



Eastern Cape
PARKS & TOURISM AGENCY

**ANNUAL
REPORT**
2022/23



ANNUAL REPORT 2022/23

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PART A

General Information



General Information

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External Auditors:	Auditor-General South Africa
Bankers:	First National Bank
Board Secretary:	Ms Xoliswa Mapoma



Board Members



Dr N. Mzilikazi
Chairperson
Member: Exco



Ms P. Loyilane
Deputy Chairperson of Board
Chair: HR and Remuneration Committee



Dr A. Muir
Chair: Biodiversity and Conservation
Committee | Member: Finance and
Investment Committee



Adv S. Mancotywa
Member: Biodiversity and Conservation
Committee | Member: Marketing and
Destination Development Committee



Mr C. Sparg
Chair: Finance and Investment
Committee | Member: HR and
Remuneration Committee
Member: Exco



Ms N. Mxunyelwa
Chair: Marketing and Destination
Development Committee | Member:
HR and Remuneration Committee



Mr L. Beville
Member: Biodiversity and Conservation
Committee



Ms V Mantyi
Member: Finance and Investment
Committee | Member: Marketing and
Destination Development Committee

Abbreviations and Acronyms

AFS	Annual Financial Statements	MTSF	Medium Term Strategic Framework
AGSA	Auditor General of South Africa	NDT	National Department of Tourism
ARC	Audit and Risk Committee	NEM	National Environmental Management Act, 1998 (Act 107 of 1998)
B&C	Biodiversity and Conservation	NR	Nature Reserve
B-BBEE	Broad-Based Black Economic Empowerment	PAES	Protected Area Expansion Strategy
CEO	Chief Executive Officer	PAMP	Protected Area Management Plan
CFO	Chief Financial Officer	PFMA	Public Finance Management Act, 1999 (Act 1 of 1999) (as amended)
CMS	Corporate Management Support	P-MTSF	Provincial Medium Term Strategic Framework [2020 – 2025]
DD	Destination Development	PMU	Project Management Unit
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism	PR	Public Relations
DFFE	Department of Forestry, Fisheries, and the Environment	PSCBC	Public Service Co-ordinating Bargaining Council
ECPTA	Eastern Cape Parks and Tourism Agency	PTSF	Provincial Tourism Safety Forum
ED	Executive Director	RHINO	ECPTA values: Respect, Humility, Integrity, Necessity, Optimism
EPIP	Environmental Protection Infrastructure Programme	SANBI	South African National Biodiversity Institute
EPWP	Expanded Public Works Programme	SAPS	South African Police Services
ESF	Economic Stimulus Fund	SAT	South African Tourism
GRAP	Generally Recognised Accounting Practice	SCM	Supply Chain Management
HCM	Human Capital Management	SMMEs	Small, Medium and Micro Enterprises
IMCT	Information Management and Communication Technology	SoAIM	State of Area Integrity Management
LEDPF	Local Economic Development Procurement Framework	TMP	Eastern Cape Tourism Master Plan (2022-2032)
LTO	Local Tourism Organisation	TR	Treasury Regulations
MEC	Member of Executive Council	WHS	World Heritage Site
METT	Management Effectiveness Tracking Tool	WWF	World-Wide Fund for Nature
MICE	Meetings, Incentives, Conferences and Exhibitions	ZAR	South African currency - Rand





Foreword by the *Chairperson*

The fiscal year under review stands as testament to the fact that the Eastern Cape Parks and Tourism Agency truly values RHINO (Respect, Humility, Integrity, Necessity, and Optimism). These values have underscored the conduct of management and staff in their dealings with one another, the communities within and with whom they work, and with the structures to which they account.

As a Board, we are in an enviable position in that we never have to worry that management are economical with the truth, or that issues are dismissed as beneath our oversight. We can trust that management will even share matters that place them in an awkward position and require admonishing from the Board. This is RHINO in action, and it is in this context that it is my pleasure to present the 2022/23 Annual Report of the Eastern Cape Parks and Tourism Agency (ECPTA).

The strategic plan penned in early 2020 has proven to be robust enough to withstand the completely unexpected and unprecedented challenges we have faced over the past three years. COVID-19. Lockdowns. Travel bans. Business closures. Economic collapse. Budget cuts. Loadshedding. Extreme weather events. Wanton criminality. Xenophobia. Riots. ECPTA has not only survived these challenges but has done so in an exemplary manner. An eighth clean audit is just reward for the unfaltering attention to detail and high standards maintained throughout the Agency.

The strategic outcome towards which ECPTA is committed over the medium-term strategic framework period 2020/21 – 2024/25 is that "Responsible conservation and tourism benefit current and future generations". Three pathways to change are supported by sustained organisational stability and excellence as the four pillars of the ECPTA strategy. As the Board we are proud to report that performance in respect of all four pillars has once again been exceptional.

Many achievements described in this Annual Report are the result of robust partnerships across the spectrum, from service providers to fellow implementing agents, from community structures to private business and landowners. Collaborative efforts have resulted in significant progress in opening the biodiversity economy, with eight transformation sites now custodians of ECPTA game. In 2022/23, ECPTA's stewardship programme prepared and submitted documentation for the addition of 29 824 privately-owned hectares to the declared protected area estate. The successful smart marketing approach initiated during the

pandemic has been the backdrop to several multi-media, multi-stakeholder marketing campaigns. The need to augment inadequate funding from the provincial equitable share allocation saw ECPTA raise around R170 million in additional multi-year grants from other spheres of government and international funders. We, as the Board, are in full support of the ECPTA's intention to continue to build strong alliances with strategic partners. It is a model that we expect will continue to deliver results.



Dr Nomakwezi Mzilikazi
Chairperson of the Board
Eastern Cape Parks and Tourism Agency
3 August 2023



Chief Executive Officer's *Overview*

The year under review will long be remembered as the year of load shedding during which South Africa's triple challenge of inequality, poverty, and unemployment became almost overwhelming. "Do more with less" has been the theme for government planning for the past decade or so.

In 2022/23, ECPTA was required to "do more with even less than before". With funding gaps becoming critical, ECPTA salaries have not kept pace with inflation. Our conservation and tourism infrastructure has become increasingly expensive to maintain, and our tourism competitiveness has come under threat.

The achievement of an eighth consecutive clean audit in this environment has required enormous efforts from all involved. The success of ECPTA is hugely dependent on an organisational culture that refuses to allow setbacks to define us, or challenges to cause us to give up. I am often struck by the resilience and ingenuity of the men and women of ECPTA. The response "it can't be done" is simply not in their vocabulary. It is thanks to this fighting spirit that we lost only three rhinos to poaching; that we retained an average positive media sentiment of 57% compared to the industry standard of 20%; that we managed around 20 multi-year infrastructure projects with a combined value of approximately R205 million; that we supported seven emerging tourism products to

enhance their prospects of success; presented seven tourism investment opportunities to potential investors; the list goes on. Underpinning these successes are the systems and processes that are maintained, managed, and constantly enhanced by the dedicated back-office units. Our achievements of 2022/23 are truly a team effort.

General financial review of the public entity

The final adjusted budget for the 2022/23 financial year was R421.486 million, including other grants and own revenue projections of R171.170 million and R31.148 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 such as the World Conservation Bond (WCB). The statement of financial performance in the financial statements indicates total revenue of R330.953 million (Cash basis of R320.601 million) and expenditure of R320.278 million (Cash basis of R334.069 million) resulting in a surplus of R10.674 million (Cash Basis Deficit R13.468 million).

Unspent conditional grants totalled R116.778 million, higher than the amount of R88.271 million in the previous year. Of the unspent funds, R55.207 million relates to the DFFE – Environmental Protection and Infrastructure Programme, a multi-year project.

Spending trends of the public entity

The ECPTA budgeted for several multi-year projects that commenced in the prior years. The under-expenditure of goods and services on the budget 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 16 of the financial statements provides details of the unspent grants.

The year-on-year increase of 3.6% in personnel expenditure is not comparable to the 2% in 2022. The ECPTA awarded a 1.5% cost of living adjustment together with a once off gratuity during the year under review. Without full 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 decrease in the repairs and maintenance in comparison to the previous year. This decrease exacerbates the chronic under provision for infrastructure in the province.



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. Because 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. Most 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.

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 R114 million of cash balances. This amount consists of:

Bank Account Balances 31 March 2023	Amount R
Main account	2 037 416
Revenue account	40 703
Environmental Protection and Infrastructure Project (EPIP)	56 906 874
Economic Stimulus Fund (ESF)	12 212 404
National Lotteries Commission	10 830
South African Biodiversity Institute (SANBI)	746 319
National Department of Tourism (NDT) Baviaanskloof BKWHS	4 583 955
National Department of Tourism (NDT) Infrastructure	10 505 016
National Department of Tourism (NDT) Tourism Monitors	2 144
National Department of Tourism (NDT) Universal Accessibility	504 900
N2 Biodiversity Offset Project	3 747 882
Rhino Impact Bond	298 178
Youth Environmental Services (YES) Programme	70 280
African Wildlife Foundation	2 400
CATHSSETA	136 699
Environmental Monitors Programme	50 002
Marine Protected Areas (MPA)	945
NEDBANK Green Trust	1 036 049
SANBI Presidential Youth Intervention Programme	945
Wildlife Conservation Bond	17 861 279
BANKSETA	719 919
SANBI GEF-7	2 266 312

Supply chain management

At ECPTA we pride ourselves on maintaining sound governance. For this reason, despite our record of clean audits, we continually seek to improve and enhance our processes to ensure that we sustain fair and equitable supply chain processes. The Auditor-General confirmed in the 2022/23 Financial Year that the ECPTA has incurred irregular expenditure in the amount of R1.706 million. The ECPTA awarded several 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 R1.706 million (2022: R 5.7 million) on the contracts is therefore, deemed Irregular. The ECPTA has made submissions to Provincial Treasury to have the contracts and related expenditure condoned by the Provincial Treasury. Note 37 of the Annual Financial Statements provides further detail

Plans to address financial challenges

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

Acknowledgements

I gratefully acknowledge the guidance and wisdom of both the outgoing and incoming Boards of ECPTA. I would also like to thank the Portfolio Committee on Economic Development, Environmental Affairs and Tourism for their encouragement. The support of the DEDEAT, NDT and DFFE is always appreciated. Finally, I extend my sincere appreciation to my Management Committee and all ECPTA staff for their commitment and dedication – without your boots on the ground, none of our achievements would have been possible.



Vuyani Dayimani
Chief Executive Officer
Eastern Cape Parks and Tourism Agency
3 August 2023

Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General South Africa.

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 F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the ECPTA.

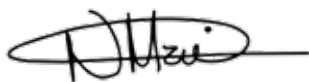
The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 ECPTA for the fiscal year ended 31 March 2023.

Yours faithfully



Dr Nomakwezi Mzilikazi
Chairperson of the Board
Eastern Cape Parks and Tourism Agency
3 August 2023



Vuyani Dayimani
Chief Executive Officer
Eastern Cape Parks and Tourism Agency
3 August 2023

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 We humbly nurture 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.

NCESSITY 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. The same values guide the implementation of our strategic results chain for the Medium-Term Strategic Framework period. ECPTA sees the coincidence of climate change, depressed economic conditions, and a fresh commitment to service delivery as an opportunity to address its mandate priorities in a more integrated manner. The integration of three Pathways to Change is thus fundamental to ECPTA's 5-year Strategy originally tabled in March 2020.

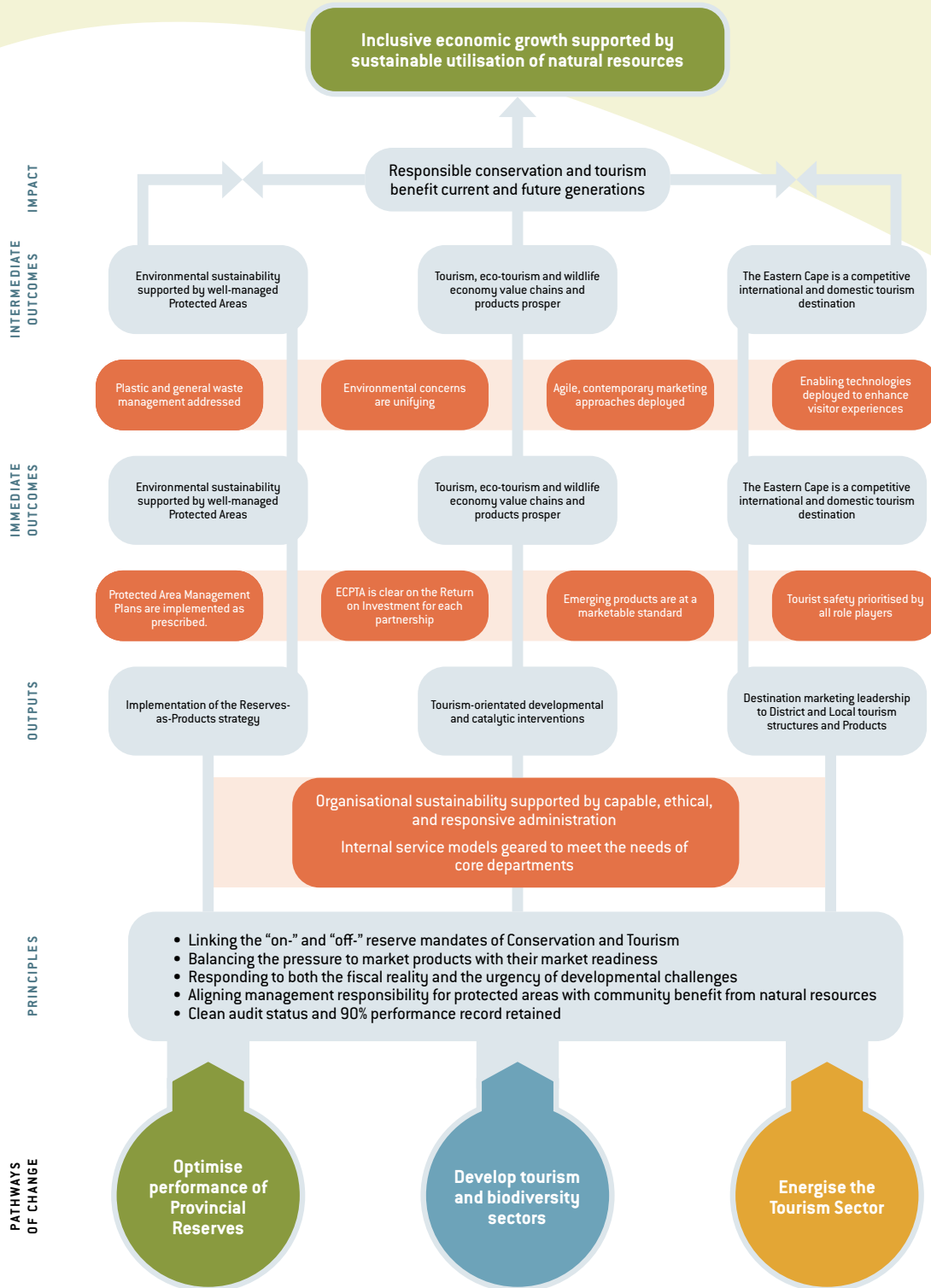
The three pathways to change are considered the pillars of the ECPTA strategy and are supported by attention to organisational stability and excellence.

Achieve organisational sustainability

- **Optimise performance of provincial reserves**
- **Develop tourism and biodiversity sectors**
- **Energise the tourism sector**



Strategic Results Chain



**Intermediate
(Institutional)
Outcomes**

Outcome 1: Adaptive management of biodiversity sustains ecological services.

Outcome 2: Marginalised individuals and communities actively benefit from biodiversity and tourism.

Outcome 3: The province is the premier African destination connecting people to authentic experiences.

Outcome 4: Organisational sustainability supported by capable, ethical, and responsive administration.

Outcome 1: Environmental sustainability supported by well-managed Protected Areas.

Outcome 2: Tourism, eco-tourism and wildlife economy value chains and products prosper.

Outcome 3: The Eastern Cape is a competitive international and domestic tourism destination.

Outcome 4: Internal service models geared to meet the needs of core departments.

**Immediate
(Departmental)
Outcomes**

LEGISLATIVE AND OTHER MANDATES

The ECPTA's founding legislation is the Eastern Cape Parks and Tourism Agency Act, 2010 (Act 2 of 2010). Although 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:

1. Manage biodiversity in protected areas located in the province.
2. Manage tourism in the province.
3. Ensure the effective implementation of its biodiversity management and tourism, and powers and duties granted in terms of this Act and any other law.
4. Ensure excellence in the business and resource management of the ECPTA.

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

Legislative Mandates

Relevant Acts	Key Responsibilities
Cape Nature and Environmental Conservation Ordinance (19 of 1974)	The provincial nature reserves in sections of the former Cape Province were declared under this legislation.
Ciskei Conservation Act, 1987 (Act 10 of 1987) ¹	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.
Disaster Management Act (Act 57 of 2002)	On 15th 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). Extensions to the state of disaster and subsequent regulations determined the movement of people and allowable activities. The country exited the national state of disaster after 750 days on the 5th of April 2022
Eastern Cape Parks and Tourism Agency Act, 2010 (Act 2 of 2010) [under review]	This is the ECPTA's establishment legislation, allowing for ECPTA to (i) develop and manage protected areas (ii) promote and facilitate the development of tourism in the province
Fencing Act, 1963 (Act 31 of 1963) (as amended)	The Fencing Act regulates the rights and obligations of adjacent owners regarding all types of boundary fences
Firearms Control Act, 2000 (Act 60 of 2000)	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
Marine Living Resources Act, 1998 (Act 18 of 1998)	This is the primary legislation governing the management of marine living resources and is applicable to all Marine Protected Areas
National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977)	This legislation governs the building industry and is relevant for all ECPTA infrastructure development projects.

¹ Legacy legislation is still 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

Relevant Acts	Key Responsibilities
National Environmental Management Act, 1998 (Act 107 of 1998)	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)
National Forests Act, 1998 (Act 84 of 1998)	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
National Veld and Forest Fire Act, 1998 (Act 101 of 1998)	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
National Water Act, 1998 (Act 36 of 1998)	This is the primary legislation governing the use of water.
NEM: Biodiversity Act, 2004 (Act 10 of 2004) (as amended)	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
NEM: Integrated Coastal Management Act, 2008 (Act 24 of 2008)	This is the primary legislation governing the management of the coastal areas and prescribes the management of coastal protected areas
NEM: Protected Areas Act, 2003 (57 of 2003)	This is the primary legislation governing the management of protected areas and guides the interpretation of the ECPTA Act (Act 2 of 2010)
NEM: Waste Management Act, 2008 (Act 59 of 2008)	This is the primary legislation governing waste management measures, waste management activities, and reporting on waste impact, including in protected areas
Occupational Health and Safety Act, 1993 (Act 85 of 1993)	This is the primary legislation governing health and safety standards in the context of all work environments.
Public Finance Management Act, 1999 (Act 1 of 1999) (as amended) (PFMA)	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.
Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)	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.
Tourism Act, 2014 (Act 3 of 2014)	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
Transkei Environmental Conservation Decree, 1992 (Decree 9 of 1992) ²	The Eastern Cape is in the process of proclaiming new provincial environmental legislation where the old (pre1994 democracy) ordinances remained relevant. This ordinance governs the management of biodiversity conservation areas in the former Transkei
World Heritage Convention Act, 1999 (Act 49 of 1999)	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

² Legacy legislation is still 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
Khawuleza District Development Model	The district-based coordination model aims to address service delivery and economic development challenges through the synchronisation of planning across all spheres of government, collaborating with 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
2019-2024 Medium Term Strategic Framework (MTSF), including 5-year implementation plan for the National Development Plan (NDP)	The MTSF focuses on the seven priorities of the 6th administration. ECPTA's mandate finds expression across the seven (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
National Tourism Sector Strategy	Contribute to global competitiveness of South African tourism sector through enhanced service levels and responsive product development
National Strategy for Sustainable Development	The strategy defines the imperatives of the South African Government as they relate to the interaction between people, the environment, and the economy
Provincial Medium Term Strategic Framework (P-MTSF)[2020 – 2025]	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 24 February 2023 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
Eastern Cape Tourism Master Plan 2022-2032 (TMP)	ECPTA's tourism marketing and development efforts align to the TMP in seeking to ensure that: 1. infrastructure in the province supports high-quality tourist experience 2. the sector supports a safe and secure environment at all tourist touch points 3. the province is marketed and promoted as a destination that offers unique and high-quality experiences 4. the development and enhancement of skills in the tourism sector are promoted 5. appropriate tourist information is available at all the tourist touch points in the province

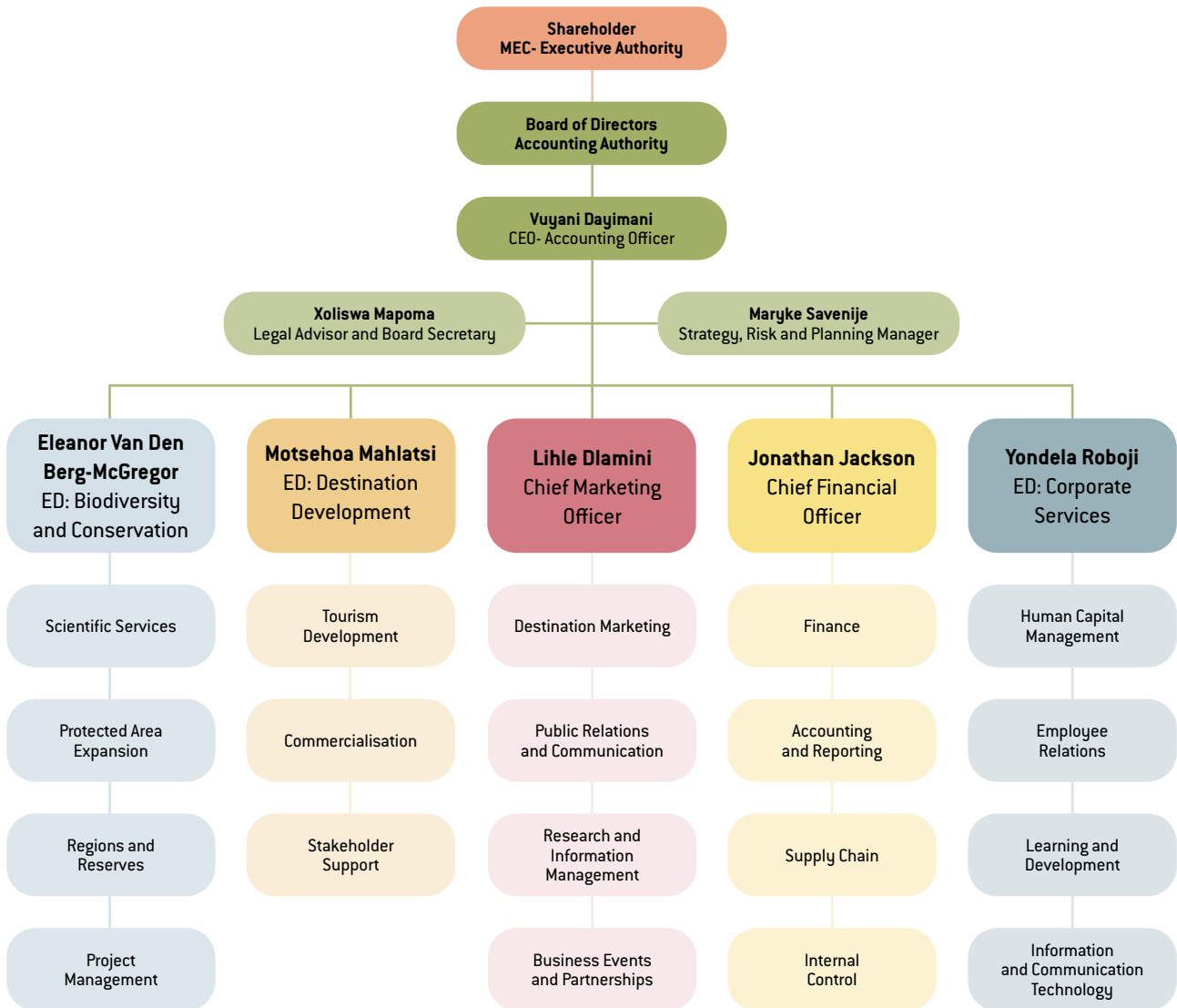
National and Provincial Strategy Documents	Relevance to ECPTA strategy
	<ul style="list-style-type: none"> 6. coordination between local, provincial, and national tourism marketing bodies is improved 7. tourism planning and decision making is informed by accurate, consistent, and up-to-date research information that is aligned to national data standards
Provincial Economic Development Strategy (PEDS)	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
National Biodiversity Economy Strategy (NBES)	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

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"> To retain a clean audit status To adopt an overtly developmental approach to work in communities and with stakeholder groups
Economic transformation and job creation	<ul style="list-style-type: none"> Support new entrants and previously disadvantaged product owners in the conservation and tourism industries to operate in the mainstream as soon as possible Addressing industry blockages (particularly related to red-tape barriers to entry) with relevant stakeholders on a case-by-case basis Collaborate with national and provincial departments that are leading the development of coastal hubs and priority tourism growth points
	<ul style="list-style-type: none"> Facilitate integration of development plans for affected provincial nature reserves into overall development plans Continue to offer internship and learnership opportunities to young tourism and conservation graduates Amplify marketing efforts through increased utilisation of digital and social media platforms
Spatial integration, human settlements, and local government	<ul style="list-style-type: none"> Contribute to the science of conservation Conduct community engagement and awareness campaigns to encourage responsible resource use and decrease poaching Actively implement the agenda of the Provincial People and Parks Programme to ensure biodiversity conservation and economy opportunities are accessed as part of integrated development planning in local municipalities
Social cohesion and safe communities	<ul style="list-style-type: none"> Enhance the ECPTA's Anti-poaching and Reserve Security capability To work with law enforcement / security cluster partners to comply with NEM Act Support the Home of Legends project in establishing important historical sites as tourism products 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 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

ORGANISATIONAL STRUCTURE

Programmes and Sub-programmes



Executive Management



Vuyani Dayimani
Chief Executive Officer



Jonathan Jackson
Chief Financial Officer



Lihle Dlamini
Chief Marketing Officer



Motsehoa Mahlatsi
Executive Director:
Destination Development



Eleanor van den Berg-McGregor
Executive Director:
Biodiversity and Conservation



Yondela Roboji
Executive Director:
Corporate Services



Xoliswa Mapoma
Legal Advisor and Board Secretary



PART 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 conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 135 for the "Report of the Auditor-General", published in Part F: Financial Information.

OVERVIEW OF PERFORMANCE

Service Delivery Environment

While the ECPTA delivers its services exclusively within and on behalf of the Eastern Cape, the factors that impact on how and when services are delivered are influenced by conditions in the country as a whole and the world in general. The changes in delivery modalities and areas of focus brought on by our response to the COVID-19 pandemic continues to impact the work of the ECPTA. While many sectors have returned to normalcy, the environmental and tourism sectors remain vulnerable to the sluggish economic recovery, growing joblessness, and multiplying social stressors.

