



Eastern Cape
PARKS & TOURISM AGENCY

ANNUAL REPORT 2023/24



ANNUAL REPORT 2023/24

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Kayak & Lilo Experience, Stormsriver



PART A

General Information



PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:

Eastern Cape Parks and Tourism Agency

PHYSICAL ADDRESS:

17 – 25 Oxford Street, East London, 5201

POSTAL ADDRESS:

P.O. Box 11235, Southernwood, East London, 5213

TELEPHONE NUMBER:

+27 43 492 0881

EMAIL ADDRESS:

info@ecpta.co.za

WEBSITE ADDRESS:

www.visiteasterncape.co.za

EXTERNAL AUDITORS:

Auditor-General South Africa

BANKERS:

First National Bank

COMPANY / BOARD SECRETARY:

Ms Xoliswa Mapoma



LIST OF ABBREVIATIONS / 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



Kouga Beach



FOREWORD

by the Chairperson

It is with great pleasure that I present the annual report for Eastern Cape Parks and Tourism Agency. As we reflect on the past year, we celebrate our achievements, acknowledge our challenges, and set our sights on the future.

Our commitment to delivering on our promise of responsible conservation and tourism that benefit current and future generations remains unwavering. Our work towards this vision is underpinned by a unifying set of values known as RHINO (Respect, Humility, Integrity, Necessity, and Optimism). These values not only guide the work of the Agency, but also describe our relationships with our shareholder, the communities within and for whom we work, and our private sector partners. As a result, the governance relationship between the Board and Management is always constructive and makes it a privilege for my fellow board members and I to serve the ECPTA.

Despite the global economic flux of the past year, ongoing domestic inflationary challenges, and escalating threats to the planet's biodiversity, ECPTA has continued to produce world class results.

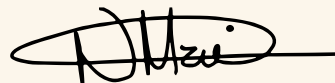
Adherence to our strong values and focus on our commitments has further resulted in a ninth consecutive clean audit. This places the Agency in a small group of around 50 auditees nationally who have sustained a clean audit opinion for five years or more. To put this in perspective, the Auditor-General South Africa audits almost 420 provincial and national departments and public entities.

Fourteen (93%) of the fifteen nature reserves for which we are responsible scored above the 67% threshold set by DFFE on the METT-SA 3 assessments for 2023/24. When the same assessment was conducted in 2016, only three (20%) of ECP-TA-managed reserves were deemed to be effectively managed. The 2023/24 results are 27% better than the previous year and 73% better than 2016. Our dedicated teams, with the support of our public and private sector partners, have been instrumental in our success. Together we have increased the size of the provincial protected area estate, submitting the necessary documentation in support of the declaration of just over 41 000 hectares of new protected areas.

Travel patterns have noticeably evolved since the global re-set occasioned by the pandemic. In Q1 of 2024, the Eastern Cape received 1.2 million domestic trips, which was more than all other provinces bar Limpopo and Gauteng. While the overall international tourist arrivals to the Eastern Cape have not yet returned to pre-pandemic levels, the 11.9% increase in Q1 of 2024 compared to Q1 the previous year is a positive sign. ECPTA is working hard to ensure that its multi-media, multi-stakeholder marketing campaigns are matched by an increasing number of tourist-ready enterprises offering enticing accommodation and tourism experiences. These efforts have increased the number of people employed in tourism and created new income streams for rural communities.

Despite these and many more achievements, we recognise that there is so much more to be done. Climate change will have an increasing impact on our province over the coming decades. With changes in rainfall patterns, temperatures and storms and flooding events, the province will likely experience significant changes in biome distribution. In combination, we anticipate increased socio-economic, economic, environmental and physical vulnerability, particularly in the east of the province. We stand ready to address these challenges as our mandate requires of us.

I extend my gratitude to our employees, my fellow board members, and all stakeholders who contribute to our shared vision. Together, we will continue to make a positive impact on the people and landscapes of the Eastern Cape.



DR NOMAKWEZI MZILIKAZI

Chairperson of the Board
Eastern Cape Parks and Tourism Agency

1 August, 2024



Valley of Desolation, Karoo



OVERVIEW

by the Chief Executive Officer

This Annual Report holds, between its covers, a remarkable account of exceptional achievement. Despite the literal and figurative mountains of challenges, team ECPTA has risen to the summit. South Africa's stubborn triple challenge of inequality, poverty, and unemployment has accompanied every step of the journey, bringing into stark relief the reason we do what we do. It is not melodramatic to describe our mandate as placing us at the intersection of environmental and socio-economic sustainability of our province.

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

In the fiscal year under review, ECPTA operated on a budget of R436 million. This was constituted by an equitable share allocation of R217.9 million, conditional grants of R190.3 million, and projected own revenue budget of R27.9 million.

The own revenue projection was not met as only R25.7 million was collected. This was 8% below target. Many factors contributed to the under-collection, including delays in completing some infrastructure projects following devastating floods that hit the Eastern Cape three times during the reporting period. Flooding caused damage to road and electricity infrastructure, collapsed bridges, and destroyed homesteads. Damage was estimated to be around R4.5 billion in the Eastern Cape. Service providers were unable to access our reserves to complete their works, which negatively affected the operations of the reserves. In the absence of adequate budgets to maintain and repair damaged roads and tourism facilities, ECPTA was compelled to accept cancellations from clients. There are plans in place to increase own revenue through our commercialisation strategy which is being considered through internal processes.

In respect of conditional grant funding, the Agency experienced delays in transfer of funds from the Department of Forestry, Fisheries, and the Environment (DFFE) and the South African National Roads Agency SOC Ltd (SANRAL). These delays in transfers and payments negatively affected the cashflow position of the Agency at year end with approximately R25 million owed to the ECPTA by these two funders. There is engagement between DFFE, SANRAL, DEDEAT and Provincial Treasury aimed at resolving these funding issues.

The ECPTA is faced with several other challenges that constrain the Agency's ability to harness the economic benefits of tourism. Some of these challenges include:

- Lack of marketing budget including collaborative marketing from other stakeholders in the province.

- Inflated cost of domestic flights to the province and the absence of international connecting flights from key source markets.
- Safety of tourists / crime against tourists.
- Meaningful collaboration with tourism sector partners to operationalise tourism information centres.
- Inaccessibility of tourism data to inform timely intervention and better forecasting on EC tourism performance.

SPENDING TRENDS OF THE PUBLIC ENTITY

The Agency had spent 100% of its equitable share funding at year end. Spending on conditional grant has lagged due to flood-related delays, contractor performance, and in some instances timeous availability of the budget from donors.

SPENDING TRENDS OF THE PUBLIC ENTITY

ECPTA has revised its expectations downward and reports against the effective and reliably funded organogram of 525 posts. A vacancy rate of around 6% has subsequently been sustained. Most of the vacancies remain in the Biodiversity and Conservation department. Consequently, to ensure that the ECPTA continues to meet its mandate, operational priorities on reserves are frequently conducted by sub-optimally resourced teams.

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.

DISCONTINUED KEY ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

None under the period under review.

NEW OR PROPOSED KEY ACTIVITIES

New own revenue generation activities are to be implemented through the proposed commercialisation strategy. This will ensure that the Agency is able to generate its own revenue to fund its activities.

REQUESTS FOR ROLL OVER OF FUNDS

The Agency has requested the roll-over of R55.5 million at year end. These are funds earmarked for multi-year projects on infrastructure.

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 fiscal 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 R843 thousand (2022-2023: R 1.706 million) on the contracts is, therefore, deemed Irregular. The ECPTA has made submissions to Provincial Treasury to have the contracts and related expenditure condoned. Note 38 of the Annual Financial Statements provides further detail.

CONCLUDED UNSOLICITED BID PROPOSALS

There were no unsolicited bid proposals received and awarded during the year under review.

WHETHER SCM PROCESSES AND SYSTEMS IN PLACE

The ECPTA prides itself on compliance with all National and Provincial instruction notes implemented with zero fruitless and wasteful expenditure reported for the year under review.

CHALLENGES EXPERIENCED AND HOW RESOLVED

The biggest challenge is the issue of under-funding which has been escalated to both DEDEAT and Provincial Treasury and it remains unresolved.

AUDIT REPORT MATTERS IN THE PREVIOUS YEAR AND HOW WOULD BE ADDRESSED

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.

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.

EVENTS AFTER THE REPORTING DATE

There were no reported events after year end.

ECONOMIC VIABILITY

The Auditor-General has not identified any events or conditions that cast significant doubt on the entity's ability to continue as a going concern.

OTHER (INFORMATION THAT NEEDS TO BE COMMUNICATED TO USERS OF AFS)

The prior year financial statements have been re-stated. Refer to note 40 of the AFS as well as the audit report on the emphasis of matter paragraph.

ACKNOWLEDGEMENT/S OR APPRECIATION

While the Auditor-General has confirmed the health of the accountability ecosystem at ECPTA, I would like to emphasise the significance of that confirmation. What distinguishes ECPTA from other entities in the province is that ECPTA's people and processes are dispersed across the province, some as far as 800km apart. It is extraordinary in a society where dishonesty is rife, that the people of ECPTA consistently do what is right, even when they are not being watched. This speaks volumes about our organisational culture, and even greater volumes of the integrity of the people who shoulder that culture. It is my privilege to lead you!

I would further like to acknowledge the guidance of the Board of ECPTA, the wisdom of Portfolio Committee on Economic Development, Environmental Affairs and Tourism, and the support of the DEDEAT, NDT and DFFE. In so many ways, when we stand together, we are capable of truly remarkable achievements.



VUYANI DAYIMANI
Chief Executive Officer
Eastern Cape Parks and Tourism Agency

1 August, 2024

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

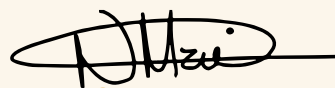
To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General of South Africa.
- 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 Practices Standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.



VUYANI DAYIMANI
Chief Executive Officer

1 August, 2024



DR NOMAKWEZI MZILIKAZI
Chairperson of the Board

1 August, 2024



Black Rhino Range Expansion Project, Eastern Cape

STRATEGIC OVERVIEW



Vision

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



Mission

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



Values

ECPTA values **RHINO**:

RESPECT

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

HUMILITY

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

INTEGRITY

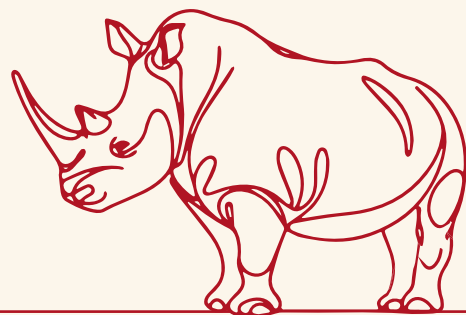
We conduct our business in a principled manner that is honest and uncompromising.

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.



LEGISLATIVE AND OTHER MANDATES

The ECPTA is listed under Schedule 3C of the Public Finance Management Act (Act 1 of 1999) (as amended). 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:

- Manage biodiversity in protected areas located in the province.
- Manage tourism in the province.

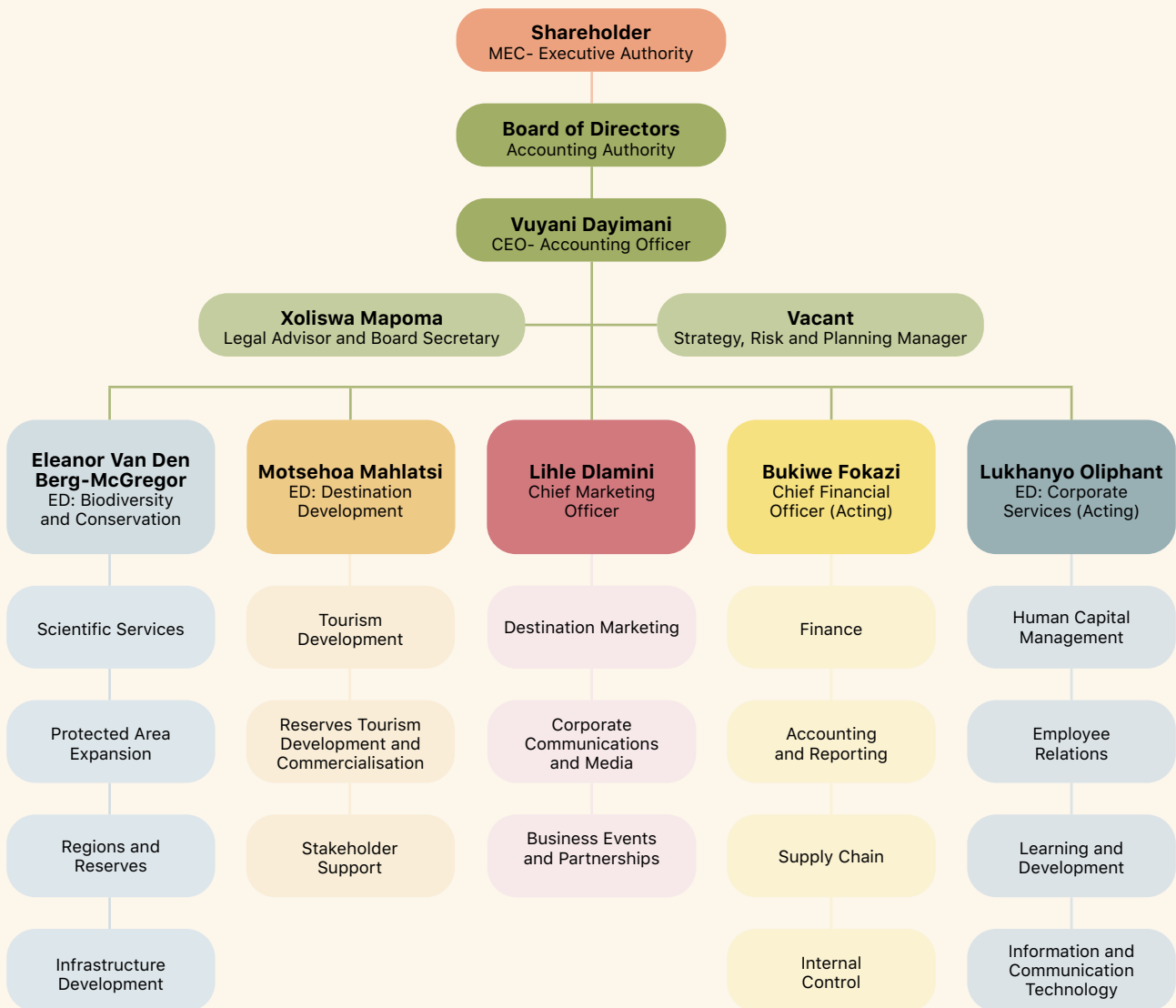
- Ensure the effective implementation of its biodiversity management and tourism, and powers and duties granted in terms of this Act and any other law.
- Ensure excellence in the business and resource management of the ECPTA.

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

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)	This Act provides a framework for response to natural or human-caused disasters as defined in Section 1. It aims to provide a coherent, transparent, and inclusive policy on disaster management appropriate for South Africa.
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.
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 develop and manage protected areas. Promote and facilitate the development of tourism in the province.
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.
National Environmental Management Act, 1998 (Act 84 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

Relevant Acts	Key Responsibilities
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.

ORGANISATIONAL STRUCTURE



BOARD MEMBERS



Dr N. Mzilikazi
Chairperson



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



Adv C. Mahlali
Chair: Marketing and Destination
Development Committee; Member:
HR and Remuneration Committee



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



Mr L. Beville
Member Biodiversity and Conservation
Committee

MANCO MEMBERS



Mr V. Dayimani
CEO- Accounting Officer



Ms X. Mapoma
Legal Advisor and Board Secretary



Ms. E. Van Den Berg-McGregor
ED: Biodiversity and Conservation



Ms M. Mahlatsi
ED: Destination Development



Ms L. Dlamini
Chief Marketing Officer



Ms B. Fokazi
Chief Financial Officer (Acting)



Mr L. Oliphant
ED: Corporate Services (Acting)





Big 7 Safari, Addo Elephant National Park

PART B

Performance Information



AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to report material findings. The report 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 119 of the Report for the Auditors Report, published in Part F: Financial Information.

OVERVIEW OF PERFORMANCE

SERVICE DELIVERY ENVIRONMENT

As the Provincial Schedule 3C public entity tasked with both biodiversity conservation and tourism promotion, it is patent that environmental and economic factors have a direct impact on the ECPTA's dual mandates.

ENVIRONMENTAL

The United Nations Environment Programme has indicated that in 2023, climate change grew more disruptive, exceeding previous temperature records both globally and regionally, and climate change impacts experienced such as floods, heatwaves, wildfires, and storms have caused devastation (UNEP, 2023). The Intergovernmental Panel on Climate Change (IPCC) and the Convention on Biological Diversity (CBD) have confirmed that the impact of climate change has been observed across various ecosystems and human systems across the globe (IPCC, 2022b; CBD, 2019). Therefore, considering that the impact of climate change is being experienced across the globe there is a need to strengthen the global response to the threat of climate change and hence there is a need for climate change adaptation (IPCC, 2022b).

In addition to climate change risks, unsustainable practices such as poor land use planning and management, and invasive alien species infestations pose the biggest threats to biodiversity in the Eastern Cape. During 2023/24,

the Eastern Cape experienced climate change impacts such as severe flooding and extreme fire events, which in turn has hampered the organisation's ability to implement planned infrastructure developments in certain instances.

Key mechanisms towards climate change adaptation and improved biodiversity management include ecosystem-based adaptation, protected areas management, and expanding the conservation estate. To this end, the Eastern Cape Province managed 15 Provincial Nature Reserves (protected areas), employed various ecosystem-based adaptation approaches such as alien clearing and fire management, and contributed more than 40 000ha to South Africa's National Protected Areas Expansion Strategy endeavours by increasing the number of hectares of land under conservation in the Eastern Cape. These interventions contribute positively towards biodiversity management which, in turn, provide various services to the benefit of people and nature such as habitat provision for plants and animals, provisioning services such as food, fuel wood, fresh water and fresh air; regulating services such as climate regulation; and cultural services such as conserving areas of spiritual and recreational value.

ECONOMIC

Tourism has been repeatedly identified as a catalytic sector of the Provincial, and indeed National, economy.

In the quest to render superior service to tourism stakeholders, communities, and the public in general, ECPTA has ensured that it achieves the goals and targets it has set in relation to tourism. Through this dedication and commitment, all the performance targets that were set to deliver the tourism development mandate of the agency were met. This achievement is attributed to the strong partnerships ECPTA has formed over the years. ECPTA continues to build and strengthen partnerships with key stakeholders in the public sector, the private sector and with communities. One of the newly gained partners is BANKSETA. In the year under review, ECPTA executed activities as per the Memorandum of Agreement concluded with BANKSETA for ECPTA to roll out resource efficiency capacity building programme to assist tourism products owned by Women in Tourism to cut on their expenditure through sustainable use of resources. This project is to the tune of R1.2 million.

The critical stakeholders which have partnered with ECPTA to support and enable the delivery of the tourism mandate in the Eastern Cape Province include the national Department of Tourism, the Provincial Department of Sport, Recreation, Arts and Culture, DEDEAT, Department of Safety and Liaison, district and local municipalities, SEDA, ECDC, the Liquor Board as well as tourism organisations and associations in the province and national ones such as SATSA and SATOVITO.

Some of the challenges encountered in the year under review include fragmented planning by institutions of government which are critical to enable tourism development in the province. This results in inter alia, duplication of resources which does not result in the delivery of high impact projects. Other challenges include poor access roads to experience rural tourism and visit some iconic tourism products and/or attractions, tourism safety concerns, poor infrastruc-

ture, and ICT connections in the rural parts of the province. Furthermore, there is a backlog of tourism road signage in the province, some which were erected being vandalised within a week. Non-renewal and non-grading of trading guest houses and lodges also affects the sector negatively. Poor customer service at some products also affects visitor confidence in the province.

Corrective actions to be taken include intensifying efforts to promote tourist safety, capacity building of products on service excellence, promote community-based tourism, foster innovation in the sector, conversion of Eastern Cape citizens to become ambassadors of the Eastern Cape to grow and develop the provincial tourism destination, investment mobilisation for the tourism sector and leveraging of more resources. ECPTA will continue to create awareness on empowering programmes government provides for the sector and will intensify its efforts to advance the transformation agenda so that the previously disadvantaged communities can also benefit and thrive from tourism in a sustainable manner.

ECPTA will promote and emphasise the importance of conducting Environmental Impact Assessments to ensure sustainable development as well as for packaging projects for investment mobilisation.

As tourism operates in an environment that is interdependent and interrelated with other sectors, any changes in the geopolitical and macro environments affect the tourism sector. In the year under review, the post-COVID recovery trajectory was continuing, thus tourism enterprises and stakeholders still require both financial and non-financial support to among others manage their enterprises effectively and for expansion. The Agency could possibly provide more non-financial support to the sector by partnering with other critical stakeholders to leverage resources from for activities such as market access, development of business plans, identification of funding opportunities from Development Finance Institutions (DFIs) and other funding institutions both domestic and international.

ORGANISATIONAL ENVIRONMENT

The organisational environment is examined through the lens of human resources (HR) management offering insights into how HR-related factors influenced the agency's performance during this reporting period. A detailed analysis is provided of HR-related developments within the ECPTA including recruitment, training and development, employee engagement, and organisational culture.

In the workforce dynamics, the report outlines changes to the composition of the workforce including recruitment, turnover rates, and demographic shifts. It highlights the agency's efforts to attract, retain, and develop talent to meet organizational objectives.

Training and development initiatives undertaken by the ECPTA outlined especially investment in the skills and capabilities of its employees. Training programs professional development opportunities and mentorship initiatives aimed at enhancing employee performance and job satisfaction. The level of employee engagement is extrapolated highlighting measures taken to foster a positive work environment. This includes employee satisfaction, feedback mechanisms, and recognition programs designed to motivate and empower employees.

Concerning transformation, diversity, and inclusion, the ECPTA continues to strive to ensure that there is universal access for people with disabilities. Universal access audits are conducted throughout the ECPTA for purposes of improving accessibility in all access points. The ECPTA prides itself in creating a diverse and inclusive working environment that promotes and respects everyone's differences.

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 achieve-

ment 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 2023/24 financial year:

- **ECPTA ACT 2 of 2010** - The public participation process for the ECPTA Bill was undertaken in 2023/24 financial year.
- **Protection of Personal Information** - 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 ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

ECPTA began the process of planning for the Medium-Term Strategic Framework period 2020/21 to 2024/25 as far back as 2018. A series of iterative participatory engagements with a wide range of stakeholders ensured that the Theory of Change which emerged was broadly canvassed and well embraced. The approach further ensured that the ECPTA's plans were well aligned to both Provincial and National development agendas.

The organisational Theory of Change to which programmes contribute is detailed in Figure 2 on page 18. In summary, ECPTA has identified three pathways of change leading to four Immediate Outcomes, whose relative weights add to 100. The three core programmes of the ECPTA each contribute to a clearly articulated pathway

of change. The support programmes ensure that Internal service models geared to meet the needs of core departments.

In 2023/24, ECPTA was responsible for 194 indicators across its three plan levels (Strategic, Performance and Operational), including 121 activity indicators, 55 output indicators, 14 immediate outcome indicators and 4 interme-

mediate outcome indicators. The targets for 180 indicators were achieved above the 90% board minimum threshold, yielding an overall achievement rate of 92.8%. This compares to an overall achievement rate of 89.4% in 2020/21 and 94.5% in 2021/22, 91.9% in 2022/23. The graphic below provides an overview of the average performance of each department and ECPTA over the first four years of the Strategic Plan.

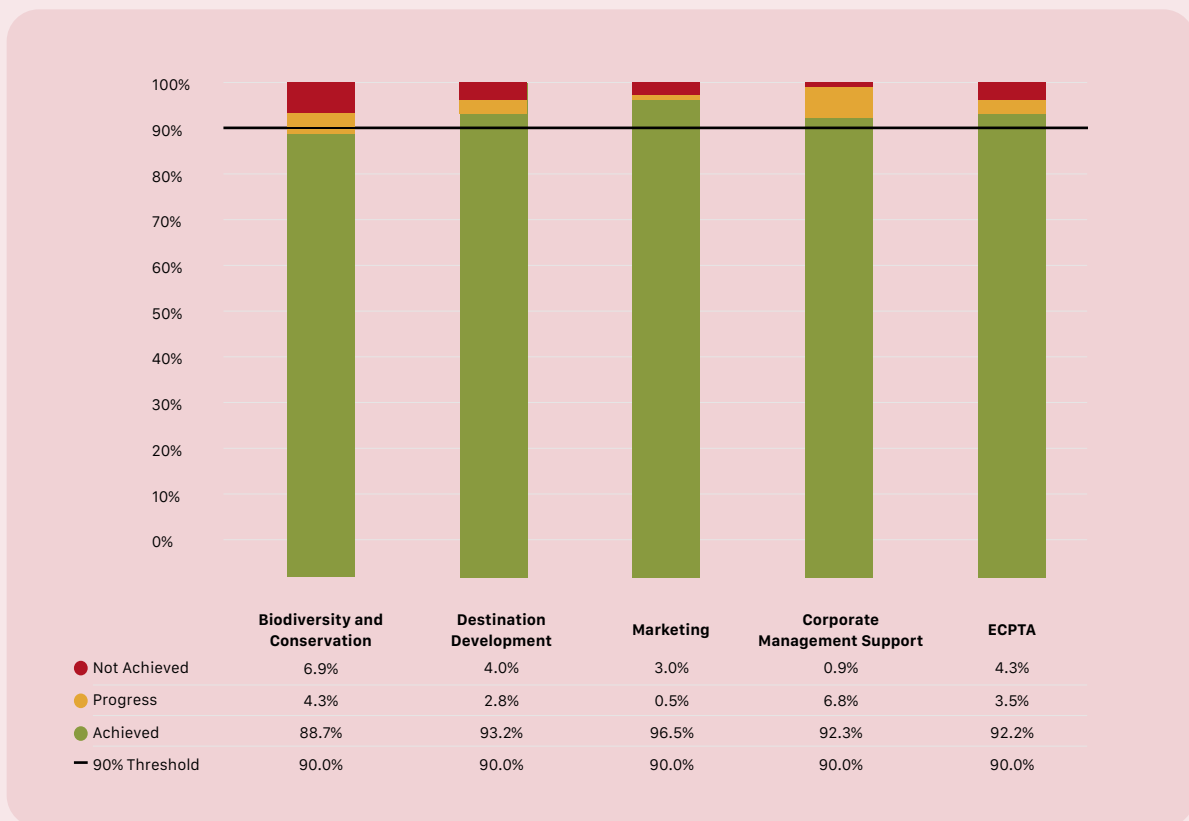


Figure 1: Annual Average Performance 2020/21 - 2023/24

With a **92.2%** average overall performance achievement, ECPTA has meaningfully contributed to

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

STRATEGIC RESULTS CHAIN

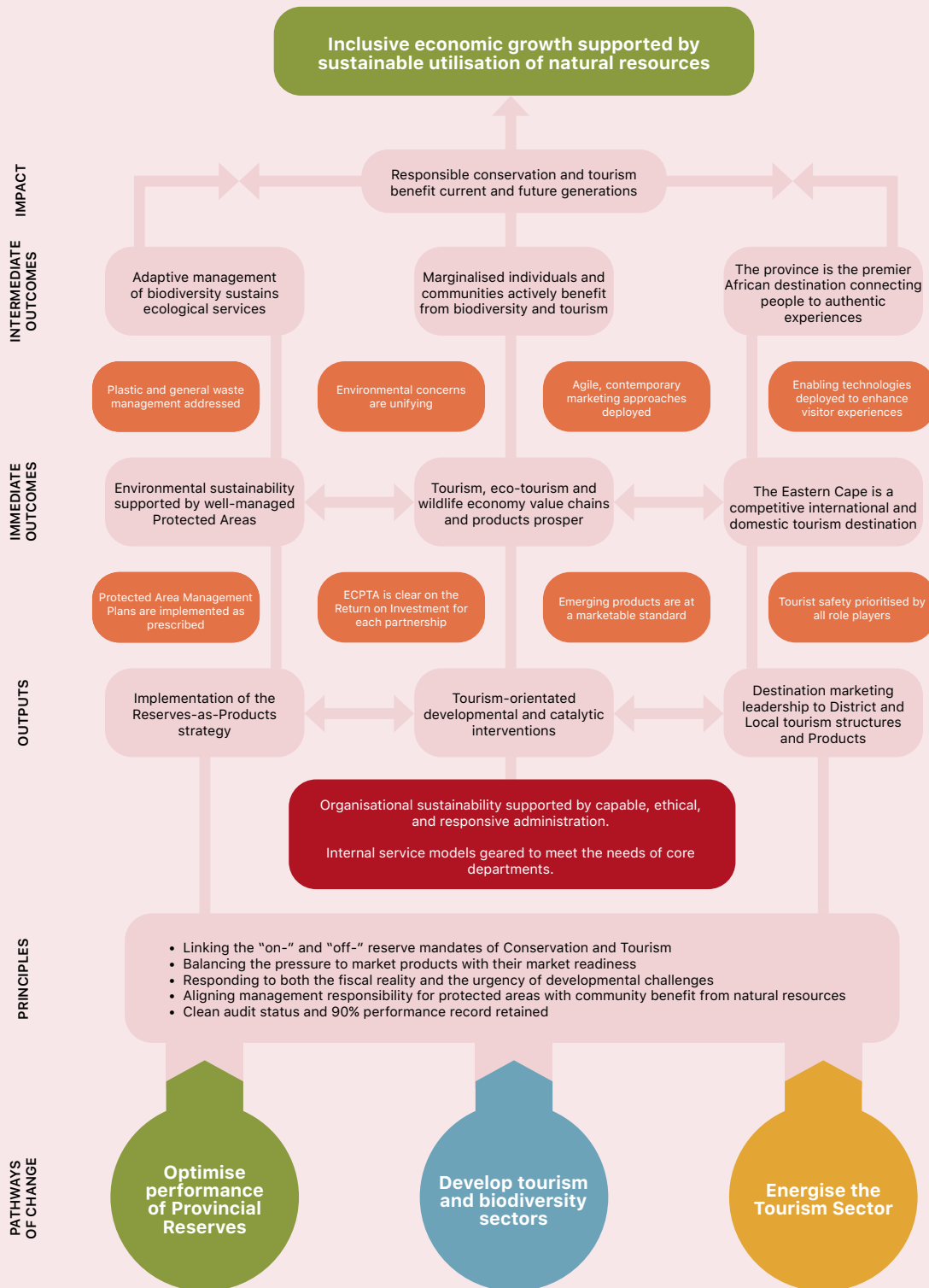


Figure 2: Strategic Results Chain – Summary of the Organisational Theory of Change

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

DISCLOSURE OF ERRORS IN ANNUAL PERFORMANCE PLAN

The errors identified in the published Annual Performance Plan (APP) were identified and corrected in Quarter 1, and consequently did not impact performance reporting. The errors are listed here to ensure consistency between planning and reporting documents.

