



*Eastern Cape*  
PARKS & TOURISM AGENCY

ANNUAL REPORT 2024/25







## **ANNUAL REPORT 2024/25**

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Big 5 Safari, Addo

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## PUBLIC ENTITY'S GENERAL INFORMATION

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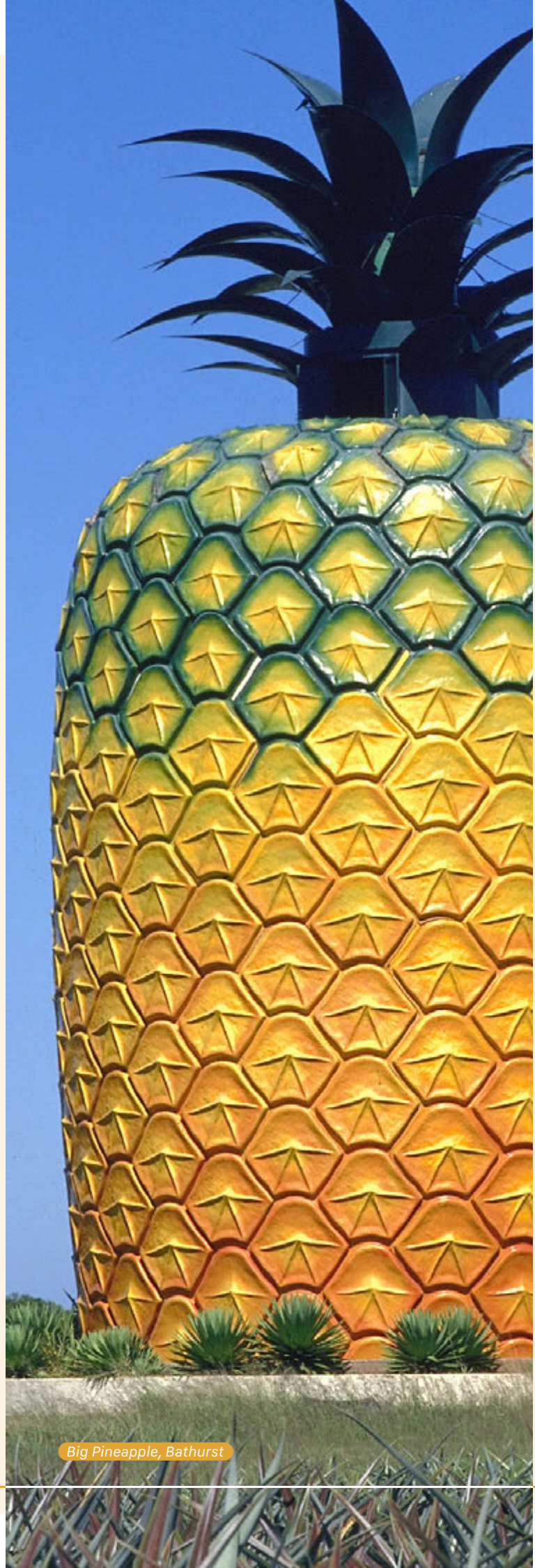
Auditor-General South Africa

**BANKERS:**

First National Bank

**COMPANY / BOARD SECRETARY:**

Ms. Xoliswa Mapoma



*Big Pineapple, Bathurst*

## LIST OF ABBREVIATIONS / ACRONYMS

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

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# PART A

## *Strategic Overview*





## FOREWORD

*by the Chairperson*

In 2024/25 the work of the ECPTA centered around two commitments: protecting the province's extraordinary natural heritage and promoting the Eastern Cape as a sought-after travel destination for travelers both locally and internationally. This year also marked the final year of the current five-year strategic plan, and provided an opportunity to reflect on the gains made over the last five years, whilst laying the foundations for a bold and ambitious new plan, one that aligns with the priorities of the seventh provincial administration. Economic growth at the national level was severely constrained, and climate pressures complicated conservation funding and tourism flows. Nonetheless, the province recorded a 17% increase in domestic trips while the national figure declined, proof that travelers still find the Eastern Cape compelling.

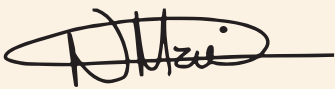
During 2024/25, ECPTA proposed a further 18 220 hectares for formal protection and brought management effectiveness across its reserve network to 73% per cent, up from 20 % nine years ago. Transformation in the wildlife economy gathered pace: nine new community game sites were established and 290 animals, including disease-free buffalo, were transferred to emerging custodians. These outcomes reflect a partnership model linking community custodianship, private-sector expertise and provincial oversight.

Marketing the Eastern Cape as a premier destination remained essential. Seasonal campaigns, influencer collaborations and a suite of digital tools such as the "100 Reasons to Visit" brochure, virtual tours and QR code itineraries kept the Eastern Cape at the forefront of potential travelers and the trade. Consistent digital engagement helped the province hold market share in a challenging travel cycle.



The new five-year strategic framework (2025 – 2029) will focus on inclusive socio-economic growth in the Eastern Cape supported by the sustainable utilization of its natural resources, underpinned by the mission to lead in biodiversity management and tourism for sustainable socio-economic development. We will scale restoration projects, deepen community partnerships and use real-time analytics to respond quickly to changing conditions. Achieving these goals will demand agility, collaboration and commitment from every stakeholder.

I extend my sincere thanks to the ECPTA's employees, fellow board members, the MEC and officials of the Department of Economic Development, Environmental Affairs and Tourism, and to the communities and partners who share the vision of a thriving, sustainable Eastern Cape. Working together, we will continue to protect the province's natural heritage and deliver lasting socio-economic benefit to its people.



**DR NOMAKWEZI MZILIKAZI**

Chairperson of the Board  
Eastern Cape Parks and Tourism Agency

1 August, 2025



Hiking Trail, Groendal Nature Reserve





## OVERVIEW

*by the Chief Executive Officer*

This Annual Report holds, between its covers, a remarkable account of exceptional achievement under turbulent circumstances. 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

During the financial year, ECPTA operated with a budgeted amount of R357 million, in contrast to the R436 million budget of the prior financial year. This reduction of 18% is primarily due to a decrease in conditional grant funding.

The actual amount the Agency operated on constituted an equitable share allocation of R213 million, conditional grants amounting to R80 million and own revenue generation at R24 million. The total operating budget is R321 million.

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

- Insufficient marketing budget including few collaborative marketing opportunities from other stakeholders in the province.
- Increased operating costs and utilities.
- General tightening in the fiscus resulting in austerity measures to bring an alignment of the income to expenditure.
- Safety concern of tourists / crime against tourists threatening the attractiveness of the destination.
- Maintaining continued assurance of legislative compliance of protected areas and reserves.



## **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 natural disaster, contractor performance, and in some instances timeous availability of the budget from donors.

ECPTA has revised its expectations downward and reports against the effective and reliably funded organogram of 525 posts. A vacancy rate of 27% has subsequently been sustained mostly due to austerity measures and availability of operating income. 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 as can be observed by the METT averaging between 62% to 79% (with Dwesa/ Cwebe, East London Coast, Nduli/ Luchaba and Silaka below the 67% ideal target) and SOAIM scoring averaging 2.93 to 3.19 at reserves with Dwesa/ Cwebe, East London Coast, Ongeluksnek and Formosa reserves below the ideal score of 3.

## **DISCONTINUED KEY ACTIVITIES / ACTIVITIES TO BE DISCONTINUED**

None under the period under review.

## **NEW OR PROPOSED KEY ACTIVITIES WHETHER SCM PROCESSES AND SYSTEMS IN PLACE**

New own revenue generation activities are to be implemented through the proposed commercialisation strategy. New opportunities include operationalize Cape Morgan conference facility, finding new concession operator for Nduli Luchaba and Geelhoutbos Lodge, Rooihoek and Doosklip campsite. This will ensure that the Agency is able to generate its own revenue to fund its activities. 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.

## **REQUESTS FOR ROLL OVER OF FUNDS CHALLENGES EXPERIENCED AND HOW RESOLVED**

The Agency has requested the roll-over of R19 million at year end. These are funds earmarked for multi-year infrastructure projects.

## **SUPPLY CHAIN MANAGEMENT**

Despite our streak of clean audits, in the current reporting year we achieved an unqualified audit outcome. Despite this we continually seek to improve and enhance our processes to ensure that we reclaim our previous outcomes.

The entity in 2023/24 incurred irregular expenditure of R844 thousand relating to contracts awarded in the previous years. The ECPTA has made submissions to Provincial Treasury to have the contracts and related expenditure condoned. Note 42 of the Annual Financial Statements provides further detail.

In the current financial year, the entity utilized funding for conditional grants and incurred irregular expenditure amounting R45,6 million that included irregular expenditure relating to the prior financial year of R5,8 million that should have been disclosed in the previous financial year. The irregular expenditure that was recognized and incurred was not a result of fraudulent, corrupt, or criminal actions. Rather, it stemmed from the utilization of ringfenced grants, which were utilised to cover the operational cost pressures faced by the entity due to a lack of available cash. The irregular spending that occurred did not lead to any financial losses. According to the Framework for Irregular Expenditure, a request for condonement must be presented to the appropriate authority for approval.

### 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

The cashflow issues that the entity is experiencing are rooted in its history and necessitate the Shareholder's assistance in mitigating the cash shortfall while a strategy is developed to create new revenue through private party partnerships. The entity has developed a financial recovery plan designed to improve its capacity to generate extra revenue for the fiscus. Several austerity measures are currently being implemented, such as halting non-essential services, prioritising new appointments, investigating various office space alternatives, and re-prioritization to ensure that spending is in line with the approved budget. These initiatives are integral to the entity's strategy to manage its financial challenges.

### CONCLUDED UNSOLICITED BID PROPOSALS EVENTS AFTER THE REPORTING DATE

There was no unsolicited bid proposals received and awarded during the year under review. There were no reported events after the 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 however has indicated that the entity is exposed to liquidity risk, which is the risk that it

will be unable to meet its financial obligations as they fall due. The entity in the short term manages this risk through careful cash flow forecasting. In the medium to long term, the entity has engaged the Shareholder to assist the entity in dealing with the cash deficit, inadequate budget baseline and own revenue uncertainties created by the fact that the own revenue projections are not cash backed. For the year under audit, current liabilities exceed current assets which is an indication of the entity being unable to meet its short-term obligations when they fall due.

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

The prior year financial statements have been restated. Refer to note 46 of the AFS as well as the audit report on the emphasis of matter paragraph for going concern.

### ACKNOWLEDGEMENT/S OR APPRECIATION

While the Auditor-General has confirmed the health of the accountability ecosystem at ECPTA, I would like to emphasize 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 with staff compliment of close to 500 employed to discharge this duty of care and marketing of the Province. 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 organizational culture, and even greater volumes of the integrity of the people who shoulder that culture. It is my privilege to lead you!

I would 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, 2025



Lodge Accommodation, Hluleka Nature Reserve



## 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<sup>1</sup>

South Africa ranks as the third most biodiverse country in the world. It is recognised for high levels of endemism and is home to over 95,000 known species. The country also boasts a diverse range of biomes, from forests to deserts, estuaries and marine systems. Biodiversity, ecological infrastructure, and associated ecosystem services act as an invaluable foundation for South Africa's economy. From tourism to fishing, farming and industry, the products and services provided by nature support people's wellbeing, livelihoods, jobs and security.

South Africa is also ranked amongst the top 17 mega-biodiverse countries in the world, due to its species diversity, rate of endemism and diverse ecosystems. While South Africa occupies only 2% of the world's land surface area, South Africa is home to 10% of the world's plant species and 7% of its reptile, bird and mammal species. Furthermore, it harbors around 15% of the world's coastal marine species. Endemism rates reach 56% for amphibians, 65% for plants and up to 70% for invertebrates. South Africa hosts 3 globally recognized biodiversity hotspots namely The Cape Floral Kingdom, the Succulent Karoo and the Maputaland-Pondoland Albany center of endemism. It is estimated that South Africa's biodiversity offers between R275 billion to R333 billion of ecological services to the country's economy, and thus the need to advance and secure ecological infrastructure to ensure resilient biodiversity. Above all, due to the rich cultural diversity, South Africa is endowed with Indigenous knowledge linked with the use of indigenous biological resources across diverse communities, e.g. Rooibos species etc.

The impact of climate change is already felt across the globe, manifesting in unprecedented droughts, floods, bush fires and other extreme weather events. This state of affairs will only intensify as the world continues to warm. The effects of climate change will take the harshest toll on the world's most vulnerable communities.

To mitigate the impact of climate change, urgent action is needed to reduce greenhouse gas emissions and improve climate resilience. This will require significant and unparalleled changes across all sectors of the economy. Importantly, the transition must be just and equitable, ensuring that the poorest and most vulnerable are supported and uplifted in the shift towards a more sustainable society.

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<sup>2</sup>

In 2024 Q4, South Africa recorded a GDP growth of 0.6%, from a growth of -0.1% recorded in 2024Q3. The GDP growth forecast for 2025, 2026 and 2027 is at 1.4%, 1.8% and 2.0%, respectively according to SARB. The statistics disclosed that all the nine provinces in SA recorded a positive GDP growth in 2024Q4 from a negative GDP that provinces recorded in 2024Q3. The improve-

1. UNDP report: BIOFIN EPROT and DFFE.

2. Eastern Cape development Corporation Q4 statistical report and South African Tourism APP 25-26.





Canals, Cape St Francis

ments were driven by among others the cease of loadshedding, positive business confidence in all sectors related to prevailing business conditions, and the implementation by the government of various supply-side structural reforms expected to address constraints on economic growth and stimulate investment.

Eastern Cape ranked last (ninth position) among provinces that recorded an increase in GDP growth of 0.3% (an increase from -0.1% recorded in 2024Q3). The GDP growth in the Eastern Cape was mainly driven by primary sector (Agriculture, forestry and fisheries grew by 83.2%) and tertiary (Wholesale and retail trade and Finance, real estate and business services) recorded an improved GDP growth.

SA inflation was 3.2% in January 2025, slightly up from 3% recorded in December 2024. The main contributors to the 3.2% annual inflation rate were: housing and utilities, food and non-alcoholic beverages and restaurants and accommodation services. The Eastern Cape registered the 3rd highest CPI of 3.4% in January 2025, increased from 3.1% recorded in December 2024.

South Africa's official unemployment rate has slightly decreased by 0.2%pt from 32.1% in 2024Q3 to 31.9% in 2024Q4. The unemployment rate in the Eastern Cape declined to 36.6% in 2024Q4 based on the narrow definition, a decrease of 0.6%pt compared to 37.2% recorded in 2024Q3 and increased to 47.6% in 2024Q4 from 47.4% in 2024Q3 based on the expanded definition.

Tourism has been repeatedly identified as a catalytic sector of the Provincial, and indeed National, economy. The global tourism sector is set for continued growth between 2025 and 2030, with international arrivals already reaching 96% of pre-pandemic levels in the first half of 2024. The recovery is particularly strong in regions like the Middle East, which saw a 26% increase in arrivals compared to 2019, while Europe and the Americas are nearly at pre-pandemic numbers. Asia and the Pacific have also shown improvement, reaching 82% of pre-pandemic levels by mid-year.

South Africa's tourism sector has been experiencing a strong recovery, aligning closely with broader trends observed across the African continent. International arrivals are nearing pre-pandemic levels, primarily driven by the resilience of regional markets. African land markets, including key neighbouring countries, have played a vital role in this recovery, contributing over 50% year-on-year growth in 2022 and 2023. This resurgence has been facilitated by the reopening of borders, renewed travel confidence, and a strong emphasis on promoting regional tourism experiences. Economically, tourism is a crucial sector for South Africa, contributing approximately 8.6% to GDP and supporting 1.5 million jobs before the pandemic. The rebound in both international and domestic travel has revived tourism's role as a key economic driver. Domestic tourism, in particular, has seen substantial growth, with South Africans exploring local destinations, nature reserves, and adventure tourism experiences. This strong domestic demand has provided a buffer against the volatility of international travel and has contributed to overall sector stability and economic resilience.

South Africa, experienced domestic overnight trips dropped by 2.4% in Q1 2025, showing a slight downward trend from 8.7 million in Q1 2023 to 8.5 million in Q1 2024 and 8.3 million in Q1 2025. The number of domestic tourists grew marginally by 3.7%, reaching 7.9 million—up from 7.7 million in Q1 2024 and 7.8 million in Q1 2023. The average number of trips per domestic tourist remained steady at around one trip per person, consistent with the 1.1 average reported in both Q1 2024 and Q1 2023. Visiting friends and relatives (VFR) remained the main purpose for overnight trips and showed a strong increase in share, from 41.6% in Q1 2024 to 59.2% in Q1 2025. The share of holiday trips, however, fell to 18.2%.