Provincial Snapshot

- The Eastern Cape is the second largest province, and accounts for 13.9% (16.8966 million hectares) of the total land area of South Africa
- The province is bordered by the Western Cape province to the west, KwaZulu-Natal to the east, Lesotho and the Free State to the north, and the Northern Cape to the northwest
- Administratively, the province has thirty-one (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
- According to the Statistics South Africa (StatsSA) Mid-year population estimates for 2022, the province is home to an estimated 6 676 691 people, which is only 101 people more than estimated in 2021

- While the Eastern Cape remains the fourth most populous province, the proportion of the total South African population living in the Eastern Cape has dropped from 14% in 2002 to 11% in 2022
- Statistics suggest that youth and adults tend to leave the province resulting in the Eastern Cape having the lowest proportion of youth and adults (aged 15 – 59) in the country
- 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

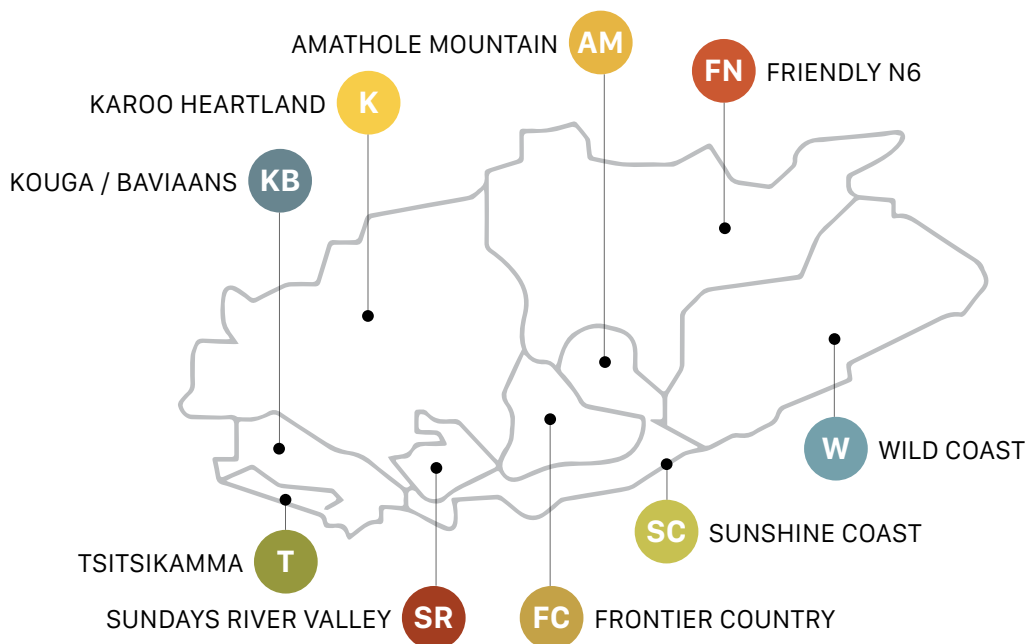
ECPTA’s Provincial Footprint

The ECPTA head office is situated in East London, which is almost equidistant from the eastern and western extents of the province. Two of the three regional offices are located on reserves that are managed by ECPTA in Gqeberha and Mthatha. The third is housed in head office. Satellite offices are located at Lusikisiki and Aliwal North.

ECPTA is the assigned management authority for fifteen (15) provincial nature reserves, including a World Heritage Site. These reserves are distributed across the province, with each regional office being responsible for five (5) reserves.

As the Destination Marketing Organisation for the province, ECPTA takes care to represent the entire province, placing emphasis on promoting experiences that include numerous products. The nine tourism nodes adopted by provincial tourism stakeholders are the fulcrum of marketing campaigns.

Transformation of both the wildlife and tourism sectors is a priority for ECPTA. Consequently, significant efforts are directed towards the support and inclusion of emerging tourism businesses and to contracting eligible landowners to participate in the provincial Game Industry Transformation programme.



Tourism

Tourism has been repeatedly identified as a catalytic sector of both Provincial and National economies due to its multi-sectoral value chain, its low barriers to entry, and its strong labour absorption capacity. It is possibly because of these very attributes, however, that the sector has been so profoundly impacted by the pandemic. The tourism sector, perhaps more than any other, is dependent on the movement of people across the globe and within countries. With the abrupt almost complete cessation of tourism in 2020, the tourism sector was thoroughly weakened.

By late August of 2021, none of the sub-sectors of the tourism industry had yet recovered to pre-pandemic levels. With ongoing international travel restrictions, a slower than optimal vaccine roll-out rate, and a predicted fourth wave in December 2021 / January 2022, the recovery of the tourism sector is expected to be protracted.

The pandemic slowed down "over-tourism" around the world, particularly in Europe, China, and South-East Asia, with the obvious opportunity created for Destination Management Organisations (DMO) in other regions of the world to capture new market share. The opportunity is enhanced by the widely acknowledged need to work for a better and more sustainable tourism future. To take advantage of such opportunities, DMOs must possess the right tools and collaborate with the right partners.

Environmental

The United Nations' Intergovernmental Panel on Climate Change (IPCC) Report, of which the final instalment was released on 20 March 2023, confirms that scientists are observing changes in the Earth's climate in all regions and across the entire climate system. The report indicates

The unpredictability of the economic recovery has, however, exacerbated the impact on the sector in the Eastern Cape, particularly as it is made up in large part by small and marginal businesses. By July 2021, income from accommodation in South Africa was still below half of pre-pandemic levels. The Tourism Business Council of South Africa reports that businesses need on average 54% of their revenue to continue to meet fixed costs. Many small businesses are unable to survive for longer than three months without revenue and have closed in the interim. The stop-start nature of the recovery, a pattern that small and emerging businesses simply cannot sustain, along with a deep contraction in real GDP in 2020, suggested that South Africa's economic and tourism recovery would only reach pre-pandemic levels in 2023.

By the end of 2022, however, an analysis of booking trends and travel behaviour revealed that bookings remained higher than Q4 2021, with a gentler seasonal drop compared with both 2019 and 2020. While international travel into South Africa is yet to recover to 2019 pre-pandemic levels, numbers were 16% higher this past high season versus the prior season. Internal (domestic) travel, on the other hand, declined in market share compared with external origin markets, but was still proportionally greater, remaining at number one.

that some of the climate changes observed are unprecedented and some of that have already been set in motion - such as continued sea level rise - will take hundreds to thousands of years to reverse.

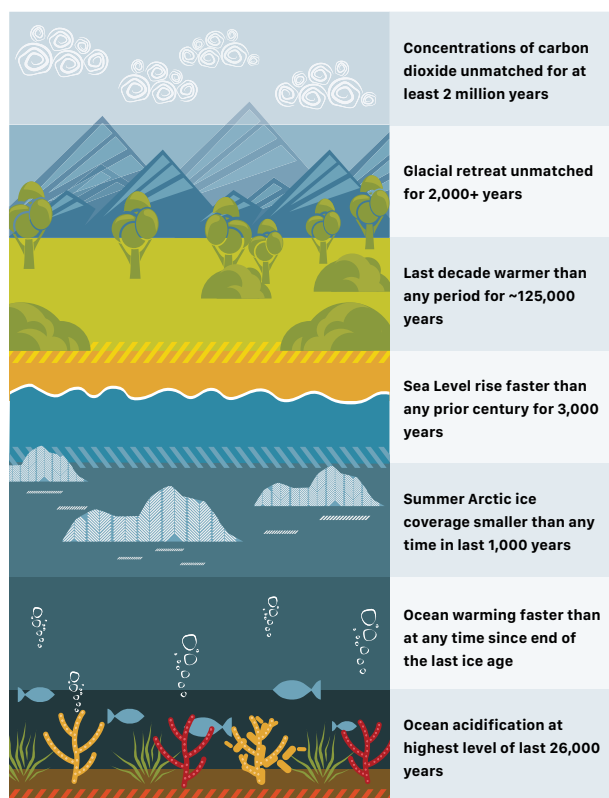


Figure 1: Evidence of global warming already underway
Source: World Resources Institute Summary of IPCC AR6, 15-03-2023

In relation to forecast changes with a medium and high confidence, the IPCC presents the following predictions for the East Southern Africa region, into which the Eastern Cape falls:

- Observed decreases in mean precipitation
- Observed and projected increases in heavy precipitation and pluvial flooding
- Observed and projected increase in aridity, agricultural and ecological droughts
- Observed increase in meteorological drought, projected increase in meteorological droughts from 1.5°C, higher confidence at higher global warming levels
- Projected increases in fire weather conditions
- Increases in mean wind speed; increase of average tropical cyclone wind speeds and associated heavy precipitation and of the proportion of category 4-5 tropical cyclones

The biomes of the Eastern Cape are thus variously susceptible to increased average temperatures, extreme temperatures, rising sea levels, and decreased average rainfall. While the province boasts relatively unspoilt landscapes and coastlines, several threats to biodiversity potentially undermine the otherwise excellent conservation and tourism opportunities. Increasing levels of urban sprawl and poor land use planning, high levels of subsistence poaching, alien and invasive plant infestations, climate change, and poor litter and waste management practises pose a significant threat to biodiversity. Furthermore, it is accepted that the health impacts of climate change are disproportionately felt by the most vulnerable and disadvantaged.

A key mechanism to mitigate climate-related risks, and to protect the health and wellbeing of vulnerable communities, is the expansion of the protected area estate. As at the 18 May 2023, the total Protected and Conservation Area in South Africa stood at 20 422 131.44 Ha, equating to 16.75%. By the end of 2020, 1.195 million hectares (just 7.07% of the terrestrial extent of the Eastern Cape) were declared as protected areas. South Africa's National Protected Areas Expansion Strategy, to which the province contributes, has a national target of 15%.

The various land parcels in the Protected Area database, as well as generally well-maintained natural environments, offer significant ecosystem services, making direct and indirect contributions to human well-being by:

- supplying food, freshwater, and raw materials, such as fibre, timber, and fuel wood
- maintaining soil fertility, crop pollination and water flow
- preventing erosion and supporting climate control
- maintaining genetic diversity amongst species and support species lifecycles
- preserving cultural, historic, and spiritual sites

Organisational Environment

The strategy in respect of which this Annual Report accounts hinges on a clear Strategic Results Chain 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.

To this end, the stability of Executive Leadership offers a solid foundation for the attainment of the institutional performance priorities. This is further strengthened by the continuity offered in the newly appointed Board, of which two members were retained from the previous Board, one member returns after a 2-term absence, one member is a former Audit and Risk Committee chairperson, and another member is a former Executive Director.

Key Policy Developments and Legislative Changes

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.

The following pertinent legislative and policy considerations were noted in advance of the 2022/23 financial year:

1. The gazetting of "The Norms and Standards for the Management of Elephants in South Africa" in terms of section 9 of the National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004).
2. A high-level panel of experts was convened to assist towards formulating a national policy on biodiversity conservation and sustainable use. The report of the high-level panel was published in December 2020, setting out a clear vision and way forward with regards to the management and regulation of five iconic mammal species. However, it also introduces uncertainty with regards to the rationalisation of protected area management authorities. This in turn impacts the ECPTA's ability to attract and retain skilled staff.
3. In June 2021, Statistics South Africa published the National Natural Capital Accounting Strategy, A ten-year strategy for advancing Natural Capital Accounting in South Africa in support of sustainable development objectives. Natural Capital Accounting is potentially a game changer as it assists to quantify the value of functional natural ecosystems.
4. In relation to the ECPTA's engagements with staff, its stakeholders, and the public, ECPTA is conscious of the need to protect personal information. The commencement date for full implementation of the Protection of Personal Information Act (Act 4 of 2013) was 1 July 2021. Related protocols are the subject of internal awareness sessions and are monitored for compliance

Progress Towards Priorities

The assumptions detailed through the Theory of Change 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

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 pandemic recovery, severe weather events, and loadshedding, ECPTA was able to sustain the positive performance record of the past six years, with 91.9% of all Outcome, Output, and Activity

targets achieved in 2022/23. Only 3% of targets were "not achieved". These achievements align directly to the four Intermediate Outcomes as presented below.

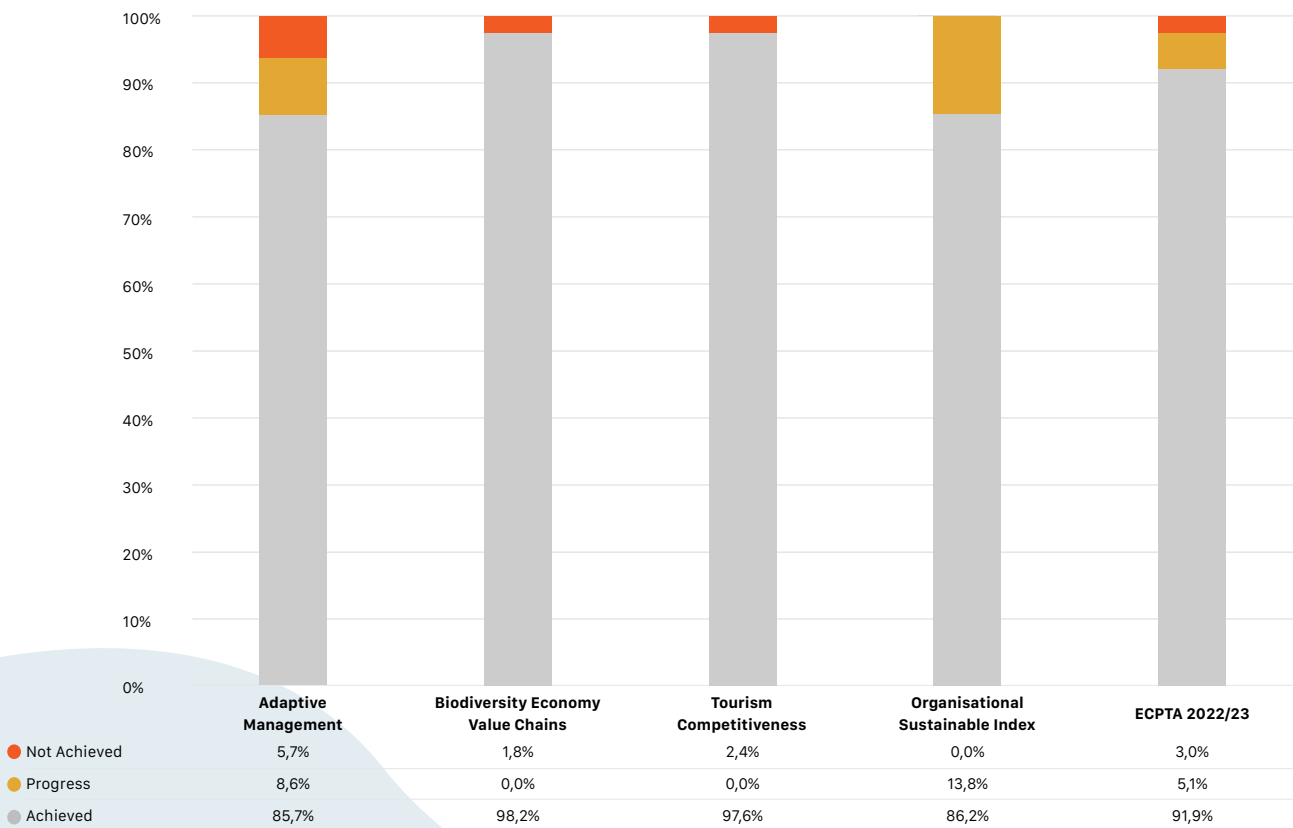


Figure 2: Progress towards achieving Intermediate Outcomes. ECPTA. 2022/23

PROGRAMME PERFORMANCE INFORMATION

Disclosure of Errors in Annual Performance Plan

While the errors identified in the published Annual Performance Plan did not impact performance reporting as they were identified and corrected in Quarter 1, they are listed here to ensure consistency between planning and reporting documents.

Page	Subject	Published (incorrect)	Correct	Impact on performance information
30 31 55	Protected Area Expansion	Inconsistency in naming of indicator: "Protected Area Expansion" on pages 30 and 31, and "Provincial Protected Area Expansion" on pg. 55	"Provincial Protected Area Expansion" used in the Annual Report	None Information correctly reported in Annual Report
35 51	Stakeholder Support	Indicator group incorrectly numbered as 2.4	Indicator group should have been numbered as 2.3 as there were 3 contributing immediate outcomes	None Error identified in Q1 and reported correctly. Error disclosed in every quarterly report
39 40 62	Public relations and communication	Inconsistency in naming of indicator: "Public relations and communication" on pages 30 and 31, and "Public relations and social media" on pg. 62	"Public relations and communication" used in the Annual Report	None Information correctly reported in Annual Report
40 64	Business events and partnerships	Inconsistent naming of outputs in performance tables and Technical Indicator Description (TID)	Destination promotion through events Destination profiling to MICE	None TID naming used in Annual Report (corrected below)
40	Destination promotion through events Destination profiling to MICE	Shows indicator 3.4.1 as the only contributing output to Outcome 3.4 in Q1 and Q4 Shows indicator 3.4.2 as inactive in Q1 and Q4	Output indicators 3.4.1 and 3.4.2 both active throughout the year	None Error identified in Q1 and reported correctly. Error disclosed in every quarterly report
67	Social Dimension	Human Capital Management (HCM) erroneously excluded from APP	HCM forms part of Outcome 4.3: Social Dimension, which consists of seven outputs	None Error disclosed in every quarterly report

A Note on Scores

In keeping with international best practice for performance measurement, ECPTA uses SCORES for all Immediate and Intermediate Outcomes. Outcomes are comprehensive measures that depend on a variety of achievements, often with different units of measure. SCORES allow the ECPTA to configure its performance management framework to provide high-level assessments, to drive behaviour in the desired direction, and to track performance trends. The process is similar to having a quarterly medical check-up, where different metrics (heart rate, blood pressure, mass, etc.) that use different units of measure are combined to establish an individual's health. Each score (or INDEX) is similarly developed to:

- Combine elements that functionally contribute to the same higher-level outcome
- Weight component parts to accurately reflect the true drivers of performance, their relative importance, and their influence on the achievement of higher-level targets
- Offer easily understood and visually compelling insight into compound situations
- Provide accessible management information required to identify and address underlying problems

Scores are calculated through the accumulation of lower-level performance of contributing activities and outputs. A maximum score is 100, and a minimum score is zero. As 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, both at lower and higher levels of performance.

The annual scores for Intermediate and Immediate Outcomes are calculated by adding the weighted contributing scores.

In addition to achieving the Score / Index targets, Units and Departments are expected to achieve 90% or more of their active indicators over a particular period.

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.

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 Plan); 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.

In 2022/23, ECPTA was responsible for 198 indicators across its three plan levels (Strategic, Performance and Operational), including 125

activity indicators, 54 output indicators, 15 immediate outcome indicators and 4 intermediate outcome indicators. The targets for 182 indicators were either achieved or exceeded, yielding an overall achievement rate of 91.9%. This compares to an overall achievement rate of 89.4% in 2020/21 and 94.5% in 2021/22.

In respect of the nineteen (19) Immediate and Intermediate Outcome Indicators presented in the Strategic and Annual Performance Plans, all were achieved at or above the 90% threshold, resulting in an APP success rate of 100%.

Intermediate Outcome Indicator (short title)	Annual Performance		
	Planned	Actual	Result
Immediate Outcome Indicators			
1. Adaptive Management	90	96.5	Achieved
1.1 Biodiversity Decision Support	90	96.0	Achieved
1.2 Provincial Protected Area Expansion	90	100.0	Achieved
1.3 Protected Area Management Plan Implementation	90	94.8	Achieved
1.4 Projects Implementation	90	95.4	Achieved
2. Biodiversity Economy Value Chains	90	99.9	Achieved
2.1 Tourism Value Chain Support	90	100.0	Achieved
2.2 Biodiversity Economy: Tourism	90	100	Achieved
2.3 Stakeholder Support	90	99.5	Achieved
3. Tourism Competitiveness	90	99.2	Achieved
3.1 Destination Marketing	90	98.0	Achieved
3.2 Public Relations and Communication	90	100.0	Achieved
3.3 Research and Information Management	90	100.0	Achieved
3.4 Business Events and Partnerships	90	100.0	Achieved

Immediate Outcome Indicators	Planned	Actual	Result
4. Organisational Sustainability Index	90	97.9	Achieved
4.1 Reputation Dimension	27	30.0	Achieved
4.2 Financial Dimension	32	33.8	Achieved
4.3 Social Dimension	18	19.1	Achieved
4.4 Security Dimension	14	15.0	Achieved

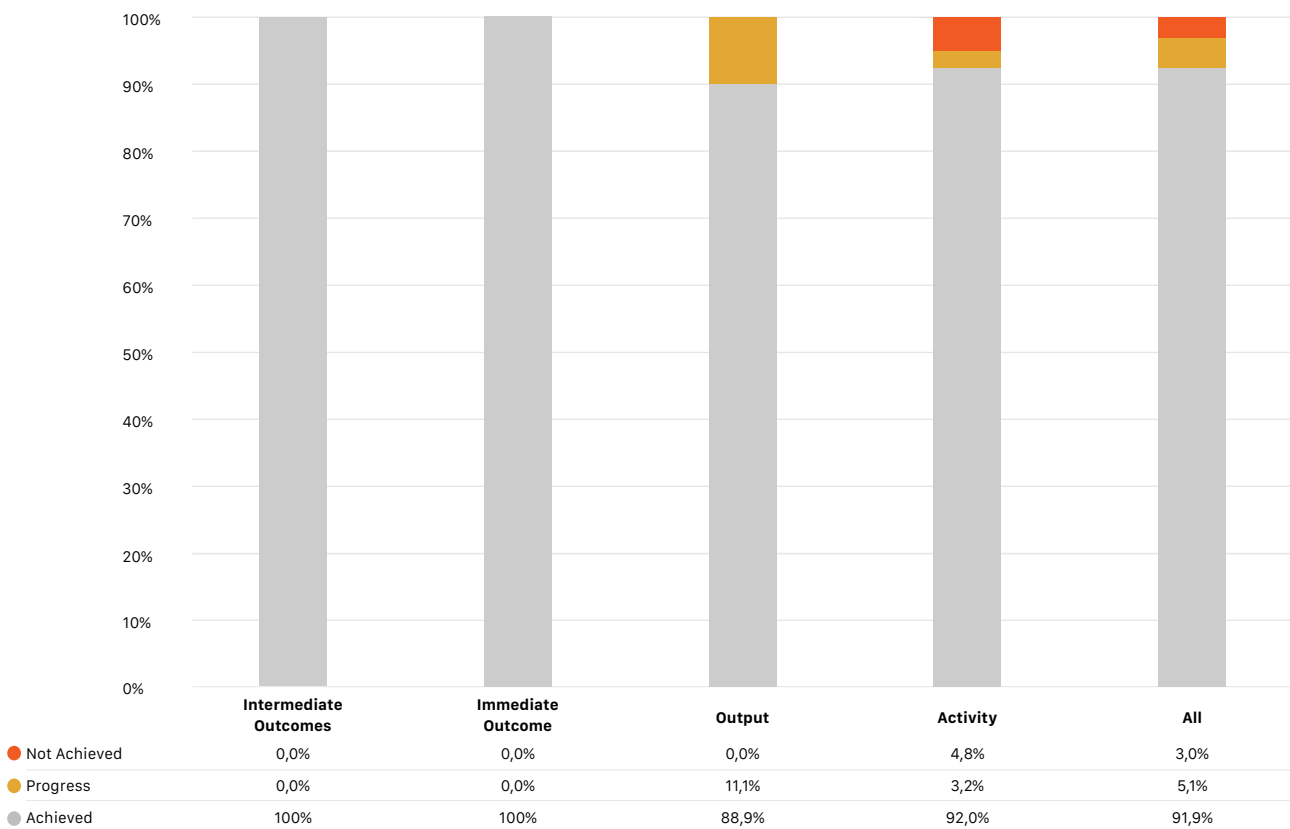


Figure 3: Graphic representation of overall performance by Indicator Level in 2021/22

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 third Annual Performance Plan of the MTEF period. ECPTA did not re-table the Annual Performance Plan in the year under review. Year-on-year changes in achievement rates are illustrated below:

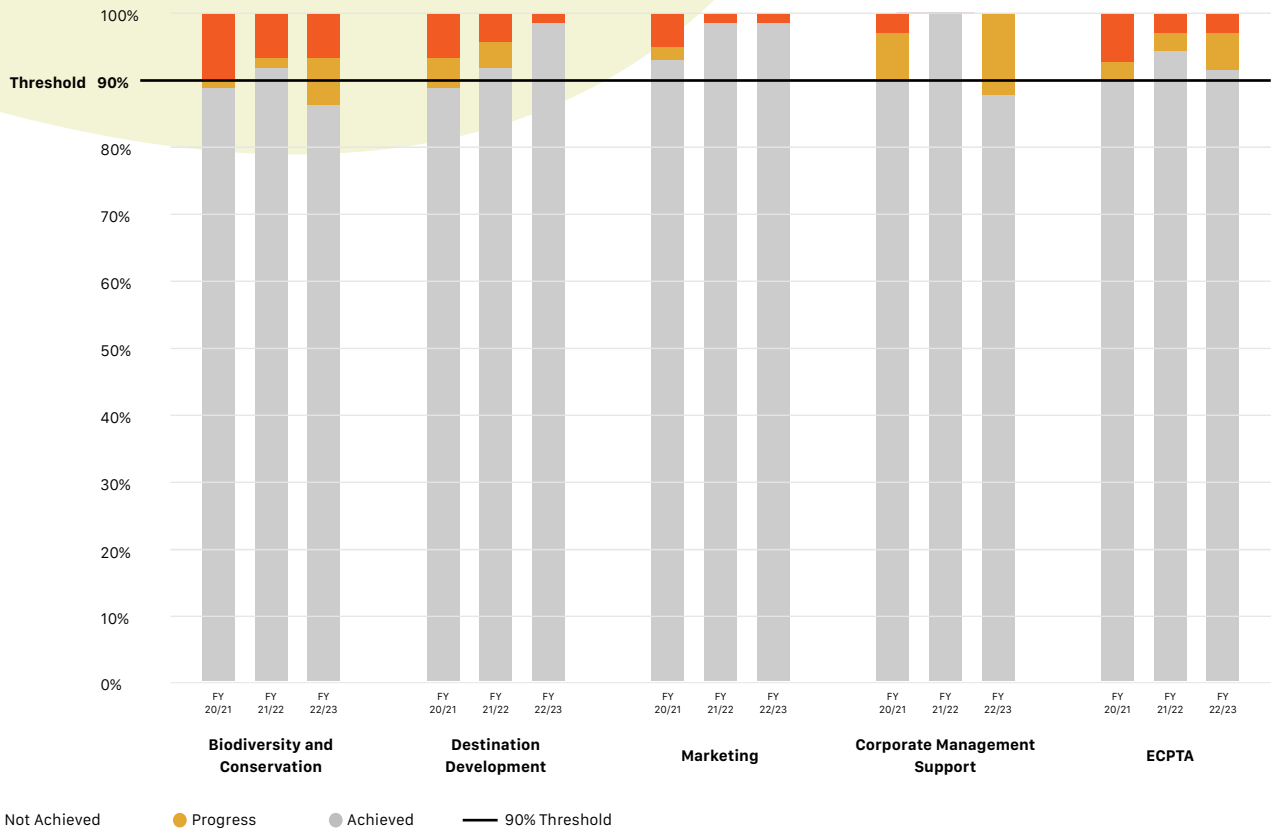


Figure 4: Comparative year-on-year analysis of Programme performance

PROGRAMME 1: BIODIVERSITY AND CONSERVATION

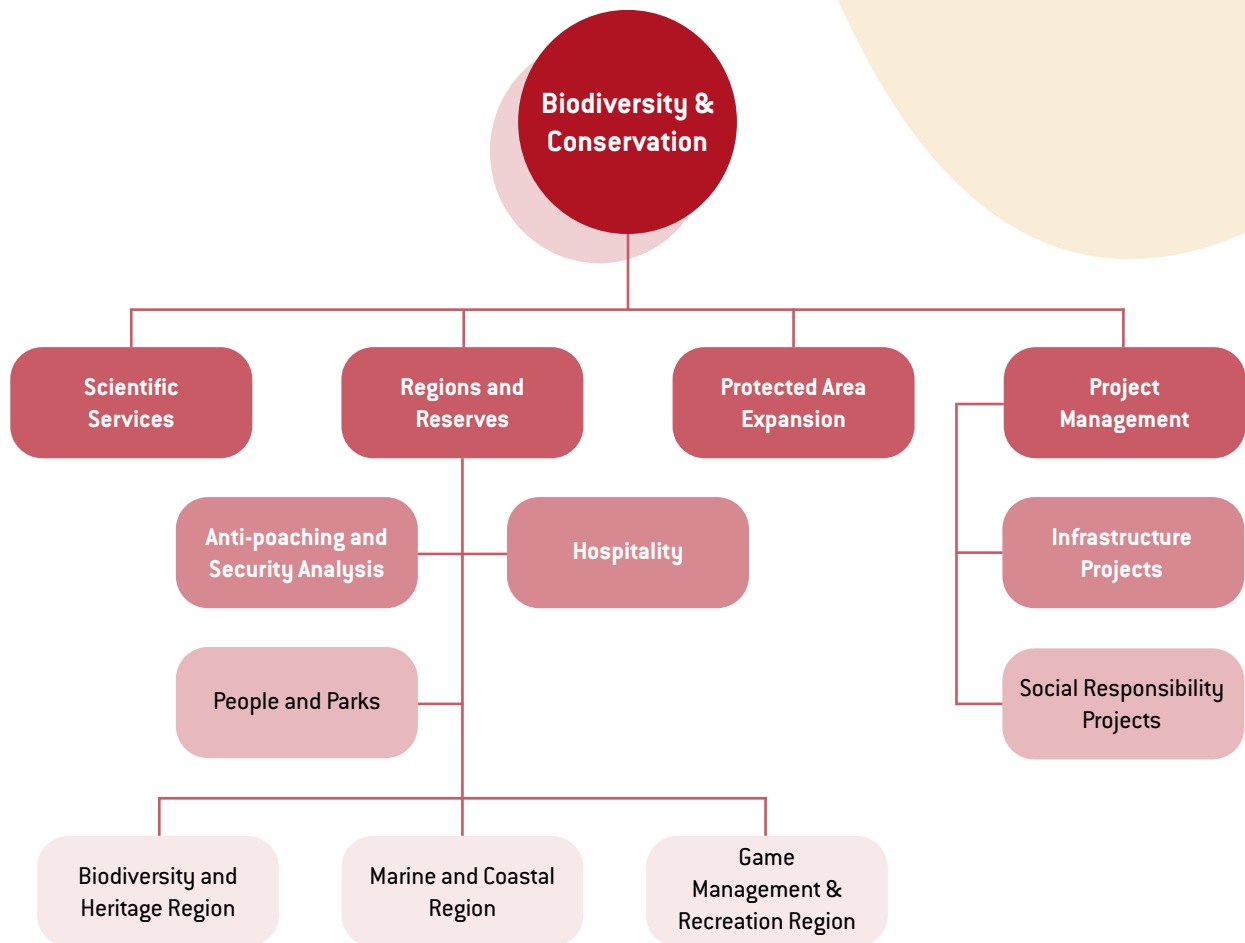
The Biodiversity and Conservation Department is home to Biodiversity Conservation and Reserve Operations. The units within the programme combine to ensure that the natural biodiversity of these areas is protected for current and future generations. The three regions each include five reserves that are 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