DESTINATION MARKETING

The term "marketing" was substituted for the term "promotion" for output indicator for "3.1.4 Provincial nature reserves promotion" on page 74 of the APP. The terminology in no way alters the underlying performance. For consistency, the terminology used in all four quarterly reports, and on pages 49 and 50 of the APP is used in this Annual Report.

FINANCIAL DIMENSION

Indicators and annual targets relating to Financial Dimension were captured incorrectly on page 53 of the Annual Performance Plan. The correct set of indicators and targets were presented on page 55 of the same document and correctly captured in the scorecard calculator. The correct indicators and targets were thus reported on throughout the year, and again in this Annual Report.

Incorrect indicators (Pg 53)	Incorrect Annual Targets (Pg 53)	Correct Indicators (Pg 55)	Correct Annual Targets (Pg 55)
Materiality reporting	90	Materiality reporting	90
Budget Management	90	Accounting and reporting	90
Revenue Management	90	Budget Management	90
Supply Chain Management	100	Financial Management	90
Customer service	50	Supply Chain Management	5
Preferential Procurement	1	Preferential procurement	1
Fleet Management	90	Fleet Management	90

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 like 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. The active contributing scores add up to the higher-level target of 90. 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 using 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.

SUMMARY OF PERFORMANCE IN 2023/24

In the year under review, of the eighteen (18) 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 Outcome success rate of 100% for 2023/24.

Intermediate Outcome Indicator (short title)	Annual Performance		
	Planned	Actual	Result
1. Adaptive Management	90	96.8	Achieved
1.1 Biodiversity Decision Support	90	93.1	Achieved
1.2 Provincial Protected Area Expansion	90	100.0	Achieved
1.3 Protected Area Management Plan Implementation	90	95.6	Achieved
1.4 Projects Implementation	90	98.4	Achieved
2. Biodiversity Economy Value Chains	90	97.3	Achieved
2.1 Tourism Value Chain Support	90	100.0	Achieved
2.2 Biodiversity Economy: Tourism	90	97.7	Achieved
2.3 Stakeholder Support	90	94.1	Achieved
3. Tourism Competitiveness	90	97.5	Achieved
3.1 Destination Marketing	90	100.0	Achieved
3.2 Public Relations and Communication	90	100.0	Achieved
3.3 Business Events and Partnerships	90	92.5	Achieved
4. Organisational Sustainability Index	90	97.9	Achieved
4.1 Reputation Dimension	27	29.1	Achieved
4.2 Financial Dimension	32	34.4	Achieved
4.3 Social Dimension	18	19.4	Achieved
4.4 Security Dimension	14	15.0	Achieved

Output and activity targets have been met at a rate of 92.7% and 91.7% respectively, as presented below. This means that all performance levels have been achieved within the Board-set

threshold for acceptable performance of 90%. The high standard of performance bodes well for the continued success of the ECPTA.



Figure 3: Graphic representation of overall performance by Indicator Level in 2023/24

To ensure an understanding of context, Intermediate and Immediate Outcome 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. Com-

parisons to prior year results are not always possible as new indicators were developed for the new strategic cycle and revised for the fourth Annual Performance Plan of the MTEF period. ECPTA did not re-table the Annual Performance Plan in the year under review.

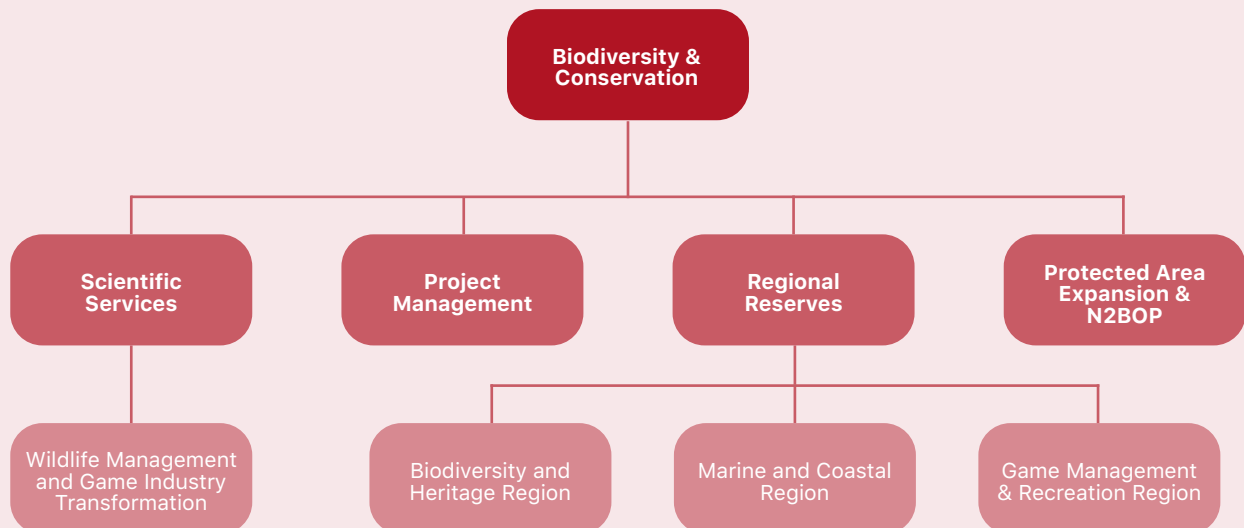


PROGRAMME 1: BIODIVERSITY AND CONSERVATION

PROGRAMME PURPOSE

The Biodiversity and Conservation Department is responsible for the management of the provincial protected areas and the expansion of the protected areas network.

The biodiversity and conservation functions are supported by four specialised units or sub-programmes:



Each of these units provide technical support in their respective areas of expertise. The sub-programmes collaborate to achieve **environmental sustainability supported by well-managed protected areas**, and ultimately ensure the achievement of the institutional outcome where **adaptive management of biodiversity sustains ecological services**.

SUB-PROGRAMME: SCIENTIFIC SERVICES

The Scientific Services unit supports reserve management, and the ECPTA in general, by undertaking and coordinating essential research, developing, and maintaining critical monitoring programmes, developing management plans, and providing specialist advise and support.

The unit further manages the Game Industry Transformation and Wildlife Management programmes. The unit's purpose is to provide professional scientific information and planning support of biodiversity management, strategy, and decision making in ECPTA.

The information gathered by the unit is used to guide and inform the management of the pro-

vincial protected areas for which ECPTA is the assigned management authority. This happens primarily through an adaptive management approach, which is a systematic approach for improving resource management by learning from management outcomes. This approach helps managers maintain flexibility in their decisions, knowing that uncertainties exist, and so provides the latitude to adjust direction to improve progress towards desired outcomes.

Key objectives over the MTEF period include developing annual game management recommendations, sustaining critical monitoring programmes such as the annual game census, rhino and leopard monitoring programmes, line fish monitoring in the marine protected areas, fire monitoring on protected areas, coordinating external research projects, developing new management plans and providing critical support to other sub-programmes such as stewardship.

Scientific Services is further responsible for integrating protected areas and other environmental initiatives into spatial development planning tools at local and provincial level and providing Environmental Impact Assessment responses around protected areas and priority expansion areas. Since 2022/23, the unit has also been responsible for the Game Industry Transformation which has seen the opening up of the biodiversity economy to support previously disadvantaged game farmers as custodians of ECPTA game.

SUB-PROGRAMME: PROTECTED AREA EXPANSION

The Protected Areas Expansion unit implements the Eastern Cape Protected Areas Expansion Strategy on behalf of the province. The primary mechanism for expansion of the protected area estate is stewardship, involving the declaration of land owned by the private and community sectors for conservation purposes. Over the MTEF period, this includes ensuring that the N2 Biodiversity Offset Project is executed as planned.

Typical objectives include developing protected



Sky Diving, Jeffreys Bay

area management plans for the reserves, implementing the protected areas expansion strategy, and expanding protected areas through partnerships with landowners (private/state/community) using the stewardship model. Implementation of the N2 Biodiversity Offset projects emanating from the SANRAL construction of the N2 toll road through the Wild Coast, is a key priority.

SUB-PROGRAMME: REGIONS AND RESERVES

At the core of the department are the Regions and Reserves, which are responsible for the management of the protected areas. The three regions each have five reserves that are clustered together in accordance with niche product offerings. The three regions are: Biodiversity and Heritage, Game Management and Recreation, and Marine and Coastal. Within the reserves, ECPTA is responsible for the conservation and management of biodiversity, the management of tourism and tourism facilities, and for building relationships with neighbouring and co-management communities. The People and Parks unit supports reserves in providing environmental education opportunities and facilitating socio-economic benefit sharing in those reserves where co-management agreements have been secured.

The Regions and Reserves are thus geared to:

- 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
- Actively engage with stakeholders and neighbouring communities

The successful implementation of protected area management plans and the sound management of the provincial nature reserves is dependent on the successful implementation of a wide range of activities, interventions and required resources. To effectively monitor the

management of these areas, three indices have been developed: one to assess conservation management, the second to assess tourism management, and the third to gauge socio-economic beneficiation of neighbouring communities. Implementation of both the Management Effectiveness Tracking Tool (METT) and State of Area Integrity Management (SoAIM) frameworks contribute significantly to achieving targets for conservation management.

SUB-PROGRAMME: PROJECT MANAGEMENT UNIT

The key functions of the Project Management Unit (PMU) are to provide conservation and tourism infrastructure development (new build and renovation) and maintenance for the provincial protected areas. The unit is also the implementing agent for off-reserve tourism infrastructure projects funded by the National Department of Tourism. Social Responsibility projects linked to National DFFE-sponsored Expanded Public Works Programmes are managed by this unit. Additionally, the unit is tasked with ensuring compliance with Occupational Health and Safety legislation in respect of worksites.

Infrastructure development is seen as a key driver and enabler for sustainable biodiversity conservation and tourism development in the protected areas and surrounding regions. The conservation and tourism infrastructure in Provincial Nature Reserves is in a dire need for upgrade and maintenance due to historically poor funding of infrastructure investment. The PMU is in the process of developing the Infrastructure Development, Infrastructure Asset Management, and Infrastructure Delivery Master Plans.

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

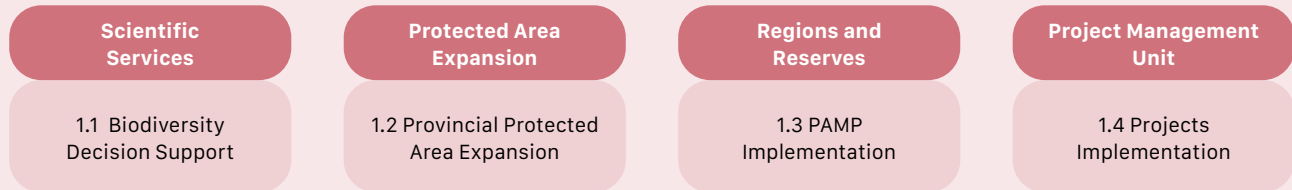


Table 1: Distributed weights of outputs, immediate outcomes and the intermediate outcome

Immediate Outcome	Immediate Outcome Indicators	Relative Weight	Output Indicators	Relative Weight	
1. Adaptive management of biodiversity sustains ecological services	Relative Weight: 35%	1.1 Biodiversity Decision Support	25%		
				1.1.1 Biodiversity Research	20%
				1.1.2 Biodiversity Monitoring	30%
				1.1.3 Ecological and Integration Planning	25%
				1.1.4 Wildlife Management and Game Industry Transformation	25%
				1.2 Provincial Protected Area Expansion ¹	25%
				1.2.1 Stewardship Programme	50%
				1.2.2 N2 Biodiversity Offset Project	50%
				1.3 (PAMP) ² implementation	30%
				1.3.1 Conservation Management	80%
		1.3.2 Reserves Tourism Management	10%		
		1.3.3 People and Parks	10%		
		1.4 Projects Implementation	20%		
		1.4.1 Infrastructure Project Implementation	70%		
		1.4.2 Social Responsibility Projects	30%		

1. Referred to as "Provincial Protected Area Expansion" | ECPTA APP 2023/24-2025/26 | March 2023 | Page 63

2. Protected Area Management Plan

Table 2: Intermediate Outcome: Adaptive management of biodiversity sustains ecological services

Intermediate Outcome	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
1.1 Biodiversity Decision Support	100 (score)	96.0 (score)	90 (score)	93.1 (score)	+ 3.1 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 4)
1.2 Protected Area Expansion	94.1 (score)	100 (score)	90 (score)	100.0 (score)	+ 10 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the two contributing Outputs (Table 5)
1.3 PAMP implementation	95.8 (score)	94.8 (score)	90 (score)	95.6 (score)	+ 5.6 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the three contributing Outputs (Table 6)
1.4 Projects Implementation	93.9 (score)	95.4 (score)	90 (score)	98.4 (score)	+ 8.4 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the two contributing Outputs (Table 8)

SUB-PROGRAMME: SCIENTIFIC SERVICES

Table 4: Output Indicators: 1.1 Biodiversity Decision Support³

Intermediate Outcome	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
1.1.1 Biodiversity Research	30 (score)	20 (score)	18 (score)	20 (score)	+ 2 (points)	All five underlying activity targets (1.1.1-i to 1.1.1-v) at or above Board's 90% minimum threshold hence deemed achieved
1.1.2 Biodiversity Monitoring	40 (score)	30 (score)	27 (score)	30 (score)	+ 3 (points)	All four underlying activity targets (1.1.2-i to 1.1.2-iv) at or above Board's 90% minimum threshold hence deemed achieved
1.1.3 Ecological and Integrated Planning	30 (score)	25 (score)	22.5 (score)	24 (score)	+ 1.5 (points)	One of the five underlying activity targets below Board tolerance, hence deemed not achieved (1.1.3-i)

Intermediate Outcome	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
1.1.4 Wildlife management and game industry transformation	Moved 76.5 (score)	21 (score)	22.5 (score)	19.1 (score)	-3.4 (points)	Two of the six underlying activity targets below Board tolerance, hence deemed not achieved (1.1.4-iii and 1.1.4-vi)

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 output indicators accumulate to an overall score for Biodiversity Decision Support. Where all underlying targets are achieved, no remedial action is required. The details of those activities are, however, included below. In instances where all underlying activities are successfully concluded, this results in an apparent positive deviation, which together can never exceed the weight of the output as detailed in Table 1. The Board of ECPTA never-the-less maintains a minimum performance tolerance of between 90% and 100%. Scores in this range are not deemed as having exceeded expectations. Remedial actions are detailed under the heading "Strategy to overcome areas of under-performance" on page 47.

During the year under review, the Scientific Services Sub-programme achieved 84% of all targets across the three plans (strategic, annual performance and operational).

1.1.1 BIODIVERSITY RESEARCH

- i. Establish priority research agenda
 - Priority research needs were identified in Quarter 1 to guide the research agenda for the year
- ii. Research to fill identified knowledge gaps
 - The following scientific research were

- approved or published to extend scientific information to guide and direct management as per research agenda for 2023/24
 - Proposal: The spatial and temporal variation of leopard (*Panthera pardus*) diet and demographics in the Baviaanskloof, Eastern Cape, South Africa
 - Published paper: The critical role of coastal protected areas in buffering impacts of extreme climatic conditions on bird diversity and their ecosystem services' provisioning in the Eastern Cape, South Africa
 - Published paper: The potential of foraging Chacma Baboons (*Papio ursinus*) to disperse seeds of alien and invasive plant species in the Amathole Forest in Hogsback in the Eastern Cape Province, South Africa
- iii. Manage External Research on Reserves
 - Over the course of the year, 16 applications to conduct research on ECPTA-managed protected areas were received
 - Eleven (11) were processed by the end of the reporting period
 - To develop systems to support conservation, ECPTA was involved in:
 - South Africa's Rocky Shore Monitoring Programme
 - Research and monitoring as a functional component of MPA management
 - iv. Four new taxon Inventories were developed
 - Plant species list for Ongeluksnek Nature Reserve
 - Species list for reptiles found at Mkhambathi Nature Reserve
 - Plant species list for Mpofu Nature Reserve
 - Reptile list for East London Coast Nature Reserve

1.1.2 BIODIVERSITY MONITORING

- i. Three ecological monitoring reports were completed
 - Fire Monitoring Report for the Baviaanskloof World Heritage Site 2022-23
 - Fire Monitoring Report for the Formosa Nature Reserve 2022-23
 - Protected Areas Fire Monitoring Report: 2023
- ii. The following priority taxon monitoring reports were completed
 - Great Fish River Nature Reserve black rhino population status report for 2024.
 - Baviaanskloof Nature Reserve black rhino population status report for 2024.
 - Balule Nature Reserve black rhino population status report for 2024.
 - Greater Makalali Nature Reserve black rhino population status report for 2024.
 - Buffalo Kloof Nature Reserve black rhino population status report for 2024.
 - Detailed black rhino monitoring report for Baviaanskloof World Heritage Site for 2024
 - Monitoring report for leopard (*panthera pardus*) In the Great Fish River Nature Reserve 2023-24
- iii. The annual game census was completed in Q2 as planned
- iv. The annual analysis of game off-takes per the approved game management recommendations was concluded in Q3

1.1.3 ECOLOGICAL AND INTEGRATED PLANNING

- i. The only subsidiary management plan completed in 2023/24 was the fire management plan for Mpofu Fort Fordyce Nature Reserve. The target of two subsidiary management plans was not achieved because the team was reduced to only one ecologist due to resignations.
- ii. Based on the game census and available scientific information, annual game management recommendations for 2024/25 were

submitted to the Board via the Biodiversity and Conservation Committee for approval

- iii. Mainstreaming biodiversity elements (concerns) into provincial and municipal planning processes involved active collaboration with a diverse spectrum of stakeholders, including local authorities, municipalities, non-governmental organizations (NGOs), as well as provincial and national government departments
- iv. By participating in priority EIA processes, ECPTA contributes to minimising incompatible land uses in the vicinity of provincial nature reserves
- v. Updated Protected Area Management Plans (PAMPs) were submitted to the Head of Department of DEDEAT for onward submission to the MEC for approval

1.1.4 WILDLIFE MANAGEMENT AND GAME INDUSTRY TRANSFORMATION

The Wildlife Management and Game Industry 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 skills. The unit further aims to ensure that ECPTA implements its Board-approved game management recommendations, while simultaneously maximising the revenue generated through this process.

ECPTA contributes to transforming the wildlife sub-sector of the Biodiversity Economy in the province. To this end, ECPTA has established a Game Industry Transformation (GIT) programme that establishes GIT sites. To keep track of progress in this regard, ECPTA monitors, updates and adds possible sites to its 'game industry transformation register / database' that might be ready to participate in the GIT programme. The GIT register consists of 61 members (which include existing sites, possible future sites and interested individuals). To date, ECPTA has established 9 Game Industry Transformation sites.

- i. The Game Industry Transformation Programme register / database, from where potential new sites are identified for assessment, was maintained as planned
- ii. One new agreement was facilitated for 2024 as per the annual operational plan
- iii. While two meetings of the EC Game Transformation Forum were targeted, only one took place. Members engaged using WhatsApp and other social media channels
- iv. The unit monitored game on all custodianship sites
 - Over 100 animals were donated to a new custodianship site and delivered in Q3
 - 15 buffalo were placed at three existing custodianship sites once they had been assessed for suitability in terms of adequacy of enclosure
 - Four of the 54 hunting packages sold in 2023/24 emanated from ECPTAs partner Transformation custodianship sites
 - Five (5) of the domestic hunting packages were earmarked and successfully sold to historically disadvantaged individuals (HDIs)
- v. With respect to implementing board-approved off-takes, an overall off-take of 82% was achieved, withing the 90% target threshold. Off-takes were allocated to various modalities, namely auction, internal culling, external culling (conducted by a service provider), hunting, translocation (movement from one reserve to another), and the game transformation programme.
- vi. The unit generated revenue through the sale of hunting packages, live game at auction, external culling and venison sales
- vii. 89% of the targeted R5.914 million was realised
- viii. Overachievement in the auction, internal culling, transformation, and international hunting modalities offset underachievement in external culling and domestic hunting

SUB-PROGRAMME: PROTECTED AREA EXPANSION

Table 5: Output Indicators: 1.2 Protected Area Expansion⁴

Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
1.2.1 Stewardship Programme	45.7 (score)	50 (score)	45 (score)	50 (score)	+ 5 (points)	All four underlying activity targets (1.2.1-i to 1.2.1-iv) at or above Board's 90% minimum threshold hence deemed achieved
1.2.2 N2 Biodiversity Offset Project	New indicator	New indicator	45 (score)	50 (score)	+ 5 (points)	All four underlying activity targets (1.2.2-i to 1.2.2-iv) above Board's 90% minimum threshold hence deemed achieved

The Protected Area Expansion Sub-programme is responsible for two output indicators. The first, the stewardship programme leads 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 second, the N2 Biodiversity Offset Project emanates from a condition imposed on SANRAL in the Record of Decision (RoD) issued by the then Department of Environmental Affairs in 2010. In terms of the RoD, SAN-

4. Per annual and quarterly targets: ECPTA Annual Performance Plan 2023/24-2025/26 | March 2023 | Page 42

RAL was compelled to establish a biodiversity offset for the residual impacts of the planned N2 Wild Coast Road. SANRAL subsequently commissioned the ECPTA as the Implementing Agent for the development and implementation of an integrated offset plan.

During the year under review, the Sub-programme achieved 100% of all targets across the three plans (strategic, annual performance and operational). As all underlying targets were achieved, no remedial action is required. In instances where all underlying activities are successfully concluded, this results in an apparent positive deviation, which together can never exceed the weight of the Output as detailed in Table 1. The Board of ECPTA never-the-less maintains a minimum performance tolerance of between 90% and 100%. Scores in this range are not deemed as having exceeded expectations.

1.2.1 STEWARDSHIP PROGRAMME

- i. The protected areas expansion target for 2023/24 was 20 000 hectares (ha). As per the APP/AOP the intention is to submit a declaration proposal to the MEC to add 20 000ha to the provincial protected area system.
- ii. Three new protected areas were declared on 15 February 2024

- Thula Moya Nature Reserve (289ha)
- Voorentoe Nature Reserve (62ha)
- Royalston Nature Reserve (414ha)
- iii. A further 29 824ha, negotiated with five Traditional Councils in Matatiele (upper uMzimvubu catchment), was approved on 6 February 2024 by the MEC for ECPTA to publish the intention to declare notice on the Gazette. The declaration process is underway for the identified sites within the N2 Biodiversity Offset Project. Engagement is underway with the Department of Agriculture, Land Reform and Rural Development and communities involved to undertake the Land Holders Rights Resolutions.
- iv. The implementation of four existing Protected Area Management Plans was assessed as planned

1.2.2 N2 BIODIVERSITY OFFSET PROJECT

The unit successfully prepared projects framework for:

- i. Clearing of alien invasive species
- ii. Wetland rehabilitation, and
- iii. Reclamation of eroded lands
- iv. These resulted in the creation of work opportunities for over 200 unemployed youth

SUB-PROGRAMME: PROTECTED AREA EXPANSION

Table 6: Output Indicators: 1.3 Protected Area Management Plan (PAMP) implementation⁵

Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
1.3.1 Conservation Management	76.97 (score)	76.4 (score)	72 (score)	77.9 (score)	+ 5.9 (points)	Nine underlying activity targets (1.3.1-i to 1.3.1-iv, 1.3.1-vi to 1.3.1-x) were above Board's 90% minimum threshold hence deemed achieved, one activity target was below tolerance, hence deemed not achieved (1.3.1-v)

5. Per annual and quarterly targets: ECPTA Annual Performance Plan 2023/24-2025/26 | March 2023 | Page 42

Intermediate Outcome	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
1.3.2 Reserves Tourism Management	9 (score)	8.4 (score)	9 (score)	7.7 (score)	- 1.3 (points)	Three of five underlying activity targets (1.3.2-i to 1.3.2-iii) were above Board's 90% minimum threshold hence deemed achieved, while two (1.3.2-iv, 1.3.3-v) were not achieved
1.3.3 People and Parks	9.9 (score)	10 (score)	9 (score)	10 (score)	+ 1 (points)	All five underlying activity targets (1.3.3-i to 1.3.3-v) were above Board's 90% minimum threshold hence deemed achieved

To effectively monitor the management of the conservation estate and tourism thereon, three high-level (output) indicators have been developed. These are each achieved through the successful completion of contributing activities.

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 Management and Recreation, and Marine and Coastal) each include five reserves reporting to a Regional Manager. Together the regions are responsible for the management of all provincial protected areas according to best practices derived from the METT-SA and SoAIM frameworks.

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 the three output indicators accumulate to an overall score for the immediate outcome Implementation of Protect-

ed Area Management Plans. During 2023/24, the sub-programme achieved 83.3% of all targets across the three plans (strategic, annual performance and operational). Where all underlying targets are achieved, no remedial action is required. In instances where all underlying activities are successfully concluded, this results in an apparent positive deviation, which together can never exceed the weight of the Output as detailed in Table 1. The Board of ECPTA nevertheless maintains a minimum performance tolerance of between 90% and 100%. Scores in this range are not deemed as having exceeded expectations. Where remedial actions are required, these are detailed under the heading "Strategy to overcome areas of under-performance" on page 35.