## ORGANISATIONAL ENVIRONMENT

The organisational environment through 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-re-

lated 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. The agency also implemented a Care and Share program aimed at skills sharing which affected the morale of staff significantly.

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. In the year under review, 164 staff members were trained, costing 1% of the budget allocation to the agency.

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. Despite the agency having a 27.4% vacancy rate, the levels of commitment to the work of the agency has been high with minimal labor disputes and disciplinary cases relative to the number of staff.

## KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

As a Schedule 3C public entity reporting to the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), the ECPTA contributes to the achievement



of the Department's mission to be "a provincial catalyst for sustainable and inclusive economic development that promotes sound environmental management". These efforts dovetail with Executive Authority commitments, in particular Enterprise Development: SMMEs supported, Tourism Sector Development: Tourism promotion in the Province and Managing and Protecting the natural environment.

The following pertinent legislative and policy considerations were noted in advance of the 2024/25 financial year:

- The ECPTA Bill was approved by the Provincial Cabinet in August 2024, but the Act is not in operation yet pending the publication of the Regulations.

### PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

ECPTA has crafted a new Medium-Term Strategic Framework period 2025/26 to 2029/30 to implement the seventh administration aspirations and strategic priorities. A series of iterative stakeholder participatory engagements were undertaken and their views and expectations cascaded into the strategy. A new 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 impact towards which ECPTA contributes is inclusive economic growth supported by sustainable utilisation of natural resources. The ultimate outcome that ECPTA strives to achieve is that responsible conservation and tourism benefit current and future generations.

The Organisational Theory of Change in the 2025- 2030 is to ensure programmes contribute to sustainable development and indicates that ECPTA has identified four pathways of change namely responsive administration, conservation, community engagement and tourism development. The agency is also empowered through five enablers, namely technology, research and knowledge management, innovation, partnership and co-creation and stakeholder engagement.



Magwa Falls, Wild Coast





The Valley of Desolation, Karoo



## STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

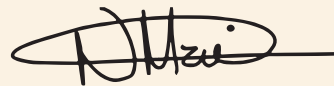
To the best of my knowledge and belief, I confirm the following:

- a. All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General of South Africa.
- b. The annual report is complete, accurate and is free from any omissions at time of release.
- c. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- d. The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practices Standards applicable to the public entity.
- e. The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- f. 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.
- g. The external auditors are engaged to express an independent opinion on the annual financial statements.
- h. 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 2025.



**VUYANI DAYIMANI**  
Chief Executive Officer

1 August, 2025



**DR NOMAKWEZI MZILIKAZI**  
Chairperson of the Board

1 August, 2025

## 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**:

#### **R**ESPECT

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

#### **H**UMILITY

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

#### **I**NTEGRITY

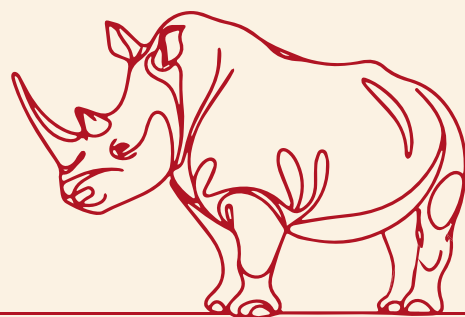
We conduct our business in a principled manner that is honest and uncompromising.

#### **N**ECESSITY

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

#### **O**PTIMISM

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 has been reviewed and approved the regulations are still under development. The Act has been signed into Law by the Premier of the Eastern Cape but the effective date has been deferred pending the regulations. 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 that was effective and was not changed over the current year.

Table 1: List of Acts/ legislation

| Relevant Acts  | Key Responsibilities   |
|--|--|
| 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 pre-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. |
| 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.   |



ECPTA's work is further influenced by a wide range of strategic policies, including:

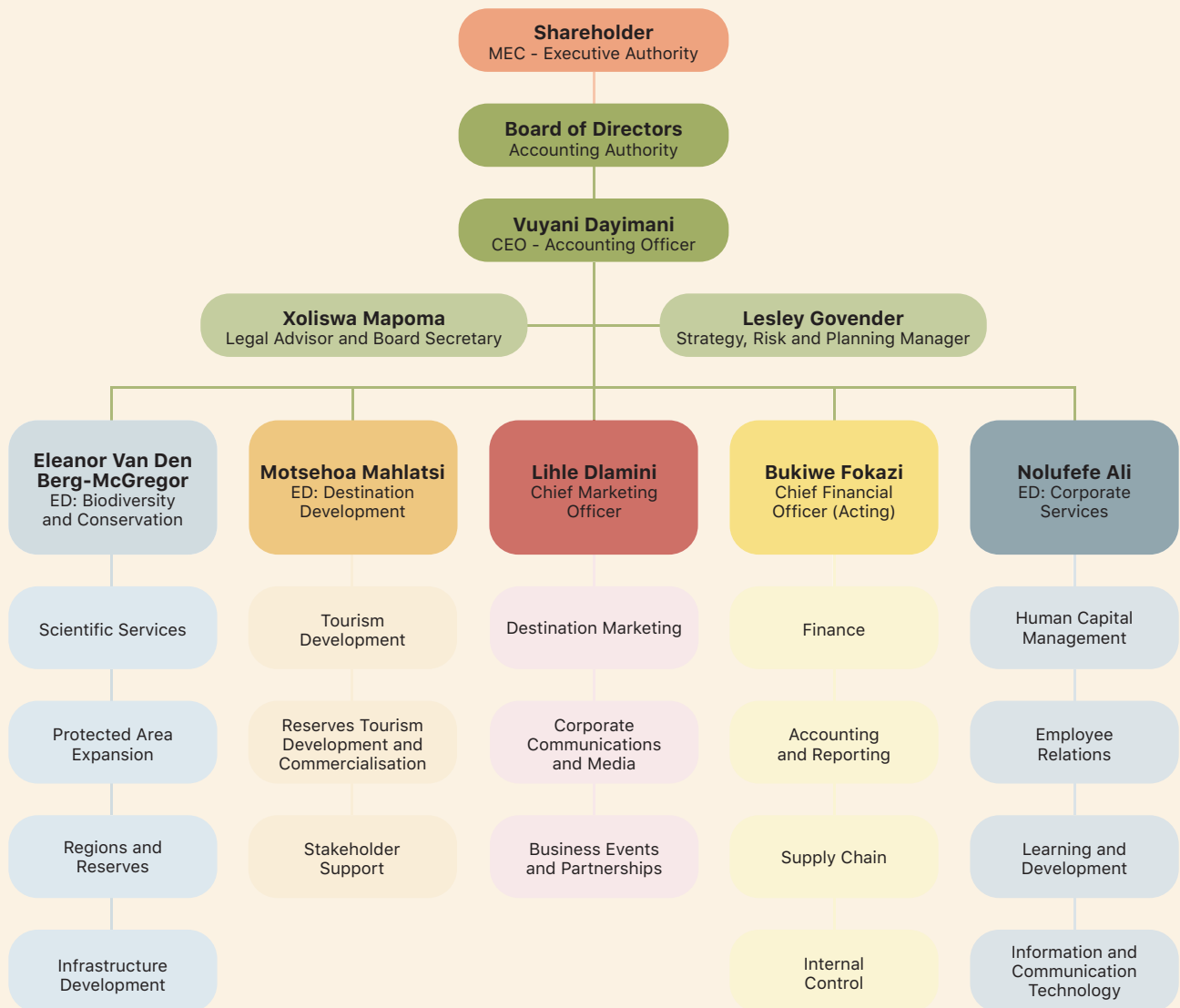
| Strategic policies and frameworks  | Relevance to ECPTA  |
|--|---|
| Kunming-Montreal Post-2020 Global Biodiversity Framework   | <ul style="list-style-type: none"> <li>• The landmark agreement for nature aims to address halting biodiversity loss through the sustainable use and management of ecosystem services, preventing the extinction of species, and protecting the rights of local and indigenous communities through fair access and benefit-sharing of genetic resources.</li> <li>• The framework that at least 30% of terrestrial and inland waters be conserved, and 30% of degraded ecosystems must be restored effectively by 2030.</li> </ul>  |
| Eastern Cape Economic Development Strategy (PEDS) And Economic Sectors, Investment, Employment and Infrastructure Development (ESIED) Cluster and National Tourism Sector Strategy | <ul style="list-style-type: none"> <li>• Upgrade tourism specific infrastructure, specifically signage</li> <li>• Improve tourism product information</li> <li>• Develop, implement, and monitor a province wide maintenance plan for tourism offerings/spaces</li> <li>• Enhanced service levels</li> <li>• Strengthen institutional arrangements and stakeholder coordination within the industry</li> <li>• Improve tourism safety, particularly at isolated tourist attractions</li> <li>• Improve skill levels across the industry through relevant and appropriate development programmes</li> <li>• Develop a tourism marketing strategy for the province with improved tourism branding per region</li> <li>• Increase length of stay in province</li> <li>• Coordinate marketing and development initiatives between stakeholders</li> <li>• Explore unique tourism development opportunities</li> <li>• Review, update, and support current route development and management</li> <li>• Improve product packaging and linkages with adjacent provinces</li> <li>• Identify areas where Public-Private Partnerships can be implemented</li> <li>• Encourage tourism products to pursue goals set out in the Tourism B-BBEE Charter</li> <li>• Expand tourism benefits to rural areas</li> <li>• Create awareness of funding available that targets designated groups</li> <li>• Promote skills transfer between established and emerging tourism business</li> </ul> |
| Eastern Cape Tourism Master Plan   | <ul style="list-style-type: none"> <li>• Improve and maintain accessibility of tourism facilities</li> <li>• Reputation management</li> <li>• Tourist safety</li> <li>• Service standards</li> <li>• Transform and grow the economy</li> </ul>  |

| Strategic policies and frameworks  | Relevance to ECPTA   |
|--|--|
| Medium Term Strategic Framework (MTSF) 2024 – 2029, including 5-year implementation plan for the National Development Plan (NDP) | <ul style="list-style-type: none"> <li>• Employment creation</li> <li>• Address apartheid spatial discrepancies by identifying potential and developing industries in the former Bantustans, including tourism</li> <li>• Activate rural economies through investment in tourism (among others)</li> <li>• The tourism economies to offer activities and experiences that are appealing to domestic travelers, not only international travelers</li> <li>• Clean environment</li> <li>• Environmental sustainability and resilience are key features of the NDP approach to ensuring that oceans, soil, water, and biodiversity are protected</li> </ul> |
| National White Paper on Conservation and Sustainable Use of South Africa's Biodiversity  | <ul style="list-style-type: none"> <li>• Preserving biodiversity</li> <li>• Ensuring sustainable use of natural resources</li> <li>• Maintaining ecological infrastructure</li> <li>• Integration of environmental, social, and economic elements to advance sustainable development</li> </ul>  |
| National Biodiversity Economy Strategy (NBES)  | The NBES describes the biodiversity economy as combining agriculture, eco-tourism and conservation. ECPTA's strategy aligns to the NBES by supporting the full spectrum of the wildlife, tourism and ecotourism value chains. The emphasis across all three is diversification of value chains and support for mainstreaming   |
| National Strategy for Sustainable Development (NSSD)   | The NSSD defines the strategic imperatives of the South African Government as they relate to the interaction between people, the environment and the economy.  |



Bottlenose Dolphin Capital, Gqeberha

## ORGANISATIONAL STRUCTURE







Bungy Jump, Tsitsikamma



# PART B

*Performance Information*

## PERFORMANCE INFORMATION

### DISCLOSURE OF ERRORS IN ANNUAL PERFORMANCE PLAN

There were no errors identified in the published Annual Performance Plan (APP). The plan was tabled in March 2024 and re-tabled in August 2024 however it did not affect any of the targets that were originally set.

### A NOTE ON SCORES

In keeping with international best practice for performance measurement, ECPTA has used 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 allows the ECPTA to configure its performance management framework to provide high-level assessments, to drive behavior in the desired direction, and to track performance trends. 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: a. Intermediate Outcomes (aligned to the Strategic Plan);

- Immediate Outcomes and Outputs (in the Annual Performance Plan); and
- Activities (presented in the Operational Plan).

### SUMMARY OF PERFORMANCE IN 2024/25

In the year under review, of the eighteen (18) Immediate and Intermediate Outcome Indicators presented in the Strategic and Annual Performance Plans, 90% of the were achieved at or above the 90%-100% threshold set by the Board.



Table 2: Overall Performance of ECPTA

| Intermediate Outcome Indicator (short title) | Annual Performance |             |                 |
|--|--------------------|-------------|-----------------|
| Immediate Outcome Indicators                 | Planned            | Actual      | Result          |
| <b>1. Biodiversity and Conservation</b>      | <b>90</b>          | <b>94.5</b> | <b>Achieved</b> |
| 1.1 Biodiversity Decision Support            | 90                 | 93.8        | Achieved        |
| 1.2 Provincial Protected Area Expansion      | 90                 | 91.0        | Achieved        |
| 1.3 Protected Area Management Plan           | 90                 | 97.1        | Achieved        |
| 1.4 Projects Implementation                  | 90                 | 96.2        | Achieved        |
| <b>2. Destination development</b>            | <b>90</b>          | <b>93.2</b> | <b>Achieved</b> |
| 2.1 Tourism Value Chain Support              | 90                 | 100         | Achieved        |
| 2.2 Reserves as products                     | 90                 | 73.8        | Not Achieved    |
| 2.3 Stakeholder Support                      | 90                 | 100         | Achieved        |
| <b>3. Marketing</b>                          | <b>90</b>          | <b>98.8</b> | <b>Achieved</b> |
| 3.1 Destination Marketing                    | 90                 | 89          | Not Achieved    |
| 3.2 Public Relations and Digital Marketing   | 90                 | 97.5        | Achieved        |
| 3.3 Business Events and Partnerships         | 90                 | 94.1        | Achieved        |
| <b>4. Organisational Sustainability</b>      | <b>90</b>          | <b>96.4</b> | <b>Achieved</b> |
| 4.1 Reputation Dimension                     | 27                 | 28.1        | Achieved        |
| 4.2 Financial Dimension                      | 32                 | 33.3        | Achieved        |
| 4.3 Social Dimension                         | 18                 | 18.7        | Achieved        |
| 4.4 Security Dimension                       | 14                 | 14.3        | Achieved        |





## PROGRAMME 1: BIODIVERSITY AND CONSERVATION

### PROGRAMME PURPOSE

The Biodiversity and Conservation Programme 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 sub-programmes namely Scientific Services (including Wildlife Management and Game Industry Transformation), Protected Areas Expansion, Protected Area Management (including People and Parks), and Infrastructure Project Implementation (including Social Responsibility).

Table 3: Intermediate Outcome: Adaptive management of biodiversity sustains ecological services targets and weights

| Immediate Outcome   | Immediate Outcome Indicators                                     | Relative Weight | Output Indicators  | Relative Weight |
|---|--|-----------------|--|-----------------|
| 1. Adaptive management of biodiversity sustains ecological services | <b>Relative Weight: 35%</b><br>1.1 Biodiversity Decision Support | 20%             | 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%             |
|   |  | 25%             | 1.2.1 Stewardship Programme                                | 50%             |
|   | 1.2 Provincial Protected Area Expansion                          |                 | 1.2.2 N2 Biodiversity Offset Project                       | 50%             |
|   |  | 30%             | 1.3.1 Conservation Management                              | 80%             |
|   | 1.3 (PAMP) implementation  |                 | 1.3.2 Reserves Tourism Management                          | 10%             |
|   |  |                 | 1.3.3 People and Parks                                     | 10%             |
|   |  | 25%             | 1.4.1 Infrastructure Project Implementation                | 70%             |
|   | 1.4 Projects Implementation                                      |                 | 1.4.2 Social Responsibility Projects                       | 30%             |

Each of these sub-programmes provides technical support in their respective areas of expertise. The sub-programmes in Biodiversity and Conservation combine to ensure that **environmental sustainability is supported by well-managed protected areas**. Each Immediate Outcome is the responsibility of a dedicated Sub-programme.

During the year under review, the Biodiversity and Conservation Programme achieved 94.5% of all targets across the three plans (strategic, annual performance and operational).