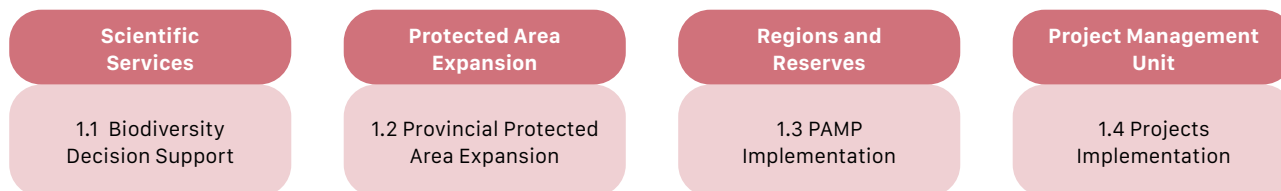
Adaptive management of biodiversity sustains ecological services

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	20%
		1.1.2 Biodiversity Monitoring	30%
		1.1.3 Ecological Planning	25%
		1.1.4 Wildlife management and game industry transformation	25%
1.2 Provincial Protected Area Expansion	15%	1.2.1 Stewardship Programme	50%
		1.2.2 Integrated Planning Support	50%
1.3 Protected Area Management Plan (PAMP) implementation	35%	1.3.1 Conservation Management	80%
		1.3.2 Reserves Tourism Management	10%
		1.3.3 People and Parks ³	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:



³ 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 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation ⁴ 2022/23	Reasons for deviations
Adaptive management of biodiversity sustains ecological services	100 (score)	96.0 (score)	90 (score)	96.5 (score)	+ 6.5 (points)	All underlying immediate outcomes achieved

Table 2: Immediate Outcomes: Adaptive management of biodiversity sustains ecological services

Intermediate Outcome	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
1.1 Biodiversity Decision Support	3 (index score)	100 (score)	90 (score)	96 (score)	+6 (points)	Most underlying output targets achieved
1.2 Provincial Protected Area Expansion	96.9 (score)	94.1 (score)	90 (score)	100 (score)	+ 10 (points)	Both output targets exceeded
1.3 PAMP Implementation	98.5 (score)	95.8 (score)	90 (score)	94.8 (score)	+ 4.8 (points)	Output targets met or exceeded
1.4 Projects Implementation	89.7 (score)	93.9 (score)	90 (score)	95.4 (score)	+ 5.4 (points)	Both output targets met or exceeded

4 Actual vs Target

Sub-programmes

Table 3: Output Indicators: 1.1 Biodiversity Decision Support⁵

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation ⁶ 2022/23	Reasons for deviations
1.1.1 Biodiversity Research	30 (score)	30 (score)	18 (score)	20 (score)	+ 2 (points)	All underlying activity targets achieved
1.1.2 Biodiversity Monitoring	40 (score)	40 (score)	27 (score)	30 (score)	+ 3 (points)	All underlying activity targets achieved
1.1.3 Ecological Planning	30 (score)	30 (score)	23 (score)	25 (score)	+ 2 (points)	All underlying activity targets achieved
1.1.4 Wildlife management and game industry transformation	Changed 80/90	Moved 76.5 (score)	23 (score)	21 (score)	-2 (points)	Three underlying activity targets not achieved (see pg. 30)

The Scientific Services Sub-programme's outputs and activities are carefully planned to compliment and support the management of the protected area estate as per the ECPTA's mandate. Targets for activities underpinning the four (4) Outputs are detailed in the Sub-programme's operational plan. These are weighted according to their contribution to the achievement of Outputs and the consequence of failure. Achievements against these four indicators accumulate to an overall score for Biodiversity Decision Support.

1.1.1 Biodiversity Research

- Establish priority research agenda
 - To guide adaptive management of provincial nature reserves, ECPTA undertakes to periodically identify priority research needs for each of the nature reserves. Priority research needs for each of the ECPTA nature reserves were reviewed and updated accordingly for the 2022/23 fiscal year.
 - Priority research needs for each of ECPTA nature reserves were reviewed, updated, and approved
- Research to fill identified knowledge gaps
 - The target of three research products was achieved, with the following research reports / publications generated in 2022/23:
 - The reptiles and amphibians of the Mpofu-Fort Fordyce Nature Reserve complex in the Winterberg Mountains, Eastern Cape Province, South Africa (published paper)
 - Population biology and ecology of buffalo in the Great Fish River NR (ongoing study)
 - Vegetation ecology of Oviston and Commando Drift Nature Reserves (ongoing study)

⁵ Per Technical Indicator Description: ECPTA Annual Performance Plan 2022/23-2024/25 | March 2022 | Page 54

⁶ Actual vs Target

- Manage External Research on Reserves
 - A register of external (and internal) research applications is maintained by the Scientific Services Sub-programme
 - 12 external research applications were received and processed in accordance with the approved research policy
 - Six applications were finalised by year-end, while six were still under consideration.
- Develop systems to support conservation
 - Black Rhino Minorng Protocol
 - Alien Plant reporting template
 - ECPTA secured a Marine Research permit
 - A grievance redress mechanism was developed for the Wildlife Conservation Bond Project
- New taxon Inventories developed
 - 13 taxon inventories were completed during the 2022/23 financial year for the following nature reserves:

1. Tsolwana Plant list	8. Mammal list for Bosnek
2. Bird list for Cycad Nature Reserve	9. Reptile list for Bosnek
3. Mammal list for Cycad nature Reserve	10. Amphibian list for Stinkhoutberg
4. Amphibian list for Cycad Nature Reserve	11. Bird list for Stinkhoutberg
5. Reptile list for Cycad Nature Reserve	12. Mammal list for Stinkhoutberg
6. Amphibian list for Bosnek	13. Reptile list for Stinkhoutberg
7. Bird list for Bosnek	

1.1.2 Biodiversity Monitoring

- Ecological Monitoring conducted
 - Information on fires that occurred in the Protected Areas in the 2022/23 fiscal year was collected and collated into an organisational advisory report for the calendar year.
 - In addition, two detailed fire monitoring reports were compiled for the Baviaanskloof cluster and Formosa Nature Reserves.
 - One organisational fire management report was compiled.
- 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 the 2022 calendar year. Seven black rhinoceros population status and monitoring reports were compiled.
 - Other priority taxon monitoring reports concluded were:
 1. Monitoring report for leopard (*Panthera pardus*) in the Baviaanskloof World Heritage Site
 2. Line fish monitoring for the Dwesa-Cwebe Marine Protected Area
 3. Rocky shore Monitoring report for Amathole Marine Protected Area
 4. Estuary Monitoring Programme
- 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 Q2 and 3 with the detailed report complete in Q3.

- Monitor Annual Game off-takes
 - Game off-takes are conducted per the Board-approved recommendations over the first three quarters of each fiscal year.
 - Hunting, culling, and translocation operations were monitored and actual off takes recorded monthly.

1.1.3 Ecological Planning

- Subsidiary Management Plans
 - The Sub-programme was responsible for developing the Thomas Baines Alien Invasive Plant Management Plan.
- Annual Game Management recommendations
 - The Board approved the Large Mammal Management Recommendations for the 2023 fiscal year during third quarter (Q3), allowing time for preparatory work ahead of the 2023 off-take season.

1.1.4 Wildlife management and game industry transformation

The Wildlife Management and Game Industry Transformation programme deals with the management of Game on the Conservation Estate and the Agency's contribution to the transformation of the Wildlife Industry in the province.

- Wildlife Management
 - The goal for 2022/23 was to remove at least 90% of the animals approved for removal in this financial year. A secondary target was to generate R6 million in revenue from wildlife management activities.
 - Unfortunately, only 34% of the animals to be removed were successfully removed. This was due to delays caused by an instruction issued by National Treasury in February 2022 which indicated that all tenders advertised on or after the 16 Feb 2022 be held in abeyance and that no new tenders be advertised. This interrupted and delayed the procurement of a suitable culling service provider and by the time the procurement process was concluded animals were already heavily pregnant and starting to lamb. ECPTA was consequently left with no choice but to cancel the external culling.
 - The live sale of game, internal culling, and hunting programmes were all successfully implemented, ensuring that ECPTA successfully generated R5.263 million in revenue.
- Game Transformation Programme:
 - The ECPTA's game transformation programme aims to increase representation and participation of previously disadvantaged individuals and groups within the wildlife industry by facilitating access to game, and the necessary skill
 - ECPTA maintains a WhatsApp group for transformation candidates and information, opportunities and experiences are shared on this group.
 - ECPTA also facilitated a physical meeting of the Wildlife Industry Transformation Forum and maintains an up-to-date database of stakeholders and potential candidates.
 - Most importantly, ECPTA successfully delivered 104 animals to two contracted custodianship sites in the province. One of these was a first-time recipient and brings the total number of project sites in the province to eight (8)
 - All eight (8) properties are monitored, and an annual report is prepared on their progress and performance.

- ECPTA is second only to SANParks in terms of the number of animals contributed towards the National Biodiversity Economy Programme in the 2022/23 financial year
- Unfortunately, the Agency did not achieve its target for the contracting of a new project site, but an expression of Interest has been publicised and it is anticipated that a new project site will be contracted early in the next financial year

Sub-programme: Provincial Protected Area Expansion

Table 4: Output Indicators: 1.2 Provincial Protected Area Expansion⁷

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation ⁸ 2022/23	Reasons for deviations
1.2.1 Stewardship Programme	50 (score)	45.7 (score)	45 (score)	50 (score)	+ 5 (points)	All underlying activity targets achieved
1.2.2 Integrated planning support	50 (score)	48.4 (score)	45 (score)	50 (score)	+ 5 (points)	All underlying activity targets achieved

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.

1.2.1 Stewardship programme (implementation)

- Expand the provincial protected area estate
 - 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
 - Required documentation for the addition of 29 824 hectares to the protected area estate was prepared and submitted

⁷ Per Technical Indicator Description: ECPTA Annual Performance Plan 2022/23-2024/25 | March 2022 | Page 55

⁸ Actual vs Target

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) to ensure ECPTA programmes and plans are mainstreamed into provincial and municipal plans
- Participate in priority Environmental Impact Assessment processes
 - In general, the types of proposals interacted with included residential development, fencing, sand mining, wind energy development, and tourism infrastructure developments.
- Update Protected Area Management Plans
 - The National Environmental Management: Protected Areas Act (Act 57 of 2003) (NEM: PAA) - section 39 - 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
 - Two management plans were reviewed during the 2022/23 financial year as planned
- Preparation of Protected Area Expansion Strategy (PAES) for the Eastern Cape
 - The Eastern Cape PAES was approved by the board opening the way for the initiation of the peer review process and of approaching the MEC: DEDEAT for possible gazetting of the Eastern Cape PAES

Sub-programme: Regions and Reserves

Table 5: Output Indicators: 1.3 Protected Area Management Plan (PAMP) implementation⁹

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation ¹⁰ 2022/23	Reasons for deviations
1.3.1 Conservation Management	90 (score)	76.97 (score)	72 (score)	76.4 (score)	+ 4.4 (points)	Two underlying activity targets only partially achieved (see pg. 32)
1.3.2 Reserves Tourism Management	8.3 (score)	9 (score)	9 (score)	8.4 (score)	-0.6 (points)	One underlying activity target not achieved (see pg. 33)
1.3.3 People and Parks	Changed 18.5/18 (score)	9.9 (score)	9 (score)	10 (score)	+ 1 (points)	All underlying activity targets achieved

⁹ Per Technical Indicator Description: ECPTA Annual Performance Plan 2022/23-2024/25 | March 2022 | Page 56

¹⁰ Actual vs Target

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 reporting to the Regional Manager.

The ECPTA is responsible for the management of all provincial protected areas, which is 596 000 ha in extent, made up of 423 000 terrestrial hectares and 173 000 ha of Marine Protected Areas. Within these areas, ECPTA is responsible for conserving and managing biodiversity as well as developing and managing tourism. To effectively monitor the management of the conservation estate and tourism thereon, two high-level (output) indicators have been developed. These are each achieved through the successful completion of contributing activities.

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. These activities contribute to the success of the third output indicator for the Regions and Reserves.

Achievements against these three indicators accumulate to an overall score for the Implementation of Protected Area Management Plans.

1.3.1 Conservation Management

- Reserves with METT-SA score over 67
 - As a signatory to the Convention on Biological Diversity (CBD) South Africa is required to implement goal 4.2 of the CBD Programme of Work in Protected Areas. This states that contracting parties should evaluate the effectiveness of the management of their protected areas. To comply with this South Africa introduced the use of the internationally accepted Management Effectiveness Tracking Tool (METT) in 2010. The World Commission for Protected Areas and the World-Wide Fund for Nature (WWF) first developed this tool (METT) to provide an over-arching framework for assessing the management effectiveness of protected areas world-wide.
 - The Management Effectiveness Tracking Tool-South Africa (METT-SA) is a strategic assessment of all spheres of reserve management and provides insight into 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 Department of Forestry, Fisheries and the Environmental (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 2022/23 using the new web-based METT-SA assessment tool
 - ECPTA manages 15 nature reserves. During last financial year 2021/22, all 15 ECPTA reserves (100%) were assessed at the national standard of 67 or higher. In 2022/23, assessments were more rigorous and questions that were open to interpretation were thoroughly reviewed.
 - Of the 15 reserves assessed, 12 (80%) scored 67% or higher. Results indicate that the regression is due to both the more rigorous interrogation of the scoring methodology, and as a result of constrained resources.
 - New METT turnaround plans will be developed in Q1 of 2023/24 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 2023
 - An overall organisational score of 3.04 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
 - Firearm training was prioritised in 2022/23 to improve the firearm competency rate in nature reserves. Challenges are, however, being experienced with the renewal of firearm competency certificates
 - The backlogs at the South African Police Service with processing certificates and renewals has been raised at a national level and is receiving attention
- 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 was completed in the first half of the year
 - Fires were dealt with as they occurred
 - Fire breaks were prepared in Baviaanskloof, Ongeluksnek and Mkhambathi with the assistance of the Working on Fire (WoF) teams
 - Most reserves indicated that firefighting equipment cannot be maintained at optimal levels due to insufficient budgets.
- Hectares (ha) cleared of invasive alien plants species
 - The removal of alien vegetation is a key contributor to fire management
 - Approximately 166 hectares were cleared of alien vegetation across the three ECPTA regions in 2022/23, 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 has undertaken to build the skills base among general assistants by including them in work details on funded maintenance projects on reserves
- Execute prioritised turn around strategies recommended in prior year SoAIM evaluation
 - 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 fifteen reserves effectively managed their operational reserve risks

1.3.2 Reserves Tourism Management

- Implement tourism development plans
 - Tourism development plans were successfully implemented as planned despite resource constraints
- Implement customer feedback response plan
 - The customer feedback response plan was implemented, and various matters raised by customers were successfully addressed
- Incorporate customer feedback into response plan
 - New concerns raised by customers were successfully integrated into the response plan and where resources allowed for this these were addressed.
- Accurately record hospitality revenue
 - The ECPTA generated R5.004 million in hospitality revenue over the course of the year. This was within 90% of the target for 2022/23 of R5.218 million and thus the target was achieved
- Prepare tourism facilities on reserves for grading
 - Administrative hurdles in the grading process were related primarily to backlogs experienced with the Tourism Grading Council of South Africa
 - The challenges, which originated in the pandemic period, were partially addressed in the fourth quarter. While the annual target was not achieved, valuable lessons were learned and will be applied in the new financial year

1.3.3 People and Parks

- Establish mechanisms to monitor socio- economic beneficiation
 - The communities neighbouring Oviston, Tsolwana, Ongeluksnek, Mpofu-Fort Fordyce 371East London Coast, Silaka, Mkhambathi, Dwesa- Cwebe, Nduli/Luchaba, Hluleka, Great Fish, Thomas Baines Nature Reserves and Baviaanskloof World Heritage Site are benefiting from various employment opportunities that were created by ECPTA including infrastructure development projects that are currently implemented by the reserves.
 - These opportunities are summarised in the table below:

Table 6: Community Beneficiation through different programmes

Initiative	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Job Creation (Contractual)	194	168	269	10	641
Casuals (Short term)	23	31	-	98	152
Business opportunities (in ZAR)	373 544	249 835	551 907	418 644	1 593 931

- Manage negotiation processes for co-management agreements towards finalisation
 - Negotiations for Caguba Co-Management could not be initiated due to the unavailability of a legal representation for the Caguba Communal Property Association.
 - Dwesa-Cwebe co-management negotiations have started and there is a draft co-management agreement in place.
 - Mkhambathi and Likhayaletu (Double Drift) Co-Management Committees are in place and functional.
 - Co-Management Committee meetings have been held, discussing issues pertaining to projects and programmes, employment opportunities, land issues and reserve management.
 - People and Parks National and Provincial structures are functioning, with the provincial structure being the responsibility of ECPTA.
 - Coordination and discussion on elections of committee members for both youth and reserve structures have been dealt with and implementation of the people and parks programme has proceeded well.
- Facilitate capacity building for neighbouring communities
 - Neighbouring communities have been exposed to a range of capacity building opportunities.
 - Supplier Days were held with local suppliers to upskill them on procurement systems in order to be able to do business with ECPTA and other institutions.
 - Collaborations have been facilitated with other institutions such as Walter Sisulu University where neighbouring communities have received Information Technology training.
 - Forty-five (45) youth from communities at ECPTA Reserves were trained as Field Rangers to form a pool of Field Rangers where ECPTA will recruit from to fill in vacant positions.
- Facilitate development of business plans for the land claimant communities
 - No target for 2022/23 due to absence of budget from DFFE for this aspect of the People and Parks Programme.
- Promote social development component of the N2 Biodiversity Offset Programme
 - N2 Biodiversity off-set projects has been supported through joint programmes with the team on stakeholder engagement with government departments.
 - The People and Parks team also assisted with establishing Community Conservation Committees for the N2 Biodiversity Offset projects.
- Support reserves to conduct environmental education and awareness programme
 - Environmental Education programmes were implemented in reserves.
 - These include beach clean-up campaigns, celebration of environmental calendar days such as environmental week (June), Marine day (October) and wetland day (February), and tourism awareness days.

Sub-programme: Project Management Unit

Table 7: Output Indicators: 1.4 Projects Implementation¹¹

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation ¹² 2022/23	Reasons for deviations
1.4.1 Infrastructure project implementation	61.9 (score)	63.9 (score)	63 (score)	65.4 (score)	+ 2.4 (points)	One underlying activity target only partially achieved (see pg. 35)
1.4.2 Social responsibility projects	27.7 (score)	30.0 (score)	27 (score)	30 (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.

1.4.1 Infrastructure project implementation

In the year under review, the PMU was tasked with six activity areas towards ensuring that conservation and tourism infrastructure is sustained at desirable levels.

- Prepare framework plans for infrastructure assets
 - The development of the framework requires funding. The unit applied to the Medium-Term Expenditure Committee hearings in September 2022 for funding, and an additional submission was prepared for the adjustment process in November 2022. Neither application was successful.
 - The Unit have prioritised infrastructure maintenance using the asset register as well as priorities from the Destination Development Programme
- Carry out reserve infrastructure maintenance
 - 98% of the maintenance needs were not funded for the 2022/23 financial year.
 - Reserve infrastructure maintenance is conducted through beautification and maintenance funding from National Department of Tourism (NDT) in seven nature reserves namely: Baviaanskloof World Heritage Site (WHS), Thomas Baines, Oviston, Double Mouth, Mpofu-Fort Fordyce, Hluleka and Dwesa-Cwebe.
 - The NDT fund of R22 million is multi-year, so work will continue in the next financial year.

¹¹ Per Technical Indicator Description: ECPTA Annual Performance Plan 2022/23-2024/25 | March 2022 | Page 57

¹² Actual vs Target

- Track reserve infrastructure asset maintenance value
 - The infrastructure asset register has been consolidated and depreciation value analysed.
- Implement new works and upgrades on reserves
 - Reserves infrastructure upgrades are done through funding from DEDEAT Economic Stimulus Programme at Silaka, Hluleka, Dwesa, Double Mouth, Tsolwana, Oviston Groendal and Baviaanskloof WHS.
 - Under DFFE EPIP funding infrastructure upgrades project planning is underway for Mkhambathi, Nduli/Luchaba, Oviston, Tsolwana/Commando Drift, Great Fish River, and Baviaanskloof WHS.
 - These projects are at various stages of implementation.
- Implement new works and upgrades outside reserves
 - ECPTA is the appointed implementing agent for NDT-funded projects outside reserves
 - Implementation of projects under 6-day hiking trail and Port Alfred Beaches still under implementation.
 - The projects related to the 6-day hiking trail have, however, been delayed by community unrest along the Wild Coast
- Implement projects to adequately enclose reserves
 - Fencing projects under DFFE EPIP at Mpofu, Oviston, and Tsolwana Nature Reserves have resulted in 21km of fencing completed in 2022/23.

In summary, the following projects were completed or underway by year end:

Programme / Funder	Project	Date of completion	Date of planned completion
Environmental Protection Infrastructure Programme (EPIP)	Cape Morgan Nature Reserve	Sep 2022	
National Lotteries Commission	Thomas Baines EE Centre upgrades	Feb 2023	
National Department of Tourism (NDT) Infrastructure	Krantz and Middle Beach	March 2023	
National Department of Tourism (NDT) Infrastructure	Hluleka Nature Reserve	March 2023	
Environmental Protection Infrastructure Programme (EPIP)	Brakfontein hunters' facilities		June 2023
Provincial Economic Stimulus Fund (ESF)	Silaka Nature Reserve upgrades		June 2023
Provincial Economic Stimulus Fund (ESF)	Groendal Nature Reserve upgrades		June 2023
Provincial Economic Stimulus Fund (ESF)	Hluleka Nature Reserve upgrades		July 2023

Programme / Funder	Project	Date of completion	Date of planned completion
Provincial Economic Stimulus Fund (ESF)	Dwesa Nature Reserve upgrades		August 2023
Provincial Economic Stimulus Fund (ESF)	Baviaanskloof WHS upgrades		October 2023
Provincial Economic Stimulus Fund (ESF)	Double Mouth campsite upgrades		November 2023
Provincial Economic Stimulus Fund (ESF)	Oviston Nature Reserve upgrades		November 2023
Provincial Economic Stimulus Fund (ESF)	Tsolwana Nature Reserve upgrades		November 2023
National Department of Tourism (NDT) Infrastructure	Kowie River Embarkment Upgrades		March 2024
Environmental Protection Infrastructure Programme (EPIP)	Mkhambathi Nature Reserve office upgrades		March 2024
Environmental Protection Infrastructure Programme (EPIP)	Great Fish River Nature Reserve		March 2024
National Department of Tourism (NDT) Baviaanskloof WHS	Staff accommodation upgrades		March 2024
National Department of Tourism (NDT) Infrastructure	6-Day hiking trail		September 2024
Environmental Protection Infrastructure Programme (EPIP)	Tsolwana-Commando Drift NR abattoirs and staff accommodation		September 2024
Environmental Protection Infrastructure Programme (EPIP)	Hluleka NR access roads upgrades		September 2024
Environmental Protection Infrastructure Programme (EPIP)	Oviston NR abattoir upgrades		September 2024
Environmental Protection Infrastructure Programme (EPIP)	Nduli-Luchaba NR access roads upgrades		March 2025

1.4.2 Social responsibility projects

The programmes implemented by the PMU are funded through the National Department of Forestry, Fisheries, and the Environment (DFFE), National Department of Tourism (NDT), the Economic Stimulus Fund of the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), and South African National Biodiversity Institute's (SANBI) Groen Sebenza Phase II Programme for graduates internship.

- Implement social responsibility projects
 - Working for Fire – Baviaanskloof World Heritage Site
 - Working for Fire – Mkhambathi 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 – Baviaanskloof World Heritage Site
 - Reserve fencing projects – Oviston and Hluleka Nature Reserves,
 - Economic Stimulus Fund infrastructure development projects– Hluleka, Silaka and Dwesa Nature Reserves
 - SANBI's Groen Sebenza Phase II Programme
 - NDT Infrastructure projects:
 - Upgrades at three (3) sites at Mngazana, Mpande, and Hluleka for the six-day hiking trail
 - Infrastructure development at Mngcibe, also part of the six-day hiking trail
 - Provision of new infrastructure and upgrades at Krantz, Kowie River and Middle Beach in Port Alfred, Ndlambe Local Municipality
 - Over the course of the year, the unit achieved 100% of project milestones
- Monitor community beneficiation
 - On average, around 180 employment opportunities were facilitated through EPWP and infrastructure projects each quarter. The number of community members employed on construction projects

Table 8: Employment opportunities linked to EPWP and Infrastructure projects

Period	# work opportunities	Youth (18-35 yrs.)		# of Women	# of adults (+ 35 yrs.)
		%	#		
Quarter 1	187	79.7%	149	40	38
Quarter 2	166	77.1%	128	38	38
Quarter 3	159	70.4%	112	44	47
Quarter 4	210	78.6%	165	62	45
Average	181	76.4%	139	46	42

- Monitor Small, Medium and Micro Enterprises (SMME) engagement on projects
 - The unit assisted with enrolling several infrastructure upgrade projects through various construction service providers, thus promoting involvement of SMMEs as sub-contractors in some work packages such as brickwork, paving, and painting on larger scale projects.

Strategy to overcome areas of under performance

Wildlife management and game industry transformation

Of the seven (7) targets set for the wildlife management and game industry transformation unit, only two (2) were achieved. To address this under-performance, efforts to conclude contractual arrangements prior to the hunting season have been prioritised. The auctioneer and external culling tenders have thus been concluded by year end for the following year.

Game industry transformation targets have been brought forward for the 2023/24 financial year to ensure that there is sufficient time for in-year adjustments should obstacles related to game offtakes recur.

Should these measures be successful, transformation, revenue, and off-take targets for 2023/24 will be achieved.