1.3.1 CONSERVATION MANAGEMENT

- i. Manage reserves per standards articulated in the METT-SA
 - The METT score reflects the organisation's ability to manage protected areas effectively.
 - Each of the 15 nature reserves managed by ECPTA were assessed
 - The METT assessments for 2023/24 were conducted on site between the 11th and 13th of March 2024, and followed by an independent review
 - Scores are presented as percentages
 - The scores for the 2023/24 assessments ranged from 65 to 79 percent

- The highest scoring reserve was Great Fish River, and the lowest scoring reserve was Dwesa-Cwebe
 - Dwesa-Cwebe was the only reserve that scored below the 67% threshold set by DFFE, above which a reserve is deemed to be effectively managed
- ii. Sustain the Provincial State of Area Integrity Management (SoAIM)
- The SoAIM is an annual audit to assess the ability of the reserve to perform its function efficiently and effectively.
 - While the METT-SA assessments provide a strategic level overview, the SoAIM is more operational. The two assessments complement one another.
 - The 2023/24 SoAIM audit was conducted from the 19th of February to the 5th of March 2024
 - The average score across all 15 reserves of 3.04 was the same score as attained in 2022/23
 - Baviaanskloof maintained the highest score of 3.15, while Dwesa-Cwebe obtained the lowest score of 2.92
 - There were noticeable improvements at Dwesa-Cwebe on staff morale and general reserve operations emanating from various interventions
 - The relatively low score for Ongeluksnek and East London Coast reserves can be attributed to the lack of access control and escalated security risk
- iii. Secure reserves
- Due to difficulties with obtaining fire-arm competency certificates, an average annual score of 85.7 was obtained against a target of 90. This represents 95% of target, leaving room for improvement
- iv. Manage waste on reserves
- Household and sewerage waste was disposed of responsibly per waste management plans on all reserves
- v. Manage fire on reserves
- Aging equipment contributed to a partial achievement of target for the year under review
- vi. Clear reserves of invasive alien plants species
- The annual target to clear 150 hectares of alien invasive plants was exceeded two and a half times over
 - 392.7 hectares were cleared of alien invasive species according to reserve-specific plans in 2023/24
- vii. Carry out planned and emergency maintenance
- While the budget for maintenance in the Marine and Coastal Cluster was under pressure due to challenges with timely receipt of the MPA grant for 2022/23 and 2023/24, fleet, equipment and general maintenance was carried out as planned according to manufacturers' schedules as far as possible
 - Emergency maintenance was carried out as necessary
- viii. Execute prioritised turn around strategies recommended in prior year SoAIM evaluation
- The execution of turnaround plans ensured that the SoAIM score of the previous year was maintained despite funding constraints
- ix. Key species (rhino, elephant) management plans were implemented as planned
- x. Manage operational risks per reserve
- Each reserve was responsible for implementing operational risk management plans
 - These were overseen by Regional Managers

1.3.3 PEOPLE AND PARKS

- i. Monitor socio- economic beneficiation
- Wherever practical, the communities neighbouring provincial nature reserves are prioritised for employment and procurement opportunities.
 - These opportunities are summarised in the table below:

Table 7: Community Beneficiation through different programmes

Initiative	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Job Creation (Contractual)	18	9	59	14	100
Casuals (Short term)	53	135	97	63	342
Local procurement opportunities (in ZAR)	110 720	174 932	104 242	138 220	528 114

The unit was further responsible for successfully:

- i. Managing negotiation processes for co-management agreements
- ii. Facilitating capacity building for neighbouring communities
- iii. Facilitating the development of business plans for land claimant communities
- iv. Supporting the N2 Biodiversity Offset Programme
- v. Supporting reserves to conduct environmental education and awareness programmes

SUB-PROGRAMME: PROJECT MANAGEMENT UNIT

Table 8: Output Indicators: 1.4 Projects Implementation⁶

Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
1.4.1 Infrastructure project implementation	63.9 (score)	65.4 (score)	63 (score)	68.4 (score)	+ 5.4 (points)	All six underlying activity targets (1.4.1-i to 1.4.1-vi) were above Board's 90% minimum threshold hence deemed achieved
1.4.2 Social responsibility projects	30.0 (score)	30 (score)	27 (score)	30 (score)	+3 (points)	All three underlying activity targets (1.4.2-i to 1.4.2-iii) were above Board's 90% minimum threshold hence deemed 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 most often 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 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, while strengthening the People and Parks engagements with neighbouring communities through job opportunities and local economic participation.

During 2023/24, the Project Management Unit achieved 100% of all targets across the three

6. Per annual and quarterly targets: ECPTA Annual Performance Plan 2023/24-2025/26 | March 2023 | Page 42

plan levels (strategic, annual performance and operational), and therefore no remedial action is required. In instances where all underlying activities are successfully concluded, this results in an apparent positive deviation, which together can never exceed the weight of the Output as detailed in Table 1. The Board of ECPTA nevertheless maintains a minimum performance tolerance of between 90% and 100%. Scores in this range are not deemed as having exceeded expectations.

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. The activity areas were:

- i. Prepare framework plans for infrastructure assets
 - An asset register has been classified according to each reserve, including fixed assets per reserves. Reserve infrastructure asset maintenance plans submission for 2024/25 till 2026/27 (3-year cycle)
- ii. Carry out reserve infrastructure maintenance
 - The equitable share budget for maintenance projects is insufficient to address all infrastructure maintenance challenges. Currently the budget is only sufficient to assist the reserves with emergencies (electrical repairs at Silaka and Hluleka, minor building works at Ongeluksnek and Island, water supply at Groendal).
 - Service provider was appointed for maintenance of the conference centre at Cape Morgan NR and the project is now 100% completed.
 - Financial assistance with externally implemented projects by NDT at Dwesa-Cwebe, Mpofu-Fort Fordyce, Thomas Baines, Baviaanskloof WHS, Oviston and Double Mouth Nature Reserves and has been greatly welcomed.
- iii. Track reserve infrastructure asset maintenance value
 - The asset register has been updated and value analysis has been done.
 - Rate of asset value depreciation is 60%.
- iv. Implement new works and upgrades on reserves
 - All milestones targeted were met. The Projects include projects funded through NDT (Baviaanskloof WHS – Nuwekloof accommodation), NDT Universal Access (Dwesa), DEDEAT Economic Stimulus Fund and DFFE Environmental Protection Infrastructure Programme (EPIP).
 - On EPIP, Cape Morgan Nature Reserve and Double Drift were completed. Mkhambathi Nature Reserve is at construction stage at 67%. Construction commenced at Hluleka Mkhambathi and Tsolwana-Commando Drift nature reserves. Planning and design completed for Oviston and Baviaanskloof WHS,
 - Under ESF funded projects, procurement of PSPs for Double Mouth, Tsolwana & Oviston projects completed whilst procurement of contractors for Silaka, Hluleka, Dwesa & Great Fish River project contractors has been initiated. Issues of access roads are still severely impacted by floods damages which resulted to delays on the ESF projects at Dwesa, Hluleka and Silaka Nature Reserves. Wildlife Conservation Bond Projects at Great Fish River Nature Reserve infrastructure upgrades are underway.
- v. Implement new works and upgrades outside reserves
 - 6-day hiking trail is underway with delays due to community unrest. Issues resolved and projects have resumed with a procurement process for completion of Mpande and Mngazana Hikers Huts.
 - Ndlambe projects, Kowie River project is underway with delays that were due to approval of NEMP. Issues have been resolved.

vi. Implement projects to adequately enclose reserves

- Fencing projects under DFFE EPIP at have resulted in 25km of fencing completed in 2023/24

In summary, the following projects valued at R77.5 million 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	November 2022	
National Lotteries Commission	Thomas Baines Environmental Education Centre upgrades	February 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		July 2024
Provincial Economic Stimulus Fund (ESF)	Groendal Nature Reserve upgrades	November 2023	June 2023
Provincial Economic Stimulus Fund (ESF)	Hluleka Nature Reserve upgrades	September 2023	
Provincial Economic Stimulus Fund (ESF)	Dwesa Nature Reserve upgrades		August 2024
Provincial Economic Stimulus Fund (ESF)	Baviaanskloof WHS upgrades	October 2023	
Provincial Economic Stimulus Fund (ESF)	Double Mouth campsite upgrades		August 2024
Provincial Economic Stimulus Fund (ESF)	Oviston Nature Reserve upgrades		August 2024
Provincial Economic Stimulus Fund (ESF)	Tsolwana Nature Reserve upgrades		August 2024
National Department of Tourism (NDT) Infrastructure	Kowie River Embankment Upgrades		August 2024
Environmental Protection Infrastructure Programme (EPIP)	Mkhambathi Nature Reserve office upgrades		June 2024
Environmental Protection Infrastructure Programme (EPIP)	Mkhambathi Nature Reserve access roads upgrades		October 2024
Environmental Protection Infrastructure Programme (EPIP)	Great Fish River Nature Reserve		July 2024
National Department of Tourism (NDT) Baviaanskloof WHS	Staff accommodation upgrades		August 2024
National Department of Tourism (NDT) Infrastructure	6-Day hiking trail		March 2025
Environmental Protection Infrastructure Programme (EPIP)	Tsolwana-Commando Drift NR abattoirs and staff accommodation		October 2024
Environmental Protection Infrastructure Programme (EPIP)	Hluleka NR access roads upgrades		October 2024
Environmental Protection Infrastructure Programme (EPIP)	Oviston NR abattoir upgrades		March 2025
Environmental Protection Infrastructure Programme (EPIP)	Nduli-Luchaba NR access roads upgrades		Proposed Cancellation

1.4.2 SOCIAL RESPONSIBILITY PROJECTS

- i. Implement 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 graduate internship.
- ii. Monitor community beneficiation
- On average, around 200 employment opportunities were facilitated through EPWP and infrastructure projects in quarters 1, 2, and 3. The number of community members employed on ECPTA projects increased to 355 in Q4 due to the roll out of the environmental rehabilitation projects linked to the N2 Biodiversity Offset Project.
 - The youth employment target of 80%, and the 50% target for employment of women were both met in 2023/24.

Table 9: Employment opportunities linked to EPWP, Infrastructure and N2 Biodiversity Offset projects

Period	# work opportunities	Actual % youth	Actual % women	# of youth	# of women	# of adults >35 years
Quarter 1	217	89%	56%	193	121	24
Quarter 2	221	90%	55%	199	121	22
Quarter 3	192	91%	54%	175	104	17
Quarter 4	355	66%	52%	233	184	122
Total	985	81.22%	53.81%	800	530	185

- iii. Monitor community beneficiation
- On average, around 200 employment opportunities were facilitated through EPWP and infrastructure projects in quarters 1, 2, and 3. The number of community members employed on ECPTA projects increased to 355 in Q4 due to the roll out of the environmental rehabilitation projects linked to the N2 Biodiversity Offset Project.
 - The youth employment target of 80%, and the 50% target for employment of women were both met in 2023/24.

Linking performance with budgets:

Biodiversity and Conservation	2023/24 Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	2022/23 Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Goods and Services	80 530	46 247	34 283	68 085	44 821	23 264
Cost of Employment	124 647	130 472	(5 825)	108 173	114 539	(6 366)
Capital expenditure	104 266	27 819	76 447	107 074	43 465	63 609
Total	309 443	204 538	104 905	283 332	202 825	80 507

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

1.1.3-i Develop subsidiary management plans

- The positions of the Ecologist and Senior Manager: Scientific Services will be filled, and the entire team (non-ecologists) is assisting with some ecological components to achieve the deliverables until such a time that the positions are filled.

1.1.4 Wildlife management and game industry transformation

- Underperformance at this output level is remedied by attention to the underlying activities relating to the game industry transformation forum and revenue from wildlife.

1.1.4-iii Facilitate Eastern Cape Game Transformation Forum

- When it was not possible to convene the Eastern Cape Game Transformation Forum in Quarter 2, ECPTA increased the intensity of communication between the forum members by using the ECPTA administered WhatsApp group. New opportunities and developments are continuously shared and discussed by members. This continues to be a very effective communication platform for this group.

1.1.4-vi Coordinate revenue-generating initiatives (related to wildlife management)

- The project management unit has initiated the upgrading of the abattoir at Oviston Nature Reserve. The project is funded through the Environmental Protection Infrastructure Programme (EPIP) and is expected to be complete by March 2025.

1.3.1-v Manage fire on reserves

- The ECPTA will lobby for more resources to be allocated from the Provincial fiscus to properly equip personnel to manage and prevent fire incidents.

1.3.2 Reserve Tourism Management

- Underperformance at this output level is remedied by attention to the underlying activities relating to revenue and facilities grading.

1.3.2-iv Accurately record hospitality revenue

- Targets for revenue collection will be more accurately set keeping infrastructure upgrade timetables in mind.
- As refurbished accommodation comes on stream, the marketing department will assist with communicating revitalised offerings to potential tourists and visitors.

1.3.2-v Prepare tourism facilities on reserves for grading

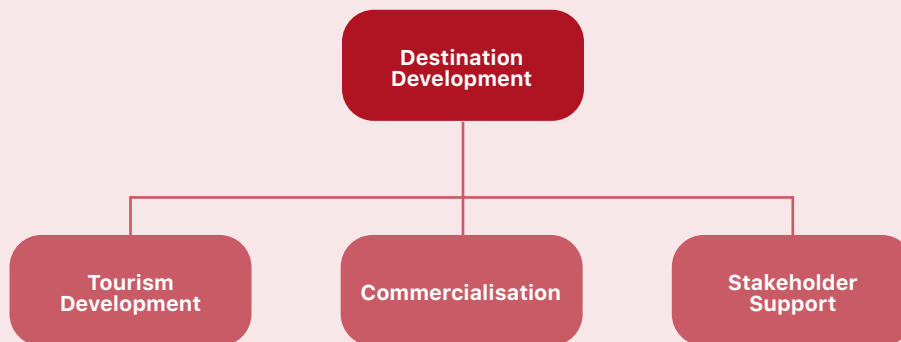
- The challenges experienced by the Tourism Grading Council of South Africa in respect of tax compliance have reportedly been resolved.
- No further remedial action is anticipated.



PROGRAMME 2: DESTINATION DEVELOPMENT

PROGRAMME PURPOSE

The Destination Development Department draws its mandate from the ECPTA Act 2 of 2010 and focuses on developing the tourism industry and biodiversity economy 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, eco-tourism and wildlife economy value chains and products prosper**. The transformation agenda will be advanced in order to increase representation and participation of previously disadvantaged individuals and groups in tourism aspects of the biodiversity economy.



SUB-PROGRAMME: TOURISM DEVELOPMENT

Transformation of the tourism industry is critical to the future success of the industry. Whilst a certain degree of organic growth in transformation will occur in the industry over time, some interventions are necessary to assist with the process. Transformation programmes seek to ensure that emerging enterprises owned by Previously Disadvantaged Individuals (PDIs) (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.

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. 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.

SUB-PROGRAMME: 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.

The developmental needs and potential of the tourism industry and biodiversity economy have been highlighted by the crushing impact of the COVID-19 pandemic. The provincial Tourism Relief Plan implemented over the latter part of 2020/21 has set the bar for industry support, transformation, and product development. ECPTA will institutionalise the methodologies deployed during the unprecedented first year of the pandemic, adjusting from lessons learned in the process.

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.



Big Pineapple, Bathurst



Table 10: Distributed weights of outputs, immediate outcomes and the intermediate outcome

Immediate Outcome	Immediate Outcome Indicators	Relative Weight	Output Indicators	Relative Weight
2. Marginalised individuals and communities actively benefit from biodiversity and tourism Relative Weight: 20%	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%
			2.3.2 Resource leveraging	40%

INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

Table 11: Intermediate Outcome: Marginalised individuals and communities actively benefit from biodiversity and tourism

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
Marginalised individuals and communities actively benefit from biodiversity and tourism	92.1 (score)	99.9 (score)	90 (score)	97.3 (score)	+ 7.3 (points)	All 3 underlying immediate outcomes achieved

PART B: PERFORMANCE INFORMATION

Table 12: Immediate Outcomes: Marginalised individuals and communities actively benefit from biodiversity and tourism

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
2.1 Tourism Value Chain Support	100 (score)	100 (score)	90 (score)	100 (score)	+ 10 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 13)
2.2 Reserves as Products	98.1 (score)	100 (score)	90 (score)	97.7 (score)	+ 7.7 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the three contributing Outputs (Table 14 and Table 15)
2.3 Stakeholder Support	94 (score)	99.5 (score)	90 (score)	94.1 (score)	+ 4.1 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for both contributing Outputs (Table 16)

SUB-PROGRAMME: TOURISM DEVELOPMENT

Table 13: Output Indicators: 2.1 Tourism Value Chain Support*

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
2.1.1 Tourism experience diversification	40 (score)	40 (score)	36 (score)	40 (score)	+ 4 (points)	All four underlying activity targets (2.1.1-i to 2.1.1-iv) above Board's 90% minimum threshold hence deemed achieved
2.1.2 Intergovernmental tourism functionality	35 (score)	35 (score)	31.5 (score)	35 (score)	+ 3.5 (points)	All 3 underlying activity targets (2.1.2-i to 2.1.2-iii) above Board's 90% minimum threshold hence deemed achieved
2.1.3 Tourism business operationalisation	15 (score)	15 (score)	13.5 (score)	15 (score)	+ 1.5 (points)	All four underlying activity targets (2.1.3-i to 2.1.3-iv) above Board's 90% minimum threshold hence deemed achieved
2.1.4 Tourism standards	Moved 76.5 (score)	150(score)	9 (score)	10 (score)	+ 1 (score)	All 7 underlying activity targets (2.1.4-i to 2.1.4-vii) above Board's 90% minimum threshold hence deemed achieved

Table 14: Output Indicators: 2.2 Reserves as Products

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
2.2.1 Reserve-based tourism	36.4 (score)	30 (score)	27 (score)	30 (score)	+ 3 (points)	All 3 underlying activity targets (2.2.1-i to 2.2.1-iii) above Board's 90% minimum threshold hence deemed achieved
2.2.3 Tourism transformation	9.1 (score)	30 (score)	27 (score)	30 (score)	+ 3 (points)	All 5 underlying activity targets (2.2.3-i to 2.2.3-v) above Board's 90% minimum threshold hence deemed achieved

As a tourism destination, the Eastern Cape fiercely competes with many other destinations worldwide and across South Africa to be the top destination of choice. It is crucial that there is continuous improvement and diversification of tourism experiences to remain competitive as the tourism sector is still on a recovery trajectory. At the same time, ECPTA is mandated to ensure that marginalised individuals and communities actively benefit from tourism. To this end, ECPTA continued to assist the tourism sector to diversify product offerings, provided support to tourism enterprises and continued to ensure that the provincial tourism master plan is implemented to among others further grow and develop the tourism sector to exceed pre-covid performance levels.

The sub-programme's 100% achievement against 22 active output and activity indicators accumulate to an overall 100% achievement of indicator targets for Tourism Value Chain Support. No remedial actions are necessary. In instances where all underlying activities are successfully concluded, this results in an apparent positive deviation, which together can never exceed the weight of the Output as detailed in Table 10. The Board of ECPTA never-the-less maintains a minimum performance tolerance of between 90% and 100%. Scores in this range are not deemed as having exceeded expectations.

2.1.1 TOURISM EXPERIENCE DIVERSIFICATION

All contributing activities were successfully and fully achieved each quarter. These activities included the following:

- i. Activate diverse urban tourism businesses to operate as tourism experiences
 - ECPTA is a member of the Maloti Drakensberg Transfrontier Programme (MDTP), which is responsible for biodiversity conservation, heritage, and tourism development within the Transfrontier Conservation Area (TFCA) that spans across South Africa (Eastern Cape, KwaZulu-Natal, and Free State) as well as Lesotho. The MDTP has several working groups consisting of members from both countries, and ECPTA Tourism Development is part of the Tourism Working Group responsible for tourism and marketing of the Maloti Drakensberg Route.
- ii. Facilitate operationalisation of micro-routes
 - As part of implementing the latter, MDTP is currently upgrading its website, and all participants including ECPTA submitted updated information that includes attractions, images, and accommodation details in Matatiele, Elundini, and Maletswai Local Municipalities
- iii. Provide support in facilitating investment-ready tourism initiatives within the reserves

- ECPTA facilitated a session for Port St Johns Local Municipality wherein the National Treasury presented Guidelines on PPP Tourism Toolkit and the process to be followed to attract investors for the Cable Car Project. This was followed by the Council resolution from the Municipality approving that ECPTA facilitates the process going forward until the attainment of a concessionaire.
- iv. Provide support to tourism investment opportunities outside the reserves
- ECPTA participated at the Investment Conference that was held in Nyandeni Local Municipality. Investment opportunities within and outside ECPTA nature reserves were presented to the potential investors

2.1.2 INTERGOVERNMENTAL TOURISM FUNCTIONALITY

- i. 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.
 - ECPTA renewed payment of subscription fee for LTOs /Tourism Associations and Tourist Guides websites for a period of one year from March 2024 until March 2025
 - ECPTA supported Coffee Bay Tourism forum with designing and installation of Beach Warning Sign to alert beach goers about safety precautions
 - ECPTA in collaboration with the Sarah Baartman District Municipality facilitated the Basic Hospitality and Housekeeping training for 28 Homestays in Makana Municipality. The training is aimed at equipping the homestays owners / hosts with knowledge on basic hygiene principles of housekeeping, basic chemicals and cleaning tools and the art of room turnaround services.
 - Engaged Hogsback tourism enterprises
- on the revival of the Tourism Association and shared with them the benefits of having an organised tourism structure. Furthermore, they were provided with guidelines on effective operation of the Visitor Information Centre.
- Facilitated tourism stakeholder engagement in Senqu local municipality and shared ideas and best approaches for business development and alignment with other tourism SMMEs to boost tourism value added services in the area.
 - Supported Amanda Homestay, a member of Umzimvubu LTO with the website development
- ii. Synchronise support interventions with the relevant District Development Plan
- ECPTA in partnership with the Nelson Mandela Bay Municipality participated in the engagements with the aim of revival of the Community Tourism Forum for the Greater New Brighton area.
 - Facilitated a meeting with the stakeholders (Local municipality, government departments and local communities) for Mngcibe project, which is part of the six days hiking trail wherein a draft EIA report was presented to solicit inputs.
 - Provided advice and introduced a new tourism product that is under development (hiking trail) to be recognised by Intsikayethu local municipality and to be listed in the Municipal IDP. ECPTA also requested the municipality to provide development and marketing support to the project.
 - ECPTA lobbied OR Tambo District Municipality for water supply for Hluleka Hiker's huts, as a result 4 water tanks and a pump were purchased and installed at the site.
- iii. Share tourism information with established representative bodies
- 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.
 - Shared Call for Application International Market Access Support Programme Indi-

vidual Support Tourism Trade Platforms: 01 July to 30 September 2024 – NDT.

- Shared Call for Application Domestic Market Access Support Programme Africa's Travel Indaba 2024.
- Shared a Call for application Tourism Equity Fund is a fund established by the Department of Tourism in collaboration with private sector banking institution in line with the existing B-BBEE legislation to be implemented by Sefa on behalf of the Department of Tourism (NDT).
- Call for Application Accommodation qualify for an up to 90% discount with Tourism Grading Support Programme Renewal Until March 2024– NDT and TGCSA.
- Call Registration and Competition for the Africa Youth in Tourism Innovation Summit & challenge 2024 - NDT
- Invitation to Partnering for Safer Travel and updates from the SECURA Traveller project -SATSA.
- Shared invitation to a Tourism Research Seminar "Advancing Tourism Growth and Development through Research".
- SMMEs are invited to submit applications to assisted with equipment, tools raw materials or raw materials or stock for up R250, 000 each.
- Call for applications International Marketing Access Support Programme - Individual Support Tourism Trade Platforms: 01 October to 31 December 2024.

2.1.3 TOURISM BUSINESS OPERATIONALISATION

- i. Assist emerging tourism products to overcome service-related obstacles
 - 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
- ii. 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
- iii. 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.
 - Shared Safety Tips for Tourists- SAPS.
 - Compliance inspections were done at various locations such as the PE Harbour.
 - ECPTA collaborated with various stakeholders such as the Amathole Mountain Escape Tourism Association for the training of Tourist Guides in Adventure Guiding and the First Aid.
 - Facilitated Provincial Tourism Safety Forum and presented an action plan derived from two sessions held in Gqeberha and Mthatha wherein different stakeholders participated to discuss proactive and reactive measure on tourism safety. The Department of Tourism presented an update on the implementation of the Tourism Monitors programme. Tourism Victim Support programmes in partnership with South African Tourism Association (SATSA) were held at Gqeberha and Mthatha.

- iv. Facilitate skills development for tourism organisations/ associations / businesses
- In collaboration with SEDA, ECPTA facilitated governance and business management training for community-owned tourism products
 - ECPTA facilitated basic hospitality and housekeeping training in collaboration with Sarah Baartman District Municipality
 - ECPTA facilitated hospitality service training for Mehlooding Community Tourism Trust employees, focussing on service excellence and related elements
 - ECPTA conducted a Resource Efficiency Training for 20 tourism businesses across the Game management and Recreation Cluster

2.1.4 TOURISM STANDARDS

- i. Provide exposure 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 and Meetings Africa Business Show in Johannesburg. This assists in highlighting different offerings by the tourism industry to increase their market share of visitors coming to the province.
 - ECPTA supported twelve (12) tourism enterprises to participate at the Africa Travel Indaba. Two (2) were at the ECPTA stand at the Durban Exhibition Centre whilst ten (10) were part of the Hidden Gems hosted by South African Tourism. ECPTA and DEDEAT also supported the Women in Tourism to participate in the show. The support provided by ECPTA to these enterprises included:
 - Travelling and accommodation (those at ECPTA stand)
 - Promotional material
 - Support with meetings
 - Registration for the show
 - ECPTA ensures implementation of the ongoing mentorship programme done by Mdumbi Kayak to Wild Coast Kayak Companies at Msikaba, Port St Johns and Bulungula. The objective of the programme is to ensure effective operations of these emerging businesses.
- ii. Conscientise stakeholders about tourism opportunities
- ECPTA supported SMMEs to participate at the World Travel Market that was held in Cape Town in April 2023. The participating SMMEs were identified from the three (3) regions and were supported with travel logistics (flights, accommodation, and transport).
 - 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. ECPTA and the Dept of Tourism hosted tourism domestic awareness for Mbashe tourism organisations, (hiking clubs, tour guides) including the Mbashe Local municipality. The focus of the awareness was to provide information in relation to current and national tourism trends as well as available tourism activities within the municipalities.
 - ECPTA in partnership with Sarah Baartman District Municipality (SBDM) facilitated Tsitsikamma Tourism Association strategic session wherein programs and interventions by the Agency were shared.
 - Created tourism awareness at the Micro Small and Medium Enterprise (MSME) Summit that was hosted in Joe Gqabi district municipality by DEDEAT. Tourism benefits and opportunities were outlined.
 - ECPTA supported Emalahleni local municipality Investment Summit, whereby ECPTA shared information on the importance of tourism sector and support provided by ECPTA to potential investors, sector departments and local MSMEs.
- iii. Implement service excellence programme
- Nationally, the tourism sector is encour-

aged 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.

- ECPTA in collaboration with SEDA implemented service excellence programme for the Bulungula Lodge staff, local tourist guides, massage therapists and the kayak operators. The focus of the program was on improved customer services, handling customer complaints and the basic acceptable business operations.
 - ECPTA facilitated Hospitality Service training for Mehlooding Community Tourism Trust employees, focussing on service excellence and related elements.
 - ECPTA conducted a Resource Efficiency Training for 20 tourism businesses across the Game management and Recreation Cluster. The training was two folds, it was comprised of a theoretical training and individual physical business assessments on energy usage.
 - ECPTA in partnership with the Department of Tourism facilitated the Service Excellence training for ECPTA staff that are responsible for tourism and hospitality. The purpose of this training was to prepare and remind the staff who are in direct contact with visitors on the reserve about the core principles of service excellence and how the level of service contributes to the overall visitor experience.
- iv. Provide support to tourism events
- ECPTA participated at Isingqisethu Cultural Festival in partnership with the provincial department of Sport, Arts, Recreation and Culture and Port St Johns Local Municipality. The support ECPTA provided included covering costs for media coverage of the event, providing vouchers for arts and crafters for sustainability purposes, providing accommodation for performing artists at Silaka Nature Reserve and providing refresher training on Service Excellence for Port St Johns accommodation establishments. ECPTA also co-branded at this 20th edition of Isingqisethu Cultural Festival.
- v. Encourage business owners to register tourism products on the ECPTA database
- Quarterly campaigns were carried out, leading to an increase in the range and number of tourism businesses able to collaborate
- vi. Share success stories on available public relations platforms
- Three success stories were flighted in Q2 and another in Q4, bringing the total to four for the year, against a target of two
- vii. Facilitate tour guide compliance
- ECPTA continued to register new and renew registration of Tourist Guides
 - At the end of the year under review, the total number of registered guides amounted to 776 in the provincial Tourist Guides database.
 - The support programmes and compliance inspections conducted by ECPTA seek to ensure that tourists are offered the highest possible quality guiding available. Tourist Guiding compliance checks for cruise liners was also conducted.
 - ECPTA held a meeting with SEDA Western Cape, Bitou, Knysna and BCM municipalities to pilot a project between the Western Cape and Eastern Cape Tourist Guides Associations. The purpose of this initiative was to foster good working relationship among the guides. This initiative will culminate into cross province educational tours for attraction sites visits.
 - Tourism products were encouraged to register on the ECPTA database. The registration to the ECPTA database enables Eastern Cape based businesses access to campaign participation, trade support, access to marketing platforms managed by ECPTA, Information and a free online listing.

The sub-programme achieved 100% of 11 active output and activity targets in 2023/24, contributing to the 94.7% success of the Reserves as Products immediate outcome.