Table 4: Intermediate Outcome: Environmental sustainability supported by well-managed protected areas

| Intermediate Outcome   | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations  |
|--|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|---|
| Adaptive management of biodiversity sustains ecological services | 96.5 (score)           | 96.8 (score)           | 90 (score)                    | 94.5 (score)            | + 4.5 (points)               | The Index score is deemed as achieved as is within the 90-100 range set by the Board. The score is calculated by averaging the weighted scores for the four contributing Outputs (Table 5). |

Table 5: Immediate Outcomes: Adaptive management of biodiversity sustains ecological services

| Intermediate Outcome              | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations  |
|-----------------------------------|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|---|
| 1.1 Biodiversity Decision Support | 96 (score)             | 93.1 (score)           | 90 (score)                    | 93.8 (score)            | + 3.8 (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 6). |
| 1.2 Protected Area Expansion      | 100 (score)            | 100 (score)            | 90 (score)                    | 91 (score)              | + 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 7). |
| 1.3 PAMP implementation           | 94.8 (score)           | 95.6 (score)           | 90 (score)                    | 97.1 (score)            | + 7.1 (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 8). |
| 1.4 Projects Implementation       | 95.4 (score)           | 98.4 (score)           | 90 (score)                    | 96.2 (score)            | + 6.2 (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 9). |

## 1.1 SUB-PROGRAMME: SCIENTIFIC SERVICES

The Scientific Services sub-programmes' outputs and activities are carefully planned to complement and support the management of the protected area estate as per ECPTAs 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 consequences of failure. Achievements against these four output indicators accumulate to an overall score for Biodiversity Decision Support. During the year under review, the Scientific Services sub-programme achieved 93.8% of all targets across the three plans (strategic, annual performance and operational).

Table 6: Output Indicators: 1.1 Biodiversity Decision Support

| Output   | Audited Annual 2022/23 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2024/25 | Reasons for deviations   |
|--|------------------------|------------------------|-------------------------------|-------------------------|-----------------------------|--|
| 1.1.1 Biodiversity Research                                | 20 (score)             | 20 (score)             | 18 (score)                    | 20 (score)              | + 2 (points)                | All five underlying activity targets (1.1.1 to 1.1.5) at or above the minimum threshold score hence deemed achieved. |
| 1.1.2 Biodiversity Monitoring                              | 30 (score)             | 30 (score)             | 27 (score)                    | 28.5 (score)            | + 1.5 (points)              | All four underlying activity targets (1.1.2.1 to 1.1.2.4) at or above minimum threshold score hence deemed achieved. |
| 1.1.3 Ecological and Integrated Planning                   | 25 (score)             | 24 (score)             | 22.5 (score)                  | 25 (score)              | + 2.5 (points)              | All five underlying activity targets (1.1.3.1 to 1.1.3.5) at or above minimum threshold score hence deemed achieved. |
| 1.1.4 Wildlife management and game industry transformation | 21 (score)             | 19.1 (score)           | 22.5 (score)                  | 20.3 (score)            | - 2.2 (points)              | One (1.1.4.2) of the six underlying activity targets below the tolerance, hence the output was deemed not achieved.  |

## 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 was approved or published to extend scientific information to guide and direct management as per the research agenda for 2024/25
  - Published scientific Paper on "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
  - Research Progress Report: Dwesa-Cwebe National Rocky Shore Field Trip Report.
  - Research Progress Report: Vegetation ecology of the Commando Drift Nature Reserve; Eastern Cape Province, South Africa.
- iii. Manage External Research on Reserves
  - Over the course of the year, 14 applications to conduct research on ECPTA-managed protected areas were received.
  - Twelve (12) were finalised by the end of the reporting period.
  - To develop systems to support conservation, ECPTA was involved in South Africa's Rocky Shore Monitoring Programme.

- iv. Four new taxon Inventories were developed for:
  - Line fish species list for Dwesa-Cwebe Marine Protected Area.
  - Key species list for Rocky shore at Dwesa-Cwebe Marine Protected Area.
  - Fish list for Pondoland Marine Protected Area.
  - Bird list for Mkambati Nature Reserve.

## BIODIVERSITY MONITORING

- i. Two ecological monitoring reports were completed
  - Dwesa-Cwebe Marine Protected Area: Inshore Linefish Monitoring Project Progress Report.
  - Protected Areas Fire Monitoring Report: 2024.
- ii. The following priority taxon monitoring reports were completed
  - Four (4) x Great Fish River Nature Reserve black rhino population status report for 2024/25.
  - Four (4) x Baviaanskloof Nature Reserve black rhino population status report for 2024/25.
  - Baviaanskloof Nature Reserve Leopard Monitoring Report.
  - Water Quality Progress Report for the Pondoland Marine Protected Area.
  - Cape Vulture Breeding Survey in Mkambati Nature Reserve.
  - A holistic biodiversity survey of an Eastern Cape nature reserve: The utility of eDNA in an African setting.
  - Species richness and distribution patterns of medium to large mammals in the Mpofu Nature Reserve, Eastern Cape.
  - Buffalo ecology and management in the Great Fish River Reserve, Eastern Cape, South Africa.
- 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.

## ECOLOGICAL AND INTEGRATED PLANNING

- i. Two subsidiary management plans were completed in 2024/25; these included the subsidiary management plan for natural resource use at Silaka Nature Reserve and the Mkambati Nature Reserve Waste Management Plan.
- ii. Based on the game census and available scientific information, annual game management recommendations for 2025/26 were submitted to the Board, via the Biodiversity and Conservation Committee, and were approved.
- iii. Mainstreaming biodiversity considerations into national, provincial and municipal planning processes involved active collaboration with a diverse spectrum of stakeholders, including local authorities, municipalities, non-governmental organisations (NGOs), as well as provincial and national government departments.
- iv. By participating in priority EIA processes, ECPTA contributed to minimising incompatible land uses in the vicinity of provincial nature reserves.
- v. Protected Area Management Plan (PAMP) review processes were undertaken, i.e. the PAMP for East London Coast Nature Reserve was submitted to the MEC for approval, and the Hluleka Marine PAMP was reviewed for submission to the Department of Forestry, Fisheries and the Environment.



## WILDLIFE MANAGEMENT AND GAME INDUSTRY TRANSFORMATION

The Wildlife Management and Game Industry Transformation unit 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. This unit 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 subsector of the Biodiversity Economy in the province. To this end, ECPTA has established a Game Industry Transformation (GIT) unit 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 122 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 register / database, from which potential new sites are identified for assessment and possible participation, was maintained as planned.
- ii. The EC Game Transformation Forum meetings took place as targeted. Members also engaged using WhatsApp and other social media channels to stay abreast of relevant information and opportunities.
- iii. The unit monitored game on all custodianship sites
  - Two hundred and ninety (290) animals were donated for custodianship and delivered in Q3.
  - Fifteen (15) buffalo were placed at three existing custodianship sites.
  - Four (4) of the hunting packages sold in 2024/25 emanated from ECPTAs partner Transformation custodianship sites.

- Eight (8) of the domestic hunting packages were earmarked and successfully sold to historically disadvantaged individuals (HDIs).
- iv. With respect to implementing board approved off-takes, an overall off-take of 97% was achieved and thus within the 90% target threshold. Off-takes were actioned through various methods, namely auction, internal culling, external culling (conducted by a service provider), hunting, translocation (movement from one reserve to another), and game transformation custodianship sites.
  - v. Noting that the primary purpose of game off-takes is to maintain appropriate ecological functioning of the protected areas, as a positive byproduct, revenue was generated through the sale of hunting packages, live game at auction, external culling and venison sales.
  - vi. The targeted revenue of R6.122 million was exceeded.

## 1.2 SUB-PROGRAMME: PROTECTED AREA EXPANSION

The Protected Area Expansion sub-programme is responsible for two output indicators.

The first, biodiversity 'Stewardship', 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 through a Record of Decision (RoD) issued, as part of an environmental authorisation, on SANRAL by the then Department of Environmental Affairs in 2010 (now, Department of Forestry, Fisheries and the Environment). In terms of the RoD, SANRAL 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 the biodiversity offset.

During the year under review, the sub-programme achieved 91% of all targets across the three plans (strategic, annual performance and operational).

Table 7: Output Indicators: 1.2 Protected Area Expansion

| Output                               | Audited Annual 2022/23 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2024/25 | Reasons for deviations   |
|--------------------------------------|------------------------|------------------------|-------------------------------|-------------------------|-----------------------------|--|
| 1.2.1 Stewardship Programme          | 50 (score)             | 50 (score)             | 45 (score)                    | 45.3 (score)            | + 0.3 (points)              | All four underlying activity targets (1.2.1.1 to 1.2.1.4) at or above minimum threshold score hence output deemed achieved.  |
| 1.2.2 N2 Biodiversity Offset Project | 50 (score)             | 50 (score)             | 45 (score)                    | 45.7 (score)            | + 0.7 (points)              | Two underlying targets 1.2.2.2 and 1.2.2.3 above minimum threshold score hence deemed achieved. Two underlying targets 1.2.2.1 and 1.2.2.4 was partially achieved. The overall output was deemed achieved. |

## 1.2.1 STEWARDSHIP PROGRAMME

Table 8: Output Indicators: 1.3 Protected Area Management Plan (PAMP) implementation

| Output                            | Audited Annual 2022/23 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2024/25 | Reasons for deviations  |
|-----------------------------------|------------------------|------------------------|-------------------------------|-------------------------|-----------------------------|---|
| 1.3.1 Conservation Management     | 76.4 (score)           | 77.9 (score)           | 72 (score)                    | 78.5 (score)            | + 6.5 (points)              | Nine underlying activity targets (1.3.1.1 to 1.3.1.10) while one (1.3.1.5) was partially achieved, however the overall output was above the minimum threshold, hence deemed achieved. |
| 1.3.2 Reserves Tourism Management | 8.4 (score)            | 7.7 (score)            | 9 (score)                     | 9.2 (score)             | + 0.2 (points)              | Five underlying targets, 1.3.2.1 to 1.3.2.5 were achieved above minimum threshold score hence deemed achieved.  |
| 1.3.3 People and Parks            | 10 (score)             | 10 (score)             | 0 (score)                     | 9.3 (score)             | + 0.3 (points)              | Two of the five underlying activity targets (1.3.3.2 and 1.3.3.5) were partially achieved however the overall score was above minimum threshold score hence deemed achieved.          |

- i. The protected areas expansion target for 2024/25 was 15 000 hectares (ha). As per the APP/AOP the intention is to submit a declaration proposal for approval to the MEC to add 15 000ha to the provincial protected area system.
- ii. Twelve proposed protected areas were submitted to HOD to recommend MEC approval as indicated in the table below. One previously declared nature reserve (number 13 in the table) was submitted to HOD for MEC to approve revocation and re-declaration as indicated in the table below. The total number of submitted hectares for new declaration is 18 220 ha (numbers 1 to 12 in the table below).
- iii. The World Bank GEF-7 Project in the Addo-Amathole Biodiversity Economy Node
  - ECPTA, in collaboration with the South African National Parks, continued negotiations with various community-owned land to expand the conservation estate, consequently ECPTA initiated processes to undertake biodiversity assessment on 9 sites.
- iv. The WWF Nedbank Green Trust North-Eastern Grasslands Project
  - Various private and communal land is under negotiation for expanding protected areas in the North-Eastern Grasslands project. In this Project, three landowners signed declaration agreements to the extent of 6 761ha for Reedsdell Nature Reserve, Glencoe Protected Environment and Grootvlei Protected Environment. The declaration of these areas was submitted to the HOD to recommend MEC approval.
- v. Proposed Maloti Thaba Tsa Metsi Protected Environment
  - Linked to the proposed Maloti Thaba Tsa Metsi Protected Environment, under five Traditional Councils in the upper uMzimvubu catchment, ECPTA appointed a professional land surveyor to finalise the draft proclamation diagrams to gazette the notice for public participation towards the ultimate declaration.
- vi. The implementation of 6 Protected Area Management Plans, for existing biodiversity stewardship sites, was assessed.



Culture and Heritage, Eastern Cape

## PROPOSED PROTECTED AREAS SUBMITTED FOR MEC APPROVAL IN 2024/25

| No.                                       | Proposed Protected Areas                                    | Extent in hectares | Submission Date |
|---|---|--------------------|-----------------|
| 1.  | Kabeljous Nature Reserve                                    | 153                | Quarter 4       |
| 2.  | ST Francis Sands Nature Reserve                             | 46                 | Quarter 4       |
| 3.  | Mostertshoek Nature Reserve                                 | 306                | Quarter 4       |
| 4.  | Irma Booysen Flora Nature Reserve                           | 98                 | Quarter 4       |
| 5.  | Rebels Nature Reserve                                       | 21                 | Quarter 4       |
| 6.  | Stuurmanskraal Nature Reserve                               | 341                | Quarter 4       |
| 7.  | Grootvlei Protected Environment                             | 4 585              | Quarter 4       |
| 8.  | Glencoe Protected Environment                               | 1 007              | Quarter 4       |
| 9.  | Mile End Protected Environment                              | 911                | Quarter 4       |
| 10.                                       | Indalo PE [Kwandwe & Hills Nek]                             | 7 896              | Quarter 4       |
| 11.                                       | Intsomi Nature Reserve                                      | 1 687              | Quarter 2       |
| 12.                                       | Reedsdell Nature Reserve                                    | 1 169              | Quarter 2       |
| <b>Total hectares new declarations</b>    |   | <b>18 220</b>      |                 |
| <b>Revocation and re-declaration site</b> |   |                    |                 |
| 13.                                       | Bergplaas Nature Reserve<br>(Revocation and Re-declaration) | 5052               | Quarter 3       |

## N2 BIODIVERSITY OFFSET PROJECT

- i. To comply with the ROD (Record of Decision), the N2 Biodiversity Offset Project must ultimately declare 15 000ha as protected areas. The declaration process is underway for the identified sites within the N2 Biodiversity Offset Project. The Department of Land Reform and Rural Development has completed the Land Holders Rights Resolutions for the communities involved in the declaration of the candidate offset sites.
- ii. The unit successfully prepared project frameworks for the rehabilitation element of the N2 Biodiversity Offset Project which includes clearing of alien invasive species, wetland rehabilitation, and reclamation of eroded lands.
- iii. Preliminary work to prepare the sites to be rehabilitated resulted in the project creating 305 work opportunities for youth.



### 1.3 SUB-PROGRAMME: PROTECTED AREA MANAGEMENT PLAN IMPLEMENTATION

To effectively monitor the management of the Provincial nature reserves and tourism thereon, three high-level (output) indicators have been developed, namely, 'Conservation Management,' 'Tourism Management' and 'Socio-economic beneficiation through People and Parks Programme'. 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. Together, the regions are responsible for the management of all provincial protected areas according to best practices derived from the Management Effectiveness Tracking Tool for South Africa (METT-SA) and the State of Area Integrity Management (SoAIM) frameworks.

In terms of the 3 high-level indicators, Conservation Management is focused on key biodiversity management objectives aligned to the Protected Area Management Plans, and Tourism Management relates to tourism activities and revenue generated through tourism activities in the Parks. The People and Parks Programme is a national programme of the Department of Forestry, Fisheries, and the Environment, 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 capacity building and awareness raising strategy.

During 2024/25, the Protected Area Management Plan Implementation sub-programme achieved a score of 97.1% across the three plans (strategic, annual performance and operational).

### 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 was assessed in Q4. Scores are presented as percentages, and the scores for the ECPTA reserves ranged from 62 to 79%. The highest scoring reserve was Great Fish River Nature Reserve, and the lowest was Nduli/ Luchaba Nature Reserve. Four (4) Reserves, Dwesa/ Cwebe, East London Coast, Nduli/ Luchaba and Silaka scored less than 67%, which is the threshold above which DFFE consider a reserve to be effectively managed. 73% of the ECPTA-managed reserves were deemed to be effectively managed against a target of 70%.
- 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 2024/25 SoAIM audit was conducted in Q4. Overall scores ranged from 2.93 to 3.19. An average score across all 15 reserves of 3.03, against a target of 3, was attained.
- iii. **Manage fire on reserves.** The target for the management of fire on reserves was partially achieved, mainly due to the condition and shortage of firefighting equipment.

### TOURISM MANAGEMENT

Implementation of tourism management plans and regular reporting against this was done. Feedback from customers was continuously monitored, and matters raised were incorporated into a customer feedback response plan and addressed as resources allowed.

- i. The entity collected R5.5 million in revenue against a target of R6 million. This can largely be attributed to the following:

- Extreme weather events causing damage to infrastructure- A number of extreme weather events were experienced across the province over the course of the year, and these led to the temporary closure of tourism facilities. These included wild-fires, flooding and damage to access roads and other infrastructure.
  - Construction delays leading to delays in the reopening of tourism infrastructure. In many cases these were weather related.
- ii. All facilities were graded by the Tourism Grading Council as per the plan for the year.

### PEOPLE AND PARKS (SOCIO-ECONOMIC BENEFICIATION THROUGH PEOPLE AND PARKS PROGRAMME)

The People and Parks unit monitors socio-economic activities that accrue to communities neighbouring provincial nature reserves and implements capacity building and environmental education activities. In instances where land claims have been settled, the unit also engages and supports relationships with communities that own and co-manage protected areas with ECPTA. Achievements are as follows.