Protected area management plan implementation

Of the twenty-four (24) targets set for the Regions and Reserves, only four (4) were not achieved. Mechanisms to address these shortcomings have been undertaken as follows:

- Reserve security
 - Proactive management of certification and renewal processes have been prioritised as key performance areas for all reserve managers and regional managers
 - The delays at South African Police Services (SAPS) will continue to be flagged for attention by national stakeholders
- Fire management
 - The chronic underfunding of reserves, particularly in respect of maintenance budgets, is a standing item on engagements with the Shareholder department
 - The matter has further found expression in the organisational strategic risk register, indicating that this is viewed as a matter of organisational concern and not limited to reserves
- Prepare tourism facilities on reserves for grading
 - A schedule of grading certificates and timelines for renewal has been prepared ahead of the performance year and is prioritised for attention on a quarterly basis

Infrastructure project implementation

The Project Management Unit was responsible for both infrastructure and social responsibility projects. Only one (1) of the nine (9) activity targets was not met.

- Prepare framework plans for infrastructure assets
 - In the absence of funding to develop credible Asset Management Plan and Infrastructure Delivery Master Plan, the PMU will continue to gauge priorities using the asset register and requests from regions, reserves, and other units.
 - This work-around is not ideal. Efforts to address the situation with appropriate funding are thus ongoing.

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. The overall intention is to ensure that **tourism and biodiversity value chains and products prosper**. The transformation agenda is advanced to increase representation and participation of previously disadvantaged individuals and groups in tourism aspects of the biodiversity economy.

Description of Programme

Purpose

Tourism Transformation

Transformation of the tourism industry is critical to the future success of the industry. Whilst a certain degree of organic 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 (particularly women) reach the mainstream of the sector through providing market access to SMMEs, providing tourism interventions and support to tourism associations and businesses, and preparing communities to leverage benefits from events held in their localities.

Tourism Industry Support

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 through value chain diversification
- Strengthening product support with our partners in local and district municipalities

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

Tourism standards

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 tourism awards programmes.

Commercialisation

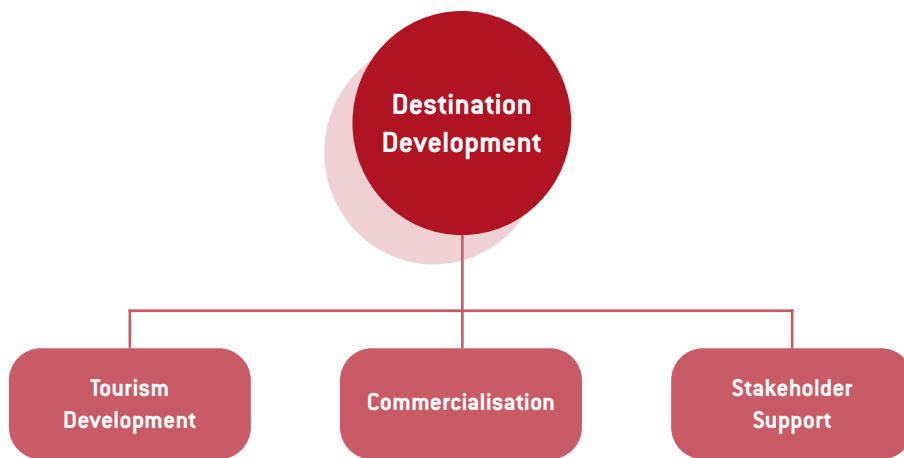
The ECPTA Commercialisation Strategy guides the unit to focus on the identification and exploitation of reserve-based activities that can generate revenue. Partnerships are formalised with private sector and/or community-based operators both for specific events and for long-term concessions. This includes

working with regional management to facilitate access to biodiversity economy opportunities in and around protected areas managed by ECPTA. The Commercialisation Strategy rests heavily on the Reserves-as-Products approach which sees the various units and programmes of the ECPTA utilising reserves as platforms from which rural tourism experiences are launched.

Stakeholder Support

The unit is responsible for ensuring that the necessary linkages between Conservation and Tourism are actively developed and sustained, both internally to ECPTA and across public and private partnerships. Recognising the dual threats of shrinking fiscal allocations from Provincial Treasury and perennially tepid commitments towards resourcing biodiversity, conservation, and tourism, ECPTA sought to establish internal resource leveraging functionality. The Stakeholder Engagement unit is therefore tasked with co-ordinating resource leveraging initiatives for the ultimate benefit of conservation and tourism in the Eastern Cape.

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

Marginalised individuals and communities actively benefit from biodiversity and tourism

Outcome Statement

Tourism and biodiversity value chains and products prosper

Immediate Outcome Indicators	Relative Weight	Output Indicators	Relative Weight
2.1 Tourism Value Chain Support	45%		
		2.1.1 Tourism experience diversification	40%
		2.1.2 Intergovernmental tourism functionality	35%
		2.1.3 Tourism business operationalisation	15%
		2.1.4 Tourism standards	10%
2.2 Reserves as Products	30%		
		2.2.1 Reserve-based tourism	30%
		2.2.2 Reserve tourism product development	40%
		2.2.3 Tourism transformation	30%
2.3 Stakeholder Support	25%		
		2.3.1 Stakeholder engagement	60.0%
		2.3.2 Resource leveraging	40.0%

Each Immediate Outcome is the responsibility of a Sub-programme, while the Tourism Development and Commercialisation Sub-programmes share responsibility for outputs that contribute to the Reserves as Products Immediate Outcome.



Indicators, Targets and Actual Achievements

Table 9: Intermediate Outcome: Marginalised individuals and communities actively benefit from biodiversity and tourism

Intermediate Outcome	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation ¹³ 2022/23	Reasons for deviations
Marginalised individuals and communities actively benefit from biodiversity and tourism	100 (score)	92.1 (score)	90 (score)	99.9 (score)	+ 9.9 (points)	All underlying immediate outcomes achieved

Table 10: Immediate Outcomes: Marginalised individuals and communities actively benefit from biodiversity and tourism

Intermediate Outcome	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
2.1 Tourism Value Chain Support	100 (score)	100 (score)	90 (score)	100 (score)	+10 (points)	Most underlying output targets achieved
2.2 Reserves as Products	100 (score)	98.1 (score)	90 (score)	100 (score)	+10 (points)	Both output targets exceeded
2.3 Stakeholder Support ¹⁴	95.7 (score)	94 (score)	90 (score)	99.5 (score)	+ 9.5 (points)	Both output targets exceeded

¹³ Actual vs Target

¹⁴ See Disclosure of errors in Annual Performance Plan on page 36

Sub-programme: Tourism Development

Table 11: Output Indicators: 2.1 Tourism Value Chain Support¹⁵

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
2.1.1 Tourism experience diversification	36/90 (changed)	40 (score)	36 (score)	40 (score)	+ 4 (points)	All underlying activity targets achieved
2.1.2 Intergovernmental tourism functionality	27/90 (changed)	35 (score)	32 (score)	35 (score)	+ 3 (points)	All underlying activity targets achieved
2.1.3 Tourism business operationalisation	60/90 (changed)	15 (score)	14 (score)	15 (score)	+ 1 (points)	All underlying activity targets achieved
2.1.4 Tourism standards	25/90 (changed)	Moved 76.5 (score)	9 (score)	10 (score)	+1 (points)	All underlying activity targets achieved

Table 12: Output Indicators: 2.2 Reserves as Products¹⁶

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
2.2.1 Reserve-based tourism	15 (score)	36.4 (score)	27 (score)	30 (score)	+ 3 (points)	All underlying activity targets achieved
2.2.3 Tourism transformation	60 (score)	9.1 (score)	27 (score)	30 (score)	+ 3 (points)	All underlying activity targets achieved

As a tourism destination, the Eastern Cape competes with many other destinations worldwide and across South Africa. It is crucial that there is continuous improvement and diversification of tourism experiences 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 as part of pandemic recovery efforts.

Achievements against four output indicators accumulate to an overall score for Tourism Value Chain Support.

¹⁵ Per Technical Indicator Description: ECPTA Annual Performance Plan 2022/23-2024/25 | March 2022 | Page 58

¹⁶ Per Technical Indicator Description: ECPTA Annual Performance Plan 2022/23-2024/25 | March 2022 | Page 59

2.1.1 Tourism experience diversification

All contributing activities were successfully achieved each quarter to attain a full score of 40 by year end.

- Activate diverse urban tourism businesses to operate as tourism experiences
 - In collaboration with Women in Tourism Eastern Cape, ECPTA identified a tourism product (Elahleni Food and Braai) that was linked with a local musician to diversify their product offering. ECPTA contributed resources towards the outsourcing of the artist and promotion of the event through social media. The launch was held successfully with the support from Mdantsane FM radio station and the Daily Dispatch. During the event there was also clothing exhibition by a local designer and face painting. The face paint theme was dedicated to combating gender-based violence. Elahleni has since continued with the activation.
 - As part of enhancing urban tourism experience, ECPTA facilitated support for an informal trader in Tsitsikamma Township to operate as a tourism facility. ECPTA requested funding from Sarah Baartman District Municipality for equipment to formalise and professionalise the business. The district supplied the enterprise with a mobile kitchen facility, outdoor sitting benches, and umbrellas.
- Facilitate operationalisation of micro-routes
 - ECPTA collaborated with the Eastern Cape Liquor Board in the development and distribution of a banner for the Eastern Cape Craft Breweries, Distillers and Wine route. The banner is used to promote the route in the Eastern Cape gateway tourism offices (Aliwal North, Mthatha and Tsitsikamma).
 - There is continued support in the mapping process of Wild Coast homestays that are featured on google maps. The project is done in collaboration with Wild Coast ZA and promotes homestays and key attractions in the Wild Coast on international and domestic marketing platforms.
- Increase investment-ready tourism initiatives
 - On request by Ntinga Development Agency, ECPTA supported the establishment of the tourism development workstream for Coffee Bay Hotel revitalization project. The main objective of the workstream is to provide awareness and guidance towards the development of a business plan by Ntinga Development Agency which is in the process of acquiring the Hotel from the Eastern Cape Development Corporation.
 - Various tourism development opportunities such as Port St. John's Cable Car, Bhekile Tourism Hub in Gqeberha, Ludeke Dam Development and reserve tourism development opportunities are presented in various investment platforms both locally and nationally.
 - Provided support to Mhlontlo Local Municipality regarding the correct process of sourcing private investors for Tsitsa Lodge through the investment unit of DEDEAT.

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 co-ordination (umbrella) level.
 - Several associations from Tsitsikamma to Ingquza Hill were assisted with promotional and marketing materials, training, and exposure to various markets.
 - Procured a Gazebo for the Kouga Local Tourism Organisation (LTO).
 - Procured Banners and Fliers for Women in Tourism
 - Supported Ingquza Hill, Mhlontlo and Port St Johns LTOs during the 2nd Annual Women in Tourism

- Empowerment Celebrations organised by Embo Tours which took place in Mkhambathi Nature Reserve.
- Developed a website for Tourist Guides that are marketing the Wild Coast Trails.
- Supported the Graaff Reinet LTO with printing of the marketing booklet and the reprinting of the Graaff Reinet tourism map.
- Facilitated a meeting for Mthatha Hospitality Services and other stakeholders to discuss the challenge of government officials that demand cash in lieu of meals to clients.
- Facilitated capacity building workshop for Mbizana and Port St Johns Tourist Guide Associations. The session focused on drafting the constitution, clarifying roles and responsibilities as well as drafting plans for each association.
- Synchronise support interventions with the relevant District Development Plan
 - ECPTA collaborated with the Department of Tourism in facilitating a Sustainability session for Nyandeni Great Place Lodge, wherein issues of management model and business viability were shared. In attendance was the Nyandeni Local Municipality, OR Tambo District Municipality and Nyandeni Great Place representatives.
 - Facilitated an update of the website and brochure for the Canon Rocks Beach Cabins community project. Changes on the website included updates on the additional tourism features (walkway on the coast), review of the product name and the contact details.
 - In support of local economic development, the Department of Tourism initiated a community-based tourism business incubation programme in Addo Elephant National Park where local communities adjacent to the park are the direct beneficiaries. The restaurant in the park will incorporate local cuisine on the menu and the laundry service that has been leased to a Previously Disadvantaged Individual community member.
 - ECPTA supported the Tsitsikamma Khoisan Village community project with design and printing of the tourism brochure.
- Share tourism information with established representative bodies in the private and public sector
 - ECPTA participates in sessions organised by various institutions, private and public sector with the purpose of sharing tourism trends and ECPTA programmes. This is done to ensure stakeholder buy in as well as resource leveraging.

2.1.3 Tourism business operationalisation

- Assist emerging tourism products to overcome service-related obstacles to grow the tourism sector
 - ECPTA engaged various stakeholders to unlock bottlenecks. Key issues dealt with include the following.
 - Provision of services, infrastructure, and licences to tourism products by government departments and municipalities
 - Illegal Guiding
 - Funding and,
 - Limited understanding of tourism and the responsibility of each stakeholder.
- 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:
 - Funding opportunities
 - Market access opportunities
 - Networking platforms

- Training and Development opportunities
 - Promotional deals for Micro-Trips
 - Nomination in awards
 - Supplier development awareness sessions
- Facilitate Provincial Tourism Safety Forum
 - ECPTA chairs and co-ordinates the Provincial Tourism Safety Forum where tourism safety initiatives and plans are discussed, and topics of mutual interest raised:
 - Role and support required from various institutions, both public and private sector
 - Tourism safety initiatives
 - Joint tourism awareness campaigns

2.1.4 Tourism standards

- Improve capacity of tourism experiences (individually and collectively)
 - In collaboration with South African Tourism, ECPTA facilitated the participation of several enterprises in various trade shows nationally and internationally. These include World Travel Market in Cape Town, Tourism Indaba in Durban, Indian Road Show, Meetings Africa Business Show in Johannesburg, and West Africa Roadshow (Ghana and Nigeria). This assists in highlighting different offerings by the tourism industry to increase their market share of visitors coming to the province.
 - ECPTA supported Uncuthu Tours, a SATOVITO representative to participate in The Leading Voice in Tourism for South Africa conference that was hosted by the Tourism Business Council of South Africa in Johannesburg.
- Conscientize communities and the 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 encourage tourism. These awareness campaigns are geographically specific, and therefore undertaken with the support and involvement of municipalities and local tourism organisations
- Tourism Service Excellence Programme
 - Nationally, the tourism sector is encouraged to uphold good service standards to grow and maintain the market share of visitors to the country. To this end, ECPTA facilitated in the following programmes.
 - In collaboration with Mquma Local Municipality and the Department of Tourism, ECPTA supported Mquma LTO members training on service excellence.
 - ECPTA facilitated the First Aid Level 1 training for nineteen (19) representatives of the Tsitsikamma LTO.
 - Enabled occupational health and safety training for Matatiele tourism products funded by the Department of Tourism and supported by Matatiele Local Municipality.
 - ECPTA facilitated Food Safety Training for Port St Johns caterers in preparation for Isingqisethu Cultural Festival.
 - In collaboration with Savoy Hotel, facilitated the training of Homestays in the Wild Coast on hospitality services and service excellence.
 - In collaboration with the Nelson Mandela Bay Municipality, ECPTA facilitated an induction session for 10 Tour operators and tourism businesses that are part of the Tour Operator's Incubation programme focusing on product, personal and skills development, market access, and good governance.
 - Facilitated service excellence session with the NDT and SAPS for Mthatha Fuel Stations.

- Facilitate tour guide compliance
 - By year end, 870 tour guides were registered on the database administered by ECPTA, an increase of 47 over the previous year.
 - Of these, 690 (79%) are 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 to sustain competitive product offerings in provincial nature reserves. Reserve-based tourism is an important revenue generating mechanism for funding conservation on reserves.
- Two (2) Tourism Development Plans were reviewed (Mkhambathi and Oviston), and one (1) new plan (Hluleka) was developed in the year under review.
- ECPTA continues to install signage for ECPTA managed nature reserves.

2.2.3 Tourism Transformation

- To facilitate transformation of the industry, ECPTA provides 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 Organizations, Local government, and the Eastern Cape Development Corporation held quarterly meetings
 - A collaborative approach to transformation of the sector was agreed to. Some of the achievement of the forum include Mentorship programme for Kayak Guides and mentorship for Local Tourism Organisations.
- Activate community-based products in the buffer zones around reserves
 - As part of community development, ECPTA is assisting Homestays, Massage Therapists and Kayak Guides in the Wild Coast to grow their newly established enterprises
 - The support ranges from training and capacity building, marketing, uniform, and start-up equipment. Each enterprise shares progress quarterly to assess business sustainability and identify other business needs for either support by ECPTA or assist in lobbying for assistance from other institutions.
 - To diversify tourism products in the Great Fish River Nature Reserve, ECPTA has introduced Massage Therapists from the neighbouring communities. They have been trained, provided with equipment and promotional material.

The Commercialisation Unit seeks to create a range of vibrant tourism experiences at the Eastern Cape Parks and Tourism Agency managed nature reserves, with the aim of contribute meaningfully to the socio-economic development and provide returns for investors.

2.2.2 Reserve Tourism product development

- Leverage investors to support on-reserves tourism initiatives
 - Investment opportunities were packaged and presented at various platforms during the year under review:
 - High impact tourism investment opportunities were presented at the Eastern Cape Provincial Investment Conference held in November 2022
 - Engagements were had with an industry-organised structure called Small Tourism Enterprise Association
 - The same presentation was also done to the Tourism Investment Africa 360, a tourism investment company that facilitates investment in the tourism sector.
 - Commercial opportunities were advertised for various nature reserves:
 - to operationalise accommodation, conference, and restaurant at the Cape Morgan nature reserve
 - opportunities at Baviaanskloof World Heritage Site Interpretive Centre Game including conference facility, curio shop and restaurant
 - Other advertised opportunities include packaging of nature-based eco-tourism experiences for Mkhambathi, Oviston, Mpofu Fort-Fordyce and Great Fish River Nature Reserves
- Enhance visitor experience on reserves and support on reserve revenue generation
- The Commercialisation Sub-programme worked with reserve-based hospitality staff and reserve managers to identify opportunities to enhance revenue generation by reserves
 - The Leopard Trail at the Baviaanskloof World Heritage Site was the most successful concession during the year under review. The trail has so far contributed over R8 million into the local economy. The hiking trail was made popular by the addition of classy camping facilities at the existing campsite. The fact that it is fully booked until end of 2024 proves that government investment has contributed directly to its sustainability
 - The construction of the 110 bed eco-lodge at Mkhambathi nature reserve by a private investor is progressing well and is poised to transform the travel experience at this reserve and boost revenue for both ECPTA and the landowners. Over 60 people have been employed during the construction phase and more local people will be employed as the project progresses.
 - Two major iconic events took place at ECPTA nature reserves, being the Trans-Baviaans mountain bike marathon at Baviaanskloof WHS and Imana Wild Ride eco-adventure at Dwesa and Hluleka nature reserves
 - Reserve-based concessions generated R791 474 in revenue during the 2022/23 financial year. Although the target of R1.3 million was not achieved, the figure exceeds the revenue generated in the last financial year

Sub-programme: Stakeholder Support

Table 14: Output Indicators: 2.3 Stakeholder Support¹⁹

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation ²⁰ 2022/23	Reasons for deviations
2.3.1 Stakeholder engagement	68.4/63 (score)	74 (score)	54 (score)	60 (score)	+ 6 (points)	All underlying activity targets achieved
2.3.2 Resource Leveraging	8.8/9 (score)	18 (score)	36 (score)	39.5 (score)	+3.5 (points)	All underlying activity targets achieved

The Sub-programme is 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.

2.3.1 Stakeholder engagement

- The Sub-programme successfully implemented and co-ordinated several efforts across the organisation, including:
 - Develop Stakeholder Engagement Strategy for the organisation
 - Identify strategic partnerships in line with the standard operating procedure for the organisation.
 - Support Stakeholder Relationships for the organisation
 - Stakeholder relationships (external) monitored

2.3.2 Resource Leveraging

- Considering 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. As this is a lagging indicator, quarterly reports are in respect of resources mobilised in the prior quarter.

Programme	Sub-programme	Q1 2022/23 (R'000)	Q2 2022/23 (R'000)	Q3 2022/23 (R'000)	Q4 2022/23 (R'000)
Biodiversity & Conservation	Scientific Services	23	25	25	25
	People and Parks (Youth Champions)	672			
	Marine and Coastal Cluster				456

¹⁹ Per Technical Indicator Description: ECPTA Annual Performance Plan 2022/23-2024/25 | March 2022 | Page 60

²⁰ Actual vs Target

Programme	Sub-programme	Q1 2022/23 (R'000)	Q2 2022/23 (R'000)	Q3 2022/23 (R'000)	Q4 2022/23 (R'000)
Destination Development	Tourism Development	45	45	279	3 272
Marketing	PR and Communication (AVE ²¹)	9 400	7 600	4 400	9 800
Corporate Services	Human Capital Management (HCM) (CATHSSETA)				35
	HCM (Fort Hare interns)				40
	HCM (Water Research Commission graduates)		60		
	HCM (TVET interns)				68
	HCM (DFFE placements)				143
	HCD (WWF)	10	10		
	HCD (Office of the Premier candidates)	24	24	24	36
ECPTA	Various	10 174	7 764	4 729	13 875

Strategy to overcome areas of under performance

Reserve Tourism Product Development

While the output target was achieved, one (1) underlying activity target was not. Since activities are weighted, it is possible that overachievement in some areas can offset under-performance in others. In the case of the Reserve Tourism Product Development output target, the underlying revenue-generation target was not achieved.

Significant work to assist concessionaires to recover from the economic challenges emanating from the COVID-19 pandemic travel and movement restrictions has taken place.

The unit will further shift emphasis from only large concessions to the utilisation of reserve facilities for functions and small events such as weddings and team building. In conjunction with continued upgrades of tourism facilities, it is anticipated that this approach will stabilise revenue generation by reserves.

²¹ AVE = Advertising Value Equivalency (used to estimate the amount of revenue attributed to an article or media slot)

PROGRAMME 3: MARKETING

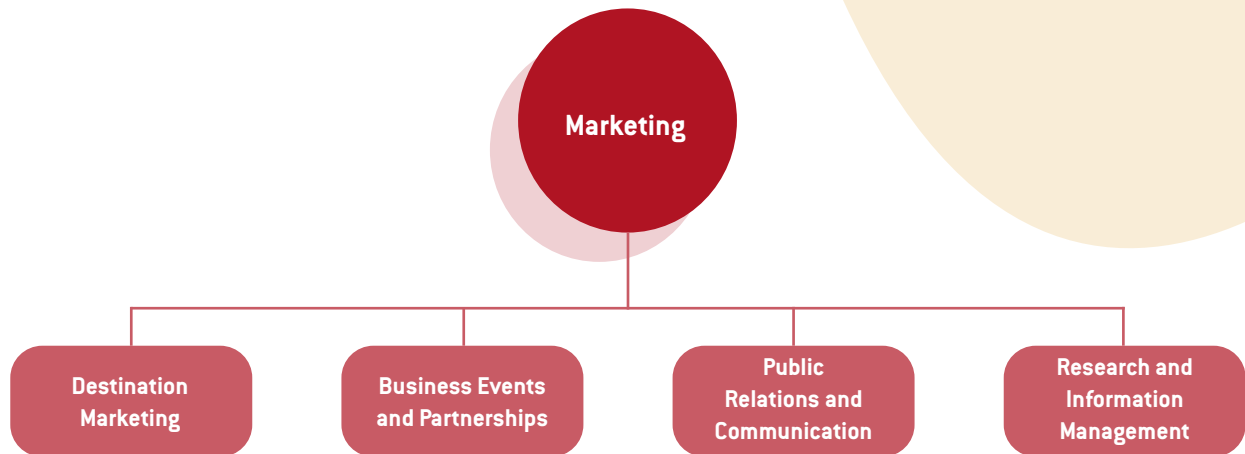
The Marketing Department is responsible for marketing and promoting of the Eastern Cape Province as a tourism destination in accordance with Section 13 of the ECPTA Act 2 of 2010. It is further tasked with promoting accommodation and activities on provincial nature reserves and managing and executing internal and external corporate communication functions.

Description of Programme

Purpose

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

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 30% to the overall organisational performance.

In alignment to SA Tourism outcome metrics, the mechanism for measuring destination competitiveness has been focused on domestic holiday makers. Considering the disruption of tourism and travel caused by the pandemic, this metric is no longer considered decisive. It is consequently relocated as a metric to track by the Destination Marketing unit. The Competitive Tourism Destination index is introduced in the 2022/23 financial year

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%
		3.1.2 International Marketing	20%
		3.1.3 Brand Positioning	20%
		3.1.4 Provincial Nature Reserves Promotion	20%
		3.2 Public relations and communication	25%
3.2.2 Digital Marketing	40%		
3.3 Research and information management	15%	3.3.1 Information Leadership	
3.3.2 Applied Research		50%	
3.4 Business events and partnerships		20%	3.4.1 Destination promotion through events
3.4.2 Destination profiling to MICE ²²	45%		

Each Immediate Outcome is the responsibility of a Sub-programme. In the case of Research and information management, the unit has not been

established, and the responsibility thus falls to the Chief Marketing Officer (CMO).



Indicators, Targets and Actual Achievements

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

Intermediate Outcome	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation ²³ 2022/23	Reasons for deviations
The Eastern Cape is a competitive international and domestic tourism destination	-225 824 (change in # of domestic holiday trips)	+147 400 (change in # of domestic holiday trips)	90 (score) Indicator changed	99.2 (score)	+ 9.2 (points)	All underlying immediate outcomes achieved

Table 16: Immediate Outcomes: The province is the premier African destination connecting people to authentic experiences

Intermediate Outcome	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
3.1 Destination marketing	100 (score)	100 (score)	90 (score)	98 (score)	+8 (points)	Underlying output targets achieved
3.2 Public relations and communication	70 (score)	99.9 (score)	90 (score)	100 (score)	+10 (points)	Both output targets exceeded
3.3 Research and information management	30 (score)	95.8 (score)	90 (score)	100 (score)	+10 (points)	Both output targets exceeded
3.4 Business events and partnerships	91.6 (score)	100 (score)	90 (score)	100 (score)	+10 (points)	Both output targets exceeded

²³ Actual vs Target

Sub-programme: Destination Marketing

Table 17: Output Indicators: 3.1 Destination Marketing²⁴

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
3.1.1 Domestic Marketing	New	40 (score)	36 (score)	38 (score)	+ 2 (points)	Most underlying activity targets achieved
3.1.2 International Marketing	New	20 (score)	18 (score)	20 (score)	+ 2 (points)	Most underlying activity targets achieved
3.1.3 Brand Positioning	New	20 (score)	18 (score)	20 (score)	+ 2 (points)	Most underlying activity targets achieved
3.1.4 Provincial Nature Reserve Marketing	New	20 (score)	18 (score)	20 (score)	+2 (points)	Most underlying activity targets achieved

3.1.1 Domestic Marketing

The domestic market is of particular importance to the Eastern Cape as a high percentage of tourists to the province are from within South Africa. Domestically, the ECPTA's aim is to contribute towards building and encouraging active citizenship. This is being achieved through several campaigns to mobilise the residents of the Eastern Cape to become brand ambassadors and to participate in promoting the province.

Domestically, the Eastern Cape remains one of the most visited provinces in South Africa and the ECPTA remains committed to defending this position in the face of increasingly concerted competition from other provinces. To this end the Domestic Marketing Plan aimed to increase domestic arrivals and length of stay, thereby improving tourism spend within the province. The ECPTA also created marketing platforms for the private and public sector partners to co-market with the Agency.

The Marketing Unit is also responsible for the promotion of the Provincial Nature Reserves and has made great strides in the development of various campaigns to create awareness of these nature reserves.

- Drive destination awareness of product offerings
 - Product-destination awareness campaigns were built around key and unique attractions and experiences and implemented seasonally.
 - Campaigns were flighted on social media, ECPTA's online platforms, and through print and digital media.
 - Campaigns included the Sardine Run, Tourism Month, Summer and Winter promotions, Iconic Series, Virtual Tours, Valentine's promotion, and the Easter holiday campaign.

- Stimulate domestic tourism growth through strategic partnerships.
 - ECPTA concluded a partnership with Travelstart to grow domestic tourism receipts to the Eastern Cape
- Track number of domestic holiday travellers
 - With the lifting of pandemic-period travel restrictions, domestic tourism has rebounded to levels last recorded in 2019.
 - In 2022 (5.8 million trips), there were 800 000 more domestic trips undertaken than in 2021 (5 million trips) indicating a growth of 16% for the Eastern Cape.
 - According to the Tourism Performance Report from South African Tourism, the Eastern Cape secured 15% of all domestic trips in 2022 compared to just 6% in 2019. This is a 9% increase. The only other provinces to record increases on 2019 were KwaZulu-Natal (1%) and Limpopo (4%).
 - Despite this strong showing, fewer domestic holiday makers (a sub-set of domestic travellers) were recorded in 2022 than in 2021

3.1.2 International Marketing

Marketing the Eastern Cape as a desirable destination to international trade and travellers remains a key priority to kickstart tourism growth. With face-to-face marketing during the 2021/22 financial year not possible the ECPTA continued to network with key trade and stakeholder partners using a variety of online meeting platforms offered by South African Tourism (SAT).