2.2.1 RESERVE-BASED TOURISM

- i. Develop new Reserve Tourism Development Plans
 - Ongeluksnek Tourism Plan was developed with inputs from various stakeholders
- ii. Review existing Reserve Tourism Development Plans
 - The Thomas Baines Nature Reserve Tourism Development Plan has been reviewed and updated to reflect the current reserves tourism development needs
 - East London Coast Nature Reserve Tourism Development Plan was reviewed with various stakeholders
- iii. Install Reserve Signage
 - ECPTA installed tourism signage for Tsolwana Nature Reserve on R61 national road towards Tarkastad

2.2.3 TOURISM TRANSFORMATION

- i. To facilitate transformation of the industry, ECPTA provides support to tourism associations, community tourism projects and businesses based on their individual needs.
- ii. Participated in the Annual General Meeting of the Wild Coast Tourism Association. ECPTA was requested to lead a committee to facilitate transformation programmes of the association.
- iii. ECPTA supported the Women in Tourism in hosting their Strategic Planning Session. ECPTA provided venue and meals as well as the secretariat service for session.
- iv. ECPTA in partnership with Mdumbi Kayaking and other stakeholders organised Kayak Race competition wherein Kayak Guides from the Wild Coast (Msikaba, Port St Johns, Mdumbi, Lubanzi, Bulungula and Kobb Inn) and well established Kayak Teams participated.
- v. ECPTA, EDCD, ECPACC and PSJ Local Municipality conducted the selection process for crafters adjacent Silaka Nature Reserve who will be exhibiting and selling their artifacts at the reserve's curio shop.



Bloukrans Bunjee, Tsitsikamma

SUB-PROGRAMME: COMMERCIALISATION

Table 15: Output Indicators: 2.2 Reserves as Products⁸

Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
2.2.2 Reserve Tourism Product Development	54.5 (score)	40 (score)	36 (score)	37.7 (score)	+ 17 (points)	Activity 2.2.2-iii (Revenue generation) target weighted 20% was not achieved The remaining six activity targets were met (2.2.2-i, ii, iv-vii)

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 contributing meaningfully to socio-economic development and providing returns for investors. The sub-programme was responsible for the Reserve Tourism Product Development output indicator, which includes a total of eight targets across the three plans (strategic, annual performance and operational). During the year under review, the Commercialisation Sub-programme achieved 87.5% of those active targets. Remedial actions are detailed under the heading "Strategy to overcome areas of under-performance" on page 48.

2.2.2 RESERVE TOURISM PRODUCT DEVELOPMENT

- i. Enhance visitor experience on reserves
 - 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 campsites. 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 was nearing completion at the end of the financial year, almost ready to open the doors for tourists. The development is poised to transform the travel experience at this reserve and boost revenue for both ECPTA and the landowners. The locals also benefitted from employment during the construction phase and more local people will be employed as the project progresses.
 - Two major annual 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.
- ii. ECPTA Tariffs 2024/25 were prepared in consultation with sister departments within ECPTA.
 - iii. Support on-reserve revenue generation
 - Reserve-based concessions generated R1 175 118 in revenue during the 2023/24 financial year. Although the target of R5.5 million was not achieved, the figure exceeds the revenue of R791 474 that was generated in the previous financial year.
 - The reason for underachievement of the revenue target is mainly based on the delay of operationalisation of new concessions as ECPTA could not secure the appointment of concessionaires at the time that was anticipated.

- iv. All overnight guests were requested to complete online surveys to establish satisfaction rating
- v. Review Commercialisation Strategy
- The process of review culminated in a presentation to the Marketing and Destination Committee of the Board, from where further consultations will take place in 2024/25
- vi. Manage concessions according to objectives
- Appointments for commercial opportunities that were advertised for various nature reserves were finalised in the year under review:
 - Operationalisation of accommodation, conference, and restaurant at the Cape Morgan nature reserve
 - Packaging of nature-based eco-tourism experiences for Mpofu Fort-Fordyce and Great Fish River Nature Management of the hiking trail within Baviaanskloof World Heritage Site known as the Leopard Trail
- vii. Present investment opportunities to potential investors
- 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 September 2023 and at the inaugural Biodiversity Indaba and Investment Summit held in March 2024.
 - ECPTA also submitted investment opportunities to Rendzo Network's international business event that took place in Johannesburg in March 2024, to promote investment by providing a platform for investors and entrepreneur to connect, collaborate and explore new opportunities.
 - At this Rendzo Network's Pitch in the Sky which is a four-day exclusive business event, ECPTA submitted investment opportunities that included Mkhambathi Main Camp development, Fish River Sun Resort development and Port St Johns Cable Car development.
 - ECPTA also submitted the Port St John Cable Car investment opportunity to London Corporation (Pty) Ltd Advisory Services which is a company appointed by Municipal Infrastructure Support Agent (MISA) to identify and assist with packaging of projects for the purposes of attracting and fast-tracking funding for project implementation as part of the Eastern Seaboard Programme.

SUB-PROGRAMME: STAKEHOLDER SUPPORT

Table 16: Output Indicators: 2.3 Stakeholder Support⁹

Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
2.3.1 Stakeholder engagement	74 (score)	60 (score)	54 (score)	60 (score)	+ 6 (points)	All 4 underlying activity targets (2.3.1-i to 2.3.1-iv) above Board's 90% minimum threshold hence deemed achieved
2.3.2 Resource Leveraging	18 (score)	39.5 (score)	36 (score)	34.1 (score)	- 1.9 (points)	Three underlying activity targets (2.3.2-i-ii) above Board's 90% minimum threshold hence deemed achieved. Two activity targets were below Board tolerance (see 2.3.2-iii)

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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. Where all underlying targets are achieved, no remedial action is required. Remedial actions are detailed under the heading "Strategy to overcome areas of under-performance" on page 48.

2.3.1 STAKEHOLDER ENGAGEMENT

- i. Co-ordination of stakeholder engagement across the organisation.
- ii. Identify strategic partnerships in line with the SOP for the organisation.
- iii. Support Stakeholder Relationships for the organisation
- iv. Stakeholder relationships (external) monitored

2.3.2 RESOURCE LEVERAGING

- i. The Stakeholder Support unit successfully developed a Resource Leveraging Strategy for the organisation, and consistently identified and shared resource leveraging opportunities
- ii. Quarterly reports on successful In-kind resource leveraging opportunities were shared with the Board via the Finance and Investment Committee
- iii. Two activity targets, namely "Identify resource leveraging projects" and "Facilitate implementation of resource leveraging SOP", were not achieved. This is because mechanisms to support organisational efforts to mobilise resources outside of the fiscus were previously approved. The focus has shifted to monitoring implementation. Meanwhile, the performance measures remain focussed on new concepts and proposals.

Programme	Sub-programme	Q1 22/23 (R'000)	Q2 22/23 (R'000)	Q3 22/23 (R'000)	Q4 22/23 (R'000)
Biodiversity and Conservation	Scientific Services	25	25	25	25
	Marine and Coastal Cluster		126		
Destination Development	Tourism Development	66	245	1 690	1 202
Marketing	PR and Communication (AVE ¹⁰)				
Corporate Services	Human Capital Development	442	357	1 199	1 199
ECPTA	Various	533	753	2 914	2 426

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

LINKING PERFORMANCE WITH BUDGETS

Destination Development	2023/24 Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	2023/24 Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Goods and Services	4 560	3 394	1 166	4 915	3 570	1 345
Cost of Employment	10 479	11 487	(1 008)	13 842	11 239	2 603
Capital expenditure	30	30	-	63	82	(19)
Total	15 069	14 911	158	18 820	14 891	3 929

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

2.2.2 Support on-reserve revenue generation

- The hitherto unsuccessful model for concessioning has been reviewed and will be piloted in the new financial year. The reported and observed difficulties with the original model related to the fragmentation of concession opportunities. These challenges have been thoroughly investigated and wider opportunities that include a suite of income streams will be taken to market.

2.3.2 Identify resource leveraging projects

- Specific projects are underway, and the reporting and evidence requirements will be brought in line with the maturity of the process in 2024/25.

2.3.2 Facilitate implementation of resource leveraging SOP

- Similarly, the Resource Leveraging standard operating procedure will be updated to reflect the responsibility of end-user departments in taking up opportunities identified by the unit.



Magwa Falls, Lusikisiki



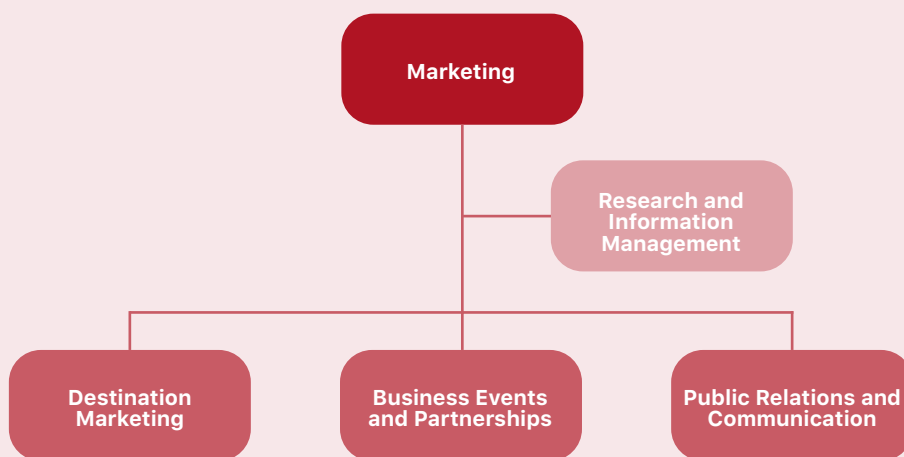
PROGRAMME 3: MARKETING

PROGRAMME PURPOSE

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. It is anticipated that marketing the Eastern Cape Province as a preferred tourist destination will position the Eastern Cape **as a competitive international and domestic tourism destination.**

The strategy for the 2020-25 Medium Term Strategic Framework period requires decisive attention to the “5-Cs” (customers, connections, conversations, content, community). The full suite of deliverables combines to place the destination top-of-mind for potential travellers.

ECPTA aims to maintain an information and knowledge management system and databases, including of tourist service providers, so that all relevant tourism information becomes accessible through ECPTA portals. The work of the three sub-programmes (units) is informed by reliable insights into who the tourists are, what they are doing in the province, how long they are staying, activities that they plan on engaging, and an indicative spend while in the province. Insight and baseline on the satisfaction levels of tourists visiting the province is also key. Wherever possible and practical, events, campaigns and activations are monitored for impact, and results shared with relevant stakeholders.



SUB-PROGRAMME: DESTINATION MARKETING

Destination marketing entails activities ECPTA carries out to promote the Eastern Cape nationally (domestic) and internationally, to create a positive image in the target audience, to brand the destination and to gain an advantage over competition.

Destination marketing is intended to influence the destination preferences of potential tourists, and to persuade them to convert their travel wish-lists into travel itineraries. Destination marketing communicates the competitive attributes of the destination through targeted campaigns and destination awareness sessions.

SUB-PROGRAMME: PUBLIC RELATIONS AND COMMUNICATION

As the Provincial Destination Marketing Organisation, it is vital that the ECPTA itself maintains a positive public image. The Public Relations and Communication unit provides strategic media and overall communication support to the organisation. The unit also gives coherent voice on the on-going developments within the organisation and ensures a free and rapid flow of information between the organisation and stakeholders.

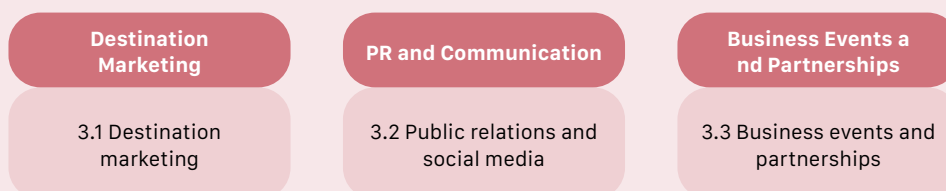
SUB-PROGRAMME: BUSINESS EVENTS AND PARTNERSHIPS

Business events are a major driver of job creation, skills development and transformation of the nation’s knowledge and creative economy. It has been reported that 40% of all convention delegates attending meetings in South Africa return in the next five years as tourists, boosting tourism growth and job creation years into the future.

Meetings, incentives, conferences, and exhibitions (MICE) tourism is a type of tourism in which large groups, usually planned well in advance, are brought together. The International Congress and Conference Association rankings show that South Africa is the number one convention destination in Africa and the Middle East. Business travel accounts for approximately 9% of all international travel, with two-thirds of business travellers extending their business trips for pleasure when they can.

Events are used to draw visitors and generate increased spend in Eastern Cape. In many cases those attending events may not otherwise have considered the province as a tourism destination. ECPTA also uses events as a platform to profile the destination. Events are viewed as a key instrument to improve the seasonal and geographic spread of tourism within the province.

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).



PART B: PERFORMANCE INFORMATION

Table 17: Distributed weights of outputs, immediate outcomes and the intermediate outcome

Immediate Outcome	Immediate Outcome Indicators	Relative Weight	Output Indicators	Relative Weight
3. The Province is the premier African destination connecting people to authentic experiences Relative Weight: 25%	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 Reserve Marketing	20%
	3.2 Public Relations and Digital Marketing	30%		
			3.2.1 PR and Communication	60%
			3.2.3 Digital Marketing	40%
	3.3 Business Events and Partnerships	30%		
			3.3.1 Destination promotion through events	55%
		Destination profiling to MICE	45%	

INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

Table 18: Intermediate Outcome: The province is the premier African destination connecting people to authentic experiences

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
The Eastern Cape is a competitive international and domestic tourism destination	+147 400 (change in # of domestic holiday trips)	99.2 (score)	90 (score)	97.5 (score)	+ 7.5 (points)	All underlying immediate outcomes achieved

Table 19: Immediate Outcomes: The province is the premier African destination connecting people to authentic experiences

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
3.1 Destination marketing	100 (score)	98 (score)	90 (score)	100 (score)	+ 10 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 20)

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Intermediate Outcome	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
3.2 Public relations and digital marketing	99.9 (score)	100 (score)	90 (score)	100 (score)	+ 10 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 21)
3.3 Business events and partnerships	100 (score)	100 (score)	90 (score)	92.5 (score)	+ 2.5 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 22)

SUB-PROGRAMME: DESTINATION MARKETING

Table 20: Output Indicators: 3.1 Destination Marketing¹¹

Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
3.1.1 Domestic Marketing	40 (score)	38 (score)	36 (score)	40 (score)	+ 7.4 (points)	Both underlying activity targets (3.1.1-i to ii) at or above Board's 90% minimum threshold hence deemed achieved
3.1.2 International Marketing	20 (score)	20 (score)	18 (score)	20 (score)	+ 2 (points)	All 3 underlying activity targets (3.1.2-i to iii) at or above Board's 90% minimum threshold hence deemed achieved
3.1.3 Brand Positioning	20 (score)	20 (score)	18 (score)	20 (score)	+ 2 (points)	All 3 underlying activity targets (3.1.3-i to iii) at or above Board's 90% minimum threshold hence deemed achieved
3.1.4 Provincial Nature Reserve promotion	20 (score)	20 (score)	18 (score)	20 (score)	+ 2 (points)	Both underlying activity targets (3.1.4-i to iv) at or above Board's 90% minimum threshold hence deemed achieved

The Destination Marketing sub-programme undertook a range of activities focussed on providing tourists and potential tourists with credible campaigns that created interest in travelling to the province and extending their stay once here. The unit achieved 100% of its output and activity targets in 2023/24. In instances

where all underlying activities are successfully concluded, this results in an apparent positive deviation, which together can never exceed the weight of the Output as detailed in Table 17. The Board of ECPTA never-the-less maintains a minimum performance tolerance of between 90% and 100%. Scores in this range are not deemed

11. Per annual and quarterly targets: ECPTA Annual Performance Plan 2023/24-2025/26 | March 2023 | Page 50

as having exceeded expectations. Where all underlying targets are achieved, no remedial action is required.

3.1.1 DOMESTIC MARKETING

- i. Drive destination awareness of product offerings
 - Product destination awareness campaigns were built around key and unique attractions and experiences, these campaigns were 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.
- ii. Track number of domestic holiday travellers
 - The province continues with its recovery as it tries to get back to where it was before the pandemic.
 - In 2023 (6.8 million trips), there were 1million more domestic trips undertaken than in 2022 (5.8 million trips) indicating a growth of 17% for the Eastern Cape.
 - According to the Tourism Performance Report from South African Tourism, the Eastern Cape secured 17.9% of all domestic trips in 2023 compared to 17.1% in 2022. This is a 0.8% increase.

3.1.2 INTERNATIONAL MARKETING

- i. Defend international source markets
 - ECPTA partnered with SAT to take advantage of their established offices and platforms across key source markets. 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, and Trade Show and Africa Travel Indaba. Participation gave rise to subsequent engagements

- ii. Showcase EC travel packages to international consumers in 3 key source markets
 - 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 was also accessible on the ECPTA website via a link.
- iii. Virtual Tour showcase to international consumers in 3 key source markets
 - ECPTA identified the United Kingdom, United States of America, and Germany as key markets to target in terms of launching a consumer campaign to drive destination awareness of product offerings in the Eastern Cape. These source markets were identified as key, based on the high rate of travel and that they rank as the top three in terms of international arrivals to South Africa.
 - A comprehensive content page with links to the ECPTA website, Instagram and Facebook advertisements were 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

- i. This was based on the destination experiences related to the brand attributes.
- ii. On a quarterly basis, ECPTA undertook to offer workshops with tourism stakeholders, communicate and educate them on brand parameters and application, encourage tourism stakeholders to adopt and use the unifying destination brand through cobranding.
- iii. Internal users of branding materials were similarly supported to adopt the corporate brand adopted in 2020.

3.1.4 PROVINCIAL NATURE RESERVE MARKETING

- i. 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 department implemented key campaigns to improve occupancy levels,

namely: the Black Friday, Charity Hike and Educators discount promotions.

- ii. Facilitate third party content creation
 - Influencers have become an important part of doing business, especially for tourism and destination marketing organisations.
 - ECPTA invited social media influencers to visit nature reserves to tap into their followers and use their content to reach and connect and influence travellers.

SUB-PROGRAMME: PUBLIC RELATIONS AND COMMUNICATION

Table 21: Output Indicators: 3.2 Public Relations and Communication¹²

Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
3.2.1 Public Relations and Communication	60 (score)	60 (score)	54 (score)	60 (score)	+ 6 (points)	All 3 underlying activity targets (3.2.1-i to iii) at or above Board's 90% minimum threshold hence deemed achieved
3.2.2 Digital Marketing	39.9 (score)	39.9 (score)	36 (score)	50 (score)	+ 4 (points)	All 4 underlying activity targets (3.2.2-i to iv) at or above Board's 90% minimum threshold hence deemed achieved

The Public Relations (PR) and Communication sub-programme 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.

Where all underlying targets are achieved, no remedial action is required.

3.2.1 PUBLIC RELATIONS AND COMMUNICATION

- i. Create 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, influencer campaigns, digital and communication mechanisms such as online campaigns e.g. website, 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 SABC TV, MpumaKapa TV, News24, Daily Dispatch, Keith Ngesi Radio, Isolezwe, EC Indaba, Mdantsane FM, Kumkani FM, EC Daily News and Algoa FM to mention a few. All partnerships selected on bases of high reach and engagement for effective message dissemination and targeted marketing approach.
- The provincial billboard outreach campaign initiated as a component of smart

12. Per annual and quarterly targets: ECPTA Annual Performance Plan 2023/24-2025/26 | March 2023 | Page 50

marketing continued for the province over the festive season.

- Influencer campaigns saw ECPTA hosting influencer groups who toured various parts of the province, undertaking leisure activities and profiled the experiences to their captive audiences on their platforms.
- ii. Drive communication to keep internal and external stakeholders informed
- The Public Relations programme developed and disseminated two electronic newsletters to staff and industry stakeholders for each quarter to share achieve-

ments of public interest and to build brand EC and agency's reputation.

- There is consistency in both newsletters with a difference in covered articles to ensure an 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
- iii. En-route to meeting and exceeding all performance targets, the sub-programme secured the following metrics:

Metric	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Reach	15.3M	11.5M	9.6M	6.3M
Advertising value equivalency	11.8M	13.5M	6.5M	5.9M
Positive Sentiment	69%	86%	80%	71%

3.2.2 DIGITAL MARKETING

- i. Manage ECPTA's social media accounts and digital platforms
- Social media management ensures the ECPTA effectively and optimally profiles and showcases 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.
 - Digital platform management has seen the maintenance and growth of the ECPTA's online footprint through content and digital platform development and growth.
- ii. 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 to feature tourist experiences.
 - In addition to the above the ECPTA has also grown its portfolio of interactive virtual tourism platforms to 30 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.
- iii. Generate Eastern Cape destination travel content
- In an ongoing endeavour to leverage emerging media channels and expand the online presence of the ECPTA the agency has identified appropriate online platforms and activities to disseminate Eastern Cape tourism content and engage with followers.
 - These digital marketing initiatives encompass publishing content on the official website of the agency, strategic brand placement in online domains, and effective utilization of social media networks for promotional purposes.
 - The ECPTA actively distributes its proprietary content across these platforms, catering to targeted campaigns and addressing operational, communication,

and promotional requirements.

- During second quarter of the 2023/24, the ECPTA had set a key objective of achieving a 45% growth in its social media following. Through the rollout of various initiatives, seasonal campaigns,

promotions and social media marketing the ECPTA social media following secured an increase of 53.12% in quarter one and 48.56% in quarter two, 50% in quarter three and 54% across relevant social media platforms.

Table 22: Output Indicators: 3.4 Business Events and Partnerships¹³

Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
3.4.1 Destination promotion through events	55 (score)	55 (score)	49.5 (score)	47.5 (score)	- 2 (points)	Underlying activity target weighted 30% not achieved (3.3.1-iii)
3.4.2 Destination profiling to MICE	45 (score)	45 (score)	40.5 (score)	45 (score)	+ 4.5 (points)	Both underlying activity targets (3.4.2-i and ii) at or above Board's 90% minimum threshold hence deemed achieved

It has been proven that leisure events can be used to effectively to draw visitors to the Eastern Cape that may not have considered it as a destination of choice. Because events are experiential in nature, they tend to give tourists an additional reason to visit a destination over and above its traditional tourism product offerings. Business Events to profile the destination to business travellers attending conferences in the province. The ECPTA partners with Professional Conference Organisers and at times, the South African National Convention Bureau to bid for conferences to be hosted in the province thus creating awareness of the province and what it has to offer. The intention is to entice the attendees to either extend their stay or come back at a later stage as tourists. In 2023/24, the Business Events and Partnership sub-programme achieved 87.5% of all output and activity targets. Where all underlying targets are achieved, no remedial action is required. Remedial actions are detailed under the heading "Strategy to overcome areas of under-performance" on page 56.

3.3.1 DESTINATION PROMOTION THROUGH EVENTS

- Leisure events are seen as drivers for tourism, since they give people reasons to travel in numbers to attend, 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 a criterion is used to identify events to partner with, explicit marketing and branding plans are required to tailor ECPTA's presence at events in a manner that meets the objectives of involvement and guarantees benefits for ECPTA.
- During the year under review, ECPTA arranged to flight a promotional video of the Eastern Cape as a tourism destination, some of the collaborations included but not limited to the below:
 - Kirkwood Wildlife Festival
 - Ebubeleni Music Festival
 - Coffee Bay Cultural Festival
 - Professional Golfers Association (PGA) Championships

13. Per annual and quarterly targets: ECPTA Annual Performance Plan 2023/24-2025/26 | March 2023 | Page 50

- National Arts Festival
 - Berlin November
 - London Roots
 - Tenza Beach Festival
 - All White Heritage Day Picnic
 - Adventure Racing World Championship
- iv. Due to limited budgets, the return-on-investment targets on signature events for Advertising Value Equivalent and # of jobs were below the 90% threshold for the year.
- ii. Collaborative efforts are required to influence conference organisers to choose the Eastern Cape as the host destination for conferences, meetings and incentives.
- iii. To this end, the province in partnership with the cities and support from the National Convention Bureau submitted bids to host conferences, and by the end of the year EC had hosted 8 conferences in the province.

3.3.2 DESTINATION PROFILING TO MICE

- i. 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.

LINKING PERFORMANCE WITH BUDGETS

The financial information must agree to the information in the annual financial statements. Therefore, to follow once AFS are ready for audit.

Marketing	2023/24 Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	2023/24 Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Goods and Services	17 407	16 244	1 163	17 973	16 823	1 150
Cost of Employment	12 749	12 022	727	13 188	12 362	826
Capital expenditure	-	-	-	-	25	(25)
Total	30 156	28 266	1 890	31 161	29 210	1 951

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE AND FURTHER IMPROVE PERFORMANCE

3.3.1 Support local events to broaden the geographical spread of event offerings

- Mobilisation of additional resources in support of events
- Request for more funding / increased budget from the department (DEDEAT)

to be able to support more signature and local events.

- Continue to foster collaborations and leverage other stakeholders which has already proven successful in increasing the number of events.

Further enhancements

- Maintain and enhance current PR, Communication, and digital marketing strategies to address any negative sentiment promptly and continuously engage with media and stakeholders.
- Delve into new technology to elevate the EC brand by using up to date, multi-channel tools and multi-pronged approaches to new tech-wave of destination marketing.
- The filling of the Research Manager position is prioritised to ensure proper analysis of research information.
- Continuous bidding for conferences and meetings to be hosted in the province.
- Further diversification of digital content to engage broader audiences.



Misty Mountain Reserve Lodge - Tsitsikamma

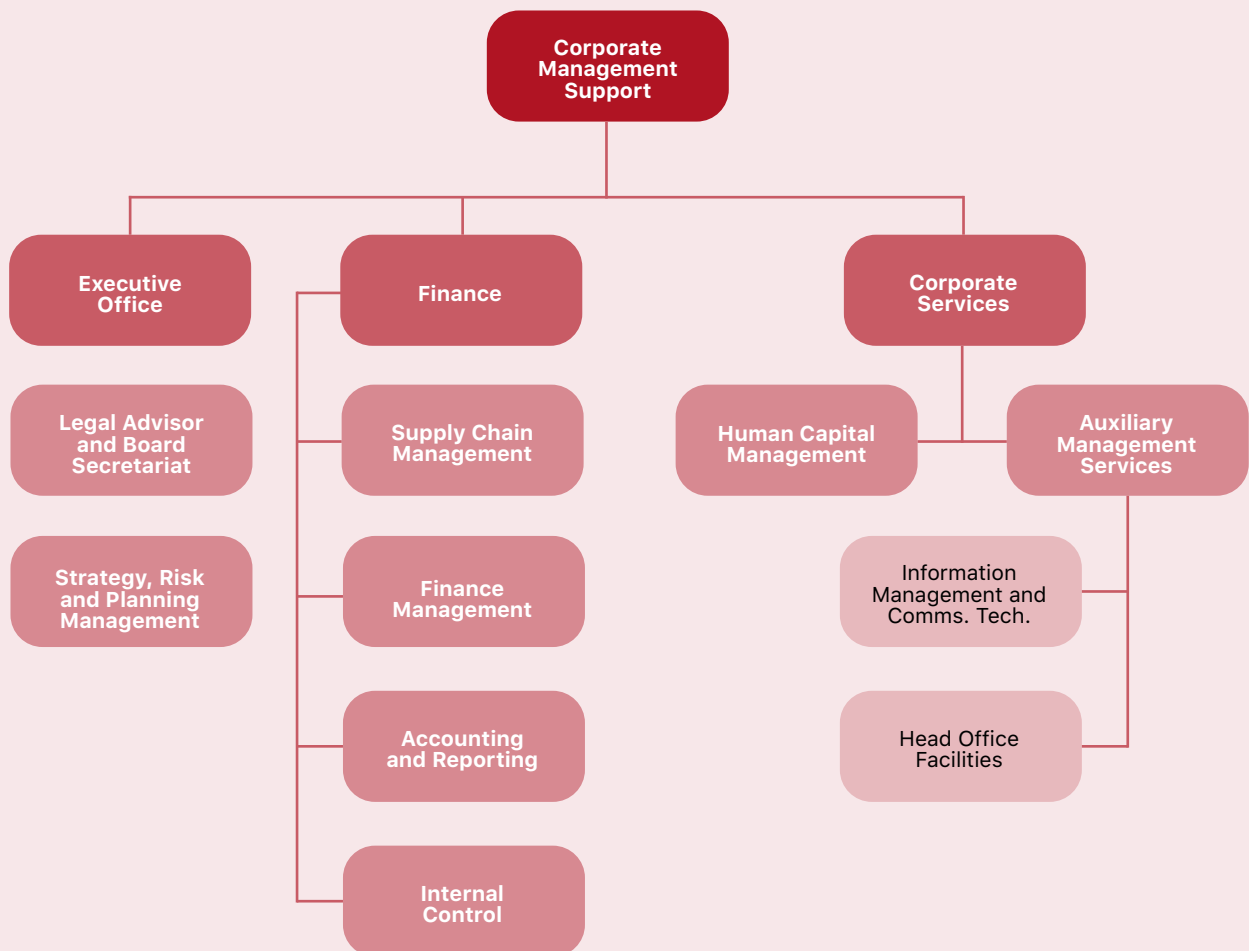


PROGRAMME 4: CORPORATE MANAGEMENT SUPPORT

PROGRAMME PURPOSE

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 Board and Management of ECPTA are determined to achieve a ninth consecutive clean audit in 2023/24. This requires consistent attention to detail and an ongoing effort to refine and improve systems and processes. Good governance is at the heart of these endeavours, ensuring that the ECPTA remains accountable, conducts its business fairly and transparently, and (at minimum) adheres to all applicable legal and policy prescripts.