- i. Socio-Economic Beneficiation accrued to communities through various projects, culminating in more than R3 million rand.
- ii. Through Capacity Building initiatives more than 500 people were trained, approximately 5000 people were reached through Environmental education and awareness programmes, and more than 500 employment opportunities were created for neighbouring communities.
- iii. Managing negotiation processes for co-management agreements continued for Silaka Nature Reserve and Dwesa-Cwebe Nature Reserve. Where co-management agreements are in place (i.e. Mkhambathi Nature Reserve and the Double Drift Nature Reserve portion of Great Fish River Nature Reserve).



Route 67, Gqeberha

## 1.4 SUB-PROGRAMME: PROJECT MANAGEMENT

The Project Management sub-programme is responsible for two output indicators. The first, 'Infrastructure Implementation' responsible for infrastructure maintenance and development to support and enhance biodiversity conservation initiatives and tourism promotion. The second, 'Social Responsibility Projects' (SRP), to support creating employment opportunities and improving livelihoods in rural and marginalised communities that neighbour Protected Areas. Projects are funded through equitable share allocations

and partnerships with national and provincial departments such as the National Department of Tourism (NDT), South African National Biodiversity Institute (SANBI), National Department of Forestry, Fisheries and Environment (DFFE), and the provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). Infrastructure projects are also funded through the World Bank.

During the year under review, the sub-programme achieved 96.2 % of all targets across the three plans (strategic, annual performance and operational).

Table 9: Output Indicators: 1.4 Projects Implementation

| Output                                      | Audited Annual 2022/23 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2024/25 | Reasons for deviations   |
|---|------------------------|------------------------|-------------------------------|-------------------------|-----------------------------|--|
| 1.4.1 Infrastructure project implementation | 65.4 (score)           | 68.4 (score)           | 63 (score)                    | 66.4 (score)            | + 3.4 (points)              | All six underlying activity targets (1.4.1.1 to 1.4.1.6) were above minimum threshold score hence deemed achieved.   |
| 1.4.2 Social responsibility projects        | 30 (score)             | 30 (score)             | 27 (score)                    | 29.8 (score)            | + 2.8 (points)              | All three underlying activity targets (1.4.2.1 to 1.4.2.3) were above minimum threshold score hence deemed achieved. |

## INFRASTRUCTURE PROJECT IMPLEMENTATION

In the year under review, the infrastructure project implementation was centered around six activity plan areas, which are geared towards ensuring that conservation and tourism infrastructure is sustained at desirable levels. These activity plan areas were:

- i. Prepare framework plans for infrastructure assets: Asset registers were done for reserves and reserve infrastructure asset maintenance plans covering the period 2024/25 to 2026/27 (3-year cycle) were done.
- ii. Carry out reserve infrastructure maintenance

- The equitable share budget for maintenance projects was insufficient to address all infrastructure maintenance challenges. However, a few infrastructure issues in reserves such as East London Coast, Oviston, Ongelukse, Thomas Baines, Tsolwana, Hluleka, Dwesa-Cwebe, Mpofu/Fort Fordyce and Silaka Nature Reserves were tended to.
- Through the National Department of Tourism's Beautification of State-Owned attractions fund, maintenance was done at Dwesa-Cwebe, Mpofu-Fort Fordyce, Thomas Baines and Baviaanskloof World Heritage Site, Oviston and Double Mouth Nature Reserves.
- Track reserve infrastructure asset maintenance value through the asset register which was updated, and value analysis was done.



iii. Implement new works and upgrades on reserves. Projects implemented and/or underway include projects funded through:

- NDT - Baviaanskloof WHS – Nuwekloof staff accommodation,
- DEDEAT Economic Stimulus Fund (ESF) - various infrastructure upgrades at various nature reserves e.g. internal roads upgrades at Great Fish River Nature reserve, Silaka Nature Reserve and Double Mouth Nature Reserve; construction of curio shop, swimming pool and viewing deck at Silaka
- DFFE – EPIP (Environmental Protection and Infrastructure Programme) - various infrastructure upgrades at nature reserves, e.g. upgrade of access roads at Mkhambati and Hluleka, upgrade of tourism complex at Great Fish River Nature Reserve, planning and design for Oviston Nature Reserve abattoir.
- World Bank - WCB (Wildlife Conservation Bond) - at Great Fish River Nature Reserve infrastructure upgrades are

underway for 50 km fence rehabilitation and staff accommodation upgrades.

iv. Implement new works and upgrades outside reserves

- A 6-day hiking trail project is underway and was initially partially constructed, new Principal Service Providers were appointed to complete outstanding works at Mpande and Mngazana Hikers Huts and designs development of facilities at Mngcibe.
- At Ndlambe Local Municipality, a Kowie River embankment rehabilitation project was completed.

v. Implement projects to adequately enclose reserves through fencing projects under DFFE - EPIP added a total of 35km of fencing at Tsolwana Nature Reserve.

The table below is a summary of projects underway or completed for the reporting period. The projects are valued at approximately R44.1 million:

Table 10: Infrastructure projects underway or completed

| Programme / Funder                                       | Project underway   | Date of completion | Date of planned completion |
|--|--|--------------------|----------------------------|
| Provincial Economic Stimulus Fund (ESF)                  | Silaka Nature Reserve upgrades                           |                    | June 2025                  |
| Provincial Economic Stimulus Fund (ESF)                  | Hluleka Nature Reserve upgrades                          |                    | June 2026                  |
| Provincial Economic Stimulus Fund (ESF)                  | Double Mouth campsite upgrades                           |                    | December 2025              |
| Provincial Economic Stimulus Fund (ESF)                  | Oviston Nature Reserve upgrades                          |                    | December 2025              |
| Provincial Economic Stimulus Fund (ESF)                  | Tsolwana Nature Reserve upgrades                         |                    | June 2025                  |
| National Department of Tourism (NDT) Infrastructure      | Kowie River Embankment Upgrades                          | January 2025       |                            |
| Environmental Protection Infrastructure Programme (EPIP) | Mkhambathi Nature Reserve administration office upgrades |                    | September 2025             |
| Environmental Protection Infrastructure Programme (EPIP) | Mkhambathi Nature Reserve access roads upgrades          |                    | June 2025                  |
| Environmental Protection Infrastructure Programme (EPIP) | Great Fish River Nature Reserve upgrades                 |                    | June 2025                  |

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| Programme / Funder  | Project underway  | Date of completion | Date of planned completion |
|---|---|--------------------|----------------------------|
| National Department of Tourism (NDT)<br>Baviaanskloof WHS   | Staff accommodation upgrades                                      |                    | March 2026                 |
| National Department of Tourism (NDT)<br>Infrastructure      | 6-Day hiking trail  |                    | June 2026                  |
| Environmental Protection Infrastructure<br>Programme (EPIP) | Tsolwana-Commando Drift NR abattoirs<br>and staff accommodation   |                    | December 2025              |
| Environmental Protection Infrastructure<br>Programme (EPIP) | Hluleka NR access roads upgrades                                  |                    | June 2025                  |
| Environmental Protection Infrastructure<br>Programme (EPIP) | Oviston NR abattoir upgrades                                      |                    | March 2026                 |
| Environmental Protection Infrastructure<br>Programme (EPIP) | Nduli-Luchaba NR access roads upgrades                            |                    | On hold                    |
| Wildlife Conservation Bond (World Bank)                     | Upgrade of staff accommodation at<br>KwaMadolo                    | August 2024        |                            |
| Wildlife Conservation Bond (World Bank)                     | Upgrade of staff accommodation at<br>Retreat & Double Drift Lodge |                    | June 2025                  |
| Wildlife Conservation Bond (World Bank)                     | Rehabilitation of perimeter fence at<br>Double Drift Section      |                    | June 2025                  |
| Wildlife Conservation Bond (World Bank)                     | Rehabilitation of perimeter fence at<br>Double Drift Section      |                    | June 2025                  |
| Wildlife Conservation Bond (World Bank)                     | Rehabilitation of internal access roads                           |                    | June 2025                  |

## SOCIAL RESPONSIBILITY PROJECTS

- i. Implement social responsibility (SRP) projects
  - The SRP implemented programmes are funded through the DFFE, NDT and DEDEAT infrastructure development and environmental projects, as well as SANBI's Groen Sebenza Phase II Programme for graduate internships.
- ii. Monitor community beneficiation
  - Employment opportunities were facilitated as per the table below. The youth employment target of 74%, and a target of 37% for the employment of women were both met during the reporting period.

Table 11: Employment opportunities linked to EPWP, Infrastructure

| Period    | # work opportunities | Actual % youth | Actual % women | # of youth | # of women | # of adults >35 years |
|-----------|----------------------|----------------|----------------|------------|------------|-----------------------|
| Quarter 1 | 158                  | 73%            | 36%            | 115        | 57         | 43                    |
| Quarter 2 | 188                  | 64%            | 31%            | 121        | 58         | 67                    |

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| Period       | # work opportunities | Actual % youth | Actual % women | # of youth | # of women | # of adults >35 years |
|--------------|----------------------|----------------|----------------|------------|------------|-----------------------|
| Quarter 3    | 159                  | 84%            | 42%            | 134        | 67         | 25                    |
| Quarter 4    | 163                  | 75%            | 40%            | 122        | 66         | 41                    |
| <b>Total</b> | <b>668</b>           | <b>74%</b>     | <b>37%</b>     | <b>492</b> | <b>248</b> | <b>176</b>            |

Table 12: Linking performance to budgets: B&C

| Biodiversity and Conservation | 2024/25        |                          |                                | 2023/34        |                          |                                |
|-------------------------------|----------------|--------------------------|--------------------------------|----------------|--------------------------|--------------------------------|
|                               | Budget R'000   | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 | Budget R'000   | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 |
| Goods and Services            | 59 180         | 52 311                   | 6 868                          | 80 530         | 46 247                   | 34 283                         |
| Cost of Employment            | 139 795        | 142 463                  | -2 669                         | 124 647        | 130 472                  | -5 825                         |
| Capital expenditure           | 36 820         | 43 176                   | -6 356                         | 104 266        | 27 819                   | 76 447                         |
| <b>Total</b>                  | <b>235 794</b> | <b>237 951</b>           | <b>-2 157</b>                  | <b>309 443</b> | <b>204 538</b>           | <b>104 905</b>                 |

## STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

- i. 1.2.2 N2 Biodiversity Offset Project. The offset Programme couldn't leverage the number of jobs planned for due to austerity measures and will be achieved in the carryover period since this is a long-term project.
- ii. 1.3.1 Conservation Management. ECPTA will lobby for more funding to replace existing equipment, pay memberships and adequacy train staff to prevent and fight fires in the reserves.
- iii. 1.3.3 People and Parks. Targets for revenue collection will be aligned to the infrastructure upgrades, maintenance and other factors that may affect income hence pricing for risk in the expected revenue.





## 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.

Table 13: Intermediate Outcome: Marginalised individuals and communities actively benefit from biodiversity and tourism targets and weights

| Immediate Outcome  | Immediate Outcome Indicators    | Relative Weight | Output Indicators                             | Relative Weight |
|--|---------------------------------|-----------------|---|-----------------|
| 2. Marginalised individuals and communities actively benefit from biodiversity and tourism | 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%             |

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 and has the following targets set for the financial year.

Table 14: Intermediate Outcome: Marginalised individuals and communities actively benefit from biodiversity and tourism

| Output  | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations   |
|---|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|--|
| Marginalised individuals and communities actively benefit from biodiversity and tourism | 99.9 (score)           | 97.3 (score)           | 90 (score)                    | 93.2 (score)            | + 3.2 (points)               | The Index score is deemed as achieved within the 90-100 range set by the Board.<br>The score is calculated by adding the weighted scores for the three contributing Outputs (Table 15) |

Table 15: Immediate Outcomes: Marginalised individuals and communities actively benefit from biodiversity and tourism

| Output                          | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | 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 within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 16)                   |
| 2.2 Reserves as Products        | 100 (score)            | 97.7 (score)           | 90 (score)                    | 73.8 (score)            | - 16.2 (points)              | The Index score is deemed as not achieved as it is not within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the three contributing Outputs (Table 17) |
| 2.3 Stakeholder Support         | 99.5 (score)           | 94.1(score)            | 90 (score)                    | 100(score)              | + 10 (points)                | The Index score is deemed as achieved within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the three contributing Outputs (Table 18)                  |

## 2.1 SUB PROGRAMME: TOURISM VALUE CHAIN SUPPORT

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.

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.

Table 16: Output Indicators: 2.1 Tourism Value Chain Support

| Output  | Audited Annual 2022/23 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2024/25 | Reasons for deviations   |
|---|------------------------|------------------------|-------------------------------|-------------------------|-----------------------------|--|
| 2.1.1 Tourism experience diversification      | 40 (score)             | 40 (score)             | 36 (score)                    | 40 (score)              | + 4 (points)                | All four underlying activity targets (2.1.1.1 to 2.1.1.4) were above the minimum threshold hence deemed achieved         |
| 2.1.2 Intergovernmental tourism functionality | 35 (score)             | 35 (score)             | 31.5 (score)                  | 46.7 (score)            | + 15.2 (points)             | All five underlying activity targets (2.1.2.1 to 2.1.2.3) were above the minimum threshold score hence deemed achieved.  |
| 2.1.3 Tourism business operationalisation     | 15 (score)             | 15 (score)             | 13.5 (score)                  | 20 (score)              | + 6.5 (points)              | All five underlying activity targets (2.1.3.1 to 2.1.3.5) were above the minimum threshold score hence deemed achieved.  |
| 2.1.4 Tourism standards                       | 10 (score)             | 10 (score)             | 9 (score)                     | 16.7 (score)            | + 7.7 (points)              | All eight underlying activity targets (2.1.4.1 to 2.1.4.8) were above the minimum threshold score hence deemed achieved. |

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, nevertheless, maintains a minimum performance tolerance of between 90% and 100%. Scores in this range are not deemed as having exceeded expectations. The Eastern Cape Parks and Tourism Agency prides itself on the collaborations that it has established over the years with both the private and public sector. These collaborations have played a crucial role in advancing tourism development within the available limited resources.



## TOURISM EXPERIENCE DIVERSIFICATION

All contributing activities were successful 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. In promoting the Eastern Cape part of the route, ECPTA upgraded its website, and all participants including ECPTA submitted updated information that includes attractions, images, and accommodation details in Matatiele, Elundini, and Maletswai Local Municipalities.
  - 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. ECPTA continues to promote the project and uses various platforms (with private and public sector) to promote investment opportunities within and outside ECPTA nature reserves to the potential investors.

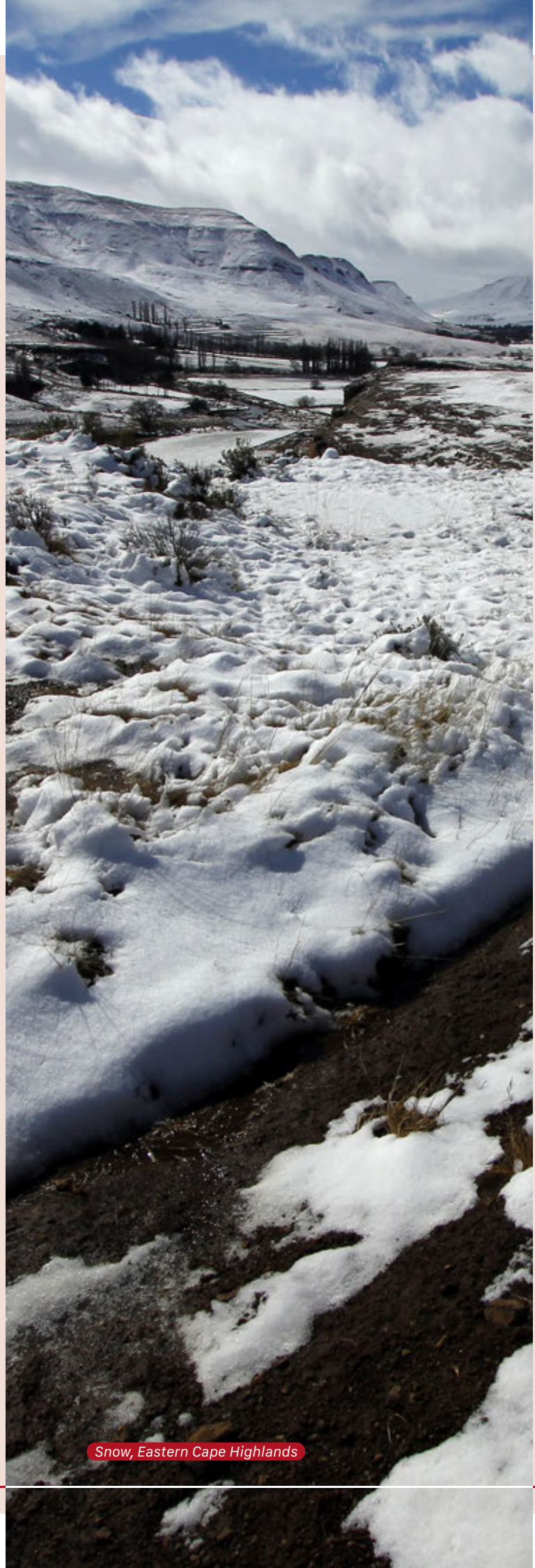
## INTERGOVERNMENTAL TOURISM FUNCTIONALITY

- 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 turndown 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.
  - Share tourism information with established representative bodies. In communicating with the tourism sector, ECPTA used various physical and online platforms to disseminate information which include the following, Funding opportunities, Market access opportunities, Networking platforms, Training and Development opportunities, Promotional deals for Micro-Trips, Nomination in awards and Supplier development awareness sessions.
- iii. ECPTA participates in sessions organised by various institutions, private and public sectors, with the purpose of sharing tourism trends and ECPTA programmes. This is done to ensure stakeholder buy in as well as resource leveraging.
  - iv. Shared Call for Application International Market Access Support Programme Individual Support Tourism Trade Platforms: 01 July to 30 September 2024 – NDT.
  - v. Shared Call for Application Domestic Market Access Support Programme Africa's Travel Indaba 2024.
  - vi. 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).
  - vii. Call for Application Accommodation qualify for an up to 90% discount with Tourism Grading Support Programme Renewal Until March 2024– NDT and TGCSA.



