4 940</b>	<b>438 501</b>	<b>452 573</b>	<b>5 794</b>
<b>Reconciling items</b>						
Cash and cash equivalents					101 633	-
Finance lease obligation					-	45
Payables from exchange transactions					-	16 945
Payables from non exchange transactions					-	14 304
Social responsibility projects					-	82
Provisions					-	7 131
Employee benefit obligation					-	17 028
Unspent grants and receipts					-	88 271
<b>Total as per Statement of financial Position</b>					<b>554 206</b>	<b>149 600</b>

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### 40. SEGMENT INFORMATION (CONTINUED)

#### Non current assets - Additions

	PROPERTY, PLANT AND EQUIPMENT	SERVICE CONCESSION ASSETS	INTANGIBLE ASSETS	TOTAL
Head Office	1 457	-	-	1 457
Biodiversity and heritage	40 062	4 965	1 527	46 554
Game management and recreation	(16 895)	10 540	-	(6 355)
Marine and coastal	43 663	-	-	43 663
	<b>68 287</b>	<b>15 505</b>	<b>1 527</b>	<b>85 319</b>

The assets and liabilities which have been reported in aggregate are not directly attributable nor can be reasonably allocated to segments. Segmented amounts for these assets and liabilities are not regularly provided to management for the purpose of assessing performance and making decisions about how future resources will be allocated to the various activities of the ECPTA.

2021

	INVENTORIES	GAME HELD FOR SALE	RECEIVABLES FROM EXCHANGE AND NONEXCHANGE TRANSACTIONS	PROPERTY, PLANT AND EQUIPMENT	TOTAL SEGMENT ASSETS	TOTAL SEGMENT LIABILITIES
Head Office	4 803	-	3 792	319 240	327 835	-
Biodiversity and heritage	68	3 207	14	21 193	24 482	3 207
Game management and recreation	21	3 428	2	1 798	5 249	3 428
Marine and coastal	318	127	2	24 032	24 479	127
<b>Total segment assets</b>	<b>5 210</b>	<b>6 762</b>	<b>3 810</b>	<b>366 263</b>	<b>382 045</b>	<b>6 762</b>

#### Reconciling items

Cash and cash equivalents					148 601	-
Finance lease obligation					-	148
Payables from exchange transactions					-	24 145
Payables from non exchange transactions					-	13 271
Social responsibility projects					-	633
Provisions					-	10 386
Employee benefit obligation					-	17 245
Unspent grants and receipts					-	121 854
<b>Total as per Statement of financial Position</b>					<b>530 646</b>	<b>194 444</b>

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### 40. SEGMENT INFORMATION (CONTINUED)

#### Non current assets - Additions

	PROPERTY, PLANT AND EQUIPMENT	SERVICE CONCESSION ASSETS	INTANGIBLE ASSETS	TOTAL
Head Office	1 050	-	-	1 050
Biodiversity and heritage	18 199	-	-	18 199
Game management and recreation	232	-	-	232
Marine and coastal	11 508	-	-	11 508
	<b>30 989</b>	-	-	<b>30 989</b>

The assets and liabilities which have been reported in aggregate are not directly attributable nor can be reasonably allocated to segments. Segmented amounts for these assets and liabilities are not regularly provided to management for the purpose of assessing performance and making decisions about how future resources will be allocated to the various activities of the ECPTA.

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### 41. PRIOR-YEAR ADJUSTMENTS

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

#### Statement of financial position

2021				
	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Receivables from non exchange transactions		2 988	(347)	2 641
Payables from exchange transactions		23 789	356	24 145
Accumulated surplus		297 601	(703)	296 898
		<b>324 378</b>	<b>(694)</b>	<b>323 684</b>

#### Receivables from exchange and non exchange transactions:

It was discovered in the current financial year that staff debts of R2,5 thousand were recovered and had been erroneously omitted. This, as well as receivables from non exchange transactions of R343 thousand in respect of a social responsibility project (YES programme). The administration expenses for YES forms part of the implementers fees that the project pays over to ECPTA. This resulted in the overstatement of receivables from exchange and non exchange by R347 thousand and accumulated surplus by R347 thousand. There is no effect on the accounting policy or estimate due to the error.