The advent of these platforms enabled the ECPTA to reach markets that would normally have not been possible to engage with had the focus been on real time events. The online platforms proved to be effective as the interface was seamless and cost effective. Engagements were centred around destination training where ECPTA presented on the tourism offering in the Eastern Cape and extended the platform to private sector product to market their tourism experiences. The ECPTA's international programmes aims to increase awareness and knowledge of the Eastern Cape as a viable tourism destination in targeted international trade and tourism markets. Key markets include United Kingdom, Germany, United States of America, and the Benelux Countries. Targeted initiatives such as trade shows, trade hosting, promotional campaigns, trade newsletters and other traditional marketing techniques are used to raise awareness of all that the Eastern Cape has to offer to international visitors.

- Defend international source markets.
 - ECPTA partnered with SAT to take advantage of their established offices and platforms across key source markets throughout the year.
 - This gave ECPTA and provincial tourism products direct access to travel trade representatives in key markets.
 - ECPTA also participated in the World Travel Market Africa, World Travel Market London, Kenya Trade and Trade Show and Africa Travel Indaba. Participation gave rise to subsequent engagements.
- Showcase EC travel packages to international travel trade and or consumers.
 - ECPTA developed a newsletter targeting international travel trade and consumers to create an awareness of the Eastern Cape destination offering and Eastern Cape packages. Public and private sector tourism stakeholders were requested to submit product updates, product development and good news stories for consideration.
 - The newsletter was distributed via email and WhatsApp and was also accessible on the ECPTA website via a link.

- Drive destination awareness of product offerings to international consumers in two (2) key source markets
 - ECPTA identified the United Kingdom and Germany as two key markets to target in terms of launching a consumer campaign to drive destination awareness of product offerings in the Eastern Cape. These two source markets were identified as key, based on the high repeat rate of travel out of them and that they rank as the top two in terms of international arrivals to South Africa.
 - A comprehensive content page which links to the ECPTA website was developed and Instagram and Facebook advertisements developed to drive traffic to the content page. The content page and respective social media advertisements were also translated into German.

3.1.3 Brand Positioning

- Create consumer awareness on the destination experiences related to the brand attributes.
 - 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 internal and external stakeholders on correct usage and application of the corporate and/or destination logo.
 - 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 initiative.
 - Supporting stakeholders considering consolidating plans and streamlining destination messaging will remain a top priority to ensure a seamless approach to marketing the destination.
 - To ensure that an all-inclusive approach is managed the Marketing Department engaged with key tourism stakeholders either face to face or via online meeting platforms.
 - Information with regards to marketing plans was shared to encourage buy in and support and to encourage stakeholders to actively participate in the various campaigns proposed.

3.1.4 Provincial Nature Reserve Marketing

- Drive awareness for provincial nature reserve offerings
 - The Marketing Department has been on a deliberate drive to run campaigns and promotions whose aim was to increase occupancy.
 - The Marketing department implemented five (5) campaigns to improve occupancy levels, namely: the Black Friday, Explore Silaka, Disconnect to Reconnect, Charity Hike and Health Care Worker promotions.
- Influence travellers by facilitating third party content creation.
 - Influencers have become an important part of doing business, especially for tourism business and destination marketing organisations.
 - ECPTA invited two (2) social media influencers to visit Silaka and Hluleka nature reserves.
 - Between them they published nineteen (19) Instagram and ten (10) Facebook posts on the reserves. The average engagement per post was over 4 000 likes, shares, and comments on each of the social media platforms.

Sub-programme: Public Relations and Communication

Table 18: Output Indicators: 3.2 Public Relations and Communication²⁵

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
3.2.1 Public Relations and Communication	New	60 (score)	54 (score)	60 (score)	+ 6 (points)	All underlying activity targets achieved
3.2.2 Digital Marketing	New	39.9 (score)	36 (score)	39.9 (score)	+ 3.9 (points)	All underlying activity targets achieved

3.2.1 Public Relations and Communication

The Public Relations (PR), Digital and Communication function of the ECPTA plays a crucial role in promoting the Eastern Cape as a desirable tourism destination and attracting visitors to the region. By effectively communicating the province's unique attractions, the function helps to drive economic growth and support the development of a sustainable tourism industry in the Eastern Cape.

- Generate opportunities to profile newsworthy stories related to the ECPTA mandate
 - ECPTA utilised its vast content calendar of key ECPTA and sector initiatives that include online and traditional media partnerships with print, radio and broadcast outlets, influencer campaigns, digital and communication mechanisms such as online campaigns e.g., competitions and digiboards, website takeovers, social media advertising, and traditional deliverables like media launches, editorials, stakeholder newsletters and PR campaigns to harness the image and reputation of its dual mandate.
 - Campaigns spanned mediums like Sunday Times, Weg/Go, Daily Dispatch, SABC radio and tv, Daily Sun, New24, MpumkapaTv, and various community radio stations. Safari Africa, Highbury Media, Tourism Update, African Insider, Provantage Media, Media fix and more. All partnerships selected on bases of high reach and engagement for effective message dissemination.
 - The provincial billboard outreach campaign initiated as a component of smart marketing continued for the province.
 - Influencer campaigns saw ECPTA hosting seven (7) 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 communication to keep internal and external stakeholders informed
 - The Public Relations Pub-programme developed and disseminated two electronic newsletters to staff and industry stakeholders for each quarter.
 - There is consistency in both newsletters with a difference in covered articles to ensure and internal and external focus is covered for the varying stakeholder of e-Voice and Tourism Talk- both outlets are prepared and shared to build brand reputation.

- Share internal achievements of public interest to build brand reputation
 - The table below illustrates annual performance achieved in the media landscape through the above with all targets met and exceeded:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Reach	13M	3.7M	19.8M	10.3M
AVE	7.6M	4.4M	9.8M	9.5M
Sentiment	61.0%	76.1%	52.0%	38.5%

3.2.2 Digital Marketing

- Manage ECPTA's social media accounts
 - Social media management ensures the ECPTA effectively and optimally profiles and displays their EC tourism offering to a local and global market through geographically and demographically targeted campaigns. The ECPTA's social media has maintained its growth and has become a key mechanism to engage with the Agency's online community and followers
- Manage ECPTA's digital platforms
 - Digital platform management has seen the maintenance and growth of the ECPTA's online footprint through content and digital platform development and growth.
- Leverage influencer & media partnerships to feature tourist experiences
 - The Agency also leveraged media and influencer partnerships to extend online reach, access niche market and special interest groups.
 - In addition to the above the ECPTA has also grown its portfolio of interactive virtual tourism platforms with an additional 15 virtual tours
 - The EC travel deals website has been maintained and grown to become a powerful private sector marketing and promotional tool for Eastern Cape tourism product to profile deals, stimulate travel and aid market access.
 - The ECPTA also facilitate various social media training sessions to assist private and public stakeholders to enhance and grow their digital marketing efforts
- Develop Eastern Cape destination travel content
 - Eastern Cape travel content creation has assisted in the Agency's producing its owned content in an aim to harness the power of content marketing.
 - The table below sets out the percentage social media growth across the reporting period as compared to the same period in 2022/23:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Facebook	22.00	25.41	34.00	36.05
Instagram	80.15	71.54	55.00	36.15
LinkedIn	-	-	-	113.44
Average	55.00	48.00	45.00	45.00

- The above analysis indicates that Facebook and Instagram following has probably peaked but offer continued return on investment and value for money.
- LinkedIn has shown exceptional growth for the period and will be further used to create exposure for the Agency's organisational profiling.

Sub-programme: Office of the CMO

Table 19: Output Indicators: 3.3 Research and Information Management²⁶

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
3.3.1 Information leadership	New	50 (score)	45 (score)	50 (score)	+5 (points)	All underlying activity targets achieved
3.3.2 Applied research	New	45.8 (score)	45 (score)	50 (score)	+5 (points)	All underlying activity targets achieved

3.3.1 Information leadership

- Maintain information portal(s) through which tourism stakeholders can access credible information
 - In addition to the dedicated section of the ECPTA website for news and press releases, the Marketing Department also conducted interactive online surveys among stakeholders
 - Three (3) key surveys were conducted, and the results were shared on the ECPTA website
 - Destination Perception and Awareness Survey
 - Accommodation Survey
 - Tourist Intercept Survey

3.3.2 Applied research

- Disseminate destination relevant tourism trends to identified stakeholders
 - Regular updates to the News Centre on the Visit Eastern Cape website include Travel Trends, survey results, stakeholder engagement information and relevant press releases

Sub-programme: Business Events and Partnerships

Table 20: Output Indicators: 3.4 Business Events and Partnerships²⁷

Output	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
3.4.1 Destination promotion through events	55 (score)	55 (Score)	49.5 (score)	55 (score)	+5.5 (points)	All underlying activity targets achieved
3.4.2 Destination profiling to MICE	42 (score)	45 (score)	40.5 (score)	45 (score)	+9.5 (points)	All underlying activity targets achieved

3.4.1 Destination promotion through events

- ECPTA uses signature events to promote the Eastern Cape as a tourism 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 objectives of involvement.
- During the year under review, ECPTA arranged to flight a promotional video of the Eastern Cape as a tourism destination.
- Collaborations included:
 - National Arts Festival
 - Coffee Bay Cultural Festival
 - Kirkwood Wildlife Festival
 - Professional Golfers Association (PGA) Championships
 - 200 years Muir college celebration
 - Eastern Cape Jazz Festival
 - Amanzi Surf Challenge
 - London Roots
 - Berlin November
 - University of Fort Hare Golf Day
 - Ebubeleni Music Festival

3.4.2 Destination profiling to MICE

- Meetings, Incentives, Conferences and Exhibitions (MICE) are a niche tourism type that offers an opportunity to profile the Eastern Cape as a destination to both domestic and international business travellers and their families.
- Collaborative efforts are required to influence conference organisers to choose the Eastern Cape as the host destination for conferences several seasons in advance.
- To this end, the province has submitted bids to host several conferences, and has so far been awarded the Public Health Association of South Africa conference

Strategy to overcome areas of under performance

Domestic Marketing

Of the forty-two (42) active indicators tracked by the Marketing Department, only one (1) activity target was not achieved. This pertained to the number of domestic holiday travellers, which declined rather than increased over the period under review.

In keeping with best practice, this indicator is understood to be a sub-indicator of domestic travel. Domestic travel of all types will continue to be actively marketed. The focus on encouraging Eastern Cape residents to explore their province will continue. If funding becomes available as requested, the enormously successful smart marketing approach initiated during the pandemic will be championed once more.

PROGRAMME 4: CORPORATE MANAGEMENT SUPPORT

Description of Programme

Purpose

The Corporate Management Support Programme consists of three components, namely Executive Office, Finance, and Corporate Services.

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 Agency.

As the administrative head of the ECPTA, the CEO is responsible for providing strategic leadership to executive management, corporate positioning of the Agency, risk management and corporate legal compliance. The Office of the CEO monitors compliance with legislation, strategic plans, and performance management plans. The office is further responsible for statutory performance reporting and for managing the enterprise-wide risk framework.

The Office of the CEO facilitates 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 Finance 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 coordinate the organisation's budget and resource requirements. This includes ensuring compliance with regulatory provisions and 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 ECPTA takes effective and appropriate steps to prevent unauthorised, irregular, or fruitless and wasteful expenditure.

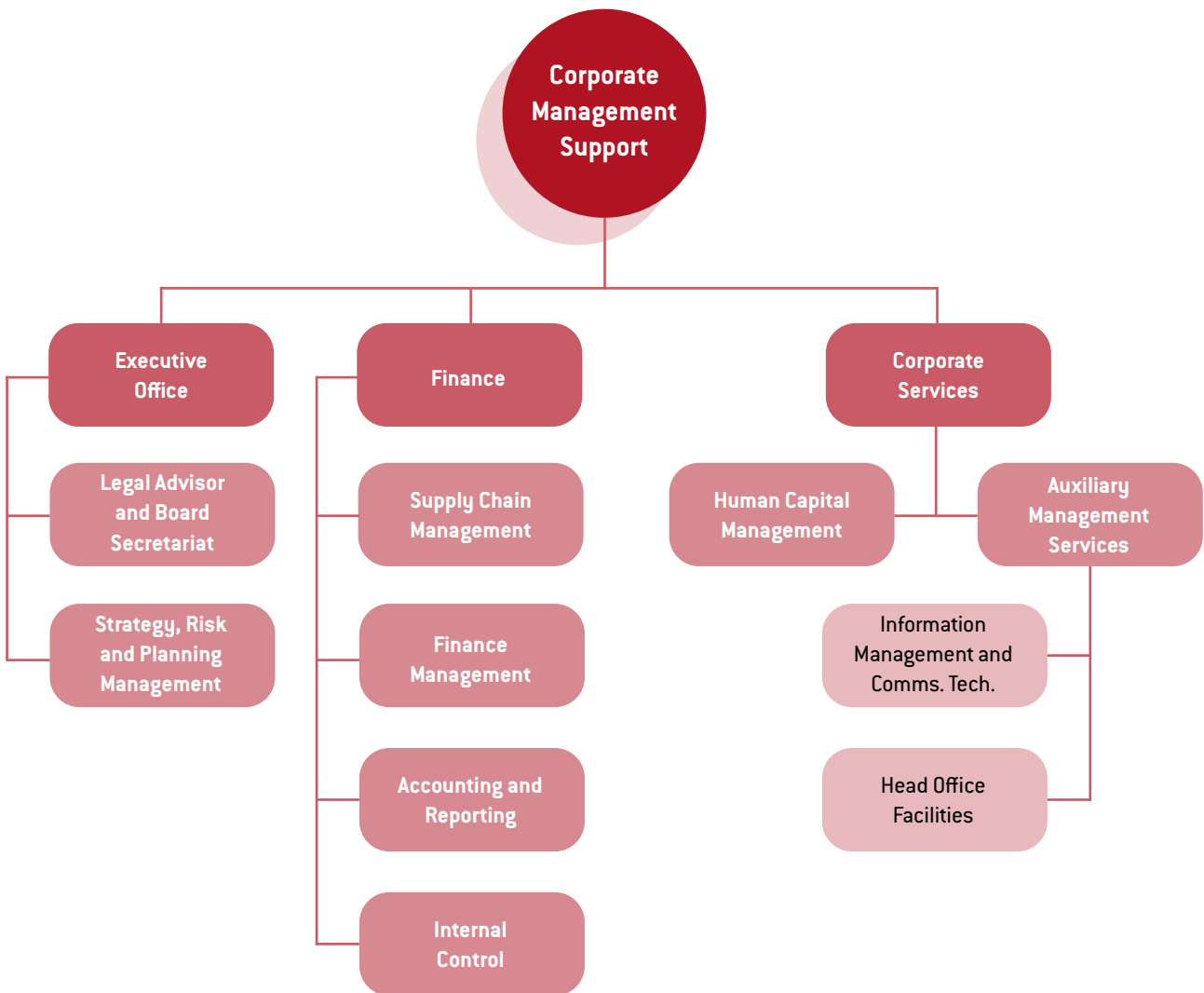
Corporate Services

Corporate Services consists of two sections: Human Capital Management and Auxiliary 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.

Auxiliary Management Services, through the Information Management and Communication Technology (IMCT) unit, 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

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, Destination Development, and Marketing. Corporate Management Support services are delivered in a manner that contributes to national outcomes and provincial priorities, with internal service models geared to meet the needs of core departments.

The four dimensions of Organisational Sustainability are each the responsibility of a sub-programme. The four weighted dimensions combine to contribute 20% to the overall organisational performance.

Intermediate Outcome

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

Outcome Statement

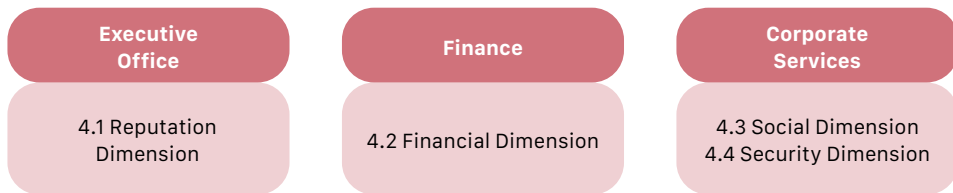
Internal service models geared to meet the needs of core departments (Organisational Sustainability Index)

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 ²⁸	35%
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 environmental financial)	10%		
4.2.7 Fleet management	15%		

²⁸ See Disclosure of errors in Annual Performance Plan on page 36

Immediate Outcome Indicators	Relative Weight	Output Indicators	Relative Weight
4.3 Social Dimension	20%		
		4.3.1 Transformation	15%
		4.3.2 Human Capital Management	15%
		4.3.3 Employee Relations Management	15%
		4.3.4 Learning and development	15%
		4.3.5 Talent management	15%
		4.3.6 Social responsibility	10%
		4.3.7 Occupational Health and Safety	15%
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 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation ²⁹ 2022/23	Reasons for deviations
Internal service models geared to meet the needs of core departments	96.2 (score)	99.4 (score)	90 (score)	97.9 (score)	+7.9 (points)	Contributing immediate outcomes achieved

Table 22: Immediate Outcomes: Organisational sustainability supported by capable, ethical, and responsive administration

Immediate Outcome	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
4.1 Reputation Dimension	30 (score)	30 (score)	27 (score)	30 (score)	+3 (points)	Underlying output targets achieved
4.2 Financial Dimension	31.1 (score)	34.4 (score)	32 (score)	33.8 (score)	+1.8 (points)	Two contributing outputs partially achieved
4.3 Social Dimension	20 (score)	20 (score)	18 (score)	19.1 (score)	+1.1 (points)	Two contributing outputs partially achieved
4.4 Security Dimension	15 (score)	15 (score)	14 (score)	15 (score)	+1 (points)	Underlying output targets achieved

Sub-programme: Executive Office

Table 23: Output Indicators: Reputation Dimension

Output Indicator	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
4.1.1 Corporate governance	100 (score)	100 (score)	90 (score)	100 (score)	+ 10 (points)	Systems in place and respected
4.1.2 Code of ethics	1 (Yes)	1 (Yes)	1 (Yes=1; No=0)	1 (Yes)	None	No deviation

²⁹ Actual vs Target

Output Indicator	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
4.1.3 Legislative compliance	99 (score)	97.7 (score)	90 (score)	97.2 (score)	+ 7.2 (points)	Most key legislation fully adhered to
4.1.4 Organisational accountability	1.3 (score)	100 (%)	100 (%)	100 (%)	None	No deviation
4.1.5 Organisational performance	90.9 (%)	94.7 (%)	90 (%)	93.2 (%)	+ 3.2 %	Performance target exceeded in all four quarters
4.1.6 Risk management maturity	3.1 (maturity level)	3.8 (maturity level)	3.5 (maturity level)	4.02 (maturity level)	+ 0.52 (maturity level)	Enterprise risk management improvement

Sub-programme: Finance

Table 24: Output Indicators: Financial Dimension

Output Indicator	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
4.2.1 Materiality reporting	94.8 (score)	92.6 (score)	90 (score)	86.9 (score)	-3.1 (points)	Delayed internal audits
4.2.2 Budget Management	88.0 (score)	88.0 (score)	90 (score)	92.5 (score)	+2.5 (points)	Activity targets exceeded in Q4
4.2.3 Revenue Management	100 (score)	100 (score)	90 (score)	100 (score)	+ 10 (points)	All underlying activity targets achieved
4.2.4 Supply Chain Management	0 (% deviation)	100 (%)	100 (%)	100 (%)	None	No deviation

Output Indicator	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
4.2.5 Customer service	61.4 (% error reduction)	62.7 (% error reduction)	5 (error rate)	4.3 (error rate)	-0.7 (error rate)	Lower error rate consequent to training and ongoing engagement
4.2.6 Triple bottom line purchasing	1 (Yes)	1 (Yes)	1 (Yes)	0.8 (partial)	-0.2 (partial)	Target not reached in Q1 due to treasury moratorium on tenders
4.2.7 Fleet Management	70.7 (score)	94.8 (score)	90 (score)	100 (score)	+ 10 (points)	All underlying activity targets achieved

Sub-programme: Corporate Services - HR

Table 25: Output Indicators: Social Dimension

Output Indicator	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
4.3.1 Transformation	100 (score)	90 (score)	90 (%)	100 (%)	+ 10 (% points)	All contributing activity targets achieved
4.3.2 Human Capital Management	New	New	90 (%)	100 (%)	+ 10 (% points)	All contributing activity targets achieved
4.3.3 Employee Relations Management	88 (score)	100 (score)	90 (%)	96.8 (%)	None	Most contributing activity targets achieved
4.3.4 Learning and development	1 (Yes)	1 (Yes)	90 (%)	100 (%)	+ 10 (% points)	All contributing activity targets achieved
4.3.5 Talent management	1 (Yes)	1 (Yes)	90 (%)	92.5 (%)	+ 2.5 (% points)	Contributing activity targets achieved

Output Indicator	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
4.3.6 Social responsibility	1 (Yes)	1 (Yes)	90 (%)	85 (%)	-5 (% points)	Change Champions did not report on activities every quarter
4.3.7 Occupational Health and Safety	1 (Yes)	1 (Yes)	90 (%)	74.9 (%)	-15.1 (% points)	Only 10 of the 16 workplaces conducted their Q3 committee meetings

Sub-programme: Corporate Services - IMCT

Table 26: Output Indicators: Security Dimension

Output Indicator	Audited Annual 2020/21	Audited Annual 2021/22	Planned Annual Target 2022/23	Actual Achieved 2022/23	Deviation 2022/23	Reasons for deviations
4.4.1 Cybersecurity	96 (%)	95.6 (%)	95 (%)	96 (%)	+ 6 (% points)	All contributing activity targets achieved
4.4.2 System availability	100 (%)	100 (%)	95 (%)	98.8 (%)	+ 3.8 (% points)	All contributing activity targets achieved
4.4.3 Customer orientation	100 (%)	100 (%)	95 (%)	100 (%)	+ 5 (% points)	Most contributing activity targets achieved
4.4.4 Enable business services through digital channels	New	New	90 (score)	95 (%)	+5 (% points)	All contributing activity targets achieved

Strategy to overcome areas of under performance

Materiality reporting

The indicator was only partially achieved due to the original Internal Audit plan not being adhered to. Periodic submissions to the Audit and Risk Committee (ARC) regarding progress with the implementation of the plan resulted in the ARC approving changes to the timing of some audits. In future, such adjustments will be formalised once approved by the ARC.

Triple bottom line (social | environmental | financial) purchasing

As reported, this indicator was partially met due to the moratorium on tenders in effect during Q1. No strategy to overcome under performance is contemplated.

Social Responsibility

The sub-programme did not report on support offered in respect of implementation of the annual Change Plan in quarters 2 and 3. Until that point, Change Champions were active at the head office only. Consultations revealed that staff at reserves felt that there was a need to extend the team's activities to all work sites. The agenda and structure of the Change Champions team were consequently reviewed in Q4 in preparation for the new financial year.

Occupational Health and Safety

Workplace health and safety committee appointments and meeting schedules, complimented by regular site visits, have been prioritised for 2023/24.

LINKING PERFORMANCE WITH EXPENDITURE

Biodiversity and Conservation	2022/23			2021/22		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services	68 125	44 821	23 304	52 921	28 698	24 223
Cost of Employment	107 975	114 504	-6 529	101 783	104 111	(2 328)
Capital Expenditure	107 234	52 607	54 627	166 607	92 464	74 143
Total	283 334	211 932	71 402	321 311	225 273	96 038

Destination Development	2022/23			2021/22		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services	4 915	3 570	1 345	17 073	12 054	5 019
Cost of Employment	13 842	11 239	2 603	16 649	15 078	1 571
Capital Expenditure	63	82	(19)	9 103	279	8 824
Total	18 820	14 891	3 929	42 825	27 411	15 414

Marketing	2022/23			2021/22		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services	17 973	16 823	1 150	18 880	17 354	1 526
Cost of Employment	13 188	12 362	826	11 647	11 895	(248)
Capital Expenditure	0	25	(25)	92	20	72
Total	31 161	29 210	1 951	30 619	29 269	1 350

Corporate Management Support	2022/23			2021/22		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services	46 865	46 537	328	41 027	40 737	290
Cost of Employment	39 422	37 254	2 168	35 366	36 337	(971)
Capital Expenditure	1 886	3 442	(1 556)	624	610	14
Total	88 173	87 233	940	77 017	77 684	(667)

REVENUE COLLECTION

Sources of revenue	2022/23			2021/22		
	Estimate	Actual	(Over)/Under	Estimate	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Accommodation	5 645	3 704	1 941	3 564	4 079	(515)
Actuarial Gains	-	551	(551)	0	2 380	(2 380)
Concessions	7 037	791	6 246	496	569	(73)
Conservation	1 783	1 263	520	1 010	1 576	(566)
Donation Received	-	9 960	(9 960)	0	10 661	(10 661)
Finance Income	5 098	6 888	(1 790)	5 566	5 611	(45)
Non-exchange transactions	390 339	296 624	93 715	447 737	328 355	119 382
Other Income	729	63	666	4 488	2 748	1 740
Rendering of services	3 463	3 763	(300)	534	638	(104)
Rental Income	1 599	1 679	(80)	1 617	1 535	82
Wildlife Sales	5 794	5 666	128	6 762	4 674	2 088
Total	421 487	330 952	90 535	471 774	362 825	108 949

CAPITAL INVESTMENT

Infrastructure Projects	2022/23			2021/22		
	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 World Heritage Site	7 047	4 360	2 687	35 177	31 184	3 993
Various Reserves (NDT - projects)	10 352	3 883	6 469	19 644	6 070	13 573
National Lotteries Commission (NLC) Thomas Baines	519	519	0	826	406	420
Universal Accessibility	509	809	-299	821	311	509
EPIP - Various Reserves	60 834	28 547	32 287	86 520	41 143	45 378
Economic Stimulus Fund - Various	34 038	20 387	13 651	37 732	3 694	34 038
Total	131 439	71 068	60 371	180 719	82 808	97 911

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, although the assts are owned by the province.

An Infrastructure Asset Management Plan and an Infrastructure Delivery Master Plan are required to better manage and prioritise the work of the PMU. Funding for the development of these plans has not been approved by DEDEAT and Provincial Treasury. Given the size of the project portfolio, it is critical that the plan be developed as soon as possible.