Snow, Eastern Cape Highlands



- viii. Call Registration and Competition for the Africa Youth in Tourism Innovation Summit & challenge 2024 - NDT
- ix. Invitation to Partnering for Safer Travel and updates from the SECURA Traveller project -SATSA.
- x. Shared invitation to a Tourism Research Seminar "Advancing Tourism Growth and Development through Research".
- xi. SMMEs are invited to submit applications to assisted with equipment, tools raw materials or raw materials or stock for up R250, 000 each.
- xii. Call for applications International Marketing Access Support Programme - Individual Support Tourism Trade Platforms: 01 October to 31 December 2024.

## 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. 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 Har- bour.
  - ECPTA collaborated with various stakeholders such as the Amathole Mountain

Escape Tourism Association, SAIMI and NDT for the training of Kayak Guides, Tourist Guides in Adventure Guiding and the First Aid.

- iii. Throughout the year, in particular in preparation for the tourism peak seasons, various tourism safety campaigns are held targeting tourism hot spot areas. These campaigns are done in collaboration with communities, private and public sectors.
- 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, focusing on service excellence and related elements
  - ECPTA conducted a Resource Efficiency Training for 20 tourism businesses across the Game management and Recreation Cluster

## 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 the ECPTA stand)
  - Promotional material
  - Support with meetings
  - Registration for the show
  - ECPTA ensured 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.
  - 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).
- ii. Conscientize stakeholders about tourism opportunities
- 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 programmes 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 encouraged to uphold good service standards to grow and maintain the market share of visitors to the country. To this end, ECPTA facilitated in the following programmes.
  - 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 twofold; 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 vouch-

ers 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 were 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.



Leopard Trail, Baviaanskloof

## 2.2 SUB PROGRAMME: RESERVE AS PRODUCTS

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

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

Table 17: Output Indicators: 2.2 Reserves as Products

| Output                                    | Audited Annual 2022/23 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2024/25 | Reasons for deviations  |
|---|------------------------|------------------------|-------------------------------|-------------------------|-----------------------------|---|
| 2.2.1 Reserve-based tourism               | 30 (score)             | 30 (score)             | 27 (score)                    | 28.5 (score)            | + 1.5 (points)              | All two underlying activity targets (2.2.1.1 and 2.2.1.2) were not achieved minimum threshold however the overall output was deemed as achieved         |
| 2.2.2 Reserve Tourism Product Development | 54.5 (score)           | 37.7 (score)           | 36 (score)                    | 37.9 (score)            | + 3.9 (points)              | Six underlying activity targets (2.2.2.1 to 2.2.2.7) were above minimum threshold hence deemed achieved   |
| 2.2.3 Tourism transformation              | 30 (score)             | 30 (score)             | 27 (score)                    | 24 (score)              | - 3 (points)                | One target 2.2.3.1 was partially achieved while two underlying activity targets (2.2.3.2 to 2.2.3.3) were above minimum threshold hence deemed achieved |

### RESERVE-BASED TOURISM

In order to streamline tourism development and promotion of nature reserves, each reserve should have an updated Tourism Development Plan, and as such, plans were developed as follows:

- Ongeluksnek Tourism Plan was developed with inputs from various stakeholders
- Tourism Development Plans were reviewed for the Thomas Baines Nature Reserve and for East London Coast Nature Reserve
- Install Reserve Signage: ECPTA installed tourism signage for Tsolwana Nature Reserve on R61 national road towards Tarkastad

### RESERVE TOURISM PRODUCT DEVELOPMENT

- 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.
  - ECPTA Tariffs 2024/25 were prepared in consultation with sister departments within ECPTA.
- ii. 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.
  - All overnight guests were requested to complete online surveys to establish satisfaction ratings
- iii. 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
  - 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
  - Present investment opportunities to potential investors
- iv. 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 Investment conference.

## TOURISM TRANSFORMATION

- To facilitate transformation of the industry, ECPTA provides support to tourism associations, community tourism projects and businesses based on their individual needs.
- 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 as well as reviewed their website.
- 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.
- ECPTA, ECDC, ECPACC and PSJ Local Municipality conducted the selection process for crafters adjacent Silaka Nature Reserve who will be exhibiting and selling their artefacts at the reserve's curio shop.

## 2.3 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.

Table 18: Output Indicators: 2.3 Stakeholder Support

| Output                       | Audited Annual 2022/23 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2024/25 | Reasons for deviations   |
|------------------------------|------------------------|------------------------|-------------------------------|-------------------------|-----------------------------|--|
| 2.3.1 Stakeholder engagement | 60 (score)             | 60 (score)             | 54 (score)                    | 60 (score)              | + 6 (points)                | All 4 underlying activity targets (2.3.1.1 to 2.3.1.4) were above minimum threshold hence deemed achieved. |
| 2.3.2 Resource Leveraging    | 39.5 (score)           | 34.1 (score)           | 36 (score)                    | 39 (score)              | + 3 (points)                | Three underlying activity targets (2.3.2.1 to 2.3.2.3) were above minimum threshold hence deemed achieved  |

- 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 Lindon 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.

## STAKEHOLDER ENGAGEMENT

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

## RESOURCE LEVERAGING

- The Stakeholder Support unit successfully developed a Resource Leveraging Strategy for the organisation, and consistently identified and shared resource leveraging opportunities
- Quarterly reports on successful In-kind resource leveraging opportunities were shared with the Board via the Finance and Investment Committee
- 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 focused on new concepts and proposals.

Table 19: Resource leveraging per Unit in the ECPTA

| Programme                     | Sub-programme              | 2024/24       |               |               |               |
|-------------------------------|----------------------------|---------------|---------------|---------------|---------------|
|                               |                            | Q1<br>(R'000) | Q2<br>(R'000) | Q3<br>(R'000) | Q4<br>(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       |               |               |               |               |
| Corporate Services            | Human Capital Development  | 442           | 357           | 1 199         | 1 199         |
| <b>ECPTA</b>                  | <b>Various</b>             | <b>533</b>    | <b>753</b>    | <b>2 914</b>  | <b>2 426</b>  |

## LINKING PERFORMANCE WITH BUDGETS: DD

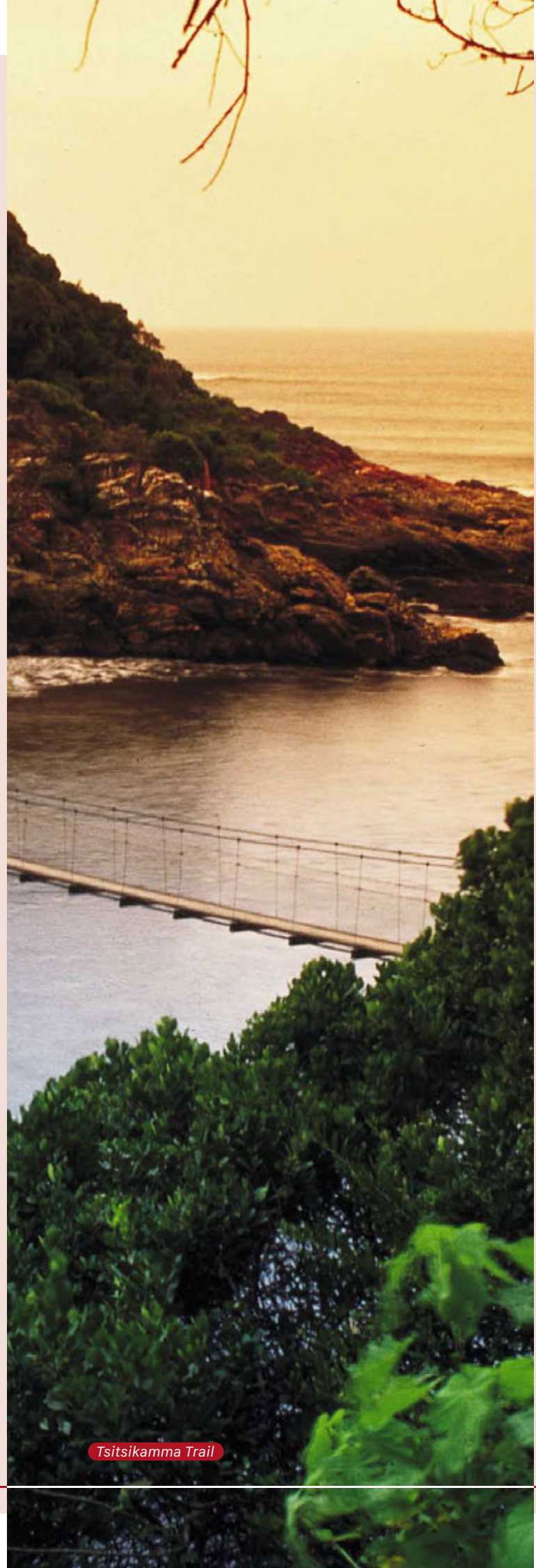
Table 20: Linking budgets with performance

| Destination Development | 2024/25         |                                     |   | 2023/24         |                                     |   |
|-------------------------|-----------------|-------------------------------------|---|-----------------|-------------------------------------|---|
|                         | Budget<br>R'000 | Actual<br>Expen-<br>diture<br>R'000 | (Over)/<br>Under<br>Expen-<br>diture<br>R'000 | Budget<br>R'000 | Actual<br>Expen-<br>diture<br>R'000 | (Over)/<br>Under<br>Expen-<br>diture<br>R'000 |
| Goods and Services      | 3 481           | 2 696                               | 785   | 4 560           | 3 394                               | 1 166   |
| Cost of Employment      | 11 358          | 13 232                              | -1 874  | 10 479          | 11 487                              | -1 008  |
| Capital expenditure     | 51              | 50                                  | 1   | 30              | 30                                  | -   |
| <b>Total</b>            | <b>14 890</b>   | <b>15 978</b>                       | <b>-1 088</b>                                 | <b>15 069</b>   | <b>14 911</b>                       | <b>158</b>                                    |



## STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

- i. 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.
- ii. 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.
- iii. 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.



Tsitsikamma Trail



## PROGRAMME 3: MARKETING

### PROGRAMME PURPOSE

The Marketing Department is responsible for marketing and promoting Eastern Cape Province as a tourism destination in accordance with Section 13 of the ECPTA Act 2 of 2010. The purpose is to increase awareness, stimulate interest and ultimately attract visitors to the province. It is further tasked with promoting provincial nature reserves and managing and executing internal and external corporate communication functions to protect and defend the image of the organisation. To position the Eastern Cape Province as a preferred tourist destination thus making the Eastern Cape a competitive international and domestic tourism destination. Through our Business Events and Partnerships unit, the department promotes the province through events and also profiles the province to MICE.

Table 21: The Province is the premier African destination connecting people to authentic experiences

| 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 Promotion  | 20%             |
|   | Relative Weight: 25%         | 3.2 Public Relations and Digital Marketing | 30%  |                 |
|   |                              |  | 3.2.1 PR and Communication                 | 60%             |
|   | Relative Weight: 25%         |  | 3.2.3 Digital Marketing                    | 40%             |
|   |                              | 3.3 Business Events and Partnerships       | 30%  |                 |
|   |                              |  | 3.3.1 Destination promotion through events | 55%             |
|   |                              |  | 3.3.2 Destination profiling to MICE        | 45%             |

Table 22: Intermediate Outcome: The province is the premier African destination connecting people to authentic experiences

| Output   | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations  |
|--|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|---|
| The Province is the Premier African Destination connecting people to authentic experiences | 99.2 (score)           | 97.5 (score)           | 90 (score)                    | 98.8 (score)            | + 8.8 (points)               | The Index score is deemed as achieved within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the three contributing Outputs (Table 23) |

Table 23: Immediate Outcomes: The province is the premier African destination connecting people to authentic experiences

| Output                                     | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations   |
|--|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|--|
| 3.1 Destination marketing                  | 98 (score)             | 100 (score)            | 90 (score)                    | 89.5 (score)            | - 0.5 (points)               | The target was not met due to austerity measures on travel and attendance of various marketing platforms (Table 24)  |
| 3.2 Public relations and digital marketing | 100 (score)            | 100 (score)            | 90 (score)                    | 98 (score)              | + 8 (points)                 | The Index score is deemed as achieved within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the four contributing Outputs (Table 25) |
| 3.3 Business events and partnerships       | 100 (score)            | 92.5 (score)           | 90 (score)                    | 94.1 (score)            | + 4.1 (points)               | The index scores is deemed as achieved within the 90-100 range set by the Board. The weighted scores are contained (Table 26)  |

### 3.1 SUB-PROGRAMME: DESTINATION MARKETING

Destination marketing entails activities ECPTA carried 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. The

Destination Marketing sub-programme focused on strategically positioning the Eastern Cape as a preferred travel destination by implementing targeted campaigns that aimed to inform, inspire, and influence travel decisions. Through a combination of seasonal promotions, digital marketing, trade engagements, and brand development initiatives, the unit worked to drive awareness, increase tourist arrivals, and encourage extended stays across the province.

In the 2024/25 financial year, the unit successfully achieved 100% of its planned outputs and activity targets. Where all planned activities are executed in full, this results in a positive performance outcome in line with ECPTA's performance policy, such results do not exceed expectations unless they surpass the output weighting



threshold outlined in Table 24. The Board recognises a performance tolerance of 90–100% as

the acceptable range. Where targets are fully met, no remedial action is required.

Table 24: Output Indicators: 3.1 Destination Marketing

| Output                                    | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations   |
|---|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|--|
| 3.1.1 Domestic Marketing                  | 38 (score)             | 40 (score)             | 36 (score)                    | 40 (score)              | + 4 (points)                 | All two underlying activity targets (3.1.1.1 and 3.1.1.2) at or above the minimum threshold hence deemed achieved  |
| 3.1.2 International Marketing             | 20 (score)             | 20 (score)             | 18 (score)                    | 19.5 (score)            | + 1.5 (points)               | All two underlying activity targets (3.1.2.1 and 3.1.2.2) at or above the minimum threshold hence deemed achieved  |
| 3.1.3 Brand Positioning                   | 20 (score)             | 20 (score)             | 18 (score)                    | 20 (score)              | + 2 (points)                 | All three underlying activity targets (3.1.3.1 to 3.1.3.3) at or above the minimum threshold hence deemed achieved |
| 3.1.4 Provincial Nature Reserve promotion | 20 (score)             | 20 (score)             | 18 (score)                    | 20 (score)              | + 2 (points)                 | All two underlying activity targets (3.1.4.1 and 3.1.4.2) at or above the minimum threshold hence deemed achieved  |

### 3.1.1 DOMESTIC MARKETING

- i. Drive destination awareness of product offerings
  - In the 2024/25 financial year, ECPTA continued to build strong destination awareness by promoting the Eastern Cape's unique product offerings and signature experiences. Seasonal campaigns were strategically developed and rolled out across key periods to highlight the diversity of attractions available throughout the province.
  - These integrated marketing campaigns were amplified across ECPTA's digital platforms, social media, and traditional print and online media. Notable campaigns included the Sardine Run, Tourism Month, Summer and Winter seasonal promotions, Virtual Tours and the Easter holiday promotion. Each campaign was curated to resonate with specific target audiences while reinforcing the Eastern

Cape's appeal as a year-round destination for nature lovers, cultural explorers, and adventure seekers.