#### Payables from exchange transactions:

During the year, an error was identified whereby electricity expenses amounting to R147 thousand were not recorded, due to arrear billing by ESKOM over a number of years at a ECPTA reserve. This resulted in the understatement of operating expenses and trade payables by R147 thousand. There is no effect on the accounting policy or estimate due to the error.

Additional to the above, in the 2020/21 financial year, hunting income received in advance of R205 thousand was erroneously realised to revenue, while the hunting had not yet been conducted. This resulted in the understatement of payables and overstatement of accumulated surplus. The error was corrected to retained earnings in the prior year.

#### Statement of financial performance

2021				
	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Employee related costs		163 773	264	164 037

#### Employee related costs:

During the year, it was identified that some Field Rangers had been erroneously left out from promotion after having passed their assessments. The backpay in respect of the promotion amounted to R264 thousand relating to the 2020/21 financial year. The error resulted in the understatement of prior year employee related costs and accumulated surplus by R264 thousand. There is no effect on the accounting policy or estimate due to the error.

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2021

### 42. GOING CONCERN

The ECPTA, as a Public Finance Management Act listed 3C entity (with the responsible MEC, as the Shareholder, being the Executive Authority), receives an annual grant from the Provincial Government and prepares its budget and Annual Performance Plans based on such grant. The ECPTA also receives, as a small proportion of this grant, cash flow from its own revenue to augment its operations. The ECPTA has also leveraged resources from the International and National sphere and thereby augmenting its operations and capital expenditure. As such the ECPTA is dependent for its continued operation in the foreseeable future on continued Government Grant funding. Management has determined that such funding is reasonably expected to continue and therefore has prepared these Annual Financial Statements on the going concern basis.

### 43. IRREGULAR EXPENDITURE

Opening balance as previously reported	362	-
<b>Opening balance as restated</b>	<b>362</b>	<b>-</b>
Add: Irregular Expenditure - current	5 719	362
<b>Closing balance</b>	<b>6 081</b>	<b>362</b>

#### 2022

The ECPTA awarded a number of bids, in the 2020/21 financial year based on the Provincial Local Economic Development Procurement Framework (LEDPF). The bids had a local authority pre-qualification criterion. The LEDPF was found to be in contravention of National prescripts and regulations. The expenditure of R5.7 million (2021: R nil) on the contracts is therefore deemed Irregular. The ECPTA has commenced with the processes to have the contracts and related expenditure condoned by the Provincial Treasury.

#### 2021

The ECPTA awarded a bid, in the 2019/20 financial year to a bidder for R878 thousand (inclusive of VAT) in contravention of Treasury Regulation 16A 9.1 (d) read with Treasury Instruction 4A of 2016-17. This regulation requires the ECPTA to award bids to tax compliant bidders at the time of award.

The ECPTA subsequently cancelled the contract with the bidder. Pursuant to the cancellation of the contract the bidder, through its attorneys, demanded to be compensated for costs incurred to date. The ECPTA after due consideration and processes settled the claim in the amount of R362 thousand (inclusive of VAT).

The ECPTA had, in the 2021 year, disclosed the settlement as irregular expenditure, as contemplated by the prescripts, as there is causal link between the awarded contract and the settlement. There was the necessary consequence management in terms of the ECPTA Disciplinary Code. The ECPTA pursuant to the Board of Directors approving the Irregular Expenditure at its November 2021 meeting duly submitted the report to Provincial Treasury for Condonation. These outcomes are awaited.

### 44. EVENTS AFTER THE REPORTING DATE

The ECPTA and the Wilderness Foundation, in 2018, entered into a transfer agreement for high value species and parcels of land known as portions of the farms "Bank Kop" and "OnverWacht". In 2019, the process started to transfer the land to the ECPTA, whilst a portion of a farm remained. The Board of Directors, in May 2022, approved that the remaining portion could not be transferred. Whilst the first transfer value was for R2,6 million, the remaining portion could not be determined at the reporting date. The parcels of land and any related infrastructure therein will be accounted for in terms of the applicable GRAP standards on completion of the transfer process.



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