SUB-PROGRAMME: 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 Chief Executive Officer (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 further 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.

SUB-PROGRAMME: 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 co-ordinate 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.

SUB-PROGRAMME: CORPORATE SERVICES

Corporate Services consists of two sections: Human Capital Management (HCM) and Auxiliary Services. The 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.

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

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



PART B: PERFORMANCE INFORMATION

Table 23: Distributed weights of outputs, immediate outcomes and the intermediate outcome

Immediate Outcome	Immediate Outcome Indicators	Relative Weight	Output Indicators	Relative Weight
4. Organisational sustainability supported by capable, ethical, and responsive administration	4.1 Reputation Dimension	30%	4.1.1-3 Legal Services and Board Secretariat	50%
			4.1.4-6 Strategy Risk and Planning	50%
	4.2 Financial Dimension	35%	4.2.1 Internal Control	10%
			4.2.2 Accounting and Reporting	10%
			4.2.3 Accounting and Reporting	10%
			4.2.4 Financial Management	20%
			4.2.5 Supply Chain Management	25%
			4.2.6 Supply Chain Management	10%
			4.2.7 Supply Chain Management	15%
	4.3 Social Dimension	20%	Human Capital Development	15%
			Human Capital Development	15%
			Employee Relations	15%
			Human Capital Development	15%
			Human Capital Development	8%
			Human Capital Development	7%
			Employee Relations	10%
	4.4 Social Dimension	15%	Employee Relations	15%
			4.4.1-2 IMCT Infrastructure and Systems	50%
			4.4.3-6 Business Services Availability	50%

Relative Weight: 20%

INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

Table 24: Intermediate Outcome: Organisational sustainability supported by capable, ethical, and responsive administration

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
Internal service models geared to meet the needs of core departments	99.4 (score)	97.9 (score)	90 (score)	97.9 (score)	+ 7.9 (points)	Contributing immediate outcomes achieved

Table 25: Immediate Outcomes: Organisational sustainability supported by capable, ethical, and responsive administration

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
4.1 Reputation Dimension	30 (score)	30 (score)	27 (score)	29.1 (score)	+ 2.1 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 26)
4.2 Financial Dimension	34.4 (score)	33.8 (score)	31.5 (score)	34.4 (score)	+ 2.9 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 27)
4.3 Social Dimension	20 (score)	19.1 (score)	18 (score)	19.4 (score)	+ 1.4 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 28)
4.4 Security Dimension	15 (score)	15 (score)	13.5 (score)	15 (score)	+ 1.5 (points)	The Index score is deemed as achieved as it is within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 29)

SUB-PROGRAMME: EXECUTIVE OFFICE

Table 26: Output Indicators: Reputation Dimension¹⁴

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	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
4.1.3 Legislative compliance	97.7 (score)	97.2 (score)	90 (score)	98.5 (score)	+ 8.5 (points)	Most key legislation fully adhered to
4.1.4 Organisational accountability	100 (%)	100 (%)	100 (%)	88.8 (%)	- 11.2 (points)	Reporting deadlines in Q3 and Q4 missed

SUB-PROGRAMME: FINANCE

Table 27: Output Indicators: Financial Dimension¹⁴

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
4.2.1 Materiality reporting	92.6 (score)	86.9 (score)	90 (score)	87.2 (score)	- 2.8 (points)	Some internal audits were extended or rescheduled
4.2.2 Accounting and Reporting	Changed	New indicator	90 (score)	85 (score)	- 5 (points)	Review of IFS incorrectly scheduled for Q3 in AOP
4.2.3 Budget Management	100 (score)	100 (score)	90 (score)	100 (score)	+ 10 (points)	All underlying activity targets achieved
4.2.4 Financial Management	Changed	New indicator	90 (score)	100 (score)	+ 10 (points)	All underlying activity targets achieved
4.2.5 Supply Chain Management	0 (% dev.)	100 (% dev.)	5 (#) ¹⁵	5 (#)	None	No deviation
4.2.6 Preferential Procurement	Changed	New indicator	1 (Yes=1; No=0)	1 (Yes)	None	No deviation
4.2.7 Fleet Management	94.8 (score)	100 (score)	90 (score)	100 (score)	+ 10 (points)	All underlying activity targets achieved

14. Per annual and quarterly targets: ECPTA Annual Performance Plan 2023/24-2025/26 | March 2023 | Page 55

15. Unit of measure changed in 2023/24. Tracks compliance of five SCM components, hence, target of 5 each quarter

16. Per annual and quarterly targets: ECPTA Annual Performance Plan 2023/24-2025/26 | March 2023 | Page 55-56

SUB-PROGRAMME: CORPORATE SERVICES - HR

Table 28: Output Indicators: Social Dimension¹⁶

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
4.3.1 Transformation	100 (score)	90 (score)	90 (score)	100 (score)	+ 10 (points)	All contributing activity targets achieved
4.3.2 Human Capital Management	New	New	90 (score)	100 (score)	+ 10 (points)	All contributing activity targets achieved
4.3.3 Employee Relations Management	88 (score)	100 (score)	90 (score)	97.9 (score)	+ 7.9 (points)	Most contributing activity targets achieved
4.3.4 Learning and development	1 (Yes)	1 (Yes)	90 (score)	100 (score)	+ 10 (points)	All contributing activity targets achieved
4.3.5 Talent management – Performance Management System	New	New	90 (score)	94.2 (score)	+ 4.2 (points)	Most contributing activity targets achieved
4.3.6 Talent management – Performance Enablement	New	New	90 (score)	92.5 (score)	+ 2.5 (points)	Most contributing activity targets achieved
4.3.7 Social responsibility	1 (Yes)	1 (Yes)	90 (score)	95 (score)	+ 5 (points)	Most contributing activity targets achieved
4.3.8 Occupational Health and Safety	1 (Yes)	1 (Yes)	90 (score)	77.8 (score)	+ 12.52 (points)	Inconsistent workplace OHS processes

SUB-PROGRAMME: CORPORATE SERVICES - IMCT

Table 29: Output Indicators: Security Dimension¹⁷

Intermediate Output	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
4.4.1 Cybersecurity	95.6 (%)	96 (%)	95 (score)	96.4 (score)	+ 1.4 (points)	All contributing activity targets achieved
4.4.2 System availability	100 (%)	98.8 (%)	95 (score)	98.9 (score)	+ 3.9 (points)	All contributing activity targets achieved
4.4.3 Customer orientation	100 (%)	100 (%)	95 (score)	100 (score)	+ 5 (points)	All contributing activity targets achieved

Continues to next page:

17. Per annual and quarterly targets: ECPTA Annual Performance Plan 2023/24-2025/26 | March 2023 | Page 56

PART B: PERFORMANCE INFORMATION

Continues from previous page:

Intermediate Outcome	Audited Annual 2021/22	Audited Annual 2022/23	Planned Annual Target 2023/24	Actual Achieved 2023/234	Actual vs. Achieved 2023/234	Reasons for deviations
4.4.4 Enable business services through digital channels	New	95 (%)	90 (score)	100 (score)	+ 10 (points)	All contributing activity targets achieved
4.4.5 SD-WAN Reserve Network Service Accessibility	New	New	90 (score)	100 (score)	+ 10 (points)	All contributing activity targets achieved
4.4.6 Monitor accessibility at reserves with VSAT technology	New	New	1 (Yes=1; No=0)	1 (Yes)	None	No deviation

LINKING PERFORMANCE WITH BUDGETS

Marketing	2023/24 Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	2023/24 Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Goods and Services	43 106	46 959	(3 853)	46 865	30 102	16 763
Cost of Employment	37 900	37 163	737	39 422	37 254	2 168
Capital expenditure	579	552	27	1 886	3 442	(1 556)
Total	81 585	84 674	(3 089)	88 173	70 798	17 375

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

4.1 Organisational accountability

- The late submission of quarterly reports to the DEDEAT has been remedied with the communication of the reporting.

4.3 Occupational Health and Safety

- The position of the Occupational Health and Safety Officer became vacant in December 2023 which had a negative impact on the performance indicators for Q4. The new Officer will assume duties on 3 June 2024. In the meantime, the Head Office OHS Committee will continue to perform the function.

REVENUE COLLECTION

Sources of revenue	2023/24 Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000	2023/24 Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000
Accommodation	6 098	4 059	2 039	5 645	3 704	1 941
Actuarial Gains		2 546	(2 546)	0	551	-551
Proceeds on asset disposals	0	478	(478)			0
Concessions	3 500	1 175	2 325	7 037	791	6 246
Conservation	1 783	1 304	479	1 783	1 263	520
Donation Received		1 466	(1 466)	0	9 960	(9 960)
Finance Income	6 298	7 375	(1 077)	5 098	7 484	(2 386)
Non-Exchange transactions	408 326	283 103	125 223	390 339	296 623	93 716
Other Income	1 952	124	1 828	721	63	658
Rendering of Services	781	1 102	(321)	3 471	1 353	2 118
Rental Income	1 599	1 797	(198)	1 599	1 679	(80)
Wildlife Sales	5 914	5 948	(34)	5 794	5 666	128
Total	436 251	310 477	125 774	421 487	329 137	92 350

As a Schedule 3C public entity of the Department of Economic Development, Environmental Affairs and Tourism, ECPTA is dependent on the Provincial Government for the bulk of its income. This allocation is chronically inadequate. ECPTA has successfully leveraged conditional grant funding through other government channels, primarily for infrastructure. There has been underspending on revenue from non-exchange (conditional grants) for the following main reasons:

- The inaccessibility of the reserves due to floods that destroyed roads and bridges, making it difficult for the contractors appointed to conclude their work.
- Community protests which required management to involve traditional authorities

in resolving the challenges pertaining to implementation of the projects.

- Caused delays with time extension

A roll-over application has been made to carry over any unused funds into the next year to complete the projects.

In the process of executing its biodiversity conservation mandate, particularly managing wildlife populations on provincial nature reserves, ECPTA endeavours to earn revenue from the sale of game. The two most lucrative channels are live sales, which take place at an annual auction, and hunting packages. The revenue from wildlife sales was slightly under achieved in 2023/24, primarily because of underperformance of the external culling component.

Many of the nature reserves managed by ECPTA provide unique eco-tourism experiences. ECPTA offers concession opportunities to private sector providers to take advantage of the eco-tourism offerings. Revision of the concession framework and the revenue collection model enabled ECPTA to collect more revenue through public private partnerships (compared to previous years), although the target was still not achieved. The ECPTA increased its efforts to attract small-

scale tourism operators to activate nature-based activities at the Eastern Cape nature reserves. Improving facilities at our nature reserves has had a positive impact on the visitor experiences and improvement in the revenue collected.

Under collection of revenue has had a direct impact on socio-economic beneficiation for the communities surrounding the reserves.

CAPITAL INVESTMENT

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.

Progress made in addressing the maintenance backlog during the period under review is minimal due to inadequate funding of maintenance. Current infrastructure value is R484 million with a maintenance backlog of R146 million. In 2022/23 FY ECPTA received allocation of R22 million fund for maintenance projects implemented by DBSA. Current asset depreciation rate is 60%. In Q3, a business plan was submitted to the Medium-Term Expenditure Committee (MTEC) highlighting critical maintenance priorities.

Table 30: Expenditure on Infrastructure Projects

Infrastructure projects	2023/24 Budget R'000	Actual R'000	(Over)/Under R'000	2023/24 Budget R'000	Actual R'000	(Over)/Under R'000
National Lotto	0	0	0	519	519	0
NDT Baviaanskloof	3 755	120	3 635	7 047	4 360	2 687
NDT Universal Access	379	293	86	509	808	-299
NDT Infrastructure	13 323	885	12 438	10 352	3 883	6 469
EPIP	76 208	15 814	60 394	60 834	28 547	32 287
Economic Stimulus Fund	20 630	8 796	11 834	34 038	20 387	13 651
Total	114 295	25 908	88 387	113 299	58 504	54 795



Dianna Graham Eco-Shrine, Hogsback



Sardine Run, Eastern Cape Coastline



PART C

Governance

INTRODUCTION

The Board is the designated Accounting Authority of the ECPTA and governs the entity in accordance with the provisions of the Eastern Cape Parks and Tourism Agency Act (Act 2 of 2010) and the Public Finance Management Act

1 of 1999 (as amended) (PFMA). The Board also strives to comply with the principles and standards of integrity, accountability and good governance contained in the recommendations of the King IV report on corporate governance.

PORTFOLIO COMMITTEE

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

1 JUNE 2023: BUDGET VOTE 2023/24 FINANCIAL YEAR

- Safety of Tourists: Each Nature Reserve has a Law Enforcement plan which stipulate the daily law enforcement patrol.
- Sho't Left Campaign: ECPTA aligns with the Sho't Left campaign by encouraging product owners to register their deals on the SAT website, from where they are available to all visitors to the <https://sho-tleft.co.za/> site.
- Impact of development on the environment inside the Nature Reserves: The Environment Impact Assessment (EIA) is undertaken before development inside the Nature Reserves.

17 NOVEMBER 2023: ANNUAL REPORT & HALF YEAR REPORT 2023/24 FINANCIAL YEAR

- Clarity was sought on the actual vacancy rate: Vacancy rate was confirmed to be at 9,9%
- Unspent funds (Rollover): This will be utilised to settle creditors and accruals as of 31 March 2023.
- Revenue diversification: Yes, it's done in some of ECPTA Nature Reserves.

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 two 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

INTRODUCTION

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.

Honourable MEC Mvoko appointed the Board for a three-year term from 1 December 2022 to 30 November 2025.

ROLE OF THE BOARD

The members of the Board and its Committees individually, and the Board as a whole, derive their fiduciary responsibilities from the provisions of the Eastern Cape Parks and Tourism Agency Act, the Public Finance Management Act, Charter, and the Terms of Reference for the various committees of the Board.

The Agency is managed by a Board that -

- gives strategic direction to the ECPTA;
- is responsible for the performance of the ECPTA;
- is accountable to the MEC for the performance of the Agency; and
- is supported by a chief executive officer and other employees.

The Agency communicates with the MEC through the chairperson of the Board.

BOARD CHARTER

The purpose of this Board Charter is to set out the vision, mission, roles, and responsibilities of the members of the Board of the Eastern Cape Parks and Tourism Agency (ECPTA) with the view to ensuring that:

- All Board members are aware of their individual and collective duties and responsibilities.
- Board members are aware of the various legislation, regulations, and policies affecting their conduct.
- The principles of corporate governance are applied in their dealings in respect of, and on behalf of the Eastern Cape Parks and Tourism Agency.

The Board of Directors met to discharge their fiduciary and to play their strategic oversight as expected in terms of the board charter.

COMPOSITION OF THE BOARD

Name	Designation	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List of entities)	No. of meetings attended
Dr N. Mzilikazi	Chairperson	1/12/ 2022	N/A	PHD Zoology, M.Sc. Zoology, BSc (Hons) Zoology, BSc Zoology Chemistry, Tropical Ecology Field-Course	Biodiversity Conservation	Nil	7
Ms P. Loyilane	Deputy Chairperson of Board Chair: HR and Remuneration Committee	1/12/ 2022	N/A	Bachelor of Commerce Education Diploma Master of Philosophy in disability	Human Resources	Nil	7
Dr A. Muir	Chair: Biodiversity and Conservation Committee; Member: Finance and Investment Committee	1/12/ 2022	N/A	Doctor of Social Science Master of environmental & development	Biodiversity Conservation	Nil	6
Adv S Mancotywa	Member Biodiversity and Conservation Committee; Member: Marketing and Destination Development Committee	1/12/ 2022	N/A	B. Juris, LLB, Postgraduate Diploma in Management Practice, Doctor of Philosophy	Culture and Heritage	Nil	7
Mr C. Sparg	Chair: Finance and Investment Committee; Member: HR and Remuneration Committee Member: Exco	1/12/ 2022	N/A	B. Com and CTA CA (SA)	Finance	Nil	7
Adv C Mahlati	Chair: Marketing and Destination Development Committee; Member: HR and Remuneration Committee	1/11/ 2023	N/A	Bachelor of Laws	Tourism and Marketing	Nil	4

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Name	Designation	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List of entities)	No. of meetings attended
Ms V. Mantyi	Member: Finance and Investment Committee; Member: Marketing and Destination Development Committee	1/12/ 2022	NA	Bachelor of Arts (BA)	Shareholder representative	Chair: Provincial People and Parks Forum	6
Mr L. Beville	Member Biodiversity and Conservation Committee	1/12/ 2022	N/A	Bachelor of Commerce in Management B. Com Honours in Management	Representing the community	Nil	7

COMMITTEES

Committee	No. of meetings held	No. of members	Name of members
Exco	2	4	Dr N. Mzilikazi Mr C. Sparg Mr V. Dayimani Mr J. Jackson
HR and Remuneration Committee	5	3	Ms P. Loyilane Mr C. Sparg Adv C. Mahlali
Finance and Investment Committee	5	3	Dr A. Muir Mr C. Sparg Ms V. Mantyi
Biodiversity & Conservation Committee	4	3	Dr A. Muir Adv. S. Mancotywa Mr L. Beville
Marketing & Destination Development Committee	4	3	Adv. S. Mancotywa Adv C. Mahlali Ms V. Mantyi
Audit and Risk Committee	5	4	Mr L. Mangquku Mr J Emslie Ms L. Smith Ms S. Makhathini Ms. U. Exner

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 2024. ECPTA does not remunerate the official deployed by DEDEAT to serve as the Shareholder Representative.

Name	Remunerations (ZAR)	Other allowances (ZAR)	Other reimbursements (ZAR)	Total (ZAR)
Dr N. Mzilikazi	195 000	15 523	0	210 523
Ms P. Loyilane	180 000	9 000	0	189 000
Dr A. Muir	150 000	17 826	0	167 826
Adv. S Mancotywa	157 500	9 000	0	166 500
Mr C. Sparg	200 724	10 935	0	211 659
Adv C Mahlali	100 000	3 128	0	103 128
Ms V. Mantyi	N/A	N/A	N/A	N/A
Mr L. Beville	137 500	6 500	-35 625 ¹⁸	108 375

RISK MANAGEMENT

The ECPTA has an approved Risk Management Policy which is implemented through a Risk Management Committee. The Risk Management Committee is chaired by the Chief Executive Officer who is the Chief Risk Champion leading and guiding risk management within the entity. The Risk Management Committee comprises of executive management, senior management, and specialists.

The risk profile of the organisation is formally reviewed on an annual basis and on a quarterly basis engagement within departments are carried out to determine any changes to the business environment which may have a material effect on the risk profile. As part of compliance to the Risk Management Policy the departments present the outcome of their deliberations to the Risk Management Committee and an analysis is conducted to ascertain the extent of the changes and impact of any emerging risks on the overall risk profile of the organisation. A

consolidated progress report is then prepared for presentation and discussion with the governance structures.

Quarterly risk management progress reports are presented to the Audit and Risk Committee and their inputs is incorporated into the report that is presented to the Board. The report is further submitted to the Shareholder supporting organisational performance and continued efforts to ensure sustainability and good corporate governance.

The ECPTA has maintained the OPTIMISED risk maturity level in terms of the self-assessment conducted on the National Treasury Risk Management Support. The National Treasury Risk Management Support is a risk management resource for all public entities. Whilst the ECPTA has attained this outcome, efforts continue to ensure risk management is inculcated into the day-to-day activities of the organisation thereby

¹⁸. PAYE

ensuring all employees are risk informed. Below is the ISO 31000 risk maturity curve depicting the maturity level outcome as per the National Treasury. The National Treasury Public Sec-

tor Risk Management Framework is referenced against ISO 31000 and COSO Enterprise Risk Management — Integrated Framework.



Figure 4: Risk Management Maturity Curve

INTERNAL CONTROL UNIT

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

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

INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

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 271.8(a)).
- Evaluation of the Internal Audit Plan.
- Evaluation of the external auditors.
- Internal Audit Function (Treasury Regulations 271.8(g)).
- Review the annual financial statements and interim reports (Treasury Regulations 271.8(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.

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

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.

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 stan-

dards that govern the conduct of employees and stakeholders. It provides guidance as to the expected ethical behaviour.

HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety functions plays pivotal role in ensuring that the ECPTA as a designated employer is compliant with the mandatory health and safety stipulations outlined in the Occupational Health and Safety Act.

By creating a conducive working environment free from any risks of hazards and unhealthy conditions which may impinge on the health and safety of all employees within the ECPTA.

The focus areas for the OHS function in this financial was to execute its activities as per its Annual Performance Plan (APP). The activities comprised of ensuring that mandatory health and safety committees are held in each Reserve Management to lift health and safety issues and to collectively make recommendations to address to address them. To ensure that the proper management of injury on duty cases in the entity.

To conduct OHS audits and inspections in all the ECPTA reserves. And to provide OHS-related capacitation on topical health and safety matters that may have an impact on employees. In this financial year OHS audits were conducted throughout all the ECPTA's Reserve Management areas with a particular focus on staff accommodation. The latter is to improve the living conditions of ECPTA's staff. The audits found that a majority of the ECPTA's built infrastructure has aged significantly, and this is inclusive of the staff accommodation. The infrastructure department through its targeted programs has included staff accommodation in its implementation plans.

Due to budgetary constraints and the need to speed up the process of improving staff accommodation, the entity is exploring the use of suitable modern and environmentally friendly staff accommodation that are not necessarily brick and mortar e.g. prefabricated modular homes.

BOARD SECRETARY

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

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

AUDIT 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 3.1.13. 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.

EFFECTIVENESS OF INTERNAL CONTROL

Our review of the findings of Internal Audit, which was based on the risk assessments conducted in the public entity, revealed certain weaknesses which were then raised with the public entity.

The following internal audit work was completed during the year under review:

- Financial Statements Review
- Audit of Quarterly Performance Information
- Financial Controls Review
- Project Governance on Grant Funding
- Fraud Policy and Plan Review
- Information Technology Disaster Recovery Review
- Executive Performance Outcome Review
- Supply Chain Management
- Asset Management

- Employee Verification
- Follow Up Review - Internal and External Audit Findings.
- Risk Maturity Assessment Review
- Human Resource Management
- Information Technology Cyber Security Framework Review
- Review of Draft Annual Performance Plan for 2024/25

At the public entity, the Internal Audit Function is fully outsourced. It is our view that this 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 appointed as an independent committee to assist management in fulfilling its oversight responsibilities for

the financial reporting process, the system of internal control, the audit process and the public entity'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 public entity. The Audit and Risk Committee is accountable to the Accounting Authority to properly consider and evaluate any governance and compliance matter referred 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
- Consider 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 term expired / resigned	Meetings attended
Mr L M Mangquku (Chairperson)	<ul style="list-style-type: none"> • CA(SA); • Master of Business Leadership; • Advanced Company Law I&II; • Bachelor of Accounting Sciences (Hon); • Bachelor of Commerce (Hon) (Accounting). 	External	April 2020 Reappointed April 2023	N/A	4
Ms L S Smith (Member)	<ul style="list-style-type: none"> • Bachelor of Commerce (Hon) (Accounting); • CA(SA) RA; • Registered Tax Practitioner 	External	April 2023	N/A	4
Ms S Makhathini (Member)	<ul style="list-style-type: none"> • Bachelor of Commerce • Postgraduate diploma in Accounting Science • Bachelor of Accounting Science (Honors) 	External	February 2024	N/A	1
Ms U Exner (Member)	<ul style="list-style-type: none"> • Bachelor of Commerce (Informatics) • MPhil IT Governance 	External	February 2024	N/A	1
Mr J J Emslie (Member)	<ul style="list-style-type: none"> • Bachelor of Commerce (Hon) (Accounting); • CA(SA) 	External	April 2020	July 2023	1

IN-YEAR MANAGEMENT AND MONTHLY AND QUARTERLY REPORTS

The public entity submitted monthly and quarterly reports to the Executive Authority.


EVALUATION OF FINANCIAL STATEMENTS

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

AUDITOR'S REPORT

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 Accounting Authority.

The Audit and Risk Committee concurs and accepts the conclusions of the external auditor 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.



LM MANGQUKU, CA(SA)
Chairperson of the Audit and Risk Committee
Eastern Cape Parks and Tourism Agency

31 July 2024



B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBEE requirements of the BBEE Act of 2013 and as

determined by the Department of Trade, Industry and Competition.

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	Yes	Concession Agreements are developed, evaluated, and adjudicated in line with the Preferential Procurement Regulations
Developing and implementing a preferential procurement policy?	Yes	The Preferential Procurement Policy Act and its regulations have been fully complied with. The ECPTA updated the SCM Policy in line with the updates in the Preferential Procurement Policy Regulations of 2022
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	Yes	Concession Agreements are developed, evaluated, and adjudicated in line with the Preferential Procurement Regulations
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	Incentives are limited to Specific Goals contemplated in the Preferential Procurement objectives (80/20 or 90/10)



Cape Recife Nature Reserve & Lighthouse

PART D

Human Resource Management



INTRODUCTION

OVERVIEW OF HUMAN RESOURCE MATTERS

The 2023/24 financial year at the ECPTA has seen marked improvement in general employee relations within the entity. This could have been apportioned by the completion of Salary Wage Negotiation in the month of May 2023.

The ECPTA management and organised labour settled for 7.5% increase paid on the median scale for employees in the bargaining unit with a 6% increase for non-bargaining employees. History has taught us that the wage negotiation cycle can be a very difficult period for employee relations and stakeholder engagement. Often adversarial relations flare up during this period as the employer must balance the needs of the business and that of employee as represented by the recognised trade union formations.

During this period the ECPTA has been able to reclaim a measure of trust in its engagements

HR PRIORITIES AND IMPACT

The main priorities of the HR were the execution of the activities within all its functional areas. Providing real time support to the operations of the business. Ensuring that line manage-

ment receives adequate support in recruitment, employee relations, employee wellness, occupational health and safety learning and development and human capital administrative.

with organised labour. As this is the central tenet of good faith bargaining with organised labour. As in the two or so financial proceeding, this one had culminated with a protected strike by organised labour. Lessons have been learnt that moving forward we continue to cultivate our relations, communicating transparently and consultatively on all matters of mutual interest.

The aftermath of the COVID-19 outbreak has made us reflective to new working arrangements. It has entrenched digital platforms of communication reducing face to face meetings the ECPTA has normalised this approach. Although 100% of the ECPTA employees have returned on site the Board has approved a remote work policy which details circumstances under which employees are permitted to work remotely.

WORKFORCE PLANNING FRAMEWORK

The Care and Share program have proven to be a sensation, particularly amongst staff in the Reserve Management Areas. We had envisioned that this be an organization wide program that extends to the support Departments in the entity as well.

The implementation of the Care and Share Program encourages employees to share skills. This program does not only focus on sharing skills but boosts staff morale. It promotes camaraderie and togetherness amongst employees

EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The ECPTA Performance Management policy and related system remain fit for purpose and are consistently applied throughout the entity. The latter is therefore guarantees that individual

performance and organizational performance provide credible individual and organizational results.

EMPLOYEE WELLNESS PROGRAMMES

The coordinated employee wellness programme, comprising the online employee wellness service and the office of the employee wellness officer, has been instrumental in ensuring that ECPTA employees have access to ongoing employee wellness services at any time. The accessibility of this coordinated employee wellness service has been a strategy, particularly for employees

in remote areas of the ECPTA's workplace. The importance of these services proved essential during the height of COVID-19 with the enormous certainties and challenges it brought. These services are therefore imperative in providing support to employees whilst at work so that they are fully engaged with their work.