- ii. Defend Domestic Market Share
  - Despite a challenging year for domestic travel nationally, the Eastern Cape remained steadfast in defending its domestic tourism market share. The number of domestic trips across South Africa declined significantly from 6.8 million in 2023 to 5.3 million in 2024, reflecting a reduction of 1.5 million trips.
  - This downward trend underscores the importance of ECPTA's sustained domestic marketing efforts. Through consistent brand presence, compelling storytelling, and collaborative promotions, the province has maintained its visibility in a competitive tourism environment. ECPTA's domestic campaigns have played a critical role in stimulating interest, encouraging travel, and reinforcing loyalty among South African travelers.

### 3.1.2 INTERNATIONAL MARKETING

- i. Defend International Source Markets
  - In its continued efforts to defend and grow international market share, ECPTA strategically partnered with South African Tourism (SAT) to leverage its established infrastructure and platforms in key global source markets. These partnerships enabled ECPTA and provincial tourism stakeholders to gain direct access to international travel trade networks, media, and consumers through SAT's global footprint.
  - Further visibility was achieved through ECPTA's active participation in major international trade exhibitions, including the World Travel Market (WTM) Africa, WTM London, and the Africa Travel Indaba. These platforms not only facilitated meaningful trade engagements but also provided critical opportunities to position the Eastern Cape as a compelling destination for international travelers seeking nature-based, cultural, and adventure-driven experiences.
- ii. Showcase EC Travel Packages to International Consumers In 3 Key Source Markets
  - To drive interest and consideration among international consumers and travel trade, ECPTA launched a dedicated international newsletter campaign targeting three priority source markets. This initiative aimed to build destination awareness while promoting curated Eastern Cape travel packages aligned with global travel trends.
  - The newsletter included compelling destination highlights, seasonal offerings, and product updates from both public and private sector tourism partners.
  - This targeted digital engagement formed part of ECPTA's broader strategy to position the province as a must-visit destination on the African continent and to stimulate future bookings and trade partnerships.

### 3.1.3 BRAND POSITIONING

- i. Create Awareness on Destination Experiences Related to Brand Attributes
  - ECPTA continued to promote a strong, unified brand by aligning all destination marketing efforts with the province's core brand attributes. These attributes are rooted in authentic experiences, natural beauty, and cultural richness which formed the foundation for content and campaigns designed to resonate with target audiences.
- ii. Educate Internal and External Stakeholders on Corporate/Destination Logo Application
  - To ensure consistent and appropriate use of the Eastern Cape's corporate and destination branding, ECPTA implemented quarterly branding workshops for both internal teams and external tourism stakeholders.
  - Internal departments were also regularly supported to ensure alignment with the corporate brand framework adopted in 2020, promoting consistency across all platforms and communications.
- iii. Communicate and Engage Stakeholders on Tourism Related Information
  - ECPTA maintained open lines of communication with tourism stakeholders throughout the year by facilitating various engagement sessions. These platforms were used to share updates on marketing initiatives, collaborate on joint campaigns, and disseminate relevant tourism-related information.
  - The engagements provided valuable opportunities to align strategies, encourage feedback, and build collaborative relationships across the sector.

### 3.1.4 PROVINCIAL NATURE RESERVES PROMOTION

- i. Drive Awareness for Provincial Nature Reserves Offerings
  - Focused efforts to enhance visibility and occupancy across the province's nature reserves.

- Strategic campaigns were implemented throughout the reporting period, aimed at driving bookings and positioning the reserves as accessible, value-rich destinations for domestic travelers.
- Key campaigns included: Black Friday promotion, Charity Hike initiative, Free Access Week and On Your Doorstep campaign.

ii. Facilitate Third Party Content Creation

- While the original objective to facilitate third-party content creation could not be executed due to Q4 austerity measures, the Marketing Department remained agile in adapting its approach. To maintain visibility and engagement, the On Your Doorstep campaign was launched, encouraging Eastern Cape residents to rediscover nearby nature reserves.
- By leveraging internal content and ever-green media assets, the department was able to sustain momentum and ensure continued promotion of the nature reserves, even in the face of fiscal limitations.

### 3.2 SUB-PROGRAMME: PUBLIC RELATIONS, COMMUNICATION AND DIGITAL MARKETING

As the Provincial Destination Marketing Organisation, it is vital that the ECPTA itself maintains a positive public image. This unit is responsible for the shaping and building the organisations and the provinces reputation thus creating a positive brand image making Eastern Cape a desirable travel destination and ultimately drive tourism and economic growth.

The Public Relations and Communication unit provides strategic media and overall communication support for the organisation. The unit also gives a coherent voice on the on-going developments within the organisation and ensures a free and rapid flow of information between the organisation and stakeholders.

Table 25: Output Indicators: 3.2 Public Relations and Digital marketing

| Output                                   | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | 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 three underlying activity targets (3.1.2.1 to 3.1.2.3) at or above minimum threshold hence deemed achieved |
| 3.2.2 Digital Marketing                  | 39.9 (score)           | 50 (score)             | 36 (score)                    | 40 (score)              | + 4 (points)                 | All three underlying activity targets (3.2.2.1 to 3.2.2.3) at or above minimum threshold hence deemed achieved |

### 3.1.3 BRAND POSITIONING

This sub-programme elevated the Eastern Cape's profile through a sophisticated earned-media strategy, stakeholder engagement framework and immersive experiential activations. ECPTA deployed a phased approach covering feature placements, press tour itineraries and executive

briefings to showcase the province's tourism and conservation credentials.

During the year under review Colombo-market press kits secured cover stories in Sri Lanka's Daily Mirror and Daily News (in collaboration with DIRCO), alongside a curated delegation of ten US travel journalists at the National Arts Fes-



tival (in partnership with Afri-centric). Q2 spotlighted the Rhino Impact Bond during Rangers Day, with extensive coverage across News24, Daily Dispatch, Algoa FM and SABC, while a Tourism Month "Tourism & Peace" activation achieved saturation on Morning Live, Daily Dispatch, The Herald, TruFM, UCRFM and VukaniFM. The inaugural Homestay Awards activated community-media networks including SABC TV/radio, Daily Dispatch, The Herald, Sajonisifm, VukaniFM and UCRFM celebrating grassroots hosts.

In the year under review, integrated partnerships with marquee events Berlin November, Afrika Unite and the PGA tournament generated interviews on community radio, print features in The Herald and Daily Dispatch, plus broadcast slots on Mpuma Kapa TV, SABC and eNCA. The #ECStayPlugs initiative (with Women in Tourism Eastern Cape) showcased emerging homestays at TruFM's Slujah & Friends Party, while a Wild Coast safety campaign (with Coffee Shack and nano-influencer Lauren Manuel) recalibrated

destination sentiment through authentic testimonial content. Q4 delivered Ramsar recognition of Mkambathi Nature Reserve in The Herald, Daily Dispatch, Tourism Update and Travel News Africa, alongside national and regional syndication of the Qunu Homestays launch (with TAHS-SA and Chief Balizulu).

### 3.2.2 COMMUNICATION

A rigorous communications cadence underpinned these activations. ECPTA released two quarterly editions each of eVoice (internal) and Tourism Talk (external), featuring thought-leadership columns, KPI highlights and calls to action. Continuous subject-line and content A/B testing lifted open rates and deepened engagement across government, community and industry cohorts. These collaborations and campaigns transformed how the world perceives the Eastern Cape, shining a spotlight on our unique heritage and natural beauty.

| Quarter | Reach       | Positive Sentiment | AVE         |
|---------|-------------|--------------------|-------------|
| Q1      | 4 149 873   | 32 %               | R7 659 545  |
| Q2      | 387 777 071 | 47 %               | R11 407 348 |
| Q3      | 8 622 698   | 67.7 %             | R10 093 041 |
| Q4      | 6 711 793   | 71 %               | R6 319 221  |

Footnote: The Q2 reach figure reflects syndication through high-circulation digital platforms, resulting in an exceptional amplification of Ranger Day and Tourism Month coverage.

### 3.2.3 DIGITAL MARKETING

The Digital Marketing sub-programme strengthened ECPTA's online footprint through thematic campaigns, authentic storytelling and strategic platform management translating digital interest into real-world visits.

- ECPTA's content calendar guided seasonal activations that reflected the province's landscapes and heritage. "On Your Doorstep" and Free Access Week encouraged locals to rediscover reserves, while "Snap, Tag & Share", the Sardine Run initiative and Educators Special harnessed

user-generated content across Facebook, Instagram and X. Back-to-school campaigns #knowyourEasternCape and Choose Travel, Choose Eastern Cape targeted families and MICE planners via LinkedIn thought-leadership articles, social-media carousels and homepage spotlights.

- Influencer partnerships delivered high-impact amplification at no additional cost. Trade-exchange agreements with Sinaye Kotobe, Lumphumlo Ngcayisa, Zenizole Gqada, Thobeka Sibalkhulu, Pumeza Cingo and Lelwar Travels ensured authentic voices produced platform-opti-

mised content Reels, TikToks and carousels that resonated with target audiences and fed directly into paid and organic trajectories.

- Website management maintained its role as an information hub and conversion driver. Q1 recorded 18 000 user sessions and 17 000 new visitors with the Home, Vacancies, Tenders and Things to Do pages leading engagement. Q3 peaked at 29 000 sessions following a refresh of Attractions and Vacancies content. Q4

sustained over 20 000 sessions, supported by a Sardine Run homepage banner to build anticipation.

- Quarterly e-newsletters rounded out the ecosystem, delivering campaign highlights, itinerary suggestions and booking links to subscriber inboxes. Subject-line A/B testing and segment-specific content improved open and click-through rates, confirming email's value as a conversion channel.

| Quarter | Target Growth | Actual Growth |
|---------|---------------|---------------|
| Q1      | 45 %          | 73 %          |
| Q2      | 45 %          | 51.3 %        |
| Q3      | 54 %          | 73 %          |
| Q4      | 45 %          | 77.45 %       |

Key achievements include over 100 000 combined views on branded influencer content such as 113 000 views on Sinaye Kotobe's bungy-jump video and sustained website growth from 18 000 to 29 000 sessions. Exceeding each social-media target has reinforced ECPTA's mandate to champion the Eastern Cape as a destination of choice.

### 3.3 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. Majority of business travelers return within the next five years as tourists, some extend their business trips for pleasure when they can,

boosting tourism growth and job creation years into the future. Events, whether business or leisure are proven travel drivers, and they play a crucial role in providing a tangible reason for people to travel to our beautiful province. Events are triggers for diversified tourism offerings and are catalysts for economic growth and job creation with a potential of delivering outstanding return on investment.

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

Table 26: Output Indicators: 3.3 Business Events and Partnerships

| Output                                     | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations   |
|--|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|--|
| 3.3.1 Destination promotion through events | 55 (score)             | 47.5 (score)           | 49.5 (score)                  | 55 (score)              | + 5 (points)                 | Two underlying activity targets (3.3.1.1 to 3.3.1.3) at or above the minimum threshold hence deemed achieved and one underlying activity target 3.3.1.2 was partially met however the overall output was achieved. |
| 3.3.2 Destination profiling to MICE        | 45 (score)             | 45 (score)             | 41 (score)                    | 45 (score)              | + 4 (points)                 | All three underlying activity targets (3.3.2.1 and 3.3.2.2) at or above the minimum threshold hence deemed achieved  |

### 3.3.1 DESTINATION PROMOTION THROUGH EVENTS

- Leisure events are seen as travel drivers, since they give people reasons to travel, 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 partnered with 9 leisure events, these

platforms were used to promote the destination Eastern Cape while creating awareness of events held in the province to drive numbers and increase footprint.

- The supported events provided ECPTA with opportunities to brand the venues, flight destination video, deliver a speech, conduct interviews, receive Advertising Value Equivalence and put up banners at strategic points to ensure visibility of the ECPTA and the province as a host city.
- The table below shows the events supported by the ECPTA in the year under review. The ECPTA made an investment of R2 900 000 towards the 9 events resulting in creation of 8151 jobs (mostly temporal), and an economic impact of R239 495 063.

Table 27: Events supported in the year under review

| Event                     | ECPTA Investment | AVE           | # of Attendees | # of Jobs | Perceived Economic impact |
|---------------------------|------------------|---------------|----------------|-----------|---------------------------|
| 1. National Arts Festival | R300 000         | R65 293 860   | 67 600         | 4324      | R91 260 000               |
| 2. Kirkwood Wildsfees     | R300 000         | R14 621 000   | 42 000         | 700       | R56 700 000               |
| 3. Berlin November        | R400 000         | N/A           | 20 000         | 600       | R27 000 000               |
| 4. Ebubeleni              | R400 000         | R9 708 305.40 | 13 000         | 709       | R24 432 440               |
| 5. Afrika Unite           | R150 000         | R2 078 000    | 5140           | 202       | R6 939 000                |

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| Event                            | ECPTA Investment  | AVE                | # of Attendees | # of Jobs   | Perceived Economic impact |
|----------------------------------|-------------------|--------------------|----------------|-------------|---------------------------|
| 6. Tenza Beach Festival          | R150 000          | N/A                | 2500           | 60          | R3 375 000                |
| 7. PGA Championship              | R750 000          | R9 192 500         | 5000           | 125         | R6 905 250                |
| 8. Home of Legends               | R150 000          | R6 500 000         | 20 600         | 1248        | R27 810 000               |
| 9. All White Heritage Day Picnic | R150 000          | R4 000 000         | 2782           | 183         | R2 012 372.88             |
| <b>Total</b>                     | <b>R2 900 000</b> | <b>111 393 665</b> | <b>178 622</b> | <b>8151</b> | <b>R239 495 063</b>       |

### 3.3.2 DESTINATION PROFILING TO MICE

- Meetings, Incentives, Conferences and Exhibitions (MICE) are a niche that offers an opportunity to profile the Eastern Cape as a destination of choice for both domestic and international business travelers.
- Collaborative efforts are required to influence conference organisers to choose the Eastern Cape as the host destination for conferences, meetings and incentives.
- To this end, the province in partnership with the cities and support received from the South African National Convention Bureau submitted bids to host confer-

ences, and by the end of the year ECPTA was directly involved in the hosting of 8 conferences and participated at IMEX Frankfurt, IBTM and Meetings Africa, platforms used for B2B meetings to educate buyers on EC conference and incentive offering and to secure business.

- Conferences held during the year under review and supported by the ECPTA resulted in ECPTA spending R666 500 on investment resulting in an economic impact of R27 573 200.
- Over and above this ECPTA was able to brand, receive interviews on radio and television and host dinner in some cases.

Table 28: MICE events supported in the year under review

| Conference Name  | Investment      | # of Attendees | Perceived Economic impact |
|--|-----------------|----------------|---------------------------|
| 1. Symphony Business Chamber Awards                      | R80 000         | 498            | R3 187 200                |
| 2. SA Snr Women's Golf Gala Dinner                       | R52 000         | 220            | R770 000                  |
| 3. International Council for Higher Education Conference | R100 000        | 400            | R10 240 000               |
| 4. 2nd Indigenous Knowledge Biotrade Indaba              | R34 500         | 200            | R1 280 000                |
| 5. Fort Hare Foundation Fundraising Business Dinner      | R50 000         | 200            | R640 000                  |
| 6. Nelson Mandela Bay Tourism Awards                     | R20 000         | 300            | R960 000                  |
| 7. National Wetlands Indaba                              | R80 000         | 149            | R2 384 000                |
| 8. ICT Summit  | R250 000        | 845            | R8 112 000                |
| <b>Total</b>   | <b>R666 500</b> | <b>2812</b>    | <b>R27 573 200</b>        |



These further underscores the Eastern Cape's capacity, infrastructure, hospitality, and overall competitiveness within the province's travel and business tourism industry. Such successful hosting opportunities not only highlight the region's capabilities but also present a lucrative chance for the Eastern Cape to actively bid for and attract more events and conferences to its destination. It is an opportune moment for the Eastern Cape to leverage business events, subsequently showcasing the province nationally and internationally as a value-for-money business events destination.

### G20 MEETING

- The Department of Employment and Labour's 1st Employment Working Group meeting, part of the G20 meetings, was successfully hosted in Nelson Mandela Bay from 18 to 21 February 2025. This was a 4-day conference, with a 6-day impact period including arrival and departure. The estimated economic impact follows the National Convention Bureau methodology, assessing delegate and support staff expenditures and the event budget, international delegates: R6 400.00 x 100 delegates x 6 days = R3 840 000.00; national delegates: 50 x R3 200.00 x 6 days = R960 000.00 and support staff: 100 x R3 200.00 x 6 days = R1 920 000.00, the total economic impact was R6 720 000.00 for the city.
- The event also played a crucial role in promoting Nelson Mandela Bay as a world-class business events destination. By hosting international delegates, government officials, and industry stakeholders, the city gained increased visibility on the global stage.
- Carefully curated tourism experiences, such as excursions to Addo National Park and cultural township tours, showcased the region's diverse offerings and strengthened its appeal to international markets.
- The meeting also created opportunities for community and cultural development. Local

- Crafters, performing artists, and tourism entrepreneurs were given a platform to showcase their talents to an international audience, providing them with valuable exposure and potential business growth.