Infrastructure Projects Portfolio

The PMU currently manages around 20 multi-year infrastructure projects valued at around R205 million:

Nature Reserve	Funder / Programme	Description	Estimate (R'000)	Status %	Expected Completion
Cape Morgan Nature Reserve	EPIP	X32 x2 Sleeper Guest House Units 90-Seater Restaurant	42 406	100	December 2022
	EPIP	Fencing	1 797	100	December 2022
	NLC	Repairs and Alterations to Environmental Education Centre	520	100	2 March 2023
	EPIP	X3 2 Sleeper hunters' facilities	13 306	94	30 April 2023
	EPIP	Geellhoutbos accommodation	3 400	97	Q2 2023/24
	EPIP	Mvubu Lodge upgrades Picnic and Camp Sites	2 000	70	Q4 2023/24
	EPIP	New Lodge	2 000	30	Q4 2023/24
	EPIP	Tender award stage	2 000	60	Q4 2023/24
	NDT Infrastructure	X3 sites Mpande, Mngazana and Hluleka; X1 Mngcibe Lodge	6 000 3 500	48	Q4 2023/24
	NDT	Leopard Trail and Interpretative Centre	49 020	85	Q4 2023/24
	NDT Maintenance and Beautification	Upgrades and road rehabilitation: Mpofu NR Hluleka NR Double Mouth NR Oviston NR Thomas Baines NR Baviaanskloof WHS (Eastern) Dwesa and Cwebe NR	22 400	22	Q4 2023/24
	DEDEAT ESF	Dwesa NR – 5 Chalets, Environmental Education Centre, Curio Shop and Water treatment works Hluleka NR – 4 Chalets and Viewing Deck Mkhambathi NR – Viewing Deck and Curio shop. Silaka NR - Viewing Deck and Curio shop and swimming pool	26 000	69	Q4 2023/24
	DEDEAT ESF	Tsolwana NR – Upgrades of existing Infrastructure and new visitor complex Oviston NR – Viewing Deck Double Mouth NR - Viewing Deck and Ticket Office	4 509	45	Q3 2023/24

Nature Reserve	Funder / Programme	Description	Estimate (R'000)	Status %	Expected Completion
	EPIP	New flood damage triggered re-design	2 000	20	Recommended for extension
	NDT Universal Accessibility Project	Alterations and mobile ablution facility	1 100	63	Recommended for extension
	EPIP	Rehabilitation of 4km access roads	4 000	5	Q4 2024/25
	EPIP	Construction of Environmental Edu- / Information Centre and Camp Site	4 600	5	Q4 2024/25
	NDT Infrastructure	Provision of new infrastructure + upgrades: Kowie River Middle Beach Krantz Recreation Centre	2 200 1 200 4 600	54	Q4 2024/25
	DEDEAT ESF	Upgrades to existing Infrastructure Baviaanskloof WHS Great Fish NR Groendal NR	7 416	28	TBC



PART C

Gouvernance



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 COMMITTEE

The ECPTA engaged with the Portfolio Committee for Economic Development, Environmental Affairs and Tourism three times during the year under review. The full Board was present at all three engagements. The portfolio committee made findings and recommendations which were duly responded to by ECPTA.

1) 14 April 2022

a) Budget Vote 2022/23

- Submit a report on the state of nature reserves and tourists' usage rate linked with underspending on facilities' maintenance
- Submit a plan for mitigating risks on nature reserve management standards
- Submit a plan for moderating the expenditure on cost of employment and related dependence on grant funding
- Submit a report to the Committee on the resolution of the wage stand-off

2) 09 September 2022

a) Review Annual Report 2020/21

b) Review Half-Year Report 2021/22

c) Review Budget Vote 2022/23

3) 24 November 2022

a) Half-Year Report 2022/23

- DEDEAT was required to submit a report to the Committee on why the ECPTA's budget is not tracking National Treasury instructions
- Submit a plan for sustaining the improved tourism performance

b) Annual Report 2021/22

- The ECPTA must submit a report on consequence management steps taken to deal with the irregular expenditure and the efforts to condone the irregular expenditure
- DEDEAT was required to submit a plan to the Committee for raising funds that enable the ECPTA to achieve its mandate

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.

ACCOUNTING AUTHORITY - BOARD

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.

The term of the ECPTA Board, originally appointed by Honourable MEC Mvoko for a three-year term from 1 May 2019, was extended to 30 November 2022. The incoming Board was appointed for a three-year term from 1 December 2022.

Composition of the Board

Outgoing Board

Name	Designation	Date appointed	End of term	Qualifications	Area of Expertise	Board Directorships
Ms T. Putzier	Acting Chair of the Board; Chair Marketing and Destination Development Committee; Member Human Resources and Remuneration (HR&R) Committee	1 May 2019	30 November 2022	BCom, Postgraduate Diploma in Business Administration	Tourism and Marketing	Nil

Name	Designation	Date appointed	End of term	Qualifications	Area of Expertise	Board Directorships
Dr N. Mzilikazi	Chair HR&R Committee; Member Biodiversity and Conservation Committee	1 May 2019	30 November 2022	PhD Zoology, MSc Zoology, BSc (Hons) Zoology, BSc Zoology Chemistry, Tropical Ecology Field-Course	Biodiversity and Conservation	Nil
Mr Z. Fihlani	Chairperson of Finance and Investment Committee (FINCO); Member HR&R Committee	1 May 2019	30 November 2022	MCom (Tax), Higher Diploma in Tax Law, Higher Diploma in International Tax Law, CA (SA), BCompt (Hons), BCom in Accounting, Bridging Course	Finance	Nil
Dr A. Baxter	Chair Biodiversity and Conservation Committee; Member of FINCO	1 May 2019	30 November 2022	PhD in Faculty of Science, BSc & BSc (Hons)	Biodiversity and Conservation	Nil
Mr L. Beville	Member Biodiversity and Conservation Committee	1 May 2019	30 November 2022	BA, Higher Diploma in Education (HDE)	Representing the Community	Chairperson Provincial People and Parks Forum
Ms S. Onceya	Member of FINCO; Member of Marketing and Destination Development Committee	1 May 2019	30 November 2022	Masters in economics, BCom (Hons) Transport Economics, BCom Business Management & Economics	Shareholder Representative Finance Marketing	Nil
Mr T. Lehloesa	Member Marketing and Destination Development Committee	1 April 2021	30 November 2022	MA in International Studies	Culture and Heritage	Nil

Incoming Board

Name	Designation	Date appointed	End of term	Qualifications	Area of Expertise	Board Directorships
Dr N. Mzilikazi	Chair of the Board Member: Exco	1 December 2022	Not applicable	PhD Zoology, MSc Zoology, BSc (Hons) Zoology, BSc Zoology Chemistry, Tropical Ecology Field-Course	Biodiversity and Conservation	Nil
Ms P. Loyilane	Deputy Chair of the Board Chair: HR and Remuneration Committee	1 December 2022	Not applicable	Bachelor of Commerce Education Diploma Master of Philosophy in disability	Human Resources	Nil
Dr A. Muir	Chair: Biodiversity and Conservation Committee Member: Finance and Investment Committee	1 December 2022	Not applicable	Doctor of Social Science Master of environmental & development	Biodiversity Conservation	Nil
Mr L. Beville	Member of Biodiversity and Conservation Committee	1 December 2022	Not applicable	BA, Higher Diploma in Education	Representing the Community	Chairperson Provincial People and Parks Forum
Adv. S. Mancotywa	Member Biodiversity and Conservation Committee Member: Marketing and Destination Development Committee	1 December 2022	Not applicable	B. Juris, LLB, Postgraduate Diploma in Management Practice, Doctor of Philosophy	Culture and Heritage	Nil
Mr C. Sparg	Chair: Finance and Investment Committee Member: HR and Remuneration Committee Member: Exco	1 December 2022	Not applicable	B. Com and CTA CA (SA)	Finance	Nil

Name	Designation	Date appointed	End of term	Qualifications	Area of Expertise	Board Directorships
Ms N. Mxunyelwa	Chair: Marketing and Destination Development Committee Member: HR and Remuneration Committee	1 December 2022	Not applicable	Bachelor of Social Sciences Postgraduate Diploma in Management (Marketing)	Tourism and Marketing	Nil
Ms V. Mantyi	Member: Finance and Investment Committee Member: Marketing and Destination Development Committee	1 December 2022	Not applicable	Bachelor of Commerce in Management B. Com Honours in Management	Shareholder Representative	Nil

Committees

Committee	No. of meetings 1 April – 30 November 2022	No. of members	Name of members
Board	3	7	Ms T. Putzier Dr N. Mzilikazi Mr L. Bevile Mr Z. Fihlani Dr A. Baxter Ms S. Onceya Mr T. Lehloesa
Audit and Risk Committee	4	3	Mr L. Mangquku Mr S. Dzengwa Mr J. Emslie
Biodiversity and Conservation Committee	3	3	Dr A. Baxter Dr N. Mzilikazi Mr L. Bevile
Finance and Investment	3	3	Mr Z. Fihlani Dr A. Baxter Ms S. Onceya
Human Resources and Remuneration	3	3	Dr N. Mzilikazi Ms T. Putzier Mr Z. Fihlani
Marketing and Destination Development Committee	3	3	Ms T. Putzier Ms S. Onceya Mr T. Lehloesa

Committee	No. of meetings 1 Dec 22 – 31 March 2023	No. of members	Name of members	
Board	1	8	Dr N. Mzilikazi Ms P. Loyilane Mr L. Bevile Dr A. Muir	Adv. S. Mancotywa Mr C. Sparg Ms N. Mxunyelwa Ms V. Mantyi
EXCO	1	4	Dr N. Mzilikazi Mr C. Sparg	Mr V. Dayimani Mr J. Jackson
Audit and Risk Committee	1	3	Mr L. Mangquku Mr S. Dzengwa	Mr J. Emslie
Biodiversity and Conservation Committee	1	3	Dr A. Muir Mr L. Bevile	Adv. S. Mancotywa
Finance and Investment	1	3	Mr C. Sparg Ms V. Mantyi	Dr A. Muir
Human Resources and Remuneration	1	3	Ms P. Loyilane Mr C. Sparg	Ms N. Mxunyelwa
Marketing and Destination Development Committee	1	3	Ms N. Mxunyelwa Adv. S. Mancotywa	Ms V. Mantyi

Remuneration of Board Members

The MEC approved the Board's Subsistence and Travel Policy, and members receive remuneration according to this policy. ECPTA records members' remuneration details, including other expenses, in the Annual Financial Statements for the year ended 31 March 2023. ECPTA does not remunerate the official deployed by DEDEAT to serve as the Shareholder Representative.

RISK MANAGEMENT

The ECPTA risk management cycle is synchronised with the planning cycle as each gives rise to the other.

The CEO annually appoints a Risk Management Committee (consisting of all Executive Directors and their direct managerial reports) to implement the Risk Management Charter. The Risk Management Committee advises the CEO on the control measures necessary to manage identified risks. It is the responsibility of the Risk Management Committee to prepare the Annual Strategic Risk Register, as well as to ensure that Departmental and Reserve risk registers are prepared, and that implementation of risk management plans are monitored.

Each reserve and every department hold at least quarterly risk discussions ahead of quarterly Risk Management Committee meetings. The success or otherwise 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 2022/23 audit of risk management maturity used the "Risk Maturity Model" (RMM) for the third 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
Optimising	4 to 5	1-200
Managed	3 to 4	201-400
Repeatable	2 to 3	401-600
Initial	1 to 2	601-800
Ad Hoc	0 to 1	801+

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 between 200 and 300. The ECPTA successfully attained this target with a score of 196.05 and level 4.02 (Optimising). Areas of identified weakness are incorporated into the Enterprise Risk Management Improvement plan for 2023/24.

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

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 protect and enhance organisational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit function assisted 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 in 2022/23

- 9 Months Interim Financial Statements
- Audit of Quarterly Performance Information Q1-Q4
- Financial Controls Review
- Information Technology Governance Review
- Executive Performance Outcome Review
- Board Self-Assessment Report
- Supply Chain Management Deviations Q1-Q4
- Audit findings follow up review Q1-Q3
- Risk Maturity Assessment Review
- Supply Chain Management Review
- Ad Hoc Review: Salary Payment After Resignation Date
- Ad Hoc Review: Review of Draft Annual Performance Plan for 2023/24

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 the Board of ECPTA. The Audit and Risk Committee is accountable to the Accounting Authority to carefully 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 or external	Date appointed	Date Resigned	No. of Meetings attended
Mr L M Mangquku (Chairperson)	CA(SA) Master of Business Leadership Advanced Company Law I and II Bachelor of Accounting Sciences (Hon) Bachelor of Commerce (Hon) (Accounting)	External	April 2020	Re-appointed 1 April 2023	5
Mr J Emslie (Member)	Bachelor of Commerce (Hon) (Accounting) CA(SA)	External	April 2020	Re-appointed 1 April 2023	5
Mr S Dzengwa (Member)	BA (Hon), Master of Public Administration, Master of Business Administration	External	April 2020	Term ended 31 March 2023	4
Ms Loren Smith	CA (SA)	External	April 2023	N/A	Appointed after the reporting period

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 March 2022.

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

Health Safety and Environmental Issues at ECPTA pertain to working environments and in some cases to staff accommodation. The condition of tools and equipment required for work on reserves is checked periodically and reported on at least quarterly. As necessary, these reports include requests for maintenance or replacement of tools and equipment. Occupational Health and Safety is the responsibility of a duly appointed occupational health and safety Officer.

BOARD SECRETARY

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

SOCIAL RESPONSIBILITY

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.

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

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 COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

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

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 three-year rolling internal audit plan approved by the Audit and Risk Committee:

- 9 Months Interim Financial Statements
- Audit of Quarterly Performance Information Q1 through to Q4
- Financial Controls Review
- Information Technology Governance Review
- Executive Performance Outcome Review
- Board (Accounting Authority) Self-Assessment Report
- Supply Chain Management Deviations Q1-Q4
- External Audit findings follow up review Q1-Q3
- Risk Maturity Assessment Review
- Supply Chain Management Review
- Ad Hoc Review: Salary Payment After Resignation Date
- Ad Hoc Review: Review of Draft Annual Performance Plan for 2023/24

It is our view that the Internal Audit function has been effective during the year and conducted its activities independently and objectively.

On findings raised by internal audit, the Audit and Risk Committee engaged management on remedial action plans and will review progress through follow up audits.

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 refer to it. The Audit and Risk Committee is responsible for the following auditing and related matters:

- Evaluation of management procedures regarding internal controls
- Approve Internal Audit Plan
- Recommend External Audit strategy
- Oversee the Internal Audit Function
- Review the annual financial statements and interim reports
- Consideration of significant matters arising out of regularity audits and external audits
- Review and evaluate management comments on reports issued by the Internal Audit Function and management letters issued by the External Auditors

Audit and Risk Committee Membership and Attendance

Name	Qualifications	Internal or external	Date appointed	Date Resigned	No. of Meetings attended
Mr L M Mangquku (Chairperson)	CA(SA) Master of Business Leadership Advanced Company Law I and II Bachelor of Accounting Sciences (Hon) Bachelor of Commerce (Hon) (Accounting)	External	April 2020	Re-appointed 1 April 2023	5
Mr J Emslie (Member)	Bachelor of Commerce (Hon) (Accounting) CA(SA)	External	April 2020	Re-appointed 1 April 2023	5
Mr S Dzungwa (Member)	BA (Hon), Master of Public Administration, Master of Business Administration	External	April 2020	Term ended 31 March 2023	4
Ms Loren Smith	CA (SA)	External	April 2023	N/A	Appointed after the reporting period

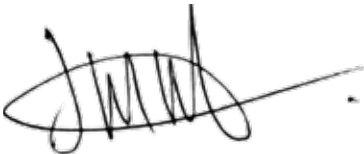
In-Year Management and Monthly/Quarterly Report

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

Auditor's Report

We reviewed the entity's implementation plan for audit issues raised in the prior year and are satisfied that the agency addressed all significant matters raised.

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 & Risk Committee
31 July 2023



PART D

Human Resource Management



INTRODUCTION

Overview of Human Resources

In the 2021/22 financial year, ECPTA implemented the National Treasury guidelines for costing and budgeting for compensation of employees. Consideration was also made of the proportion of compensation of employees and the reduced transfers received on the total budget of the ECPTA, as well as the wage freeze – zero per cent (0%) cost of living adjustment. The Board of Directors, pursuant to the 2021/22 budget being approved, gave ECPTA management a 0% negotiating mandate for its Bargaining Council.

Thereafter, in July 2021 the Public Service Co-ordinating Bargaining Council (PSCBC) reached an agreement on the payment of a salary adjustment for the 2021/22 financial year. The binding resolution (1 of 2021) was implemented in the public service through an adjustment to the centralised and standardised Personal and Salary (PERSAL) administration system. This resolution afforded public servants a once off gratuity of an average R1 350 per month for 12 months and a non-pensionable 1.5% increase. Because ECPTA, as a public entity rather than government department, does not use PERSAL, this adjustment was not made automatically. Requests to the shareholder department and Provincial Treasury for additional funding to cover the almost R10 million-rand adjustment were unsuccessful.

Organised Labour lodged a dispute with the Commission for Conciliation, Mediation and Arbitration (CCMA) over the once off cash allowance of R1 350 that was implemented for the Public Service in the PSCBC in the 2021-22 financial year. The CCMA issued a certificate of non-resolution and the draft picketing rules were issued by the dispute resolution body according to Section 63 of the Labour Relations Act (Act 66 of 1995). The latter led to industrial action between the 12th and 13th of April 2022. Through the intervention of management, the industrial action was quelled. As this action was taking place within the new negotiation cycle it was agreed that the outstanding issues be deferred to the 2022-23 wage negotiation cycle. Despite heightened adversarial relations, ECPTA's organised labour and management successfully concluded the 2022-23 wage negotiation cycle with an agreement. This agreement entailed a 3% to 1.5% increase implemented on a sliding scale and a R9 450 once-off cash allowance to all staff in the bargaining and non-bargaining units.

Managing people remotely proved to be challenging during the COVID-19 pandemic, especially at workstations like the reserves. The pandemic had caused ECPTA to become more technologically agile. Despite online platforms like Zoom and Microsoft Teams having become entrenched and having facilitated administrative and operational stability, these technology-driven solutions are deemed impersonal by reserve staff, who prefer face-to-face interactions. ECPTA has ensured, especially with regards to Corporate Support Services, that contingencies are in place through a hybridized system to mitigate this and other challenges, such as continual loadshedding. The quality of support services delivered to reserve staff remains a critical commitment of all the Corporate Support Services units.

HR priorities for the year under review

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

The 'Care and Share Programme' is a strategy to ensure skills transfer by employees who are nearing retirement to young up-and-coming leaders. The programme was expanded to include skills transfer on infrastructure projects, aimed at equipping general assistants with maintenance skills such as plumbing. The Field Ranger Academy was launched in September 2022. Forty-five (45) young field ranger cadets from communities neighbouring ECPTA-managed reserves graduated from the academy, ensuring that ECPTA has access to a pool of young and suitably qualified Field Ranger Cadets to recruit from when opportunities arise.

Employee performance management framework

The ECPTA Performance Management Policy and related system are robust and consistently applied. This ensures that individual performance is linked to organisational performance. Ongoing monitoring of both individual and organisational performance provides for credible individual and organisational results.

Employee wellness programmes

The online Employee Wellness Service was first introduced to the ECPTA in May 2019, and together with the Employee Wellness Office has ensured that these services are coordinated and are accessible to all ECPTA staff. The online Employee Wellness Service was used mostly during the height of the COVID-19 pandemic. As the virus wreaked havoc across society, in all spheres of life, ECPTA ensured that the online service was ongoing and accessible to all staff. The continued promotion of the online wellness support service is continuous to reserve staff and all ECPTA employees to ensure that staff's wellbeing while at work is safeguarded and that they fully engaged.

Information Management and Communications Technology challenges

Much as the ECPTA has made strides to move some of its (Information Management and Communications Technology) IMCT services and offering to the cloud, outdated IMCT infrastructure equipment remains a major challenge that impacts on the speed and quality of delivering IMCT services to staff members, stakeholders, and clients. To address this challenge an infrastructure audit was conducted. ECPTA aims to use this information to test the market for the most suitable server infrastructure solution. In the meantime, obsolete IMCT infrastructure has been decommissioned.

Connectivity at nature reserves located in remote areas with limited or no telecommunication infrastructure remains a challenge that ECPTA continues to grapple with. To address this challenge, a Software Defined Wide Area Network (SDWAN) solution was deployed across eighteen (18) reserve sites, leaving only thirteen (13) reserve sites that are still connected with the previous satellite solution.

All reserves that are connected through SDWAN solution provide reliable connectivity services with good network speed and throughput. While reserves connected through satellite solutions are still experiencing poor network speed, basic services such as internet and email are available. To address challenges of the remaining thirteen nature reserves, pilot solutions will be assessed and implemented if viable in the next financial year.

Cyber security remains a challenge that affects many organisations across the world. ECPTA is no different. We continue to face the daily threat and challenge of cybersecurity. To address this matter, ECPTA has employed several controls that minimise the chance of successful intrusion. These include:

- Multifactor Authentication was implemented for the users to ensure that access to the employees' accounts are validated and confirmed by the owner of the account before access is granted. This eliminates the risk of an unauthorised person gaining access to ECPTA user accounts.
- FortiGate Firewall was implemented at the Head Office and across eighteen reserves to enhance network security.
- The Fortinet line of FortiGate next-generation firewalls combine the functionality of traditional firewalls with deep packet inspection and machine learning to bring enhanced protection to the ECPTA network. In this way, FortiGate can identify malware, attacks by hackers, and many other threats and block them
- Advanced Email Security Solution (Mimecast) was updated to secure the network from advanced malware, spam, and viruses.

Critical business applications are regularly updated to ensure the best possible user value. Applications include:

- Microsoft Teams was successfully implemented and continues to be used as a core telephone management application.
- Office 365 applications are now in place providing users the ability to connect to their email, documents, and profiles wherever they are.
- Pastel Evolution, VIP (Payroll and Leave Management System) were upgraded for the year under review.
- Microsoft One-Drive was rollout to the nature reserves as well.
- The ECPTA will be reviewing the Microsoft Enterprise Agreement to ensure that other relevant solutions such as SharePoint online are implemented.
- Network Audit Management system will be implemented.
- Microsoft Power Apps will be implemented following a phased approach to enable the use of artificial intelligence and business intelligence for the automation of key business processes.
- 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 an updated Central Reservation system, Help Desk System and SAGE 300.
- Implementation of a new version the Board application management software

Future HR plans / goals:

- The Talent Management Strategy was reviewed in March 2023. The Talent Management Committee is in place and the Talent Management Champions were selected in each Department and were inducted.
- Quarterly reporting on the progress made regarding all five pillars of the Talent Management Framework.
- Universal Access Audits were conducted in all the ECPTA establishments in the 2022/23 financial year. Recommendations for improvements will be followed up over the course of 2023/24.
- Continued capacitation of staff and line management on key aspects of employee relations through dispute prevention initiatives.
- Strengthen the collective engagements in the Joint Negotiations Committee through facilitating quality training in partnership with the CCMA.
- Continued targeted promotion of employee wellness interventions.

HUMAN RESOURCE 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)	180 066	114 504	38.60%	381	301
Destination Development (DD)	14 377	11 239	3.79%	15	749
Marketing	22 473	12 362	4.17%	17	727
Corporate Management Support (CMS)	79 708	37 254	12.56%	60	621
TOTAL	296 624	175 359	59.12%	473	371

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	11 642	6.64%	6	1 940
Senior Management	41 599	23.72%	35	1 188
Professional qualified	22 478	12.82%	34	661
Skilled	22 739	12.97%	52	437
Semi-skilled	53 986	30.79%	218	248
Unskilled	22 914	13.07%	128	179
TOTAL	175 359	100%	473	371

Performance Rewards

Level	Performance rewards (R'000)	Personnel Expenditure (R'000)	% Performance rewards to total personnel cost (R'000)
Top Management	1 106	11 642	9.50%
Senior Management	2 747	41 599	6.60%
Professional qualified	779	22 478	3.47%
Skilled	756	22 739	3.32%
Semi-skilled	975	53 986	1.81%
Unskilled	362	22 914	1.58%
TOTAL	6 725	175 359	3.83%

Training Costs

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 to capacitate the ECPTA workforce	175 359	1 577	0.90%	321	4.912

Employment and vacancies

Pro-gramme	2021/22 No. of Employees	2022/ 2023 Approved Posts	2022/ 2023 Effective Posts ³⁰	2022/23 No. of Employees	2022/23 Vacancies	% of vacancies	Vacancy rate
B&C	392	509	402	381	21	40.38%	5.22%
DD	15	29	29	15	14	26.92%	48.28%
Marketing	19	25	25	17	8	15.38%	32.00%
CMS	58	66	69	60	9	17.31%	13.04%
TOTAL	484	629	525	473	52	100%	9.90%

Level	2021/22 No. of Employees	2022/2023 Effective Posts	2022/23 No. of Employees	2022/23 Vacancies	% of vacancies	Vacancy rate
Top Management	6	6	6	0	0.00%	0.00%
Senior Management	36	40	35	5	9.62%	12.50%
Professional qualified	35	40	34	6	11.54%	15.00%
Skilled	55	60	52	8	15.38%	13.33%
Semi-skilled	222	220	218	2	3.85%	0.91%
Unskilled	130	159	128	31	59.62%	19.50%
TOTAL	484	525	473	52	100%	9.90%

³⁰ The 629-post ideal organogram has never been funded. "Effective Posts" are those that are currently funded or can reasonably be expected to be funded.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	6	0	0	6
Senior Management	36	3	4	35
Professional qualified	35	5	6	34
Skilled	55	3	6	52
Semi-skilled	222	13	17	218
Unskilled	130	2	4	128
Total	484	26	37	473

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	2.70%
Resignation	22	59.46%
Dismissal	3	8.11%
Retirement	6	16.22%
Ill health	0	0.00%
Expiry of contract	1	2.70%
Other	4	10.81%
Total	37	100.00%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Grievances	0
Verbal Warning	0
Written Warning	9
Final Written warning	7
Suspension	9
Dismissal	3
Total	28

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	17		1		0		1	
Professional	13		0		0		3	
Skilled	14		0		0		2	
Semi-skilled	117		15		0		0	
Unskilled	52		13		0		0	
TOTAL	214	208	29	28	0	0	7	15

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Mx	3		1		0		0	
Senior Mx	14		0		1		1	
Professional	17		0		0		1	
Skilled	34		1		0		1	
Semi-skilled	79		7		0		0	
Unskilled	57		6		0		0	
TOTAL	204	193	15	26	1	0	3	12



PART E

PAMA Compliance Report



PFMA COMPLIANCE REPORT

Irregular, Fruitless and Wasteful Expenditure and Material Losses

Irregular expenditure

Reconciliation of irregular expenditure

Description	2022/23 R'000	2021/22 R'000
Opening balance	6 081	362
Add: Irregular expenditure confirmed	1 706	5 719
Less: Irregular expenditure condoned	(362)	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing Balance	7 425	6 081

The ECPTA awarded several 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 the National prescripts and regulations. The expenditure of 2022: R5,7 million on the contracts is thereby deemed Irregular. The ECPTA, pursuant to Board of Directors approval, has submitted the contracts and related expenditure to the Provincial Treasury for condonation.

Fruitless and Wasteful Expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2022/23 R'000	2021/22 R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	306	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing Balance	306	-

A former employee of the ECPTA continued to receive salary payments following the employee's purported resignation in December 2019. Management discovered this irregularity in October 2022. The total amount of R306 thousand includes R98 thousand paid in the current year, R103 thousand paid in 2022, R97 thousand paid 2021 and R8 thousand paid in the 2020 fiscal year.

Reconciling notes

Description	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2019-2022 and identified in 2022/23	208	-
Fruitless and wasteful expenditure for the current year	98	-
Total	306	-

Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure.

Disciplinary steps taken:

- The matter has been reported to the Board of Directors through the Audit and Risk Committee in the 4th quarter of the year under review.
- The matter has been reported to SAPS (CAS 651/2/203) and is currently under investigation.
- The former employee has signed an acknowledgement of debt for the full amount.
- Consequence management in terms of the ECPTA Disciplinary code is being implemented.