POLICY DEVELOPMENT

Policies are paramount in the ECPTA's executing its business and mandate and they are reviewed annually where they are required to be responsive to our constantly changing operat-

ing environment they are amended and reviewed accordingly. This is to enable the execution of activities in compliance with all relevant legislation.

HIGHLIGHT ACHIEVEMENTS

The noteworthy achievement for HR was the conclusion of the salary wage negotiation through an agreement between Management

and Organized Labour. May this sow an end to adversarial engagement and pave the way for good faith engagement well into the future.

CHALLENGES FACED BY THE PUBLIC ENTITY

The main challenges faced by the entity are the imposed budgetary constraints which pose a serious challenge in HR's ability to support the business whether is the IMCT perspective due to aging infrastructure. The latter has a direct impact on business continuity and is a major risk

that needs immediate financial injection. A lack of sufficient budget to execute tasks affects all the other functional HR areas. Some of these tasks require face-to-face interaction with staff in the reserves.

FUTURE HR PLANS /GOALS

HR wants to bolster the IMCT function to ensure that it is able and has all the capacity it requires to guarantee business continuity. Conduct roadshows to share recent policies approved by the

Board. Move to next phase of the Talent Management Strategy implementation as per the framework.

HUMAN RESOURCE OVERSIGHT STATISTICS

PERSONNEL RELATED EXPENDITURE

Personnel cost by programme:

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee (R'000)
Biodiversity and Conservation (B&C)	204 538	128 137	39%	396	324
Destination Development (DD)	14 911	11 989	4%	16	749
Marketing	28 266	12 739	4%	17	749
Corporate Management Support (CMS)	84 674	38 276	12%	63	608
TOTAL	332 389	191 142	58%	492	388

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)	Average personnel cost per employee (R'000)
Top Management	11 952	6.3%	5	2 390	324
Senior Management	43 733	22.9%	35	1 250	
Professional qualified	24 507	12.8%	31	791	
Skilled	25 410	13.3%	54	471	749

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Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)	Average personnel cost per employee (R'000)
Semi-skilled	59 348	31.0%	227	261	749
Unskilled	26 191	13.7%	140	187	608
TOTAL	191 142	100%	492	388	388

Performance rewards:

Level	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	752	11 952	0.39%
Senior Management	2 404	43 733	1.26%
Professional qualified	1 337	24 507	0.70%
Skilled	1 314	25 410	0.69%
Semi-skilled	658	59 348	0.34%
Unskilled	261	26 191	0.14%
TOTAL	6 725	191 142	3.52%

TRAINING COSTS

Programme	Personnel Expenditure (R'000)	Training Expenditure	Training Expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee (R'000)
Training priorities undergone to capacitate the ECPTA workforce	191 142	1 413	1%	164	8.62

EMPLOYMENT AND VACANCIES

Programme	2022/23 No. of Employees	2023/24 Approved Posts	2023/24 No. of Employees	2023/24 Vacancies	Vacancy rate
Biodiversity and Conservation (B&C)	381	402	396	6	1.49%
Destination Development (DD)	15	29	16	13	44.83%
Marketing	17	25	17	8	32.00%
Corporate Management Support (CMS)	60	69	63	6	8.70%
TOTAL	473	525	492	33	6.29%

Level	2022/23 No. of Employees	2023/24 Approved Posts	2023/24 No. of Employees	2023/24 Vacancies	Vacancy rate
Top Management	6	6	5	1	16.67%
Senior Management	35	40	35	5	12.50%
Professional qualified	34	40	31	9	22.50%
Skilled	52	60	54	6	10.00%
Semi-skilled	218	220	227	-7	-3.18%
Unskilled	128	159	140	19	11.95%
TOTAL	473	525	492	33	6.29%

The recent organisational changes have brought about shifts in leadership dynamics, particularly with the departure of key figures like the Executive Director of Corporate Services and the Chief Financial Officer. Such transitions often prompt concerns and necessitate swift action to ensure continuity and stability within the entity.

To address the vacuum created by these resignations immediate contingencies have been implemented. These measures likely involve interim appointments, or the activation of succession plans to fill the vacant role temporarily. Ensuring that critical functions continue without interruption is paramount during these times of transition.

In addition to short-term solutions, a comprehensive strategy for long-term leadership suc-

cession may be under consideration. This could involve conducting executive searches to identify suitable candidates for permanent positions or restructuring the leadership hierarchy to enhance efficiency and effectiveness.

Communication has been crucial during these periods of executive turnover. Clear and transparent messaging has helped alleviate uncertainty among employees, stakeholders, and the broader community. It's essential to convey a sense of stability and confidence in the organization's ability to navigate through the changes successfully.

Furthermore, the departure of key executives offered an opportunity for reflection and introspection. It was important to align priorities, streamline processes, and foster a culture of adaptability and resilience.

Whilst executive turnover can present challenges it also presents opportunities for growth and renewal. By implementing thoughtful con-

tingencies and fostering open communication, organizations can emerge from these transitions stronger and more resilient than before.

EMPLOYMENT CHANGES

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	6	0	1	5
Senior Management	35	2	2	35
Professional qualified	34	4	7	31
Skilled	52	7	5	54
Semi-skilled	218	22	13	227
Unskilled	128	20	8	140
Total	473	55	36	492

EMPLOYMENT CHANGES

Reasons for staff leaving:

Reason	Number	% of total no. of staff leaving
Death	2	5.56%
Resignation	13	36.11%
Dismissal	1	2.78%
Retirement	13	36.11%
Ill health	1	2.78%
Expiry of contract	5	13.89%
Other	1	2.78%
Total	36	100.00%

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	0
Final Written warning	5
Dismissal	1
Total	7

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1		0		0		1	
Senior Management	18		1		0		1	
Professional Qualified	12		0		0		1	
Skilled	17		0		0		2	
Semi-skilled	121		17		0		0	
Unskilled	56		13		0		0	
TOTAL	225	213	31	29	0	0	5	15

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2		1		0		0	
Senior Management	14		1		1		1	
Professional Qualified	17		1		0		1	

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Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Skilled	42		2		0		1	
Semi-skilled	78		6		0		0	
Unskilled	57		6		0		0	
TOTAL	210	196	17	27	1	0	3	12

Levels	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management		1		
Senior Management				1
Professional Qualified				
Skilled				
Semi-skilled		1		
Unskilled				
TOTAL		2		1



Leopard Trail, Baviaanskloof



PART E

PMFA Compliance Report



IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

A) IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure:

Description	2023/24 ZAR	2022/23 ZAR
Opening balance	7 424 907	6 081 335
Adjustment to opening balance		
Opening balance as restated		
Add: Irregular expenditure confirmed	843 264	1 705 572
Less: Irregular expenditure condoned		
Less: Irregular expenditure not condoned and removed		(362 000)
Less: Irregular expenditure recoverable		
Less: Irregular expenditure not recoverable and written off		
Closing balance	8 268 151	7 424 907

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 Treasury prescripts and regulations. The expenditure of R1.706 million was incurred in 2022/23 and expenditure of R 844 000 incurred in 2023/24. The request for condonation was sent on the 20th of September 2022 and the Provincial Treasury response was received on the 28th of August 2023. Provincial Treasury has noted that the application does not comply with all the minimum requirements for condonation in that no official has been held responsible for the incurrence of this irregular expenditure. The Agency is in the process of appealing and submitting documentation in this regard.

The Auditor-General found that a supplier appointed through an emergency deviation process with a value of R340 700 was not tax compliant at the date when the deviation was approved. The expenditure was deemed irregular. The AG found that the ECPTA approved the emergency deviation on the 12th of October 2022 whereas the Central Supplier Database compliance history report during the period from the 11th of July 2022 to the 2nd of November 2022 reflected that supplier as being non-Tax Compliant. The entity is in the process of condoning the irregular expenditure. The affected employee was served with verbal warning.

Reconciling notes:

Description	2023/24 ZAR	2022/23 ZAR
Irregular expenditure that was under assessment		
Irregular expenditure that relates to the prior year and identified in the current year		
Irregular expenditure for the current year	843 264	1 705 572
Total	843 264	1 705 572

B) DETAILS OF IRREGULAR EXPENDITURE CONDONED

Description	2023/24 ZAR	2022/23 ZAR
Irregular expenditure condoned	0	362 000
Total	0	362 000

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 matter was still under investigation by the SAPS. The Agency has written to the Provincial Treasury for approval to condone the fruitless and wasteful expenditure.

Details of disciplinary or criminal steps taken as a result of irregular expenditure.

Disciplinary steps taken:

- There were disciplinary steps taken in the 2023/24 financial year.
- In relation to the irregular expenditure resulting from the tax matter, the affected employee was served with verbal warning

FRUITLESS AND WASTEFUL EXPENDITURE

A) Reconciliation of fruitless and wasteful expenditure

Description	2023/24 ZAR	2022/23 ZAR
Opening balance	306 000	
Adjustment to opening balance		
Opening balance as restated		

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Description	2023/24 ZAR	2022/23 ZAR
Add: Fruitless and wasteful expenditure confirmed		306 000
Less: Fruitless and wasteful expenditure recoverable		
Less: Fruitless and wasteful expenditure not recoverable and written off		
Closing balance	306 000	306 000

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 Oc-

tober 2022. The matter is still under investigation by the SAPS. The Agency has written to the Provincial Treasury for approval to condone the fruitless and wasteful expenditure.

Reconciling notes:

Description	2023/24 ZAR	2022/23 ZAR
Fruitless and wasteful expenditure that was under assessment		
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	306 000	98 000
Fruitless and wasteful expenditure for the current year		208 000
Total	306 000	306 000

B) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/24 ZAR	2022/23 ZAR
Fruitless and wasteful expenditure under assessment		
Fruitless and wasteful expenditure under determination		
Fruitless and wasteful expenditure under investigation	306 000	306 000
Total	306 000	306 000

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 matter is still under investigation by the SAPS. The Agency has written to the Provincial Treasury for approval to condone the fruitless and wasteful expenditure.

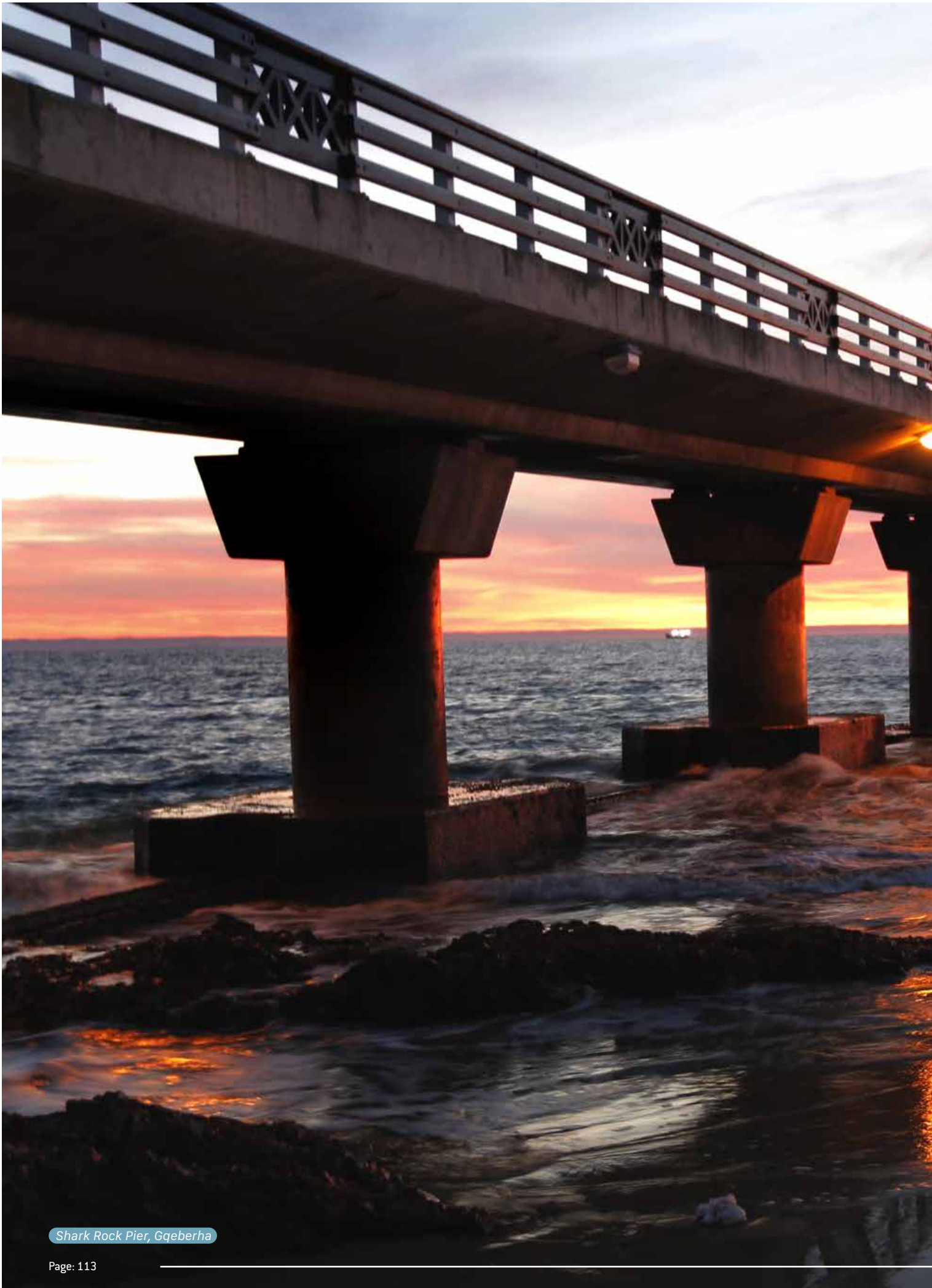
SUPPLY CHAIN MANAGEMENT

PROCUREMENT BY OTHER MEANS

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
Africa Travel Indaba	Synergy Business Events	Sole Source Deviation	Req43762 & PO61394	346 939
WTM Africa	Reed Venue Management	Sole Source Deviation	Req43715 & PO61282	266 017
Emergency Electrical repairs	Lathitha Sinalo Electrical	Emergency Deviation	Req45717 & PO64058	714 492
Meetings Africa	Synergy Business Events	Sole Source Deviation	Req45532 & PO64026	305 749
Firearms and equipment	Target Line	Single Source Deviation (Limited bidding)	Req46286 & PO64973	523 639
Pheasant and Hound	Firearms safes	Single Source Deviation (Limited bidding)	Req46362 & PO65041	256 450
Total				2 413 285

CONTRACT VARIATIONS AND EXPANSIONS

NB: The entity had time variations with no financial implications



Shark Rock Pier, Gqeberha



PART F

Financial Informaion

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

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, 1999 (Act no. 1 of 1999)
Nature of business and principal activities	Biodiversity Conservation and Tourism Management
Members	Dr. N Mzilikazi Ms. P Loyilane Adv. S Mancotywa Mr. L Bevile Mr. C Sparg Dr. A Muir Ms. V Mantyi* Adv. C Mahlali
* Shareholder representative, not remunerated	
Registered office	17-15 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 of South Africa
Website	www.visiteasterncape.co.za

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

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Statement of Changes in Net Assets	7
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Statement of Comparison of Budget and Actual Amounts	9
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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
PFMA	Public Finance Management Act, 1999 (Act no. 1 of 1999)

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Accounting Authority's Responsibilities and Approval

The members are required by the Public Finance Management Act, 1999 (Act no. 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

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

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

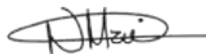
The members have reviewed the entity's cash flow forecast for the year to 31 March 2025 determined through the DEDEAT MTEF budget and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the 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 entity's CEO, Audit and Risk Committee and external auditors.

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

The annual financial statements set out from page 5, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2024 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 EASTERN CAPE PARKS AND TOURISM AGENCY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Eastern Cape Parks and Tourism Agency set out on pages 126 to 189, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Parks and Tourism Agency as at 31 March 2024 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 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.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 42 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of errors in the financial statements of the entity at, and for the year ended, 31 March 2024.

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 accounting authority for 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. This description, which is located at page 123, forms part of our auditor's report.

REPORT ON 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 information against predetermined objectives for the selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators related to Biodiversity and conservation presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of

significant national, community or public interest.

- Biodiversity Decision Support
- Protected Area Expansion
- Protected Area Management
- Projects Implementation

14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.
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
 - all the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those 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 to report material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.
20. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 23 to 81.

Biodiversity and conservation

Targets achieved: **81.81%**
Budget spent: **71.20%**

Key indicators not achieved	Planned target	Reported achievement
Wildlife management and game Industry transformation	22.5	19.1
Reserves tourism management	9	7.7

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for biodiversity and conservation. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

REPORT ON COMPLIANCE WITH LEGISLATION

22. 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.
23. 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.
24. 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.
25. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

26. 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 those selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.

27. 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.
28. 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 programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. 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.

OTHER INFORMATION IN THE ANNUAL REPORT

30. 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.
31. I did not identify any significant deficiencies in internal control.

Auditor General.

East London

1 July 2024



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 programme 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 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 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(4)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); Regulation 33.1.1; 33.1.3
Companies Act 71 of 2008	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); Regulation 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1

Legislation	Sections or regulations
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Paragraph 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Paragraph 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Paragraph 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Rand thousand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	45	2 164
Receivables from exchange transactions	4	4 123	2 790
Receivables from non-exchange transactions	5	25 370	8 799
Cash and cash equivalents	6	55 536	113 887
Game held for sale	7	6 587	5 448
		91 661	133 088
Non-Current Assets			
Intangible assets	8	329	697
Property, plant and equipment	9	328 856	373 193
Service concession assets	10	103 145	47 240
Heritage assets	11	23 616	22 991
Investment property	12	5 862	19 695
		461 808	463 816
Total Assets		553 469	596 904
Liabilities			
Current Liabilities			
Finance lease obligation	13	610	571
Payables from exchange transactions	14	23 116	16 995
Social responsibility projects	15	78	73
Provisions	16	151	206
Unspent grants and receipts	17	86 719	116 778
Employee benefit obligation	18	22 248	19 344
Game held for sale	7	6 587	5 448
		139 509	159 415
Non-Current Liabilities			
Finance lease obligation	13	412	1 022
Employee benefit obligation	18	16 588	17 593
		17 000	18 615
Total Liabilities		156 509	178 030
Net Assets		396 960	418 874
Accumulated surplus		396 957	418 874
Total Net Assets		396 957	418 874

* See Note 42

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Performance

Figures in Rand thousand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Wildlife income	19	5 948	5 666
Rendering of services	20	7 640	7 111
Rental income		1 797	1 679
Interest received - investment	21	7 375	7 484
Actuarial gains	18	2 546	551
Profit on disposal of assets		478	-
Total revenue from exchange transactions		25 784	22 491
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	22	283 103	296 623
Donations	23	1 466	9 960
Fines and penalties		124	63
Total revenue from non-exchange transactions		284 693	306 646
Total revenue		310 477	329 137
Expenditure			
Employee related costs	24	(191 144)	(175 394)
Depreciation and amortisation	25	(24 773)	(31 468)
Impairments of assets		(467)	(648)
Finance costs	26	(2 227)	(1 905)
Debt impairment	27	(67)	(736)
Loss on disposal of assets		-	(6)
General expenses	28	(106 402)	(102 419)
Repairs and maintenance	29	(7 309)	(5 148)
Total expenditure		(332 389)	(317 724)
(Deficit) surplus for the year		(21 912)	11 413

* See Note 42

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Net Assets

Figures in Rand thousand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	405 017	405 017
Adjustments		
Correction of errors (Note 42)	2 444	2 444
Balance at 01 April 2022 as restated*	407 461	407 461
Changes in net assets		
Surplus for the year	11 413	11 413
Total changes	11 413	11 413
Opening balance as previously reported	415 489	415 489
Adjustments		
Correction of errors 42	3 380	3 380
Restated* balance at 01 April 2023	418 869	418 869
Changes in net assets		
Deficit for the year	(21 912)	(21 912)
Total changes	(21 912)	(21 912)
Balance at 31 March 2024	396 957	396 957

* See Note 42

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Cash Flow Statement

Figures in Rand thousand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		15 049	12 825
Grants		237 939	323 290
Interest income		7 375	7 484
		<u>260 363</u>	<u>343 599</u>
Payments			
Employee costs		(188 101)	(156 832)
Suppliers		(102 814)	(128 534)
Finance costs		(89)	(40)
		<u>(291 004)</u>	<u>(285 406)</u>
Net cash flows from operating activities	32	<u>(30 641)</u>	<u>58 193</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(28 401)	(47 014)
Proceeds from sale of property, plant and equipment	9	1 262	-
Purchase of investment property	12	-	(478)
Proceeds from sale of service concession assets	10	-	14
		<u>(27 139)</u>	<u>(47 478)</u>
Net cash flows from investing activities		<u>(27 139)</u>	<u>(47 478)</u>
Cash flows from financing activities			
Finance lease payments and receipts		(571)	1 548
Movement in social responsibility projects		-	(9)
		<u>(571)</u>	<u>1 539</u>
Net cash flows from financing activities		<u>(571)</u>	<u>1 539</u>
Net increase/(decrease) in cash and cash equivalents		<u>(58 351)</u>	<u>12 254</u>
Cash and cash equivalents at the beginning of the year		113 887	101 633
Cash and cash equivalents at the end of the year	6	<u>55 536</u>	<u>113 887</u>

* See Note 42

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

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	Reference
Figures in Rand thousand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Revenue from exchange transactions	27 074	852	27 926	25 784	(2 142)	Note 40
Revenue from non-exchange transactions						
Transfer revenue						
Government grants and subsidies	220 148	(2 201)	217 947	217 947	-	Note 40
Donations	-	-	-	1 466	1 466	
Fines and Penalties	-	-	-	124	124	
Other grants	85 889	104 491	190 380	65 156	(125 224)	Note 40
Total revenue from non-exchange transactions	306 037	102 290	408 327	284 693	(123 634)	
Total revenue	333 111	103 142	436 253	310 477	(125 776)	
Expenditure						
Compensation of employees	(182 972)	(2 803)	(185 775)	(191 144)	(5 369)	Note 40
Goods and services	(128 592)	(17 011)	(145 603)	(85 310)	60 293	Note 40
Capital expenditure	(21 547)	(83 328)	(104 875)	(28 401)	76 474	Note 40
Depreciation and amortisation	-	-	-	(24 773)	(24 773)	Note 40
Impairments of assets	-	-	-	(467)	(467)	Note 40
Finance costs	-	-	-	(2 227)	(2 227)	Note 40
Debt impairment	-	-	-	(67)	(67)	Note 40
Total expenditure	(333 111)	(103 142)	(436 253)	(332 389)	103 864	
Deficit before taxation	-	-	-	(21 912)	(21 912)	

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

Figures in Rand thousand	Note(s)	2024	2023
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1. Presentation of Annual Financial Statements

These annual financial statements are for the year ended 31 March 2024. Comparisons are for the year ended 31 March 2023. 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 122(3) of the Public Finance Management Act, 1999 (Act no. 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 entity will continue to operate as a going concern for at least the foreseeable future.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of the Annual Financial Statements 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 which may be material to the financial statements.

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.

These are considered for defined benefit obligations and plan assets, and the resulting liabilities and assets that are recognised, and require significant estimation as these are subject to volatility as (actuarial) assumptions regarding future outcomes and market values change.

Significant judgements, estimates and assumptions are included in the accounting policies and notes below:

- Allowance for impairment of financial assets measured at amortised cost (note 4)
- Valuation and amortisation of intangible assets (note 8)
- Valuation and depreciation of property, plant and equipment (note 9)
- Valuation and amortisation of service concession assets (note 10)
- Employee benefits (note 18)

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.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.6 Inventories (continued)

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.

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 14).

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.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.8 Intangible assets (continued)

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:

Item	Depreciation method	Useful life
Computer software licences	Straight-line	1 - 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 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 are accounted for on a prospective basis.

Work in progress (WIP) 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.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.9 Property, plant and equipment (continued)

The useful lives of items of service concession assets 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

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.

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.

Eastern Cape Parks and Tourism Agency

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Accounting Policies

1.10 Service concession arrangements (continued)

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	3 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
Buildings	Straight-line	5 - 50 years
Sanitation infrastructure	Straight-line	10 - 60 years
Electricity infrastructure	Straight-line	30 - 40 years
Water supply infrastructure	Straight-line	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.

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.

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Accounting Policies

1.11 Heritage assets (continued)

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

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 33.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.15 Provisions and contingencies (continued)

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.

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.

Eastern Cape Parks and Tourism Agency

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Accounting Policies

1.17 Revenue from exchange transactions (continued)

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.

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.

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

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.

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, 1999 (Act no. 1 of 1999).

1.24 Game held for sale

Large mammals which are identified through the ECPTA game census process as being excess game, are classified as "held for sale" and are reflected in the Annual Financial Statements at fair value less estimated point of sale costs of disposal. The ECPTA classifies excess game identified for off take (disposal), as "held for sale" as their fair value will be recovered principally through a sale transaction rather than through continuing use.

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

Eastern Cape Parks and Tourism Agency

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1.24 Game held for sale (continued)

- 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.

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.

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Notes to the Annual Financial Statements

Figures in Rand thousand

2024

2023

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact of the change is not material.
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	The impact of the change is not material.
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	The impact of the change is not material.
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	The impact of the change is not material.

2.2 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 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2024	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	Not yet determined	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2024	Unlikely there will be a material impact

3. Inventories

Maintenance materials	-	2 119
Fuel	45	45
	45	2 164

During the year, no fencing materials has been purchased for projects funded by DFFE. An amount of R1,188 million (2023: R1,17 million) was transferred from inventory to property, plant and equipment, whilst R931 thousand was transferred to operating expenditure.

Fuel purchased directly from suppliers and accordingly expensed amounted to R13 thousand (2023: R240 thousand).

4. Receivables from exchange transactions

Trade debtors	2 192	1 239
Prepaid expenses	708	876
Deposits	715	665
Operating lease receivables	150	-
Rent receivable	357	138
Staff debtors	344	400
Impairment allowance	(343)	(528)
	4 123	2 790

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4. New standards and interpretations (continued)

Trade debtors

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

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 6 months past due are not considered to be impaired. At 31 March 2024, R306 thousand (2023: R -) were past due but not impaired.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	528	-
Provision for impairment	67	528
Amounts written off as uncollectible	(252)	-
	343	528

5. Receivables from non-exchange transactions

Grants receivable	25 370	8 799
SARS	190	190
Social projects	773	773
Impairment allowance	(963)	(963)
	25 370	8 799

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 comprise of:

South African National Roads Agency Limited	11 791	-
National Lotteries Commission	99	99
Marine and Coastal Management - MPA	13 480	7 200
South African Tourism (SAT)	-	1 500
	25 370	8 799

Reconciliation of movement in grants receivable:

31 March 2024

	Balance receivable at start of year	Current year receipts	Transfers to revenue	Total
South African Tourism (SAT)	1 500	(1 500)	-	-
National Lotteries Commission	99	-	-	99
Marine and Coastal Management - MPA	7 200	-	6 280	13 480
South African National Roads Agency Limited	-	-	11 791	11 791
	8 799	(1 500)	18 071	25 370

31 March 2023

	Balance receivable at start of year	Current year receipts	Transfers to revenue	Total
South African Tourism (SAT)	1 500	-	-	1 500
National Lotteries Commission	-	-	99	99
Marine and Coastal Management - MPA	571	-	6 629	7 200
	2 071	-	6 728	8 799

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5. Receivables from non-exchange transactions (continued)

Receivables from non-exchange transactions pledged as security

There were no receivables from non-exchange transactions 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 2024, R7 million (2023: R2 million) were past due but not impaired.

The past due and not impaired receivables relate to amounts owed by an organ of state, Marine Protected Areas (MPA) programme of the Department of Forestry, Fisheries and the Environment (DFFE). The ECPTA has a memorandum of agreement with DFFE on the management of marine protected areas that are proximate to or share common boundaries with areas managed by ECPTA. Due to the nature of the agreement, there is certainty in the recoverability of the funds as both parties are government organs, and hence, the receivable is not impaired.