### FURTHER ENHANCEMENTS

- Position EC as a "top of mind", destination so that potential tourists consider the destination ahead of other options so that when tourists think of holidays, there is an urgent need to stimulate demand for the Eastern Cape as a favored destination.
- Intensify digital marketing efforts to bolster the province's digital identity by upscaling digital offerings. The transition to a digital world was meant to create and satisfy experiences and it became a major driver in all marketing plans. The approach basically took the province to people in the comfort of their own homes/spaces, thereby becoming and remaining a top-of-mind destination. These SMART marketing initiatives have a very strong and aggressive online presence.
- Delve into new technology to elevate the EC brand by using up to date, multi-channel tools and multi-pronged approaches to the new tech-wave of destination marketing.
- Bolster support for local events to broaden the geographical spread of events offerings
- Request for more funding / increased budget from the department (DEDEAT) to be able to support more signature and local events.
- Foster collaborations, partnerships and leveraging opportunities with key stakeholders since this has already proven successful in increasing the number of
- The Eastern Cape continues to attract domestic travelers while also strengthening its presence in global markets to maintain its competitive edge.

## LINKING BUDGETS TO PERFORMANCE

Table 29: Linking budgets to performance: Marketing

| Marketing           | 2024/25         |                                     |   | 2023/24         |                                     |   |
|---------------------|-----------------|-------------------------------------|---|-----------------|-------------------------------------|---|
|                     | Budget<br>R'000 | Actual<br>Expen-<br>diture<br>R'000 | (Over)/<br>Under<br>Expen-<br>diture<br>R'000 | Budget<br>R'000 | Actual<br>Expen-<br>diture<br>R'000 | (Over)/<br>Under<br>Expen-<br>diture<br>R'000 |
| Goods and Services  | 12 592          | 11 967                              | 624   | 17 407          | 16 244                              | 1 163   |
| Cost of Employment  | 11 184          | 13 223                              | -2 039  | 12 749          | 12 022                              | 727   |
| Capital expenditure | -               | -                                   | -   | -               | -                                   | -   |
| <b>Total</b>        | <b>23 775</b>   | <b>25 190</b>                       | <b>-1 415</b>                                 | <b>30 156</b>   | <b>28 266</b>                       | <b>1 890</b>                                  |

## CHALLENGES

- i. 3.1 Destination marketing and 3.3.1 Destination promotion through events
  - Budget remains the key challenge in implementation of the strategy; it limits the amount of work that can be done and achievements that can be made in positioning the Eastern Cape as a top-of-mind destination, making it a premier destination.
  - To overcome the challenge, the ECPTA has engaged the Shareholder to provide additional funding to undertake the mandate. ECPTA has also adopted a SMART Marketing plan in close collaboration with other industry players to leverage space and content in the light of austerity measures and restricted funding.



## 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.

Table 30: Organisational sustainability supported by capable, ethical, and responsive administration targets and weights

| 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 Corporate Governance          | 90%             |
|   |                              |                 | 4.1.2 Code of Ethics                | 1               |
|   |                              |                 | 4.1.3 Legislative compliance        | 90%             |
|   |                              |                 | 4.1.4 Organisational accountability | 100%            |
|   |                              |                 | 4.1.5 Organisational Performance    | 90%             |
|   |                              |                 | 4.1.6 Risk Management maturity      | 3               |
|   | 4.2 Financial Dimension      | 35%             |                                     |                 |
|   |                              |                 | 4.2.1 Materiality reporting         | 90%             |
|   |                              |                 | 4.2.2 Accounting and Reporting      | 90%             |
|   |                              |                 | 4.2.3 Budget Management             | 90%             |
|   |                              |                 | 4.2.4 Financial Management          | 90%             |
|   |                              |                 | 4.2.5 Supply Chain Management       | 5               |
|   |                              |                 | 4.2.6 Preferential Procurement      | 1               |
|   |                              |                 | 4.2.7 Fleet Management              | 90%             |

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| Immediate Outcome   | Immediate Outcome Indicators | Relative Weight | Output Indicators  | Relative Weight |
|---|------------------------------|-----------------|--|-----------------|
| 4. Organisational sustainability supported by capable, ethical, and responsive administration | 4.3 Social Dimension         | 20%             | 4.3.1 Transformation   | 90%             |
|   |                              |                 | 4.3.2 Human Capital Management                               | 90%             |
|   |                              |                 | 4.3.3 Employee Relations Management                          | 90%             |
|   |                              |                 | 4.3.4 Learning and Development                               | 90%             |
|   |                              |                 | 4.3.5 TM-Performance Management System                       | 90%             |
|   |                              |                 | 4.3.6 TM-Performance Enablement                              | 90%             |
|   |                              |                 | 4.3.7 Social responsibility                                  | 90%             |
|   |                              |                 | 4.3.8 Occupational Health and safety                         | 90%             |
|   | 4.4 Security Dimension       | 15%             | 4.4.1 Cybersecurity  | 95%             |
|   |                              |                 | 4.4.2 Services Availability                                  | 95%             |
|   |                              |                 | 4.4.3 Customer orientation                                   | 95%             |
|   |                              |                 | 4.4.4 Enable business services through digital channels      | 95%             |
|   |                              |                 | 4.4.5 SD-WAN reserve network service accessibility           | 90%             |
|   |                              |                 | 4.4.6 Monitor accessibility at reserves with VSAT technology | 1               |

Table 31: Intermediate Outcome: Organisational sustainability index

| Output  | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations                   |
|---|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|--|
| Organisational sustainability supported by capable, ethical and responsive administration | 97.9 (score)           | 97.9 (score)           | 90 (score)                    | 93.1 (score)            | + 3.1 (points)               | Contributing immediate outcomes achieved |



Table 32: Immediate Outcomes: Organisational sustainability supported by capable, ethical, and responsive administration

| Output                   | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations  |
|--------------------------|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|---|
| 4.1 Reputation Dimension | 30 (score)             | 29.1 (score)           | 27 (score)                    | 28.1 (score)            | + 1.1 (points)               | The Index score is deemed as achieved within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the six contributing Outputs (Table 33)   |
| 4.2 Financial Dimension  | 38.8 (score)           | 34.4 (score)           | 31.5 (score)                  | 33.3 (score)            | + 1.8 (points)               | The Index score is deemed as achieved within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the seven contributing Outputs (Table 34) |
| 4.3 Social Dimension     | 19.1 (score)           | 19.4 (score)           | 18 (score)                    | 18.5 (score)            | + 0.5 (points)               | The Index score is deemed as achieved within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the eight contributing Outputs (Table 35) |
| 4.4 Security Dimension   | 15 (score)             | 15 (score)             | 13.5 (score)                  | 14.3 (score)            | + 0.8 (points)               | The Index score is deemed as achieved within the 90-100 range set by the Board. The score is calculated by adding the weighted scores for the six contributing Outputs (Table 36)   |

## 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 is accountable for the implementation of policy and strategy as the most senior executive manager in the organisation.

Table 33: Output Indicators: Reputation Dimension

| Output                              | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations  |
|-------------------------------------|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|---|
| 4.1.1 Corporate governance          | 100 (score)            | 100 (score)            | 90 (score)                    | 97.5 (score)            | + 7.5 (points)               | All underlying activity targets achieved.   |
| 4.1.2 Code of ethics                | 1 (yes)                | 1 (yes)                | 1 (yes)                       | 1 (yes)                 | 0 (no)                       | No deviation (Yes=1; No=0)  |
| 4.1.3 Legislative compliance        | 97.2 (score)           | 98.5 (score)           | 90 (score)                    | 95.3 (score)            | + 5.3 (points)               | All underlying activity targets achieved  |
| 4.1.4 Organisational accountability | 100 (%)                | 88 (%)                 | 100 (%)                       | 88.7 (%)                | - 11.3 (%)                   | Submission of documents in line with the service level agreement was not met during the year. |
| 4.1.5 Organisational performance    | 93.2 (%)               | 93.2 (%)               | 90 (%)                        | 93.3 (%)                | + 3.3 (%)                    | All underlying activity targets achieved  |
| 4.1.6 Risk management maturity      | 4.02 (maturity Level)  | 4.02 (maturity Level)  | 4 (maturity Level)            | 3 (maturity Level)      | - 1 (maturity Level)         | The National Treasury risk maturity index indicated a level of 3.                             |

## 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 coordinate the organisation's budget and resource requirements. This includes ensuring compliance with regulatory provisions and taking appropriate

steps to ensure that expenditure occurs within the approved budget. Systematic financial management systems entail the maintenance of a procurement system that is fair, equitable, transparent, and cost-effective; and ensure that ECPTA takes effective and appropriate steps to prevent unauthorised, irregular, or fruitless and wasteful expenditure.

Table 34: Output Indicators: Financial Dimension

| Output                         | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations                   |
|--------------------------------|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|--|
| 4.2.1 Materiality reporting    | 86.9 (score)           | 87.2 (score)           | 90 (score)                    | 91.4 (score)            | + 1.4 (points)               | All underlying activity targets achieved |
| 4.2.2 Accounting and Reporting | New indicator          | 85 (score)             | 90 (score)                    | 95 (score)              | + 5 (score)                  | All underlying activity targets achieved |
| 4.2.3 Budget Management        | 100 (score)            | 100 (score)            | 90 (score)                    | 95 (score)              | + 5 (points)                 | All underlying activity targets achieved |
| 4.2.4 Financial Management     | New indicator          | 100 (score)            | 90 (score)                    | 95 (score)              | + 5 (points)                 | All underlying activity targets achieved |
| 4.2.5 Supply Chain Management  | 100 (%)                | 55 (#)                 | 5 (#)                         | 5 (#)                   | None                         | No deviation                             |
| 4.2.6 Preferential Procurement | New indicator          | 1 (yes)                | 1 (yes)                       | 1 (yes)                 | None                         | No deviation (Yes=1; No=0)               |
| 4.2.7 Fleet Management         | 100 (score)            | 100 (score)            | 90 (score)                    | 95 (score)              | + 5 (points)                 | All underlying activity targets achieved |

## 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.

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

Table 35: Output Indicators: Social Dimension

| Output  | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations  |
|---|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|---|
| 4.3.1 Transformation                                    | 90 (score)             | 100 (score)            | 90 (score)                    | 95 (score)              | + 5 (points)                 | All underlying activity targets achieved                          |
| 4.3.2 Human Capital Management                          | New indicator          | 100 (score)            | 90 (score)                    | 100 (score)             | + 10 (points)                | All underlying activity targets achieved                          |
| 4.3.3 Employee Relations Management                     | 100 (score)            | 97.9 (score)           | 90 (score)                    | 98.96 (score)           | + 8.96 (points)              | All underlying activity targets achieved                          |
| 4.3.4 Learning and development                          | 1 (Yes)                | 100 (score)            | 90 (score)                    | 90 (score)              | 0 (points)                   | All underlying activity targets achieved                          |
| 4.3.5 Talent management – Performance Management System | New indicator          | 94.2 (score)           | 90 (score)                    | 90 (score)              | 0 (points)                   | All underlying activity targets achieved                          |
| 4.3.6 Talent management – Performance Enablement        | New indicator          | 92.5 (score)           | 90 (score)                    | 90 (score)              | 0 (points)                   | All underlying activity targets achieved                          |
| 4.3.7 Social responsibility                             | 1 (Yes)                | 95 (score)             | 90 (score)                    | 90 (score)              | 0 (points)                   | All underlying activity targets achieved                          |
| 4.3.8 Occupational Health and Safety                    | 1 (Yes)                | 77.8 (score)           | 90 (score)                    | 62.6 (score)            | - 27.4 (points)              | Inconsistent workplace OHS compliance due to financial austerity. |

## SUB-PROGRAMME: CORPORATE SERVICES – IMCT

Table 36: Output Indicators: Security Dimension

| Output                    | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations                   |
|---------------------------|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|--|
| 4.4.1 Cybersecurity       | 96 (score)             | 96.4 (score)           | 95 (score)                    | 96.3 (score)            | + 1.3 (points)               | All underlying activity targets achieved |
| 4.4.2 System availability | 98.8 (score)           | 98.9 (score)           | 95 (score)                    | 95.63 (score)           | + 0.63 (points)              | All underlying activity targets achieved |

Table continues to next page



## PART B: PERFORMANCE INFORMATION

Table continues from previous page

| Output   | Audited Annual 2022/24 | Audited Annual 2023/24 | Planned Annual Target 2024/25 | Actual Achieved 2024/25 | Actual vs. Achieved 2023/234 | Reasons for deviations                   |
|--|------------------------|------------------------|-------------------------------|-------------------------|------------------------------|--|
| 4.4.3 Customer orientation                                   | 100 (score)            | 100 (score)            | 95 (score)                    | 98.75 (score)           | + 3.75 (score)               | All underlying activity targets achieved |
| 4.4.4 Enable business services through digital channels      | 95 (score)             | 100 (score)            | 90 (score)                    | 92.50 (score)           | + 2.5 (points)               | All underlying activity targets achieved |
| 4.4.5 SD-WAN Reserve Network Service Accessibility           | New indicator          | 100 (score)            | 90 (score)                    | 95 (score)              | + 5 (points)                 | All underlying activity targets achieved |
| 4.4.6 Monitor accessibility at reserves with VSAT technology | New indicator          | 1 (yes)                | 1 (yes)                       | 1 (yes)                 | None                         | No deviation (Yes=1; No=0)               |

## LINKING PERFORMANCE WITH BUDGETS

Table 37: Linking performance with budgets: Corporate Management

| Corporate Management Services | 2024/25       |                          |                                 | 2023/24       |                          |                                 |
|-------------------------------|---------------|--------------------------|---------------------------------|---------------|--------------------------|---------------------------------|
|                               | Budget R'000  | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 | Budget R'000  | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 |
| Goods and Services            | 40 911        | 46 413                   | -5 501                          | 43 106        | 46 959                   | -3 853                          |
| Cost of Employment            | 42 502        | 33 220                   | 9 283                           | 37 900        | 37 163                   | 737                             |
| Capital expenditure           | 104           | 25                       | 79                              | 579           | 552                      | 27                              |
| <b>Total</b>                  | <b>83 517</b> | <b>79 657</b>            | <b>3 860</b>                    | <b>81 585</b> | <b>84 674</b>            | <b>-3 089</b>                   |

## STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

- Organisational accountability. The late submission of quarterly reports to the DEDEAT has been remedied with the communication of the reporting timetable to all staff as well ensuring reviews are done timeously.
- Occupational Health and Safety. This function has been hampered by resources and will be pursued with a new project plan to do most development and training in house in the coming year.

## REVENUE COLLECTION

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.

In the process of executing its biodiversity conservation mandate, particularly managing wild-life populations on provincial nature reserves,

ECPTA endeavors 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 budgeted to be received through operations was under achieved due to various reasons but primarily due to austerity measures and the performance of the hospitality and services sector in the Province.

As at end March 2025, ECPTA had requested that an amount of R21 826 million be rolled over on the basis of the commits in primarily the Biodiversity and Conservation.

Table 38: Revenue Collections

| Sources of revenue            | 2024/25        |                          |                                 | 2023/24        |                          |                                 |
|-------------------------------|----------------|--------------------------|---------------------------------|----------------|--------------------------|---------------------------------|
|                               | Budget R'000   | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 | Budget R'000   | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 |
| Accommodation                 | 4 299          | 4 146                    | 153                             | 6 098          | 4 059                    | 2 039                           |
| Actuarial Gains               | 0              | 446                      | -446                            | 0              | 2 546                    | -2 546                          |
| Proceeds on asset disposals   | 0              | 771                      | -771                            | 0              | 478                      | -478                            |
| Concessions                   | 3 559          | 1 563                    | 1 996                           | 3 500          | 1 175                    | 2 325                           |
| Conservation                  | 1 069          | 1 454                    | -385                            | 1 783          | 1 304                    | 479                             |
| Donation Received             | 0              | 443                      | -443                            |                | 1 466                    | -1 466                          |
| Finance Income                | 5 398          | 4 927                    | 471                             | 6 298          | 7 375                    | -1 077                          |
| Non-Exchange transactions     | 333 149        | 293 765                  | 39 384                          | 407 418        | 282 195                  | 125 223                         |
| Construction contract revenue | 1 983          | 1 983                    | -1 435                          | 1 952          | 124                      | 1 828                           |
| Other Income                  | 202            | 1 637                    | 0                               | 908            | 908                      | 0                               |
| Rendering of Services         | 677            | 998                      | -321                            | 781            | 1 102                    | -321                            |
| Rental Income                 | 1 519          | 1 803                    | -284                            | 1 599          | 1 797                    | -198                            |
| Wildlife Sales                | 6 122          | 7 750                    | -1 628                          | 5 914          | 5 948                    | -34                             |
| <b>Total</b>                  | <b>357 977</b> | <b>321 686</b>           | <b>36 291</b>                   | <b>436 251</b> | <b>310 477</b>           | <b>125 774</b>                  |

During 2024/25 with regard to hospitality the entity under collected due to renovations currently undertaken at reserves, inclement

weather, poor performance of service providers which resulted in projects taking longer than anticipated for completion and for use by cli-

ents. This had a negative impact on the actual revenue collected over the year. Whilst climate change cannot be adequately mitigated, service providers have been placed on terms and conditions with consequences.