Late and / or Non-Payment of Suppliers

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	8 327	130 700
Invoices paid within 30 days or agreed period	8 327	130 700
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

Supply Chain Management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of a service provider to supply emergency electrical connection at Hluleka Nature Reserve due to floods	IX Engineers JV Sim and Liya Construction	Emergency Deviation	P058726	665
Provision of emergency security services at Dwesa Nature Reserve during shutdown period	Falcon Security Group	Emergency Deviation	P060986	421
Appointment of a service provider to Investigate existing borehole and provide alternative source of water at Dwesa Nature Reserve	JKN Developments	Emergency Deviation	P059605	341
Total				1 427

Contract variations and expansions

Project description	Name of supplier	Contract modification type	Contract number	Original contract value R'000	Value (R'000) of previous contract expansion or variation	Value (R'000) of current contract expansion or variation
Construction of Chalets, Curio Shop and Environmental Education Centre at Dwesa Nature Reserve	Phefong Construction Jv Mpiyakhe 04 Construction (Trading as BLB)	Variation	01/FY/22	11 409	766	12 175
Constriction of a swimming pool, kitchen, and refurbishment of a picnic site	Luyoliso Trading	Expansion	07/FY/23	1 078	1 078	1 078
Construction of a viewing deck	Fono Development	Expansion	08/FY/23	1 052	1 052	1 052
Construction of a mini-ticket office and landscaping around the camp site	Gqobo Investment	Expansion	09/FY/23	869	869	869

Project description	Name of supplier	Contract modification type	Contract number	Original contract value R'000	Value (R'000) of previous contract expansion or variation	Value (R'000) of current contract expansion or variation
Appointment of a professional service provider to render services for contract planning, design, administration, and construction monitoring and project management on various infrastructure projects for game management and recreation cluster region	Nolwandle Quantity Surveyors	Variation	06/FY/22	1 009	151	1 159
Total				15 417	3 916	16 333



PART F

Financial Information



General Information

Country of incorporation and domicile	South Africa
Legal form of entity	Schedule 3C Public Entity in terms of the Public Finance Management Act
Nature of business and principal activities	Biodiversity Conservation and Tourism Management
Accounting Authority	Dr N Mzilikazi Ms P Loyilane Adv. S Mancotywa Ms N Mxunyelwa** Mr L Beville Mr C Sparg Dr A Muir Ms V Mantyi*
Registered office	17 - 25 Fleet Street, East London, 5201
Postal address	P.O. Box 11235, Southernwood, East London 5213
Bankers	First National Bank Limited
Auditors	Office of the Auditor General
Website	www.visiteasterncape.co.za

***Controlled entities employee, not remunerated*

** Shareholder representative, not remunerated*

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Abbreviations used:

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 and Tourism Agency
GRAP	Generally Recognised Accounting Practice
NDT	National Department of Tourism

Accounting Authority's Responsibility 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 ECPTA 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. Whilst operational 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 2024 determined through the DEDEAT MTEF budget and, in the light of this review and the current financial position, they are satisfied that the ECPTA's has access to adequate resources to continue in operational existence for the foreseeable future.

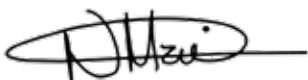
The ECPTA is wholly dependent on the DEDEAT for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern, and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Accounting Authority is primarily responsible for the financial affairs of the entity, they are supported by the ECPTA's CEO, Audit and Risk Committee and external auditors.

The external auditors are responsible for independently reviewing and reporting on the ECPTA's annual financial statements.

The annual financial statements have been examined by the ECPTA's external auditors and their report is presented on page 135.

The annual financial statements set out from page 143, which have been prepared on the going concern basis, were approved by the board on 29 May 2023 and were signed on its behalf by:



Dr N Mzilikazi
Chairperson of the Board

REPORT OF THE AUDITOR-GENERAL

To 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 & Tourism Agency set out on pages 143 to 204, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the 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 & Tourism Agency as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for 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 responsibilities of the auditor-general 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.

Other matter

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

National Treasury Instruction Note 4 of 2022-23: PFMA compliance and reporting framework

7. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 37 to the financial statements of the entity.

Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements of Eastern Cape Parks & Tourism Agency. The disclosure of these movements (e.g., condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the entity. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

8. 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 SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. 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.

Responsibilities of the auditor-general for the audit of the financial statements

10. 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.

11. 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

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

13. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measures the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

14. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides the users with useful and reliable information and insights on the entity's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives

Programmes	Page numbers	Purpose
Biodiversity and conservation	41 – 58	To ensure that the natural biodiversity of areas is protected for current and future generations. In turn, the reserves and regions are supported by specialised units that provide scientific support, planning support, hospitality support, community engagement expertise and infrastructure development, project management and maintenance.

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

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

17. I did not raise any material findings on the reported performance information of programme 1: Biodiversity and conservation.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under- achievements.

Report on compliance with legislation

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

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

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

23. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

24. The accounting authority is responsible for the other information included in the annual report. The other information referred to 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 on in this auditor's report.

25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

27. 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

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

29. I did not identify any significant deficiencies in internal control.

Auditor-General

East London
29 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-general's Responsibility for the Audit

Professional judgement and professional scepticism

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

Financial statements

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
- conclude on the appropriateness of the 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 entity 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 the 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

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or Regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b); Section 66(4)
Treasury Regulations for departments, trading entities, constitutional institutions, and public entities (TR)	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A 6.2(a) & (b); 16A 6.2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1(b)(ii); 16A9.1; 16A9; 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c) Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 31.3.3 Treasury Regulation 33.1.1; 33.1.3+C3
Public service regulation	Public service regulation 13(c); 18 (1) and (2);
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)

PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)



ANNUAL FINANCIAL STATEMENTS

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Position

Figures in Rand thousand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Inventories	2	2 164	3 338
Receivables from exchange transactions	3	782	980
Receivables from non-exchange transactions	4	7 768	4 168
Cash and cash equivalents	5	113 887	101 633
Game held for sale	6	5 448	5 794
		130 049	115 913
Non-Current Assets			
Intangible assets	7	697	1 275
Property, plant and equipment	8	373 193	355 852
Service concession assets	9	47 240	38 709
Heritage assets	10	22 991	22 991
Investment property	11	19 695	19 673
		463 816	438 500
Total Assets		593 865	554 413
Liabilities			
Current Liabilities			
Finance lease obligation	12	571	45
Payables from exchange transactions	13	29 043	31 249
Social responsibility projects	14	73	82
Provisions	15	7 231	7 131
Unspent grants and receipts	16	116 778	88 271
Employee benefit obligation	17	618	577
Game held for sale	6	5 448	5 794
		159 762	133 149
Non-Current Liabilities			
Finance lease obligation	12	1 022	-
Employee benefit obligation	17	17 593	16 450
		18 615	16 450
Total Liabilities		178 377	149 599
Net Assets		415 488	404 814
Accumulated surplus		415 488	404 814
Total Net Assets		415 488	404 814

* See Note 42

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

Figures in Rand thousand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Wildlife income	18	5 666	4 674
Rendering of services	19	9 522	9 207
Rental income		1 679	1 535
Interest received - investment	20	6 888	5 611
Actuarial gains		551	2 380
Total revenue from exchange transactions		24 306	23 407
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	22	296 623	328 354
Donations	21	9 960	10 661
Fines and Penalties		63	403
Total revenue from non-exchange transactions		306 646	339 418
Total revenue		330 952	362 825
Expenditure			
Employee related costs	23	(175 361)	(169 238)
Depreciation and amortisation	24	(31 468)	(21 696)
Impairment of assets		(648)	(717)
Finance costs	25	(1 905)	(2 330)
Debt Impairment	29	(736)	(295)
Loss on disposal of assets		(6)	(837)
General Expenses	26	(105 007)	(94 109)
Repairs and maintenance	27	(5 147)	(5 199)
Total expenditure		(320 278)	(294 421)
Surplus for the year		10 674	68 404

* See Note 42

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Statement of Changes in Net Assets

Figures in Rand thousand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	336 202	336 202
Adjustments		
Prior year adjustments - Note 42	208	208
Balance at 01 April 2021 as restated*	336 410	336 410
Changes in net assets		
Surplus for the year	68 404	68 404
Total changes	68 404	68 404
Restated* Balance at 01 April 2022	404 814	404 814
Changes in net assets		
Surplus for the year	10 674	10 674
Total changes	10 674	10 674
Balance at 31 March 2023	415 488	415 488

* See Note 42

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Cash Flow Statement

Figures in Rand thousand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		17 076	16 812
Grants		320 846	292 700
Interest income		6 888	5 611
		<u>344 810</u>	<u>315 123</u>
Payments			
Employee costs		(175 440)	(171 819)
Suppliers		(111 137)	(104 292)
Finance costs		(40)	(7)
		<u>(286 617)</u>	<u>(276 118)</u>
Net cash flows from operating activities	30	<u>58 193</u>	<u>39 005</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(47 014)	(85 319)
Purchase of investment property	11	(478)	-
Proceeds from sale of service concession assets	9	14	-
		<u>(47 478)</u>	<u>(85 319)</u>
Cash flows from financing activities			
Movement in social responsibility projects		(9)	(551)
Finance lease payments		1 548	(103)
		<u>1 539</u>	<u>(654)</u>
Net increase/(decrease) in cash and cash equivalents		12 254	(46 968)
Cash and cash equivalents at the beginning of the year		101 633	148 601
Cash and cash equivalents at the end of the year	5	<u>113 887</u>	<u>101 633</u>

* See Note 42

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note 40
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Figures in Rand thousand

Statement of Financial Performance

Receipts

Revenue from exchange transactions

Sale of goods	5 843	-	5 843	5 666	(177)
Rendering of services	17 887	600	18 487	9 522	(8 965)
Rental income	1 599	-	1 599	1 679	80
Other	-	-	-	223	223
Interest received - investment	5 219	-	5 219	6 888	1 669
Total revenue from exchange transactions	30 548	600	31 148	23 978	(7 170)

Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	215 027	4 141	219 168	219 168	-
Other grants	111 031	60 139	171 170	77 455	(93 715)
Total revenue from non-exchange transactions	326 058	64 280	390 338	296 623	(93 715)
Total receipts	356 606	64 880	421 486	320 601	(100 885)

Payments

Compensation of employees	(175 701)	1 076	(174 625)	(175 440)	(815)
Goods and services	(137 937)	99	(137 838)	(111 137)	26 701
Capital expenditure	(42 968)	(66 055)	(109 023)	(47 492)	61 531
Total payments	(356 606)	(64 880)	(421 486)	(334 069)	87 417
Deficit	-	-	-	(13 468)	(13 468)
Deficit for the year	-	-	-	(13 468)	(13 468)

Revenue from exchange transactions				391	
Donations				9 960	
Compensation of employees				79	
Depreciation and amortisation				(31 468)	
Impairment loss				(648)	
Finance charges				(1 905)	
General expenses				240	
capital expenditure				47 492	
Actual Amount in the Statement of Financial Performance				10 673	

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

Figures in Rand thousand	Note(s)	2023	2022
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1. Presentation of Annual Financial Statements

These annual financial statements are for the year ended 31 March 2023. Comparisons are for the year ended 31 March 2022. They have been prepared and are in compliance 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 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.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the ECPTA 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 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.

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.

1.6 Inventories

Inventories are initially measured at cost.

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.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to ECPTA.

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Accounting Policies

1.7 Financial instruments

The ECPTA classified all its financial assets and liabilities as assets and liabilities to be measured at amortised cost.

Financial assets at amortised cost are included in receivables from exchange transactions (note 3), receivables from non-exchange transactions (note 4) and cash and cash equivalents (note 5). All financial assets measured at amortised cost, or cost, are subject to an impairment review. Financial liabilities at amortised cost are included in payables from exchange transactions (note 13).

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

Receivables from exchange transactions	Financial asset
Receivables from non-exchange transactions	Financial asset
Cash and cash equivalents	Financial asset
Trade payables	Financial liability

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

Receivables from exchange and non-exchange transactions 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. Use of available information and the application of the Debt Management Policy guided by the PFMA is used in the formation of estimates.

Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks derived from own revenue, grants transfers and conditional grants. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and bank account balances.

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

The ECPTA derecognises a financial asset only when either the entity's contractual rights to the asset's cash flows have expired or the asset has been transferred to a third party along with the risks and rewards of ownership.

The ECPTA 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.

1.8 Intangible assets

An asset is identifiable as an intangible asset if it either:

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

An intangible asset is recognised when:

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

Intangible assets are carried at cost less 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:

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.8 Intangible assets (continued)

Item	Depreciation method	Useful life
Computer software licences	Straight-line	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 arising from the derecognition of Intangible assets is included in surplus or deficit when the asset is derecognised.

No change was made to the estimate of useful life as management considered the assessment still in line with the expected period of use.

1.9 Property, plant and equipment

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.

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.

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

At each reporting date the Entity assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate are accounted for on a prospective basis.

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.

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

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

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Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.9 Property, plant and equipment (continued)

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 on an indicator basis. 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 estimates the recoverable service amount of that asset. No evidence was identified in the current year that suggests prior year impairment had to be reversed. 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.

Eastern Cape Parks and Tourism Agency

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Accounting Policies

1.10 Service concession arrangements

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.

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.

Land is not depreciated. The useful lives of items of service concession assets have been assessed as follows:

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

At each reporting date the Entity assesses whether there is any indication that expectations about the residual value and the useful life of a service concession asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate are accounted for on a prospective basis.

Service concession 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 arising from the derecognition of service concession assets is included in surplus or deficit when the asset is derecognised.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.10 Service concession arrangements (continued)

Service concession liabilities

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

The operator accounts for revenues from service concession arrangements in accordance with the revenue from exchange transactions principle. Revenue from a service concession arrangement is recognised as it accrues over the period of the agreement. 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.

1.11 Heritage assets

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.

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.

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.

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.

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).

1.12 Investment property

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 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

Eastern Cape Parks and Tourism Agency

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Accounting Policies

1.13 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.

1.14 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.

1.15 Provisions and contingencies

The ECPTA recognises provisions on the entity's present obligations for legal proceedings, professional fees, natural disasters and performance bonus resulting from such past events. The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. These provisions are disclosed in Note 16.

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.

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

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, whose existence is confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity, are appropriately reflected in the Annual Financial Statements.

The ECPTA discloses for each class of 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 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.

1.16 Employee benefits

Short-term employee benefits

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.

Post-employment benefits

The ECPTA utilizes actuarial valuations for the determination of post-employment benefits, other than pension distributions, paid to employees after completion of employment. These benefits include long service award and medical aid contributions.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.16 Employee benefits (continued)

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.

1.17 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.

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; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Interest

Interest revenue arising from investments 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.

1.18 Revenue from non-exchange transactions

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.

Eastern Cape Parks and Tourism Agency

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1.18 Revenue from non-exchange transactions (continued)

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

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.

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

An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

1.19 Budget information

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

The amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.20 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 key management personnel is included in the emoluments disclosure notes.

1.21 Commitments

Commitments relate to outstanding capital purchase orders for projects at year-end. 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.

1.22 Irregular, 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 year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

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.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.22 Irregular, Fruitless and wasteful expenditure (continued)

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.

1.23 Surrenders to provincial revenue fund

Amount due to provincial revenue fund relates 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).

1.24 Game held for sale

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

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

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 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.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Accounting Policies

1.24 Game held for sale (continued)

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.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
2. Inventories		
Maintenance materials	2 119	3 291
Fuel	45	47
	2 164	3 338

During the year, no fencing materials has been purchased for projects funded by DFFE. An amount of R 1,17 million (2022: R1,87 million) was transferred from inventory to property, plant and equipment.

Fuel purchased directly from suppliers and accordingly expensed amounted to R240 thousand (2022: R235 thousand).

3. Receivables from exchange transactions

Trade debtors	644	893
Operating lease receivables	-	6
Rent receivable	138	81
	782	980

Trade and other receivables

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.

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Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
4. Receivables from non-exchange transactions		
Grants receivable	6 355	2 071
SARS	191	243
Staff debts	400	265
Social projects	773	773
Deposits	665	637
Prepaid expenses	876	935
Impairment allowance	(1 492)	(756)
	7 768	4 168

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:

National Lotteries Commission	99	-
Marine and Coastal Management	4 756	571
South African Tourism (SAT)	1 500	1 500
	6 355	2 071

Reconciliation of movement in grants receivable

	Balance receivable at start of year	Current year receipts	Transfers to revenue	Total
31 March 2023				
South African Tourism (SAT)	1 500	-	-	1 500
National Lotteries Commission	-	-	99	99
Marine and Coastal Management	571	-	4 185	4 756
	2 071	-	4 284	6 355
31 March 2022				
South African Tourism (SAT)	-	-	1 500	1 500
Marine and Coastal Management	-	-	571	571
	-	-	2 071	2 071

Receivables from non-exchange transactions pledged as security

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

Receivables from non-exchange transactions past due but not impaired

Other receivables from non-exchange transactions which are less than 6 months past due are not considered to be impaired. At 31 March 2023, - (2022: 28) were past due but not impaired.

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

1 year past due	-	28
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Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand 2023 2022

4. Receivables from non-exchange transactions (continued)

Receivables from non-exchange transactions impaired

As of 31 March 2023, other receivables from non-exchange transactions of R1 492 (2022: R 757) were impaired and provided for.

The ageing of these loans is as follows:

6 months	757	295
Over 1 year	735	462

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

Opening balance	(757)	(462)
Provision for impairment	(735)	(295)
	(1 492)	(757)

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	146	173
Bank balances	113 671	101 381
Other cash and cash equivalents	70	79
	113 887	101 633

The ECPTA had the following bank accounts with First National Bank

Account number / description	Bank statement balances		Cash book balances	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Main account	2 037	6 835	2 037	6 835
Revenue account	41	12 242	41	12 242
African Wildlife Foundation	2	1	2	1
BANKSSETA	720	1	720	1
CATHSSETA	137	1	137	1
DFFE - Environmental Monitors	50	1	50	1
DFFE - Environmental Protection and Infrastructure Programme	56 907	43 025	56 907	43 025
Economic Stimulus Fund	12 212	19 905	12 212	19 905
Nedbank Green Trust	1 036	1	1 036	1
Marine Protected Areas - MPA	1	1	1	1
National Lotteries Commission	11	537	11	537
NDT - Baviaanskloof	4 584	10 433	4 584	10 433
NDT - Infrastructure	10 505	4 110	10 505	4 110
NDT - Tourism Monitors	2	17	2	17
NDT - Universal Accessibility	505	637	505	637
N2 Biodiversity Offset Project	3 748	1 116	3 748	1 116
Rhino Impact Bond	298	953	298	953
South African National Biodiversity Institute	746	407	746	407
SANBI GEF-7	2 266	-	2 266	-
SANBI Presidential Youth Employment Intervention - PYEI	1	1	1	1
South African National Parks	1	1 156	1	1 156
Wildlife Conservation Bond	17 861	1	17 861	1
Total	113 671	101 381	113 671	101 381

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

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

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Figures in Rand thousand

	2023	2022
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5. Cash and cash equivalents (continued)

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), is maintained from the Main and Revenue accounts for day to day activities. The ECPTA has accounts, including projects, totalling to R114 million (2022: R101 million), as Treasury allows. These approximate the monies unspent. Refer to notes 16 and 35. The unspent amounts of R116 million (2022: R88 million), read with grants receivable of R6 million (2022: R2 million) is less than the bank balances of R114 million (2022: R101 million) see note 4.

Other cash and cash equivalents relate 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 14. Economic Stimulus Fund and Environmental Protection and Infrastructure Programme balance of R90 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 ECPTA's exposure to interest rate risk including risk to its financial assets and liabilities is disclosed in note 34.

There were no cash and cash equivalents pledged as security.

6. Game held for sale

Game held for sale	5 448	5 794
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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 annually, 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.

At the reporting date there were no movements relating to write-downs, Reversal or changes in fair value.

There is no expenditure recognized as expense as off-take will be after the year end.

Number of animals

Live game	111	152
Hunting game	525	666
External culling game	857	1 635
Internal culling game	386	299
	1 879	2 752

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 18

Deferred revenue

Game held for sale	5 448	5 794
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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.

Eastern Cape Parks and Tourism Agency

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7. Intangible assets

	2023		2022	
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation
Computer Software licences	5 154	(4 457)	697	5 154
				Accumulated amortisation
				(3 879)
				Carrying value
				1 275

Reconciliation of intangible assets - 2023

Computer Software licences	Opening balance	Amortisation	Total
	1 275	(578)	697

Reconciliation of intangible assets - 2022

Computer Software licences	Opening balance	Additions	Amortisation	Total
	131	1 527	(383)	1 275

The accumulated amortization and current carrying value adequately account for and address any impairment of intangible assets that has occurred.

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand

8. Property, plant and equipment

	2023		2022			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	193 712	(57 048)	136 664	192 855	(53 245)	139 610
Plant and machinery	9 599	(8 159)	1 440	9 250	(7 459)	1 791
Furniture and fixtures	18 869	(16 810)	2 059	18 776	(16 196)	2 580
Motor vehicles	45 566	(32 513)	13 053	38 656	(25 982)	12 674
Office equipment	11 513	(6 980)	4 533	11 120	(5 307)	5 813
IT equipment	19 270	(13 935)	5 335	16 592	(11 151)	5 441
Roads and storm water	370 940	(323 008)	47 932	370 940	(316 123)	54 817
Building attachment	10 389	(7 329)	3 060	10 090	(5 788)	4 302
Fencing	76 293	(62 492)	13 801	75 363	(60 055)	15 308
Field equipment	3 567	(2 849)	718	3 586	(2 273)	1 313
Infrastructure - work in progress	126 534	-	126 534	93 461	-	93 461
Electricity infrastructure	11 961	(7 320)	4 641	11 262	(6 657)	4 605
Sanitation infrastructure	7 387	(4 283)	3 104	7 387	(4 061)	3 326
Water supply infrastructure	24 060	(13 741)	10 319	24 063	(13 252)	10 811
Total	929 660	(556 467)	373 193	883 401	(527 549)	355 852

Eastern Cape Parks and Tourism Agency

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Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
8. Property, plant and equipment (continued)		
Pledged as security		
No property, plant and equipment is pledged as security.		
Property, plant and equipment amounting to R2,9 million (2022: R23,6 million) and included in additions was transferred from Infrastructure - work in progress. An amount of R1,17 million (2022: R1,87 million) was transferred from inventory to property, plant and equipment. Refer to note 2. The statement of cash flow accordingly states R47 million (2022: R85,4 million) as purchases of property, plant and equipment. In addition, the change in inventory is reflected as working capital per note 30 cash generated by from operations.		
A further transfer of Rnil (2022: R218 thousand) was made from infrastructure - property, plant and equipment to operating expenditure.		
Property, plant and equipment commitments are as per Commitments note. Refer to note 35		
Assets subject to finance lease (Net carrying amount)		
IT equipment	1 581	35

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand

9. Service concession assets

	2023		2022			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
IT Equipment	1 021	(980)	41	1 021	(924)	97
Buildings	39 913	(3 457)	36 456	31 049	(2 660)	28 389
Furniture & Fixtures	650	(173)	477	639	(65)	574
Office Equipment	444	(376)	68	458	(288)	170
Plant and machinery	570	(528)	42	550	(414)	136
Electricity infrastructure	5 325	(777)	4 548	5 079	(644)	4 435
Building attachments	178	(4)	174	97	-	97
Sanitation infrastructure	1 646	(68)	1 578	1 203	(40)	1 163
Water supply infrastructure	4 320	(464)	3 856	4 025	(377)	3 648
Total	54 067	(6 827)	47 240	44 121	(5 412)	38 709

Reconciliation of service concession assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
IT Equipment	97	-	-	(56)	41
Buildings	28 389	8 865	-	(798)	36 456
Furniture & Fixtures	574	12	-	(109)	477
Office Equipment	170	-	(14)	(88)	68
Plant and machinery	136	20	-	(114)	42
Electricity infrastructure	4 435	246	-	(133)	4 548
Building attachments	97	81	-	(4)	174
Sanitation infrastructure	1 163	443	-	(28)	1 578
Water supply infrastructure	3 648	294	-	(86)	3 856
Total	38 709	9 961	(14)	(1 416)	47 240

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Figures in Rand thousand

9. Service concession assets (continued)

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 & 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
	24 032	15 506	(140)	(689)	38 709

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Figures in Rand thousand	2023	2022
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9. Service concession assets (continued)

Service concession arrangements

Mthatha dam concession

In 2015 the entity 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, as a PFMA Section 42 transfer.

Donated assets to the value of R 76,739 million (2022: R66,779 million); and consisting of service concession assets R47,677 million (2022:R37,717 million) and property,plant and equipment R nil (2022: 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

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 financial year, Infrastructure on the hiking trial 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. 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.

At each reporting date the ECPTA assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

Eastern Cape Parks and Tourism Agency
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Figures in Rand thousand

10. Heritage assets

	2023		2022	
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation
Land	22 991	-	22 991	22 991
			Accumulated impairment losses	Carrying value
			-	22 991

Reconciliation of heritage assets 2023

Land	Opening balance	Total
	22 991	22 991

Reconciliation of heritage assets 2022

Land	Opening balance	Total
	22 991	22 991

Repairs and maintenance on land has not taken place other than items disclosed as Property, plant and equipment as disclosed under note 8.

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Figures in Rand thousand

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

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Figures in Rand thousand	2023	2022
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10. Heritage assets (continued)

Heritage assets measured at cost

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 ECPTA.

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 - 1,605 hectares acquired at cost	5 659	5 659
Baviaanskloof Nature Reserve Comprising of Sam Knott and Double Drift Nature Reserves - 18160 hectares acquired at cost	15 534	15 534
Mpofu Nature Reserve 827 hectares acquired at cost	1 798	1 798

Eastern Cape Parks and Tourism Agency

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11. Investment property

	2023	2022
Cost		
Accumulated depreciation and impairment		
Carrying value	19 695	19 673
Cost	22 554	22 554
Accumulated depreciation and impairment	(2 881)	(2 881)
Carrying value	19 673	19 673

Investment property

Reconciliation of investment property - 2023

	2023	2022
Opening balance	19 673	19 695
Additions	478	(456)
Depreciation	(456)	(456)
Total	19 695	19 673

Investment property-Buildings

Reconciliation of investment property - 2022

	2022	2021
Opening balance	20 097	20 097
Depreciation	(424)	(424)
Total	19 673	19 673

Investment property-Buildings

Pledged as security

There was no investment property pledged as security.

Impairment:

Investment property is considered for impairment, on a case by case basis, during the year under review. Annual Property valuation reports, future intentions and the age of items is taken into account in determining impairment.

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand	2023	2022
11. Investment property (continued)		
Details of property		
Unit 2 Bhisho Business Village	835	809
Tourism House Phalo Avenue	4 554	4 421
Somerset House	626	160
Cape Morgan multi-purpose facility	13 680	14 283
	19 695	19 673

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 R1,880 million (2022: R1,790 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 R11,110 million (2022: R10,720 million).

Somerset House:

The property consists of land with a recently renovated building situated in Somerset Street in Aliwal North and was transferred to the ECPTA as at 1 July 2010. It is currently not occupied. 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 R1,140 million (2022: R nil - first valuation after completion of renovations). The ECPTA is in the process to obtain a tenant for this property.

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 the public private partnership in the near term.

From investment property that generated rental revenue

Rental revenue from Investment property	1 560	1 510
Repairs and maintenance	77	112

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the ECPTA assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

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12. Finance lease obligation		
Minimum lease payments due		
- within one year	660	45
- in second to fifth year inclusive	1 084	-
	<u>1 744</u>	<u>45</u>
less: future finance charges	(151)	-
Present value of minimum lease payments	1 593	45
Present value of minimum lease payments due		
- within one year	571	45
- in second to fifth year inclusive	1 022	-
	<u>1 593</u>	<u>45</u>
Non-current liabilities	1 022	-
Current liabilities	571	45
	<u>1 593</u>	<u>45</u>

It is entity policy to lease certain equipment under finance leases.

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The ECPTA has considered the following leases as significant:

- Equipment located at East London head office is leased from Konica Minolta South Africa at a lease rental amount of R6,5 thousand per month for a period of two years ending 31 August 2022 with no escalation. The contract has since ended.
- A new lease agreement, for a period of three years commencing on 01 February 2023 and ending 31 January 2026, at a lease rental of R23 thousand per month, with no escalation has been entered into.
- Equipment located at nature reserves 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. The contract has since ended.
- Equipment located at nature reserve offices is leased from Bytes Document Solutions for a period of three years ending 30 September 2025. The Parties must put a notice period to either in writing or system generated 60 (sixty) days prior to the expiry of the initial 36 (thirty-six) months lease period to effect a new lease extension of 24 (twenty-four) months. The lease rental for the equipment is R31,9 thousand per month.

13. Payables from exchange transactions

Trade payables	5 929	11 017
Revenue received in advance	2 595	3 872
Other trade payables	31	28
Other payables - employee related	14 355	14 306
Accrued expense trade	6 088	2 026
Operating lease payments	45	-
	<u>29 043</u>	<u>31 249</u>

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 (2022: R1,2 million). The related leave pay provision is R12 million (2022: R11,9 million).

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13. Payables from exchange transactions (continued)

The ECPTA considers that the carrying amount of payables from exchange transactions approximates their fair value. The ECPTA's exposure to liquidity risk related to trade payables is disclosed in note 34

Salary control account consists of the following amounts:

Salaries and wages	287	485
Skills development levy	152	148
Accrued leave pay	12 001	11 936
PAYE	-	300
COVID contributions	921	514
Pension and provident fund	-	5
Medical aid	994	916
	14 355	14 304

14. Social responsibility projects

Social responsibility projects	73	82
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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 5.

These projects have been audited by the external auditors.