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

Opening balance	(963)	(757)
Provision for impairment	-	(206)
	(963)	(963)

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	162	146
Bank balances	55 299	113 671
Bank balances (Social responsibility projects)	75	70
	55 536	113 887

Eastern Cape Parks and Tourism Agency

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6. Cash and cash equivalents (continued)

The ECPTA had the following bank accounts with First National Bank:

Account number / description	Bank statement balances		Cash book balances	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Main account	5 442	2 037	5 442	2 037
Revenue account	4 765	41	4 765	41
African Wildlife Foundation	2	2	2	2
BANKSETA	857	720	857	720
CATHSSETA	56	137	56	137
DFFE - Environmental Monitors	-	50	-	50
DFFE - Environmental Protection and Infrastructure Programme	80	56 907	80	56 907
Economic Stimulus Fund	7 108	12 212	7 108	12 212
Nedbank Green Trust	400	1 036	400	1 036
Marine Protected Areas - MPA	1	1	1	1
National Lotteries Commission	2	11	2	11
NDT - Baviaanskloof	3 736	4 584	3 736	4 584
NDT - Infrastructure	9 531	10 505	9 531	10 505
NDT - Tourism Monitors	2	2	2	2
NDT - Universal Accessibility	86	505	86	505
N2 Biodiversity Offset Project	621	3 748	621	3 748
Rhino Impact Bond	147	298	147	298
South African National Biodiversity Institute	744	746	744	746
SANBI GEF-7	414	2 266	414	2 266
SANBI Presidential Youth Employment Intervention - PYEI	-	1	-	1
SANBI Groen Sebenza	1 785	-	1 785	-
South African National Parks	-	1	-	1
Wildlife Conservation Bond	19 520	17 861	19 520	17 861
Total	55 299	113 671	55 299	113 671

The ECPTA's Bankers are First National Bank with credit rating BBB.

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 (2 of 2010), is maintained from the Main and Revenue accounts for day to day activities. The ECPTA has accounts, including projects, totalling to R55 million (2023: R114 million), as Treasury allows.

The unspent amounts of R87 million (2023: R116 million), read with grants receivable of R25 million (2023: R8.8 million), see note 5, is more than the bank balances of R55 million (2023: R114 million).

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 15.

Economic Stimulus Fund and Environmental Protection and Infrastructure Programme balance of R7 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 35.

There were no cash and cash equivalents pledged as security.

7. Game held for sale

Game held for sale	6 587	5 448
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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.

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7. Game held for sale (continued)

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	142	111
Hunting game	125	525
External culling game	1 320	857
Internal culling game	324	386
	1 911	1 879

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 19.

A comprehensive assessment of animal populations was conducted as per the data collected as of 31 October 2023. Reserves are subjected to aerial surveys, on a three-cycle. In cases where an aerial survey was conducted in 2023, as in the case of the Baviaanskloof World Heritage Site (WHS), the game census data underwent adjustments to account for off-takes, mortalities and introductions that occurred after the aerial survey. For the remaining reserves, where an aerial survey was not conducted in 2023, the 2022 population estimates are updated using the following calculation:

- 2023 estimate = (2022 estimate + x% increase) - 2023 off-takes + 2023 introductions

The figure is based on the average of the annual growth rates calculated for each of the three-year periods between successive counts conducted since 2006. Wherever more accurate estimates of population sizes are available from reserve managers, these may be used.

Deferred revenue

Game held for sale	6 587	5 448
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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.

8. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software licences	5 154	(4 825)	329	5 154	(4 457)	697

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software licences	697	(368)	329

Eastern Cape Parks and Tourism Agency

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8. Intangible assets (continued)

Reconciliation of intangible assets - 2023

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

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

9. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	211 017	(60 107)	150 910	193 712	(57 048)	136 664
Plant and machinery	9 576	(8 071)	1 505	9 599	(8 159)	1 440
Furniture and fixtures	18 752	(16 885)	1 867	18 869	(16 810)	2 059
Motor vehicles	44 680	(31 666)	13 014	45 566	(32 513)	13 053
Office equipment	14 674	(8 378)	6 296	11 513	(6 980)	4 533
IT equipment	20 208	(16 511)	3 697	19 270	(13 935)	5 335
Roads and storm water	373 908	(327 688)	46 220	370 940	(323 008)	47 932
Building attachment	10 644	(8 200)	2 444	10 389	(7 329)	3 060
Fencing	77 932	(64 256)	13 676	76 293	(62 492)	13 801
Field equipment	3 811	(3 025)	786	3 567	(2 849)	718
Infrastructure - work in progress	62 064	-	62 064	126 534	-	126 534
Electricity infrastructure	19 100	(7 695)	11 405	11 961	(7 320)	4 641
Sanitation infrastructure	8 371	(4 493)	3 878	7 387	(4 283)	3 104
Water supply infrastructure	25 338	(14 244)	11 094	24 060	(13 741)	10 319
Total	900 075	(571 219)	328 856	929 660	(556 467)	373 193

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9. Property, plant and equipment (continued)	Opening balance	Additions	Disposals	Transfers to other PPE classes	Transfers to service concessions	Transfer of functions (Donations)	Depreciation	Impairment loss	Total
Buildings	136 664	842	(101)	19 610	(2 198)	-	(3 907)	-	150 910
Plant and machinery	1 440	393	(71)	183	-	-	(440)	-	1 505
Furniture and fixtures	2 059	316	(20)	-	-	-	(488)	-	1 867
Motor vehicles	13 053	4 917	(309)	-	-	-	(4 647)	-	13 014
Office equipment	4 533	1 383	(503)	2 499	-	-	(1 616)	-	6 296
IT equipment	5 335	1 133	(62)	-	-	-	(2 709)	-	3 697
Roads and storm water	47 932	-	-	2 968	-	-	(4 212)	(468)	46 220
Building attachments	3 060	276	(8)	-	-	-	(884)	-	2 444
Fencing	13 801	136	-	1 506	-	-	(1 767)	-	13 676
Field equipment	718	263	-	-	-	-	(195)	-	786
Infrastructure - work in progress	126 534	19 421	-	(35 461)	(42 634)	(5 796)	-	-	62 064
Electricity infrastructure	4 641	167	-	6 972	-	-	(375)	-	11 405
Sanitation infrastructure	3 104	-	-	983	-	-	(209)	-	3 878
Water supply infrastructure	10 319	-	-	1 274	-	-	(499)	-	11 094
	373 193	29 247	(1 074)	534	(44 832)	(5 796)	(21 948)	(468)	328 856
Infrastructure - work in progress									
Fencing projects									
Buildings					7 453	140	(1 506)	-	6 087
Various classes					112 013	1 956	(19 076)	(39 358)	55 535
Sanitation					6 964	4 215	(6 924)	(4 086)	169
Electricity					104	2 250	(983)	(1 234)	137
					-	10 860	(6 972)	(3 752)	136
	126 534	19 421	(35 461)	(48 430)					62 064

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9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Transfers	Depreciation	Impairment loss	Total
Buildings	139 610	857	-	(3 803)	-	136 664
Plant and machinery	1 791	386	-	(737)	-	1 440
Furniture and fixtures	2 580	415	-	(936)	-	2 059
Motor vehicles	12 674	6 988	-	(6 609)	-	13 053
Office equipment	5 813	421	-	(1 701)	-	4 533
IT equipment	5 441	2 923	-	(3 029)	-	5 335
Roads and storm water	54 817	-	-	(6 885)	-	47 932
Building attachments	4 302	298	-	(1 540)	-	3 060
Fencing	15 308	929	-	(2 150)	(286)	13 801
Field equipment	1 313	20	-	(615)	-	718
Infrastructure - work in progress	93 461	36 015	(2 942)	-	-	126 534
Electricity infrastructure	4 605	699	-	(302)	(361)	4 641
Sanitation infrastructure	3 326	-	-	(222)	-	3 104
Water supply infrastructure	10 811	-	-	(492)	-	10 319
	355 852	49 951	(2 942)	(29 021)	(647)	373 193

Infrastructure - work in progress

	Opening balance	Additions	Transfers to PPE	Total
Fencing projects	3 584	4 757	(888)	7 453
Buildings	83 671	28 804	(462)	112 013
Various classes	6 206	1 685	(927)	6 964
Sanitation	-	104	-	104
Electricity	-	665	(665)	-
	93 461	36 015	(2 942)	126 534

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9. Property, plant and equipment (continued)

Pledged as security

No property, plant and equipment is pledged as security.

Property, plant and equipment amounting to R41 million (2023: R2,9 million) and included in additions was transferred from Infrastructure - work in progress. An amount of R2,119 million (2023: R1,17 million) was transferred from inventory to property, plant and equipment. Refer to note 3. The statement of cash flow accordingly states R28,4 million (2023: R47 million) as purchases of property, plant and equipment. In addition, the change in inventory is reflected as working capital per note 32 cash generated by from operations.

Transfers totalling R931 thousand was made from property, plant and equipment to operating expenditure.

Property, plant and equipment commitments are as per Commitments note. Refer to note 36.

Assets subject to finance lease (Net carrying amount)

IT equipment 993 1 581

10. Service concession assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
IT equipment	1 210	(1 094)	116	1 021	(980)	41
Buildings	90 964	(6 673)	84 291	39 913	(3 457)	36 456
Furniture and fixtures	1 115	(314)	801	650	(173)	477
Office equipment	703	(446)	257	444	(376)	68
Plant and machinery	828	(599)	229	570	(528)	42
Electricity infrastructure	9 077	(973)	8 104	5 325	(777)	4 548
Building attachments	1 976	(250)	1 726	178	(4)	174
Sanitation infrastructure	2 880	(177)	2 703	1 646	(68)	1 578
Water supply infrastructure	5 084	(567)	4 517	4 320	(464)	3 856
Roads	430	(29)	401	-	-	-
Total	114 267	(11 122)	103 145	54 067	(6 827)	47 240

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10. Service concession assets (continued)

Reconciliation of service concession assets - 2024

	Opening balance	Transfers from PPE - Work in progress	Disposals	Transfers from PPE - Buildings	Transfers from Investment property	Other changes, movements	Amortisation	Total
IT equipment	41	363	(186)	-	-	-	(102)	116
Buildings	36 456	33 562	-	2 195	13 374	-	(1 296)	84 291
Furniture and fixtures	477	273	-	-	-	191	(140)	801
Office equipment	68	237	-	-	-	-	(48)	257
Plant and machinery	42	225	-	-	-	-	(38)	229
Electricity infrastructure	4 548	3 752	-	-	-	-	(196)	8 104
Building attachments	174	1 794	-	-	-	-	(242)	1 726
Sanitation infrastructure	1 578	1 234	-	-	-	-	(109)	2 703
Water supply infrastructure	3 856	764	-	-	-	-	(103)	4 517
Roads	-	430	-	-	-	-	(29)	401
	47 240	42 634	(186)	2 195	13 374	191	(2 303)	103 145

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 and 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
	38 709	9 961	(14)	(1 416)	47 240

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10. 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.

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

In December 2023, the ECPTA entered into a concession agreement with Baviaans Hiking (Pty) Ltd. The concession fee comprises:

- The minimum concession fee of R12,500 a month.
- The variable Public-Private Partnership fee of 13% of gross revenue.
- The monthly rental payable will have an annual escalation linked to the Consumer Price Index (CPI).
- Rent payment dates: rental paid monthly not later than last day of the month.

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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10. Service concession assets (continued)

Cape Morgan:

The Board of Directors in March 2024 appointed Ramburi Properties JV Sina Hospitality as a preferred service provider to operate Cape Morgan Nature Reserve's Hotel, Conference Centre, and Restaurant Facilities for a period of 15 years with an option to extend for a further period of 5 years. At the time of reporting an agreement between the parties had not been concluded.

11. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Land	23 616	-	23 616	22 991	-	22 991

Reconciliation of heritage assets - 2024

	Opening balance	Additions	Total
Land	22 991	625	23 616

Reconciliation of heritage assets - 2023

	Opening balance	Total
Land	22 991	22 991

The addition of R1,466 million in 2023/24 is transfer of land of R625 thousand and buildings of R841 thousand, resulting from a donation received at Onverwacht Farm and Bank Kop. See note 23.

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11. Heritage assets (continued)		
Heritage assets which fair values cannot be reliably measured		
Reserve		
	Estimated area	Estimated area
	in hectares	in hectares
Great Fish River Nature Reserve	43 417	43 417
- Comprising of Sam Knott and Double Drift Nature Reserves		
Baviaanskloof Nature Reserve	193 011	193 011
- Comprising of Baviaanskloof Wilderness Area, Stinkhoutberg, Cockscomb, Onverwacht and Bank Kop		
Formosa Nature Reserve	25 511	25 490
Groendal Nature Reserve	44 877	44 877
The Island Nature Reserve	495	495
Thomas Baines Nature Reserve	2 588	2 588
Waters Meeting Nature Reserve	4 217	4 217
Tsolwana Nature Reserve	7 796	7 796
Mpofu Nature Reserve	10 104	10 104
Fort Fordyce Nature Reserve	2 970	2 970
East London Coast Nature Reserve	3 827	3 827
Hamburg Nature Reserve	1 466	1 466
Dwesa – Cwebe Nature Reserve	5 529	5 529
Hluleka Nature Reserve	4 665	4 665
Silaka Nature Reserve	400	400
Nduli – Luchaba Nature Reserve	518	518
Mkhambathi Nature Reserve	7 736	7 736
Ongeluksnek Nature Reserve	11 540	11 540
Oviston Nature Reserve	1 455	1 455
Commando Drift Nature Reserve	5 746	5 746
	377 868	377 847

Heritage assets measured at cost

In 2010, the then Eastern Cape Parks Board (ECPB) transferred the Provincial Protected Areas to the ECPTA. A significant value of the ECPTA Heritage assets were obtained through non-exchange transactions from various state-owned organisations to the then ECPB. For Heritage assets obtained from non-exchange transactions, the ECPTA attempted to establish the value thereof using guidance from Directive 7 issued by the Accounting Standards Board. Due to the size and magnitude of Provincial Parks and the Office of the Valuer General (under the Department of Rural Development and Land Reform) are not aware of any market to buy and sell Provincial Parks or any other valuation method or technique that is available to measure Provincial Protected Areas. The ECPTA could, therefore, not establish a fair value /deemed cost nor a replacement cost for its Heritage assets acquired from non-exchange transactions. For that reason, the ECPTA Heritage assets acquired from non-exchange transactions could not be recognised in the annual financial statements. However, information pertaining to such assets has been disclosed below.

The ECPTA assesses at each reporting date whether there is any indication that the heritage assets may be impaired. No such indication existed at the end of the current financial reporting period.

The total hectares of ground transferred is estimated at 20, 592.

Land purchased by the former Eastern Cape Parks Board to the cost of R23, 616 million was recognised as heritage assets at the fair value of the consideration paid on purchase by the ECPTA.

Land to the value of R625 thousand has been recognised as heritage assets in the current year.

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11. Heritage assets (continued)		
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 Baviaanskloof Wilderness Area, Stinkhoutberg, Cockscomb, Onverwacht and Bank Kop - 18,336 hectares acquired at cost	16 159	15 534
Mpofu Nature Reserve		
827 hectares acquired at cost	1 798	1 798

12. Investment property

	2024			2023		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	7 737	(1 875)	5 862	23 031	(3 336)	19 695

Reconciliation of investment property - 2024

	Opening balance	Transfer to service concession	Depreciation	Total
Buildings	19 695	(13 375)	(458)	5 862

Reconciliation of investment property - 2023

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

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.

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12. Investment property (continued)		
Details of property		
Unit 2 Bhisho Business Village	813	835
Tourism House Phalo Avenue	4 434	4 554
Somerset House	615	626
Cape Morgan multi-purpose facility	-	13 680
	5 862	19 695

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 at 10 April 2024, as determined by an independent valuer, P Lindstrom (Registration no 935/7 registered in terms of the Valuers Act, 2000 (Act no.47 of 2000) is R1,710 million (2023: R1,880 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 at 10 April 2024, as determined by an independent valuer, P Lindstrom (Registration no 935/7 registered in terms of the Valuers Act, 2000 (Act No.47 of 2000) is R10,020 million (2023: R11,110 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, 2000 (Act No.47 of 2000) is R1,230 million (2023: R1,140 million). 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 and accommodation 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. The Board of Directors awarded a concession in March 2024 (Note 10).

From investment property that generated rental revenue

Rental revenue from investment property	1 797	1 679
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From investment property that generated rental revenue

Repairs and maintenance	46	77
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Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand	2024	2023
13. Finance lease obligation		
Minimum lease payments due		
- within one year	660	660
- in second to fifth year inclusive	423	1 084
	<u>1 083</u>	<u>1 744</u>
less: future finance charges	(61)	(151)
Present value of minimum lease payments	<u>1 022</u>	<u>1 593</u>
Present value of minimum lease payments due		
- within one year	610	571
- in second to fifth year inclusive	412	1 022
	<u>1 022</u>	<u>1 593</u>
Non-current liabilities	412	1 022
Current liabilities	610	571
	<u>1 022</u>	<u>1 593</u>

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

Interest rates are fixed 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 the East London head office is leased from Konica Minolta South Africa for a period of three years ending 31 January 2026, at a lease rental of R23 thousand per month, with no escalation.
- 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, with no escalation.

14. Payables from exchange transactions

Trade payables	7 465	5 924
Revenue received in advance	3 710	2 595
Other trade payables	33	31
Other payables - employee related	7 375	2 387
Accrued expense trade	4 494	6 013
Operating lease payments	39	45
	<u>23 116</u>	<u>16 995</u>

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 35.

Salary control account consists of the following amounts:

Salaries and wages	567	320
Skills development levy	196	152
UIF	193	-
PAYE	1 947	-
COID contributions	1 473	921
Pension and provident fund	1 957	-
Medical aid	1 042	994
	<u>7 375</u>	<u>2 387</u>

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand 2024 2023

15. Social responsibility projects

Social responsibility projects	78	73
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This represents amounts available for social responsibility projects (formerly poverty alleviation projects) which are administered on behalf of the National Department of Forestry, Fisheries and the Environment, refer to note 6.

16. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Utilised during the year	Total
Legal proceedings	135	(55)	80
Professional fees	71	-	71
	206	(55)	151

Reconciliation of provisions - 2023

	Opening Balance	Total
Legal proceedings	135	135
Professional fees	71	71
	206	206

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
Public liability claims against employees	10	35
Employment dismissal	30	30
Reckless and negligent driving	20	20
	80	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.

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 2024, as duly required by the PFMA.

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Figures in Rand thousand	2024	2023
17. Unspent grants and receipts		
Unspent conditional grants and receipts comprises of:		
Economic Stimulus Fund (DEDEAT)	11 834	20 630
SANBI Presidential Youth Employment Intervention	664	664
South African National Biodiversity Institute	2 210	2 266
South African National Parks	50	50
CATHSSETA	45	203
National Department of Tourism	12 860	14 158
Environmental Protection and Infrastructure Programme (DFFE)	39 393	55 207
Rhino Impact Bond	41	134
South African National Roads Agency Limited (N2BOP)	-	4 379
BANKSETA	745	720
Nedbank Green Trust	229	989
Wildlife Conservation Bond	18 220	17 378
Marketing Tourism Indaba	28	-
FNB	100	-
Brakfontein Community - Amakhala, Kariega, Lalibela	300	-
	86 719	116 778
Movement during the year		
Balance at the beginning	116 778	88 263
Additions during the year	253 044	325 140
Income recognition during the year	(283 103)	(296 625)
	86 719	116 778

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.

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand 2024 2023

18. Employee benefit obligations

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

Non-current liabilities	16 588	17 593
Current liabilities	22 248	19 344
	38 836	36 937

2024	Non-current	Current	Total
Long service award	1 892	211	2 103
Post-employment medical aid	14 696	640	15 336
Provision for Leave Pay	-	12 396	12 396
Performance bonus	-	9 001	9 001
	16 588	22 248	38 836

2023	Non-current	Current	Total
Long service award	1 877	214	2 091
Post-employment medical aid	15 716	404	16 120
Provision for Leave Pay	-	12 001	12 001
Performance bonus	-	6 725	6 725
	17 593	19 344	36 937

Reconciliation of employee benefits - 2024

	Opening Balance	Additions	Utilised during the year	Total
Long service award	2 091	12	-	2 103
Post-employment medical aid	16 120	(55)	(729)	15 336
Provision for Leave Pay	12 001	395	-	12 396
Performance bonus	6 725	9 001	(6 725)	9 001
	36 937	9 353	(7 454)	38 836

Reconciliation of employee benefits - 2023

	Opening Balance	Additions	Utilised during the year	Total
Long service award	2 268	-	(177)	2 091
Post-employment medical aid	14 758	1 980	(618)	16 120
Provision for Leave Pay	11 936	65	-	12 001
Performance bonus	6 725	6 785	(6 785)	6 725
	35 687	8 830	(7 580)	36 937

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.

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

Opening balance	17 593	15 173
Benefits paid	(1 084)	618
Net expense recognised in the statement of financial performance	79	1 802
	16 588	17 593

Eastern Cape Parks and Tourism Agency

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Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023
18. Employee benefit obligations (continued)		
Net expense recognised in the statement of financial performance:		
Current service cost	487	488
Interest cost	2 138	1 865
Actuarial (gains) losses	(2 546)	(551)
	79	1 802

Key assumptions used

Assumptions used at the reporting date:

The assumptions make use of nominal and zero curves to find assumptions at each relevant time period. Therefore the rates indicated are solely for indicative purposes since the entire yield curve is used to obtain the financial variables.

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 active employees will retire at average age 65 (2023: 65 years).

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

The ECPTA, as a Schedule 3C Public Finance Management Act, 1999 (Act no.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.

Post-employment medical aid benefits

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

Opening balance	16 120	14 758
Net expense recognised in the statement of financial performance	(785)	1 362
	15 335	16 120

Net expense recognised in the statement of financial performance:

Interest cost	1 906	1 631
Actuarial (gains) losses	(2 402)	(191)
Expenditure incurred	(640)	(404)
Current service cost	351	326
	(785)	1 362

The ECPTA provides certain post-retirement health care benefits by funding the medical aid fund contributions of qualifying retired members of the entity. According to the rules of the medical aid funds, with which the ECPTA is associated, a member (who is on the current conditions of service) is entitled to remain a continued member of such a medical aid fund on retirement, in which case the entity is liable for a certain portion of the fund contribution. The ECPTA operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out on 31 March 2024 by Mr. Julian van der Spuy, a Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand 2024 2023

18. Employee benefit obligations (continued)

The members of the post-employment medical aid benefit plan are made up as follows:

In-service members (employees)	19	26
Continuation members (retirees, widowers and orphans)	25	21
	44	47

The liability in respect of past service has been estimated as follows:

In-service members (employees)	6 788	10 015
Continuation members (retirees, widowers and orphans)	8 547	6 105
	15 335	16 120

The principal assumptions used for the purpose of actuarial valuations were as follows:

Discount rate	12.63 %	11.85 %
CPI (Consumer Price Index)	7.24 %	7.49 %
Medical aid inflation rate	9.24 %	9.49 %
Net effective discount rate	3.10 %	2.16 %
Average retirement age	65	65

The ECPTA makes monthly contributions for health care arrangements to the following medical aid schemes:

- LA Health
- Bonitas
- Hosmed
- Samwumed
- Key Health

The current service cost for the year ending 31 March 2024 is estimated to be R351 thousand (2023: R326 thousand), whereas the cost for the ensuing year is estimated to be R196 thousand (2023: R351 thousand).

The entity expects to make a contribution of R646 thousand (2023: R640 thousand) to the defined benefit plans during the next financial year.

Medical aid inflation

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

We have tested the effect of a 1% p.a. change in the medical aid inflation assumption. The effect is as follows:

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Figures in Rand thousand

2024

2023

18. Employee benefit obligations (continued)

	-1% Medical aid inflation	Valuation Assumption	+1% Medical aid inflation
Total Accrued Liability	13 831	15 335	17 076
Interest Cost	1 717	1 909	2 130
Service Cost	172	196	223
	15 720	17 440	19 429

Analysis of five years:

	2024 R	2023 R	2022 R	2021 R	2020 R
Present value of defined benefit obligation	15 335	16 120	14 758	14 457	15 276

Mortality rate

Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the Organisation. If the actual rates of mortality turn out higher than the rates assumed in the valuation basis, the cost to the Organisation in the form of subsidies will reduce and vice versa.

We have illustrated the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 20%. The effect is as follows:

	-20% Mortality rate	Valuation Assumption	+20% Mortality rate
Total Accrued Liability	16 561	15 335	14 329
Interest Cost	2 064	1 909	1 781
Service Cost	214	196	181

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cashflows. If the discount rate is higher the present value of the liability will be lower and vice versa.

We have tested the effect of a 1% p.a. change in the discount rate assumption. The effect is as follows:

	-1% Discount Rate	Valuation Assumption	+1% Discount Rate
Total Accrued Liability	17 088	15 335	13 843
Interest Cost	2 132	1 909	1 719
Service Cost	223	196	172

Withdrawal rate

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the Organisation. If the actual rates of withdrawal turn out to be higher than the rates assumed in the valuation basis, then the cost to the Organisation in the form of benefits will reduce and vice versa.

We have illustrated the effect of higher and lower withdrawal rates by increasing and decreasing the withdrawal rates by 20%. The effect is as follows:

	-20% Withdrawal rate	Valuation Assumption	+20% Withdrawal rate
Total Accrued Liability	15 336	15 336	15 334
Interest Cost	1 909	1 909	1 908
Service Cost	196	196	196

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Figures in Rand thousand	2024	2023
18. Employee benefit obligations (continued)		
Long service awards liability		
Changes in the present value of the long service award obligation are as follows:		
Opening balance	2 091	2 269
Net expense recognised in the statement of financial performance	12	(178)
	2 103	2 091
Net expense recognised in the statement of financial performance:		
Interest cost	232	234
Actuarial (gains) losses	(145)	(360)
Expenditure incurred	(211)	(214)
Current service cost	136	162
	12	(178)

The ECPTA has a policy to provide for long service awards to eligible employees that complies with the Basic Conditions of Employment Act, 1997 (Act no. 75 of 1997). An employee qualifies for service leave equal to his/her annual leave entitlement after every completed period of ten years uninterrupted service with the entity. Long service benefits are awarded in the form of a cash benefit payable upon completion of 10 yearly intervals, with the first benefit payable upon 20 years of service.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out on 31 March 2024 by Mr. Julian van der Spuy, a Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The current service cost for the year ending 31 March 2024 is estimated to be R162 thousand (2023: R thousand), whereas the cost for the ensuing year is estimated to be R136 thousand (2023: R162 thousand).

The entity expects to make a contribution of R182 thousand (2023: R214 thousand) to the defined benefit plans during the next financial year.

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Figures in Rand thousand

2024

2023

18. Employee benefit obligations (continued)

The principal assumptions used for the purpose of actuarial valuations were as follows:

Discount rate	11.42 %	11.33 %
CPI (Consumer Price Index)	6.30 %	6.34 %
Benefit inflation rate	6.30 %	6.34 %
Net effective discount rate	4.82 %	4.69 %

Withdrawal rate

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the Organisation. If the actual rate of withdrawal turns out to be higher than the rates assumed in the valuation basis, then the cost to the Organisation in the form of benefits will reduce and vice versa.

We have illustrated the effect of higher and lower withdrawal rates by increasing and decreasing the withdrawal rates by 20%. The effect is as follows:

	-20% Withdrawal rate	Valuation Assumption	+20% Withdrawal rate
Total Accrued Liability	2 233	2 103	1 986
Current Service Cost	159	145	132
Interest Cost	252	236	222

Analysis of five years:	2024 R	2023 R	2022 R	2021 R	2020 R
Present value of long service award obligation	2 103	2 091	2 269	2 788	1 940

Benefit inflation rate

The cost of the long service awards is dependent on the increase in the benefits paid to employees. The rate at which benefits increase will thus have a direct effect on the liability of future employees.

We have tested the effect of a 1% p.a. change in the Benefit inflation assumption. The effect is as follows:

	-1% Benefit Inflation Rate	Valuation Assumption	+1% Benefit Inflation Rate
Total Accrued Liability	1 950	2 103	2 273
Current Service Cost	131	145	160
Interest Cost	218	236	256

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cashflows. If the discount rate is higher the present value of the liability will be lower and vice versa.

We have tested the effect of a 1% p.a. change in the discount rate assumption. The effect is as follows:

	-1% Discount rate	Valuation Assumption	+1% Discount rate
Total Accrued Liability	2 266	2 103	1 958
Current Service Cost	160	145	132
Interest Cost	233	236	238

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18. Employee benefit obligations (continued)		
Provision for leave pay		
The ECPTA, as a Schedule 3C Public Finance Management Act, 1999 (Act no.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 (2023: R1,2 million). The related leave pay provision is R12 million (2023: R12 million).		
19. Wildlife income		
Culling revenue	605	-
Hunting and fishing income	2 636	2 974
Live game sales	2 522	2 568
Venison sales	185	124
	5 948	5 666
20. Rendering of services		
Accommodation fees	3 221	2 803
Camping fees	838	901
Commission	97	21
Concession income	1 175	791
Conservation fees	1 304	1 263
Day tours and activities	535	554
Ecological services income	27	25
Sundry income	443	753
	7 640	7 111
21. Investment revenue		
Interest revenue		
Bank	7 375	7 484
22. Government grants and subsidies		
Operating grants		
Equitable Share (DEDEAT)	217 947	219 168
Economic Stimulus Fund (DEDEAT)	8 796	13 408
SANBI Presidential Youth Employment Intervention	-	951
South African National Biodiversity Institute	2 456	-
South African National Parks	-	2 653
CATHSSETA	653	108
National Lotteries Commission	-	519
Sarah Baartman District Municipality (SBDM)	-	300
National Department of Tourism	1 298	6 378
Environmental Protection and Infrastructure Programme (DFFE)	15 814	26 095
Rhino Impact Bond	93	70
South African National Roads Agency Limited	16 170	11 935
Marine and Coastal Management - MPA	6 280	4 185
BANKSETA	455	-
Nedbank Green Trust	1 460	411
Wildlife Conservation Bond	8 278	6 942
Department of Transport	3 300	3 500
Marketing Tourism Indaba	103	-
	283 103	296 623

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Figures in Rand thousand	2024	2023
22. Government grants and subsidies (continued)		
Conditional and unconditional		
Included in above are the following grants and subsidies received:		
Unconditional grants received	217 947	219 168
Conditional grants received	65 156	77 455
	283 103	296 623
<p>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.</p> <p>Conditions still to be met - remain liabilities (see notes 5 and 17).</p>		
Equitable Share (DEDEAT)		
Current year receipts	217 947	219 168
Conditions met - transferred to revenue	(217 947)	(219 168)
	-	-
Economic Stimulus Fund (DEDEAT)		
Balance unspent at beginning of year	20 630	34 038
Conditions met - transferred to revenue	(8 796)	(13 408)
	11 834	20 630
SANBI Presidential Youth Employment Intervention		
Balance unspent at beginning of year	664	275
Current year receipts	-	1 340
Conditions met - transferred to revenue	-	(951)
	664	664
South African National Biodiversity Institute		
Balance unspent at beginning of year	2 266	-
Current year receipts	2 400	2 266
Conditions met - transferred to revenue	(2 456)	-
	2 210	2 266
South African National Parks		
Balance unspent at beginning of year	50	2 481
Current year receipts	-	264
Conditions met - transferred to revenue	-	(2 653)
Returned to funder (project closure)	-	(42)
	50	50

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.

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Figures in Rand thousand	2024	2023
22. Government grants and subsidies (continued)		
CATHSSETA		
Balance unspent at beginning of year	203	93
Current year receipts	494	218
Conditions met - transferred to revenue	(652)	(108)
	45	203
National Lotteries Commission		
Balance unspent at beginning of year	-	420
Conditions met - transferred to revenue	-	(519)
Other - grants receivable	-	99
	-	-
Sarah Baartman District Municipality (SBDM)		
Current year receipts	-	300
Conditions met - transferred to revenue	-	(300)
	-	-
National Department of Tourism		
Balance unspent at beginning of year	14 158	10 209
Current year receipts	-	10 327
Conditions met - transferred to revenue	(1 298)	(6 378)
	12 860	14 158
Environmental Protection and Infrastructure Programme (DFPE)		
Balance unspent at beginning of year	55 207	40 130
Current year receipts	-	41 172
Conditions met - transferred to revenue	(15 814)	(26 095)
	39 393	55 207
Rhino Impact Bond		
Balance unspent at beginning of year	134	204
Conditions met - transferred to revenue	(93)	(70)
	41	134
South African National Roads Agency Limited		
Balance unspent at beginning of year	4 379	288
Current year receipts	-	16 026
Conditions met - transferred to revenue	(16 170)	(11 935)
Other - grants receivable	11 791	-
	-	4 379

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Figures in Rand thousand	2024	2023
22. Government grants and subsidies (continued)		
Marine and Coastal Management - MPA		
Conditions met - transferred to revenue	(6 280)	(4 185)
Other - grants receivable	6 280	4 185
	-	-
BANKSETA		
Balance unspent at beginning of year	720	-
Current year receipts	480	720
Conditions met - transferred to revenue	(455)	-
	745	720
Nedbank Green Trust		
Balance unspent at beginning of year	989	-
Current year receipts	700	1 400
Conditions met - transferred to revenue	(1 460)	(411)
	229	989
Wildlife Conservation Bond		
Balance unspent at beginning of year	17 378	-
Current year receipts	9 120	24 320
Conditions met - transferred to revenue	(8 278)	(6 942)
	18 220	17 378
Department of Transport		
Current year receipts	3 300	3 500
Conditions met - transferred to revenue	(3 300)	(3 500)
	-	-
Marketing Tourism Indaba		
Current year receipts	131	-
Conditions met - transferred to revenue	(103)	-
	28	-
FNB		
Current-year receipts	100	-
Brakfontein Community - Amakhala, Kariega, Lalibela		
Current-year receipts	300	-

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Figures in Rand thousand	2024	2023
23. Donations		
Donations	1 466	9 960

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 2023 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. A R1,4 million portion of land and buildings has been transferred in the current year.

The Department of Forestry, Fisheries and the Environment transferred property, plant and equipment of R nil (2023: R9,960 million) to the ECPTA as duly required by Section 42 of the PFMA. These assets form part of the Mthatha Dam Concession (see note 10). There is currently no classification to operating expenditure in the 2024 financial year.

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:

DFFE - Salaries	113	211
Wilderness Foundation - Aerial Support	100	100
Office of The Premier - Salaries	18	108
University of Fort Hare - Salaries	360	160
DWS - Salaries	-	60
TVET Colleges - Salaries	134	103
William and Marry University (USA) - Training	126	-
OR Tambo DM	60	-
	911	742

24. Employee related costs

Basic salary	137 565	128 114
Performance bonus	9 001	6 761
Leave pay provision charge	1 821	1 092
Car allowance	490	476
Relocation and acting allowances	650	339
Overtime payments	6 019	4 707
Defined contribution plans	20 134	18 130
Medical aid contributions	12 368	12 770
Unemployment insurance fund	1 041	1 068
Skills development levy	166	152
Workmen's compensation - COID	1 889	1 785
	191 144	175 394

Included in employee related costs is an amount of R20,394 million (2023: R13,310 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.

25. Depreciation and amortisation

Property, plant and equipment	21 948	29 021
Investment property	153	456
Service concession assets	2 304	1 413
Intangible assets	368	578
	24 773	31 468

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand	2024	2023	
25. Depreciation and amortisation (continued)			
Depreciation and amortisation	As per revised useful life	As per original useful life	Change in estimate
Property, plant and equipment	21 948	(21 948)	-
Investment property	153	(153)	-
Service concession assets	2 304	(2 304)	-
Intangible assets	368	(368)	-
	24 773	(24 773)	-
26. Finance costs			
Employee benefit obligations		2 138	1 865
Finance leases		89	40
		2 227	1 905
27. Debt impairment			
Debt impairment		67	736

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand	2024	2023
28. General expenses		
Advertising	12 829	13 145
Auction expenses	1 595	1 082
Auditors remuneration	2 860	2 752
Bank charges	458	290
Board expenses [^]	2 497	3 413
Chemicals	579	529
Cleaning	1 858	1 396
Community development and training	131	139
Compliance and law enforcement ^{**}	1 066	1 074
Computer expenses	14	26
Conferences and seminars	2 679	2 034
Consulting and professional fees	5 153	10 294
Consumables	1 180	1 164
Donations	5 716	-
Electricity	8 424	6 686
Entertainment	39	26
Fleet	6 297	5 046
Fuel and oil	13	459
Game management [*]	3 171	3 240
Hire expenses	2 033	1 385
Insurance	2 976	2 758
Internal audit fees	1 389	1 098
Lease rentals on operating lease	7 709	7 904
Levies - Buildings	195	138
Medical expenses	101	59
Staff relocation	193	229
Postage and courier	25	29
Printing and stationery	975	800
Profit or loss on foreign exchange	46	(29)
Protective clothing	143	281
Refuse	230	240
Royalties and license fees	4 828	4 585
Security	1 876	2 455
Staff welfare	358	316
Subscriptions and membership fees	501	490
Telephone and fax	6 987	6 352
Tourism development	799	637
Training	1 739	2 473
Travel - subsistence	2 522	3 127
Travel - local	10 815	11 220
Travel - overseas	939	844
Uniforms	2 435	2 233
	106 373	102 419

[^] Board expenses include travel of R796 thousand (2023: R1.4 million).

^{*} 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).

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Figures in Rand thousand	2024	2023
28. General expenses (continued)		
The tables below provide details of the expenditure included in compliance and law enforcement, and in game management:		
Compliance and law enforcement		
Fire prevention	540	520
Ammunition	137	16
Compliance law enforcement	389	538
	1 066	1 074
Game management		
Rhino security	57	68
Game census	1 063	1 272
Game vet drugs	782	675
Game translocation	914	1 224
Animal feed	355	1
	3 171	3 240
29. Repairs and maintenance		
Property, plant and equipment	7 263	5 071
Investment property	46	77
	7 309	5 148
30. Auditors' remuneration		
Fees	2 860	2 752

Repairs and maintenance only includes amounts paid to service providers. Nature reserves' employees do repairs with their tools and equipment from time to time.

Auditors' remuneration includes audit fees for projects amounting to R120 thousand (2023: R nil).

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%) 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%) per annum.
- 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.

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Figures in Rand thousand	2024	2023
31. Operating lease (continued)		
Operating leases as the lessor:		
Minimum lease payments due		
- Not later than one year	7 925	7 421
- in second to fifth year inclusive	12 204	20 129
	20 129	27 550

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

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

- A 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%) 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.
- National Prosecuting Authority (NPA) at Tourism House, in Phalo Avenue in Bhisho. The contract is a sixty (60) months lease, commencing on 01 May 2023. The rental is R99 thousand per month with a six percent (6%) annual escalation rate. The contract will end on 30 April 2028.
- 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%) 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 31 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 ended on 31 March 2023.
- Department of Public Works at Erf 292, Unit 02, Business Village in Bhisho. The contract is a twenty four (24) months lease, commencing on 01 April 2023. The commencement rental is R30 thousand per month with a six percent (6%) escalation rate at the end of each lease year. The contract ends on 31 March 2025.

32. Cash (used in) generated from operations

(Deficit) surplus	(21 912)	11 413
Adjustments for:		
Depreciation and amortisation	24 773	31 468
Donations received	(1 466)	(9 960)
Loss / (profit) on disposal of assets	(478)	6
Impairment deficit	467	648
Debt impairment	67	736
Movements in retirement benefit assets and liabilities	3 096	19 910
Movements in provisions	(55)	(6 726)
Donations paid	5 796	-
Changes in working capital:		
Inventories	2 119	1 174
Receivables from exchange transactions	(1 400)	(3 074)
Receivables from non-exchange transactions	(16 571)	(4 102)
Payables from exchange transactions	6 121	(14 251)
Unspent grants and receipts	(30 059)	30 951
Game held for sale	(1 139)	-
	(30 641)	58 193

Eastern Cape Parks and Tourism Agency

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33. Contingencies

Contingent liabilities

Contingent liabilities comprising of damage claims and other contingencies as follows:

Other contingencies

The contingent liability for climate change 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. There is uncertainty on the amount.

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.

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.

- **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. The total legal fees paid to date amount to R77 707.

- **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).

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Figures in Rand thousand

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33. Contingencies (continued)

- **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. 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. A summons has subsequently been received. The plaintiff has reduced his claim from R12m to R5m. The claim was approved by our insurer and the matter is now defended. The insurers are responsible for the litigation costs.

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, instructed to arrange consultation and trial date. No legal fees have been paid since 2019. On the 6 February 2024, a consultation was held between ECPTA and its legal representatives to find a way forward in this matter. It was agreed that a Pre-Trial Conference be arranged and then following that prepare a Pre-Trial Minute and proceed to enrol the matter to obtain a trial date.

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

Anthony McCune Mortlock v ECPTA

366

366

member of the Public v ECPTA

5 000

12 000

8 955

15 955

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2024

2023

34. Related parties

Relationships

Controlling entity	Department of Economic Development, Environmental Affairs and Tourism as directed by the MEC as the Executive Authority
Controlled entities - under common control by DEDEAT	Coega Development Corporation East London Industrial Development Zone Eastern Cape Development Corporation Eastern Cape Gambling Board Eastern Cape Liquor Board
Members of key management	Members of The Board and Key Management personnel (as disclosed below)

Remuneration of management

Management class: Board members

2024

Name	Meetings attendance fees	Other benefits received	Total
Dr. N Mzilikazi (Chairperson of the Board effective 01 December 2022) (Board Member) Appointed 01 May 2019 - November 2022	195	16	211
Mr. L Beville (Board Member) Appointed 01 May 2019	101	7	108
Ms. NEP Loyilane (Deputy Chair) Appointed 01 December 2022	180	9	189
Dr. A Muir (Board Member) Appointed 01 December 2022	150	18	168
Mr. CJ Sparg (Board Member) Appointed 01 December 2022	201	11	212
Adv. S Mancotywa (Board Member) Appointed 01 December 2022	158	9	167
Adv. C Mahlali (Board Member) Appointed 01 October 2023	100	3	103
	1 085	73	1 158

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Figures in Rand thousand

2024

2023

34. Related parties (continued)

2023

Name	Meetings attendance fee	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 Bevile (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

* Re-appointed by the Member of the Executive Council with effect from 1 May 2019.

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Figures in Rand thousand

2024

2023

34. Related parties (continued)

Audit Committee

2024

Name	Meetings attendance fee	Other benefits received	Total
Mr. L Mangquku (Chairperson) Appointed 01 May 2020 Reappointed 01 April 2023	127	17	144
Ms. L Smith (Member) Appointed on 1 April 2023	63	4	67
Mr. J Emslie (Member) Appointed 01 May 2020 Reappointed 01 April 2023 - resigned July 2023	20	2	22
Ms. S Makhathini (Member) Appointed 01 December 2023	15	-	15
Ms. U Exner Appointed 01 December 2023	15	-	15
	240	23	263

2023

Name	Meetings attendance fees	Other benefits received	Total
Mr. L Mangquku (Chairperson) Appointed 01 May 2020	136	7	143
Mr. S Dzegwa (Member) Reappointed on 01 May 2020 - 31 March 2023	40	-	40
Mr. J Emslie (Member) Appointed 01 May 2020	50	-	50
	226	7	233

Other benefits received include stakeholder engagements and cellphone allowances.

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Figures in Rand thousand

2024

2023

34. Related parties (continued)

Management class: Executive management

2024

Name	Basic salary	Bonuses and performance related payments	Post-employment benefits	Other benefits received	Total
Mr. V Dayimani (Chief Executive Officer)	2 285	198	331	99	2 913
Mr. J Jackson (Chief Financial Officer)	1 685	139	245	48	2 117
Ms. E Van Den Berg-McGregor (Executive Director: Biodiversity and Conservation)	1 308	92	174	42	1 616
Ms. TS Dlamini (Chief Marketing Officer)	1 522	106	-	76	1 704
Ms. M Mahlatsi (Executive Director: Destination Development)	1 471	96	-	52	1 619
Ms. Y Roboji (Executive Director: Corporate Services) Resigned 31 January 2024	1 473	121	-	110	1 704
Ms. X Mapoma (Legal Advisor and Board Secretary)	1 192	107	176	66	1 541
Mr L Oliphant - (Acting Executive Director: Corporate Services) - 01 February to March 2024	167	-	24	38	229
	11 103	859	950	531	13 443

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Figures in Rand thousand

2024

2023

34. Related parties (continued)

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) Appointed 01 April 2021	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

Other benefits comprise travel allowance, reimbursements and medical benefits.

35. 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 R7,4 million (2023: R2,4 million).

Classification of financial instruments.

2024	Note(s)	At amortised cost	Total
Receivables from exchange transactions	4	4 123	4 123
Receivables from non-exchange transactions	5	25 370	25 370
Cash and cash equivalents	6	55 536	55 536
Payables from exchange transactions	14	(15 741)	(15 741)
		69 288	69 288

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Figures in Rand thousand		2024	2023
35. Risk management (continued)			
2023	Note(s)	At amortised cost	Total
Receivables from exchange transactions	4	2 790	2 790
Receivables from non-exchange transactions	5	8 799	8 799
Cash and cash equivalents	6	113 887	113 887
Payables from exchange transactions	14	(14 608)	(14 608)
		110 868	110 868

Liquidity risk

The entity'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. Cognisance 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).

2024	Less than 1 year	Total
Payables from exchange transactions	15 741	15 741
Social responsibility projects	78	78
	15 819	15 819
2023	Less than 1 year	Total
Payables from exchange transactions	14 608	14 608
Social responsibility projects	73	73
	14 681	14 681

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.

Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand	2024	2023
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35. Risk management (continued)

Financial assets exposed to credit risk at year end were as follows:

Neither past due nor impaired

Receivables from exchange and non exchange transactions	306	-
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Past due and impaired

Receivables from exchange and non exchange transactions	1 306	1 492
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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:

	Decrease 2024	Increase 2023
Cash and cash equivalents	584	123

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The nature of our business is on a cash basis for revenue received and for expenditure incurred it is all short term trades relating only to the relevant financial year. As a result the impact of market price fluctuations does not impact on the ECPTA.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The main foreign currency transactions which the entity is exposed to, is the accommodation revenue received from overseas customers. The amounts received are not significant so the currency risk of the entity is regarded as being low.

The ECPTA has a software licencing agreement with a service provider where amounts payable are denominated in US Dollars. 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 36 .

Capital risk management

The ECPTA's objectives when managing capital is to safeguard the entity's ability to continue as a going concern. The ECPTA does not enter into any high risk financial instruments and reviews its cash flows on a quarterly basis to ensure that it maintains its ability to operate as a going concern. The mandate of the ECPTA is largely driven by the constitution and by the Provincial Growth and Development Plan and we are thus assured of funding from DEDEAT for biodiversity conservation.

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Figures in Rand thousand	2024	2023
36. Commitments		
Capital expenditure - approved, funded and contracted	44 272	41 235
Goods and services - approved, funded and contracted	6 196	11 353
	50 468	52 588

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:

Economic Stimulus Fund (DEDEAT)	8 435	20 299
Equitable Share (DEDEAT)	1 577	-
Nedbank Green Trust	-	589
National Department of Forestry, Fisheries and the Environment - EPIP	29 145	21 376
National Department of Tourism	7 141	7 398
SANRAL (N2BOP)	2 308	1 844
NEDBANK Green Trust	151	-
CATHSSETA	-	200
Own revenue	-	230
Marine and Coastal Management - MPA	88	525
Wildlife Conservation Bond	1 623	127
	50 468	52 588

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 Rnil (2023: R3 million (168 thousand USD)). and will be funded in the short term.

37. 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.

38. Irregular expenditure

Add: Irregular expenditure	844	1 706
Irregular expenditure is presented inclusive of VAT.		

Details are included in Annexure E of the Annual Report.

39. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure identified - current	-	98
Add: Fruitless and wasteful expenditure identified - prior period	-	208
Closing balance	-	306

Fruitless and wasteful expenditure is presented inclusive of VAT.

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.

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40. Budget differences (continued)

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 undercollection in revenue from exchange transactions is a result of concession and hospitality revenue targets that have not been achieved. For concession revenue, a service provider that had been appointed withdrew, this led to a new procurement process being initiated in the last quarter of the year. Hospitality revenue targets were not met due to some reserves being closed for renovations, community unrest and climate change effects such as flooding.

Grants and subsidies:

Nil.

Other grants:

The difference of R125 million results from underspending on infrastructure projects. Rollover was approved and adjusted in the third quarter of 2023-24 financial year. Community protests in areas where there projects are taking place, delayed the implementation of the projects. Service providers were prevented to access the sites, hence the variance. These grants relate to projects for the DFFE-Environmental Protection Infrastructure Programme, Economic Stimulus Fund (ESF), NDT Infrastructure, Wildlife Conservation Bond (WCB) and N2 Biodiversity Offset Project. Also included is current year grants for SANBI and Nedbank Green Trust. Refer to note 36 for commitments and note 17 for unspent grants.

Compensation of employees:

The difference of R5.3 million arises from vacancies that have not been filled for projects such as WCB and N2BOP. The recruitment processes had not been concluded by reporting period. Additional to the above, is employee related provisions for leave and performance bonuses made during the year.

Goods and services:

The variance in expenditure relates to conditional grants funded for DFFE, WCB and ESF projects. The difference of R32,8 million on the expenditure can be attributed to numerous reasons including 1. Slow implementation of projects due to community unrests and inclement weather conditions (flooding) leading to road closures and redesign and changes to scope of works. 2. Cancellation and re - advertisement of projects procurement due to unavailability of suitable service providers, with revised Terms of Reference requiring approvals. 3. Cancellation of PSP due to change of scope leading to further delays in the implementation of projects. 4. Delays by landowners in signing agreements for declaration of their land for expansion of protected areas. The delays impacted negatively on the spending of these grants because the commencement of subsequent activities depend on the signed agreement.

Capital expenditure:

Whereas there is purchase of property, plant and equipment during the year, the entity underspent on capital expenditure. Community unrests, effects of climate change such as floods - resulted in the closure of sites, there were also cancellation of contracts by service providers, resulted in the underspending.

41. Segment information

General information

Identification of segments

The entity 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.

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41. Segment information (continued)

Aggregated segments

The entity operates throughout the Eastern Cape Province. Segments were aggregated on the basis of services delivered and the target market as management considered that the characteristics of the segments were sufficiently similar to warrant aggregation.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Other Services	Corporate Management Services and Other Services
Biodiversity and heritage cluster	Biodiversity and heritage management
Game management and recreation cluster	Game management and recreation management
Marine and coastal cluster	Tourism and coastal conservation management

Segment surplus or deficit

2024

	Other services	Biodiversity and heritage	Game management and recreation	Marine and coastal	Total
Revenue					
Revenue from non-exchange transactions	283 103	1 466	124	-	284 693
Revenue from exchange transactions	5 507	4 639	3 780	4 005	17 931
Interest revenue	7 375	-	-	-	7 375
Profit on disposal of assets	847	(306)	(27)	(36)	478
Total segment revenue	296 832	5 799	3 877	3 969	310 477
Entity's revenue					310 477
Expenditure					
Salaries and wages	97 189	41 200	22 337	30 418	191 144
Other expenses	95 088	7 519	3 746	7 359	113 712
Depreciation and amortisation	22 469	-	1 997	306	24 772
Finance costs	2 227	-	-	-	2 227
Impairment losses	-	-	-	467	467
Debt impairment	67	-	-	-	67
Total segment expenditure	217 040	48 719	28 080	38 550	332 389
Total segmental surplus/(deficit)	79 792	(42 920)	(24 203)	(34 581)	(21 912)

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	3 416	4 075	4 100	3 415	15 006
Interest revenue	7 484	-	-	-	7 484
Total segment revenue	307 524	4 075	14 123	3 415	329 137
Entity's revenue					329 137

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41. Segment information (continued)

Expenditure					
Salaries and wages	84 366	39 072	22 305	29 651	175 394
Other expenses	90 101	7 537	3 613	6 316	107 567
Depreciation and amortisation	30 851	-	617	-	31 468
Finance costs	1 905	-	-	-	1 905
Impairment of assets	-	-	570	78	648
Loss on disposal of assets	2	1	3	-	6
Debt impairment	736	-	-	-	736
Total segment expenditure	207 961	46 610	27 108	36 045	317 724
Total segmental surplus/(deficit)	99 563	(42 535)	(12 985)	(32 630)	11 413

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
Provisions		(7 131)	200	(6 931)
Accumulated surplus		(404 814)	(200)	(405 014)
		(411 945)	-	(411 945)

Provisions:

It was discovered in the current financial year that an amount of R200 thousand, disclosed as provisions for climate change, was incorrectly disclosed as this does not qualify as provisions but rather as contingent liabilities. This resulted in the overstatement of provisions and expenditure. There is no effect on the accounting policy or estimate due to the error.

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Receivables from exchange transactions	4	782	595	1 413	2 790
Receivables from non exchange transactions	5	7 768	2 444	(1 413)	8 799
Employee benefit obligations	18	(618)	-	(18 726)	(19 344)
Provisions	16	(7 231)	300	6 725	(206)
Payables from exchange transactions	14	(29 037)	(42)	12 084	(16 995)
Accumulated surplus		(415 488)	(3 297)	(83)	(418 868)
		(443 824)	-	-	(443 824)

Statement of financial performance

2023

	Note	As previously reported	Correction of error	Restated
Rendering of services	20	9 522	(2 411)	7 111
Interest received - investments	21	6 888	596	7 484
Employee related costs	24	(175 359)	(34)	175 394
General expenses	28	(105 007)	2 586	(102 421)
Surplus for the year		(10 674)	(737)	(11 411)
Surplus for the year		(274 630)	-	76 157

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42. Prior-year adjustments (continued)				
Cash flow statement				
2023				
	Note	As previously reported	Correction of error	Restated
Cash flow from operating activities	32			
Sale of goods and services		17 076	(4 251)	12 825
Grants		320 846	2 444	323 290
Interest income		6 888	596	7 484
Employee costs		(175 440)	(118)	(175 558)
Suppliers		(111 131)	1 319	(109 812)
		58 239	(10)	58 229

Errors

Receivables from exchange and non-exchange transactions:

It was discovered in the current financial year that interest received from the bank accounts relating to March 2023 and received in April 2023 totalling to R595 thousand was erroneously not accrued and reported in March 2023. Debt receivable has been raised. This resulted in the understatement of receivables from exchange transactions and revenue from exchange transactions by R595 thousand.

An amount of R2, 444 million in respect of MPA grants receivable was erroneously not reported in March 2023. This resulted in the understatement of receivables from non exchange transactions.

The net effect of the errors in receivables from exchange and non exchange transactions is understatement of accumulated surplus by R2, 444 million and interest received - investment by R595 thousand. There is no effect on the accounting policy or estimate due to the error.

Payables from exchange transactions:

A number of corrections were made to the payables from exchange transactions during the year due to errors identified by management during detailed review performed. These adjustments resulted in the net decrease of the payables from exchange transactions with R42 thousand. These adjustments were due to:

- The correction made to the implementation fees, which resulted in the revenue from exchange transactions and general expenses to decrease with R2, 411 thousand;
- Correction of R34 thousand made to the bonus provision, resulting the increase in the employee related costs with the same amount.
- Corrections to accruals due to accounting for transactions in the incorrect period, resulting in the decrease in general expenses with R76 thousand.

Employee benefits obligations:

A correction was made to the employee benefit obligations, trade payables and provisions. There were employee benefits that were previously classified as trade payables and as provisions. These have been reclassified in order to comply with GRAP 25. This has resulted in an increase in employee benefits liability of R18,8 million, a decrease in trade payables of R12 million and a decrease in provisions of R6,7 million.

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42. Prior-year adjustments (continued)

Provisions:

It was discovered in the current financial year that an amount of R300 thousand, disclosed as provisions for climate change, was incorrectly disclosed as this does not qualify as provisions but rather as contingent liabilities. This resulted in the overstatement of provisions and expenditure (compliance law enforcement R100 thousand, 2023:R200 thousand). There is no effect on the accounting policy or estimate due to the error.

Revenue from exchange and non exchange transactions and expenditure:

It was discovered in the current financial year that project fees for NDT BKWHS and DFFE EPIP totalling to R2, 411 million was erroneously reported twice as revenue from exchange and non exchange.

Interest received from the bank accounts relating to March 2023 and received in April 2023 totalling to R595 thousand was erroneously not reported in March 2023.

Reclassifications

The following reclassifications adjustment were made from the receivables from non-exchange transactions to the receivables from exchange transactions (Note 4):

- Prepaid expenses totalling R704 thousand (2023: R876 thousand);
- Staff debts totalling R715 thousand (2023: R665 thousand); and
- Deposits totalling R344 thousand (2023: R400 thousand).

A correction was made to the employee benefit obligations, trade payables and provisions. There were employee benefits that were previously classified as trade payables as well as provisions. These have been reclassified in order to comply with GRAP 25. This has resulted in an increase in employee benefits liability of R18,8 million, a decrease in trade payables of R12 million and a decrease in provisions of R6,7 million.

43. Events after the reporting date

Management has reviewed the events between 31 March 2024 and the date of issue by the Accounting Authority to the Executive Authority. No events occurred during this timeframe which provides further information on the amounts disclosed as at 31 March 2024.

Eastern Cape
PARKS & TOURISM AGENCY

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ANNUAL REPORT 2023/24

17 – 25 Oxford Street, East London, 5201
P.O. Box 11235, Southernwood, East London, 5213

+27 43 492 0881
info@ecpta.co.za

www.visiteasterncape.co.za



Hole in the Wall, Wild Coast