Eastern Cape Parks and Tourism Agency

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15. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Legal proceedings	135	-	-	135
Professional fees	71	-	-	71
Provision for climate change	200	100	-	300
Performance bonus	6 725	6 785	(6 785)	6 725
	7 131	6 885	(6 785)	7 231

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)	-
Provision for climate change	-	200	-	200
Performance bonus	9 603	6 886	(9 764)	6 725
	10 386	7 086	(10 341)	7 131

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	20	20
	135	135

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

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 (2022: R6,7 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 financial yearend.

Surrender of surpluses

The ECPTA generates own revenues which then form part of its baseline budget for the year under review. The ECPTA therefore, doesn't submit requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA. The ECPTA applied for the Rollover of all unspent funds in April 2023, as duly required by the PFMA.

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2023

2022

15. Provisions (continued)

Provision for climate change

The provision for climate change of R300 thousand (2022: R200 thousand) relates to management's estimate on possible natural disasters such as persistent dry conditions causing fires and excessive rainfall due to global warming causing flooding and destruction.

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.

16. Unspent grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

DEDEAT - Economic Stimulus Fund	20 630	34 038
SANBI Presidential Youth Employment Intervention	664	275
South African National Biodiversity Institute	2 266	-
South African National Parks	50	2 491
Green Trust	-	5
CATHSSETA	203	88
National Lotteries Commission	-	420
National Department of Tourism	14 158	10 209
DFFE - Environmental Protection and Infrastructure Programme	55 207	40 130
Rhino Impact Bond	134	204
South African National Roads Agency Limited	4 379	288
African Wildlife Foundation	-	123
BANKSETA	720	-
NEDBANK Green Trust	989	-
Wildlife Conservation Bond	17 378	-
	116 778	88 271

Movement during the year

Balance at the beginning of the year	88 271	121 854
Additions during the year	325 132	294 771
Income recognition during the year	(296 625)	(328 354)
	116 778	88 271

See note 22 for reconciliation of grants from National/Provincial Government.

The ECPTA after due consideration of its current obligations at year end has no surplus funds to surrender to the Provincial Treasury.

17. 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.

Eastern Cape Parks and Tourism Agency

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Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
17. Employee benefit obligations (continued)		
The amounts recognised in the statement of financial position are as follows:		
Non-current liabilities	17 593	16 450
Current liabilities	618	577
	18 211	17 027
Carrying amounts		
Long service award		
Non-current	1 877	2 072
Current	214	196
Subtotal	2 091	2 268
Post employment medical aid		
Non-current	15 716	14 377
Current	404	381
Subtotal	16 120	14 758
	18 211	17 027

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

Opening balance	15 173	13 693
Benefits paid	618	729
Net expense recognised in the statement of financial performance	1 802	751
	17 593	15 173

Net expense recognised in the statement of financial performance

Current service cost	488	808
Interest cost	1 865	2 323
Actuarial gains	(551)	(2 380)
	1 802	751

Key assumptions used

Assumptions used at the reporting date:

Long service discount rate	6.83 %	10.00 %
Benefit inflation rate	5.26 %	7.50 %
Medical aid discount rate	11.05 %	11.05 %
General inflation rate	9.49 %	6.55 %
Salary inflation rate	7.55 %	7.55 %
Medical inflation rate	9.49 %	8.55 %

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 (2022: 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.

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand	2023	2022
18. Wildlife income		
Culling revenue	-	1 093
Hunting and fishing income	2 974	2 275
Live game sales	2 568	1 121
Venison sales	124	185
	5 666	4 674
19. Rendering of services		
Accommodation Fees	2 803	2 846
Camping Fees	901	1 232
Concession income	791	569
Commission	21	91
Ecological services income	25	44
Implementers fees	2 411	1 876
Sundry income	753	377
Conservation fees	1 263	1 532
Day tours and activities	500	620
Other services	55	20
	9 523	9 207
20. Investment revenue		
Interest revenue		
Bank	6 888	5 611
21. Donations		
Donations	9 960	10 661
<p>The Department of Forestry, Fisheries and the Environment transferred property, plant and equipment of R9,960 million (2022: R10,541 million) to the ECPTA as duly required by Section 42 of the PFMA. These assets form part of the Mthatha Dam Concession (see note 9). A further R120 thousand was classified as operating expenditure in the 2022 financial year.</p> <p>The ECPTA has been granted the use of assets and resources during the year for conservation and administration activities. The assets and resources are reflected below at cost as provided by the listed donors:</p>		
DFFE - Salaries	211	672
Wilderness Foundation - Aerial Support	100	90
OTP - Salaries	108	134
University of Fort Hare - Salaries	160	-
DWS - Salaries	60	-
TVET Colleges - Salaries	103	-
WWF - Interns	-	120
	742	1 016
<p>The ECPTA and the Wilderness Foundation entered into a transfer agreement in 2018, 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 now 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.</p>		

Eastern Cape Parks and Tourism Agency

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Notes to the Annual Financial Statements

Figures in Rand thousand

22. Government grants & subsidies

Operating grants

DEDEAT - Equitable share	219 168	214 133
DEDEAT - Economic Stimulus Fund	13 408	3 694
DEDEAT - Tourism Relief Fund	-	6 952
SANBI Presidential Youth Employment Intervention	951	2 405
South African National Biodiversity Institute	-	201
South African National Parks	2 653	2 887
South African Tourism (SAT)	-	1 500
CATHSSETA	108	763
National Lotteries Commission	519	406
Sarah Baartman District Municipality (SBDM)	300	300
National Department of Tourism	6 378	35 970
DFFE - Environmental Protection & Infrastructure Programme	26 095	41 143
Rhino Impact Bond	70	432
Dept of Sports, Recreation, Arts and Culture (DSRAC)	-	1 000
Commission on the Restitution of Land Rights	-	207
South African National Roads Agency Limited	11 935	8 901
Marine and Coastal Management MPA	4 185	4 460
NEDBANK Green Trust	411	-
Wildlife Conservation Bond	6 942	-
Department of Transport	3 500	3 000
	296 623	328 354

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Unconditional grants received	219 168	214 133
Conditional grants received	77 455	114 221
	296 623	328 354

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-imbursments refers to instances where the entity incurs expenditure on the applicable grant and is subsequently re-imbursed.

Conditions still to be met - remain liabilities (see notes 4 and 16).

DEDEAT - Equitable share

Balance unspent at beginning of year	-	633
Current-year receipts	219 168	213 543
Conditions met - transferred to revenue	(219 168)	(214 133)
Other	-	(43)
	-	-

DEDEAT - Economic Stimulus Fund

Balance unspent at beginning of year	34 038	6 111
Current-year receipts	-	31 621
Conditions met - transferred to revenue	(13 408)	(3 694)
	20 630	34 038

DEDEAT - Tourism Relief Fund

Balance unspent at beginning of year	-	6 952
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Eastern Cape Parks and Tourism Agency

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Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
22. Government grants & subsidies (continued)		
Conditions met - transferred to revenue	-	(6 952)
	-	-
SANBI Presidential Youth Employment Intervention		
Balance unspent at beginning of year	275	-
Current-year receipts	1 340	2 680
Conditions met - transferred to revenue	(951)	(2 405)
	664	275
South African National Biodiversity Institute		
Balance unspent at beginning of year	-	9
Current-year receipts	2 266	192
Conditions met - transferred to revenue	-	(201)
	2 266	-
South African National Parks		
Balance unspent at beginning of year	2 491	2 057
Current-year receipts	264	3 321
Conditions met - transferred to revenue	(2 663)	(2 887)
Other - returned to funder (project closure)	(42)	-
	50	2 491
Two projects associated with the SANParks grant namely Environmental Monitors and GEF 5. GEF 5 project is completed and the remaining funds transferred back to the funder. Environmental Monitors is still ongoing.		
South African Tourism (SAT)		
Conditions met - transferred to revenue	-	(1 500)
Other - grant receivable	-	1 500
	-	-
CATHSSETA		
Balance unspent at beginning of year	88	99
Current-year receipts	218	752
Conditions met - transferred to revenue	(103)	(763)
	203	88
National Lotteries Commission		
Balance unspent at beginning of year	420	26
Current-year receipts	-	800
Conditions met - transferred to revenue	(519)	(406)
Other - grant receivable	99	-
	-	420
Sarah Baartman District Municipality (SBDM)		
Current-year receipts	300	300
Conditions met - transferred to revenue	(300)	(300)

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Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
22. Government grants & subsidies (continued)		
	-	-
National Department of Tourism		
Balance unspent at beginning of year	10 209	14 402
Current-year receipts	10 327	34 810
Conditions met - transferred to revenue	(6 378)	(37 486)
Other - Surrender	-	(1 517)
	14 158	10 209
DFFE - Environmental Protection and Infrastructure Programme		
Balance unspent at beginning of year	40 130	81 273
Current-year receipts	41 172	-
Conditions met - transferred to revenue	(26 095)	(41 143)
	55 207	40 130
Rhino Impact Bond		
Balance unspent at beginning of year	204	629
Current-year receipts	-	6
Conditions met - transferred to revenue	(70)	(431)
	134	204
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
Conditions met - transferred to revenue	-	(207)
	-	-
South African National Roads Agency Limited		
Balance unspent at beginning of year	288	9 189
Current-year receipts	16 026	-
Conditions met - transferred to revenue	(11 935)	(8 901)
	4 379	288
African Wildlife Foundation		
Balance unspent at beginning of year	123	123
Conditions met - transferred to revenue	(123)	-
	-	123
Marine and Coastal management MPA		
Balance unspent at beginning of year	-	139
Current-year receipts	-	3 750

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
22. Government grants & subsidies (continued)		
Conditions met - transferred to revenue	(4 185)	(4 460)
Other - grants receivable	4 185	571
	-	-
BANKSETA		
Current-year receipts	720	-
NEDBANK Green Trust		
Current-year receipts	1 400	-
Conditions met - transferred to revenue	(411)	-
	989	-
Wildlife Conservation Bond		
Current-year receipts	24 320	-
Conditions met - transferred to revenue	(6 942)	-
	17 378	-
Department of Transport		
Current-year receipts	3 500	3 000
Conditions met - transferred to revenue	(3 500)	(3 000)
	-	-
23. Employee related costs		
Basic salary	128 081	121 782
Performance bonus	6 761	6 761
Medical aid contributions	12 770	12 066
Unemployment insurance fund	1 068	986
Skills development levy	152	148
Leave pay provision charge	1 092	1 615
Workmen's compensation - COID	1 785	1 757
Defined contribution plans	18 130	17 710
Overtime payments	4 707	4 128
Car allowance	476	487
Allowances - Relocation and Acting	339	1 798
	175 361	169 238
Included in employee related costs is an amount of R13,310 million (2022: R12,951 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.		
24. Depreciation and amortisation		
Property, plant and equipment	29 021	20 199
Investment property	456	424
Service concession assets	1 413	690
Intangible assets	578	383
	31 468	21 696

Eastern Cape Parks and Tourism Agency

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Notes to the Annual Financial Statements

Figures in Rand thousand

2023

2022

24. Depreciation and amortisation (continued)

Depreciation and amortisation

	As per revised useful life	As per original useful life	Change in estimate	
Property, plant and equipment	29 021	(29 021)	-	-
Investment property	456	(456)	-	-
Service concession assets	1 413	(1 413)	-	-
Intangible assets	578	(578)	-	-
	31 468	(31 468)		-

25. Finance costs

Employee benefit obligations	1 865	2 323
Finance leases	40	7
	1 905	2 330

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
26. General expenses		
Advertising and marketing	13 145	18 036
Auction expenses	1 082	560
Auditors remuneration	2 752	2 688
Bank charges	290	268
Board expenses ^	3 413	1 814
Chemicals	529	689
Cleaning	1 396	1 693
Community projects	139	142
Compliance and law enforcement**	1 174	968
Computer expenses	26	55
Conferences and seminars	2 034	1 330
Consulting and professional fees	12 706	8 802
Consumables	1 164	1 347
Electricity	6 939	6 248
Entertainment	26	4
Fleet	5 046	3 496
Fuel and oil	459	478
Game management *	3 240	3 091
Hire expenses	1 385	1 099
Insurance	2 758	2 236
Internal audit fees	1 098	853
Lease rentals on operating lease	7 904	6 248
Levies - Buildings	138	158
Medical expenses	59	13
Postage and courier	29	55
Printing and stationery	800	772
Profit or loss on foreign exchange	(29)	(21)
Protective clothing	281	205
Refuse	240	304
Research and development costs	-	2
Royalties and license fees	4 585	4 360
Security	2 455	1 370
Staff relocation	229	424
Staff welfare	316	252
Subscriptions and membership fees	490	404
Telephone and fax	6 352	9 567
Tourism development	637	1 380
Training	2 464	2 377
Travel - local	11 218	7 231
Travel - motor car, accommodation and subsistence	2 943	1 621
Travel - overseas	844	-
Uniforms	2 251	1 489
	105 007	94 108

^ Board expenses include travel of R1.4 million (2022: R226 thousand).

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

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

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

Compliance and law enforcement		
Fire prevention	620	735
Ammunition	16	18
Compliance law enforcement	538	215

Eastern Cape Parks and Tourism Agency

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Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
26. General expenses (continued)		
	1 174	968
Game management		
Rhino security	68	43
Game census	1 272	1 303
Game vet drugs	675	389
Game translocation	1 224	1 032
Animal feed	1	324
	3 240	3 091
27. Repairs and maintenance		
Property, plant and equipment	5 070	5 087
Investment property	77	112
	5 147	5 199
Repairs and maintenance only includes amounts paid to service providers. Nature Reserves' employees do repairs with their tools and equipment from time to time.		
28. Auditors' remuneration		
Fees	2 752	2 688
Auditors' remuneration includes audit fees for projects amounting to R376 thousand in the prior year. No expenditure in the current year.		
29. Debt impairment		
Debt impairment	736	295
30. Cash generated from operations		
Surplus	10 674	68 404
Adjustments for:		
Depreciation and amortisation	31 467	21 696
Donations	(9 960)	(10 661)
Loss / (profit) on disposal of assets	6	837
Impairment deficit	648	717
Debt impairment	736	295
Movements in retirement benefit assets and liabilities	1 184	(217)
Movements in provisions	100	(3 255)
Changes in working capital:		
Inventories	1 174	1 872
Receivables from exchange transactions	(538)	(106)
Receivables from non-exchange transactions	(3 600)	(972)
Payables from exchange transactions	(2 256)	(7 056)
Payables from non-exchange transactions	51	1 034
Unspent grants and receipts	28 507	(33 583)
	58 193	39 005

Eastern Cape Parks and Tourism Agency

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Notes to the Annual Financial Statements

Figures in Rand thousand	2023	2022
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31. Operating lease

The ECPTA 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 per month 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. The contract ended in November 2021.
- 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 percent (9,5%) in year three.

Operating leases as the lessor:

Minimum lease payments due

- Not later than one year	7 421	7 475
- in second to fifth year inclusive	20 129	13 405
	27 550	20 880

The ECPTA 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.
- A new contract was entered into with The National Prosecuting Authority (NPA) at the Tourism House in Bhisho during the 2019 year. The contract was a thirty six (36) months lease, commencing on 01 May 2019. The rental amount was R93 thousand per month with a six percent (6.00 %) annual escalation rate. The contract ended 30 April 2022.

A new contract for twelve (12) months, commencing on 01 May 2022 is in place. The rental amount is R105 thousand (no VAT payable) per month till 30 April 2023.
- Department of Public Works at Erf 292, Unit 02, Business Village in Bhisho. The contract was a thirty six (36) months lease, commencing on 01 April 2018 with an option to renew for a further twenty four (24) months. The commencement rental was R22 thousand per month with a six percent (6.00 %) escalation rate at the end of each lease year. The rental was R25 thousand from April 2020. The contract ended on 31 March 2021. A new contract was signed for a year to March 2022.

An extension of the lease for a period of twelve (12) months commencing on 01 April 2022, has been entered into. The rental amount is R28 thousand including VAT per month. The contract ends on 31 March 2023.

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Figures in Rand thousand	2023	2022
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32. Contingencies

Contingent liabilities

Contingent liabilities comprising of damage claims are as follows:

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 summons has also 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 ECPTA has advised the attorneys to close the file. The total legal fees paid to date amount to R70 539.39.
- **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.
- **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 also been issued and the ECPTA is awaiting a trial date in this matter. The ECPTA insurers are handling the matter and are responsible for the litigation costs. A report has been received from the insurers in this matter advising that ECPTA's own damage has been finalised and now their third-party specialist is awaiting a trial date. The claim has been resolved during the year with payment of R138 thousand to the third party as settlement of their claim.
- **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. The insurers are responsible for the litigation costs. The matter was set for hearing on the 11th of October 2022 and was postponed for trial without a date (sine die).
- **A member of the Public v ECPTA:**
The ECPTA received a letter demanding payment of R12 million emanating from an incident that took place in December 2022 at Dwesa Cwebe Nature Reserve. At the reporting date summons has not been received. The claimant was allegedly shot at by field rangers that were on duty and patrolling the area and as a result, he sustained serious injuries. The ECPTA has opened a criminal case against the alleged offenders. The investigation is underway, and it has been confirmed that the ECPTA Field Rangers are firearm competent. The claim has been submitted to the ECPTA's insurer. The member of the public is not named for POPIA reasons.

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand 2023 2022

32. Contingencies (continued)

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. Attempts to settle the matter were unsuccessful. 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
Anthony McCune Mortlock v ECPTA	366	366
member of the Public v ECPTA	12 000	-
	15 955	4 095

33. Related parties

Relationships
Controlling entity

Department of Economic Development,
Environmental Affairs and Tourism
as directed by the MEC as the Executive Authority.
Coega Development Corporation
East London Industrial Development Zone
Eastern Cape Development Corporation
Eastern Cape Gambling Board
Eastern Cape Liquor Board
members of The Board and key management
personnel are disclosed in Note 35

Controlled entities - under common control by DEDEAT

Members of management

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand 2023 2022

33. Related parties (continued)

Remuneration of management

Management class: Board members

2023

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 to 30 November 2022) - Appointed 01 September 2017 *	281	66	347
Dr N Mzilikazi - (Chairperson of the Board effective 01 December 2022) ;(Board Member) - Appointed 01 May 2019 - November 2022	155	-	155
Dr AJ Baxter - (Board Member) - Appointed 01 May 2019 - 30 November 2022	101	-	101
Mr ZL Fihlani - (Board Member) - Appointed 15 August 2017 - 30 November 2022	113	-	113
Mr L Beville - (Board Member) - Appointed 01 May 2019	107	3	110
Mr TL Lehloesa (Board Member) - Appointed 01 March 2021 - 30 November 2022	80	-	80
Ms NEP Loyilane - (Deputy Chair) Appointed 01 December 2022	42	-	42
Dr A Muir - (Board Member) Appointed 01 December 2022	51	-	51
Mr CJ Sparg - (Board Member) Appointed 01 December 2022	52	-	52
Adv S Mancotywa - (Board Member) Appointed 01 December 2022	37	-	37
	1 019	69	1 088

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
	766	22	788

* 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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33. Related parties (continued)**Audit Committee****2023**

Name	Fees for services as a member of the Board	Other benefits received	Total
Mr L Mangquku (Chairperson) - Appointed 01 May 2020	136	5	141
Mr S Dzengwa - (Member) - re appointed on 1 May 2020 - 31 March 2023	40	-	40
Mr J Emslie - (Member) - Appointed 01 May 2020	50	-	50
	226	5	231

2022

Name	Fees for services as a member of the Board	Other benefits received	Total
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
	209	7	216

Other benefits include stakeholder engagements and cellphone allowances.

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33. Related parties (continued)

Management class: Executive management

2023

Name	Basic salary	Bonuses and performance related payments	Post-employment benefits	Other benefits received	Total
Mr V Dayimani - (Chief Executive Officer)	2 325	304	130	42	2 801
Mr J Jackson - (Chief Financial Officer)	1 573	210	229	80	2 092
Ms E Van Den Berg-McGregor - (Executive Director: Biodiversity Conservation)	1 198	134	173	37	1 542
Ms TS Dlamini - (Chief Marketing Officer)	1 392	160	-	64	1 616
Ms M Mahlatsi - (Executive Director: Destination Development)	1 364	82	-	78	1 524
Ms Y Roboji - (Executive Director: Corporate Services)	1 532	89	-	160	1 781
Ms X Mapoma - (Legal Advisor and Board Secretary)	1 107	120	164	75	1 466
	10 491	1 099	696	536	12 822

2022

Name	Basic salary	Bonuses and performance related payments	Post-employment 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 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

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33. Related parties (continued)					
Mr L Oliphant	211	106	31	51	399
- (Acting Executive Director: Corporate Services)					
- 01 July to September 2021					
Ms F Mlungu	473	141	74	140	828
- (Acting Executive Director: Destination Development) - 01 April to September 2021					
	9 823	1 913	730	1 180	13 646

Other benefits comprise travel allowance, reimbursements and medical benefits

34. 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. Payables from exchange transactions excludes employee related payables of R14 355 million (2022: R14 306 million).

Classification of financial instruments.

2023	Note(s)	At amortised cost	Total
Receivables from exchange transactions	3	782	782
Receivables from non-exchange transactions	4	7 768	7 768
Cash and cash equivalents	5	113 887	113 887
Payables from exchange transactions	13	(14 688)	(14 688)
		107 749	107 749
2022	Note(s)	At amortised cost	Total
Receivables from exchange transactions	3	980	980
Receivables from non-exchange transactions	4	4 168	4 168
Cash and cash equivalents	5	101 633	101 633
Payables from exchange transactions	13	(16 943)	(16 943)
		89 838	89 838

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34. Risk management (continued)

Liquidity risk

The ECPTA's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

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. Contractual maturities of financial liabilities.

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.

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. The ECPTA recognised the following financial instruments (all balances are recognised at amortised cost and due within a year).

	Less than 1 year	Total
2023		
Payables from exchange transactions (note 13)	14 688	14 688
Social responsibility projects	73	73
	14 761	14 761
2022		
Payables from exchange transactions (note 13)	16 943	16 943
Social responsibility projects	82	82
	17 025	17 025

Payables from exchange transactions exclude revenue received in advance and employee payables as the ECPTA believes these are not financial instruments.

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	113 887	101 633
Receivables from exchange and non exchange transactions	7 345	4 322
	121 232	105 955
Past due and not impaired		
Receivables from exchange and non exchange transactions	-	28
Past due and impaired		
Receivables from exchange and non exchange transactions	1 492	756

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34. 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 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	1 139	1 016
Employee benefit obligation	(182)	(170)
	957	846

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.

Eastern Cape Parks and Tourism Agency

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34. Risk management (continued)

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. The contract is near termination and the currency risk of the entity in relation to the agreement is regarded as being low. Refer to note 35 .

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.

35. Commitments

Capital expenditure - approved, funded and contracted	41 235	53 806
Goods and services - approved, funded and contracted	11 353	3 537
	52 588	57 343

Goods and services commitments that relate to onerous contracts and thus included.

The committed expenditure relates to outstanding expenditure orders at year-end and will be financed from available resources within a year, as follows:

DEDEAT - Economic Stimulus Fund	20 299	23 845
NEDBANK Green Trust	589	-
National Department of Forestry, Fisheries and the Environment	21 376	21 990
National Department of Tourism	7 398	10 046
SANRAL - N2BOP	1 844	-
CATHSSETA	200	-
Own revenue	230	1 016
Marine and Coastal Management	525	446
Wildlife Conservation Bond	127	-
	52 588	57 343

The ECPTA entered into an agreement with Microsoft in respect of Microsoft Software licences, for an amount of R7.4 million (503 thousand USD) during the 2022 financial year for a period of 3 years. The balance of the contract at the reporting date is R3 million (168 thousand USD) and will be funded in the short term.

36. 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.

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37. Irregular expenditure

Add: Irregular Expenditure - current	1 706	5 719
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Irregular expenditure is presented inclusive of VAT.

Details are included in Annexure E of the Annual Report.

38. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure identified - current	98	-
Add: Fruitless and wasteful expenditure identified - prior period	208	-

Closing balance

	306	-
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Fruitless and wasteful expenditure is presented inclusive of VAT

Details are included in Annexure E of the Annual Report.

39. New standards and interpretations

39.1 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 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2023	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

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40. 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 2023.

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 R7,2 million is mainly from concession revenue for the Baviaanskloof World Heritage Site and the Cape Morgans conference centre whose concession agreements have not been finalised as anticipated.

Other grants:

The difference of R93,7 million arises from grants received for multi-year projects from prior financial years for the DFFE - Environmental Protection Infrastructure Programme and NDT-Infrastructure grants which were unspent at the 2021-22 year-end, also included is current year grants for N2 Biodiversity Offset Projects and Wildlife Conservation Bond. Refer to note 35 for commitments and note 16 for unspent grants.

Grants and subsidies:

Nil

Compensation of employees:

The difference of R815 thousand from provisions for employee leave.

Goods and Services:

The difference of R26,7 million arises mainly for Project funds such as DFFE - Environmental Protection Infrastructure Programme, Wildlife Conservation Bond and N2BOP grants that were not spent.

Capital expenditure:

The underspending of capital expenditure of R61,5 million arises from grants received for this period such as the Wildlife Conservation Bond, N2 Biodiversity Offset Project and DFFE - Environmental Protection Infrastructure Programme, which was unspent at year-end and the unspent grants from the previous year for the NDT Infrastructure and the Provincial Economic Stimulus Fund grants. Refer to note 35 for commitments and note 16 for unspent grants.

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41. Segment information

General information

Identification of segments

The ECPTA is organised and reports to management on the basis of four major functional areas: Other Services, 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

Other Services
Biodiversity and heritage cluster
Game management and recreation cluster
Marine and coastal cluster

Goods and/or services

Corporate Management Services and Other Services
Biodiversity and heritage management
Game management and recreation management
Tourism and coastal conservation management

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41. Segment information (continued)

Segment surplus or deficit

2023

	Other Services	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Revenue					
Revenue from non-exchange transactions	296 624	-	10 023	-	306 647
Revenue from exchange transactions	12 716	4 075	4 100	3 415	24 306
Total segment revenue	309 340	4 075	14 123	3 415	330 953
Entity's revenue					330 953
Expenditure					
Salaries and wages	84 358	39 059	22 305	29 637	175 359
Other expenses	94 977	7 873	4 181	6 412	113 443
Depreciation and amortisation	30 855	1	621	-	31 477
Total segment expenditure	210 190	46 933	27 107	36 049	320 279
Total segmental surplus/(deficit)					10 674

2022

	Other Services	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Revenue					
Revenue from non-exchange transactions	160 576	82 884	26 807	69 151	339 418
Revenue from exchange transactions	11 882	3 906	3 907	3 712	23 407
Total segment revenue	172 458	86 790	30 714	72 863	362 825
Entity's revenue					362 825

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41. Segment information (continued)

Expenditure					
Salaries and wages	87 631	36 422	19 790	25 395	169 238
Other expenses	86 003	7 404	3 734	6 346	103 487
Depreciation and amortisation	21 006	-	690	-	21 696
Total segment expenditure	194 640	43 826	24 214	31 741	294 421
Total segmental surplus/(deficit)					68 404

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 the future resources will be allocated to the various activities of the ECPTA.

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42. 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

2022

	Note	As previously reported	Correction of error	Restated
Receivables from non exchange transactions		3 960	208	4 168
Accumulated surplus		297 601	(208)	297 393
		301 561	-	301 561

Errors

Receivables from exchange and non exchange transactions:

It was discovered in the current financial year that salaries totalling to R306 thousand was erroneously paid to an employee who had resigned in the 2020 financial year. Staff debts for same have been raised. This resulted in the understatement of receivables from non exchange by R306 thousand, current year personnel costs of R99 thousand and accumulated surplus by R208 thousand. There is no effect on the accounting policy or estimate due to the error.

Reclassifications

The following reclassifications adjustment occurred:

Current liabilities of R618 thousand (2022: R577 thousand), per Statement of Financial Position - Employee benefit obligations (Note 17), previously disclosed as Payables from non-exchange transactions.

Employee related payables previously disclosed as Payables from non exchange R14 355 thousand (2022: R14 304 thousand) are disclosed as payables from exchange transactions (Note 13).

43. Events after the reporting date

None to date



Eastern Cape
PARKS & TOURISM AGENCY

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