On concession the entity had experienced withdrawals from appointed service providers which

resulted in non-achievement of the targets. The entity has revised its strategy for sourcing operators to operate the Public Private Partnership programs. The entity has also developed a financial recovery plan for 2025/26 which is being implemented in close collaboration with the Shareholder.

## CAPTIAL INVESTMENT, MAINTENANACE AND ASSET MANAGEMENT PLANNING

The ECPTA has the following projects currently in progress and is in progress with the estimation of time of completion and progress.

The ECPTA has no plans to close-down or down-grade any of the current facilities, however, will

consider such as and when concessions are made or if financial sustainability becomes precarious and volatile.

Table 39: Capital investment, maintenance and asset management planning

| Programme / Funder                                     | Project underway                 | Project Type<br>(Description: New,<br>Upgrade, Rehab,<br>Maintenance) | Date of completion | Date of planned<br>completion |
|--|----------------------------------|---|--------------------|-------------------------------|
| Provincial Economic Stimulus Fund (ESF)                | Silaka Nature Reserve upgrades   | New Works   |                    | June 2025                     |
| Provincial Economic Stimulus Fund (ESF)                | Hluleka Nature Reserve upgrades  | New Works   |                    | June 2026                     |
| Provincial Economic Stimulus Fund (ESF)                | Double Mouth campsite upgrades   | Upgrades  |                    | December 2025                 |
| Provincial Economic Stimulus Fund (ESF)                | Oviston Nature Reserve upgrades  | New Works   |                    | December 2025                 |
| Provincial Economic Stimulus Fund (ESF)                | Tsolwana Nature Reserve upgrades | Upgrades  |                    | June 2025                     |
| National Department of Tourism (NDT) Infrastructure    | Kowie River Embankment Upgrades  | Upgrades  | January 2025       |                               |
| National Department of Tourism (NDT) Infrastructure    | 6-Day hiking trail               | Upgrades  |                    | June 2026                     |
| National Department of Tourism (NDT) Baviaanskloof WHS | Staff accommodation upgrades     | New Works   |                    | March 2026                    |

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| Programme / Funder                                       | Project underway   | Project Type<br>(Description: New,<br>Upgrade, Rehab,<br>Maintenance) | Date of completion | Date of planned<br>completion |
|--|--|---|--------------------|-------------------------------|
| Environmental Protection Infrastructure Programme (EPIP) | Mkhambathi Nature Reserve administration office upgrades       | Upgrades  |                    | September 2025                |
| Environmental Protection Infrastructure Programme (EPIP) | Mkhambathi Nature Reserve access roads upgrades                | Upgrades  |                    | June 2025                     |
| Environmental Protection Infrastructure Programme (EPIP) | Great Fish River Nature Reserve upgrades                       | Upgrades  |                    | June 2025                     |
| Environmental Protection Infrastructure Programme (EPIP) | Tsolwana-Commando Drift NR abattoirs and staff accommodation   | Upgrades  |                    | December 2025                 |
| Environmental Protection Infrastructure Programme (EPIP) | Hluleka NR access roads upgrades                               | New Works   |                    | June 2025                     |
| Environmental Protection Infrastructure Programme (EPIP) | Oviston NR abattoir upgrades                                   | Upgrades  |                    | March 2026                    |
| Environmental Protection Infrastructure Programme (EPIP) | Nduli-Luchaba NR access roads upgrades                         | New Works   |                    | On hold                       |
| Wildlife Conservation Bond (World Bank)                  | Upgrade of staff accommodation at KwaMadolo                    | Upgrades  | August 2024        |                               |
| Wildlife Conservation Bond (World Bank)                  | Upgrade of staff accommodation at Retreat & Double Drift Lodge | Maintenance   |                    | June 2025                     |
| Wildlife Conservation Bond (World Bank)                  | Rehabilitation of perimeter fence at Double Drift Section      | Maintenance   |                    | June 2025                     |
| Wildlife Conservation Bond (World Bank)                  | Rehabilitation of perimeter fence at Double Drift Section      | Maintenance   |                    | June 2025                     |
| Wildlife Conservation Bond (World Bank)                  | Rehabilitation of internal access roads                        | Maintenance   |                    | June 2025                     |

The ECPTA ensures that the asset register remained up-to-date during the period under review. During each quarter of the financial year, an asset count is done and submission submitted to Board for noting. The asset count shows condition of each asset, reserve, room number, date purchased and all relevant details of the

asset. Assets not in good condition is recommended for disposal by the disposal committee which recommends to the CEO for approval to write off. Likewise, assets still being constructed or Work in progress is also reported to the Board quarterly.



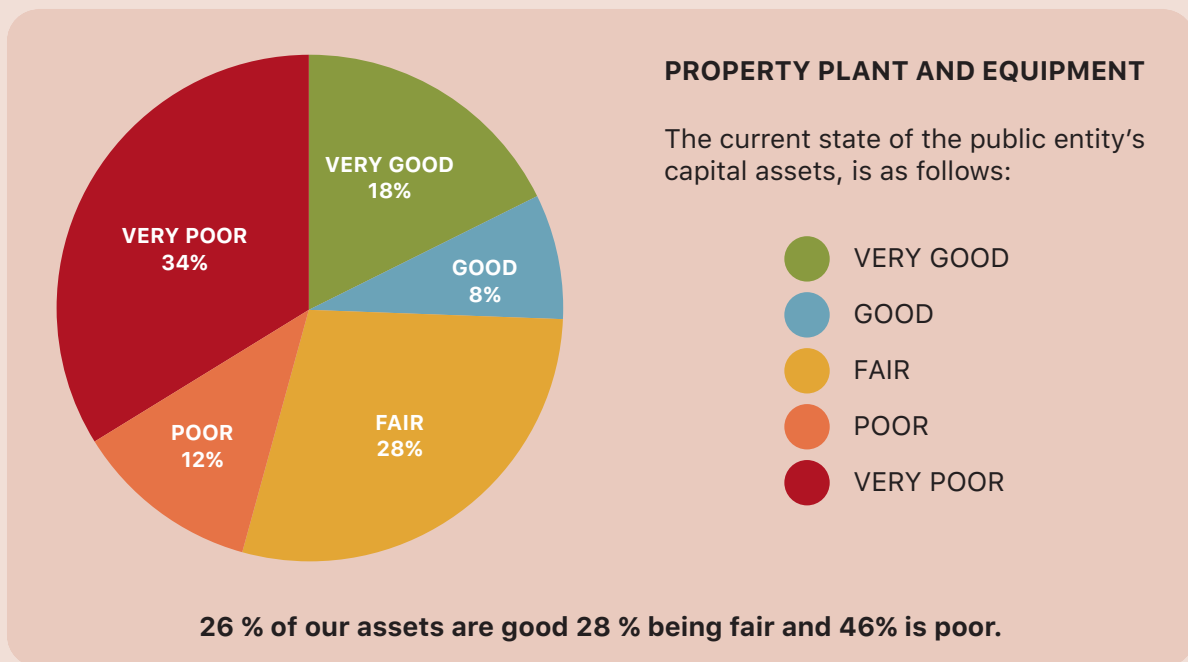


Figure 3: Asset classifications

The carrying value of the non-current assets as at 2024 was R548 002 and in 2025 is R475 534. The disposal of obsolete assets in the financial year approximately R6 million was due majority of which were purchased/built prior to the merger and have reached their full useful life. These assets however are still to be managed and disposed of in a manner that meets legislative requirements.

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 assets are owned by the province.

Progress made in addressing the maintenance backlog during the period under review is minimal due to inadequate funding of maintenance. Current infrastructure value is R837 million with a maintenance backlog of R495 million at depreciation rate of 59%. In Quarter 4, a business plan and zero-based budget was submitted to the Medium-Term Expenditure Committee (MTEC) highlighting critical maintenance priorities.

A detail of the progress made in maintaining assets is contained in PART B, Performance information in the Biodiversity and Conservation Programme related to Project Management.

The table below is a summary of projects underway or completed for the reporting period and the various funders. The projects are valued at approximately R44.1 million:

Table 40: List of external funders

| Infrastructure projects | 2024/25       |                          |                                | 2023/24        |                          |                                |
|-------------------------|---------------|--------------------------|--------------------------------|----------------|--------------------------|--------------------------------|
|                         | Budget R'000  | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 | Budget R'000   | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 |
| National Lotto          | 0             | 0                        | 0                              | 0              | 0                        | 0                              |
| NDT Baviaanskloof       | 3 736         | 3290                     | 446                            | 3 755          | 120                      | 3 635                          |
| NDT Universal Access    | 86            | 0                        | 86                             | 379            | 293                      | 86                             |
| NDT Infrastructure      | 9 530         | 3 082                    | 6 448                          | 13 323         | 885                      | 12 438                         |
| EPIP                    | 9 866         | 8021                     | 1 845                          | 76 208         | 15 814                   | 60 394                         |
| Economic Stimulus Fund  | 7 108         | 7 740                    | -632                           | 20 630         | 8 796                    | 11 834                         |
| <b>Total</b>            | <b>30 326</b> | <b>22 133</b>            | <b>8 193</b>                   | <b>114 295</b> | <b>25 908</b>            | <b>88 387</b>                  |



Eco Shrine, Hogsback





Kouga Beach, Kouga



# PART C

## *Governance*



## 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. Mahlati**

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)



**Ms Nolufefe Ali**  
ED: Corporate Services

## 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.

## PORTFOLIO COMMITTEE

The Board also strives to comply with the principles and standards of integrity, accountability and good governance contained in the recommendations of King IV report on corporate governance.

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

- a. Finding innovative solutions to the funding crisis, even from outside the fiscus,
- b. Successful rhino management efforts
- c. Collaborations with private tour operators and tourism products should be enhanced to ensure the marketing of the destination.
- d. Intergovernmental mobilisation for infrastructure
- e. Collaboration with SAPS for quick responses to tourism related incidents
- f. Hold Community Tourism Safety Meetings with traditional authorities to address the root causes of crime in the communities.
- g. Tourism monitors were deployed at identified hotspots
- h. Nine (9) Game Industry Transformation Sites were established
- i. The ECPTA legislative framework was updated to remove the repealed and old legislation

- j. Criteria on supporting signature events:
- k. ECPTA support events that provide opportunities to promote the destination with desired benefits. Also, how the event meets the government agenda and requirements aligned to tourism e.g. transformation and geographical spread

## EXECUTIVE AUTHORITY

The MEC for DEDEAT is the Executive Authority for ECPTA as a Schedule 3C public entity. The MEC engaged with the ECPTA through one formal meeting in the year under review wherein the ECPTA Board raised issue of underfunding of the agency with the MEC. The Executive Authority supported the work of the ECPTA by participating in a range of initiatives.

## 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 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 it 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

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

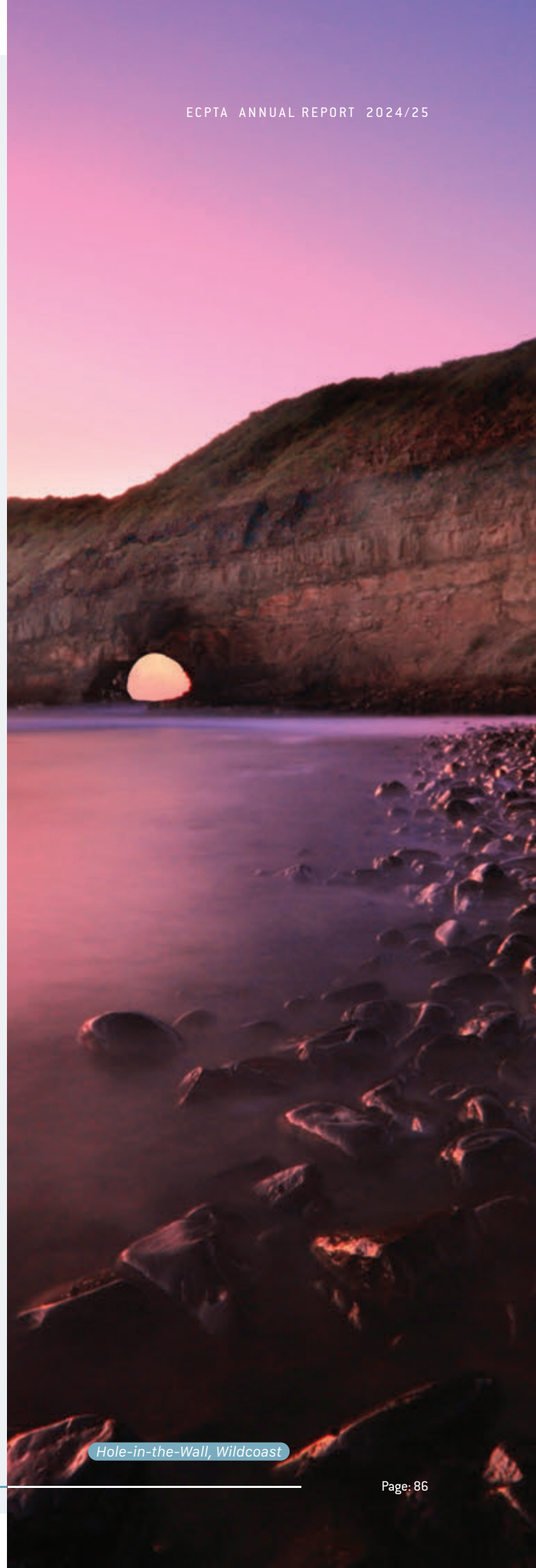
The Agency communicates with the MEC through the chairperson of the Board.

## 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:

- a. All Board members are aware of their individual and collective duties and responsibilities.
- b. Board members are aware of the various legislation, regulations, and policies affecting their conduct.
- c. 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.



Hole-in-the-Wall, Wildcoast



## COMPOSITION OF THE BOARD

Table 41: Composition of the Board

| Name            | Designation  | Date appointed | Date resigned | Qualifications   | Area of expertise          | 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  | 7                        |
| Ms P. Loyilane  | Deputy Chairperson of Board<br>Chair: HR and Remuneration Committee  | 1/12/ 2022     | N/A           | Bachelor of Commerce<br>Education Diploma<br>Master of Philosophy in disability                      | Human Resources            | 6                        |
| Dr A. Muir      | Chair: Biodiversity and Conservation Committee;<br>Member: Finance and Investment Committee                | 1/12/ 2022     | N/A           | Doctor of Social Science<br>Master of environmental & development                                    | Biodiversity Conservation  | 6                        |
| Adv S Mancotywa | Member Biodiversity and Conservation Committee;<br>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       | 6                        |
| Mr C. Sparg     | Chair: Finance and Investment Committee;<br>Member: HR and Remuneration Committee<br>Member: Exco          | 1/12/ 2022     | N/A           | B. Com and CTA CA (SA)   | Finance                    | 6                        |
| 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      | 6                        |
| Ms V. Mantyi    | Member: Finance and Investment Committee;<br>Member: Marketing and Destination Development Committee       | 1/12/ 2022     | N/A           | Bachelor of Commerce in Management<br>B. Com Honours in Management                                   | Shareholder representative | 5                        |
| Mr L. Beville   | Member Biodiversity and Conservation Committee   | 1/12/ 2022     | N/A           | Bachelor of Arts (BA)  | Representing the community | 6                        |

## COMMITTEES

Table 42: Committees

| Committee                                     | No. of meetings held | No. of members | Name of members   |
|---|----------------------|----------------|---|
| Exco  | 1                    | 4              | Dr N. Mzilikazi<br>Mr C. Sparg<br>Mr V. Dayimani<br>Ms B. Fokazi  |
| HR and Remuneration Committee                 | 4                    | 3              | Ms P. Loyilane<br>Mr C. Sparg<br>Adv C. Mahlati                   |
| Finance and Investment Committee              | 4                    | 3              | Dr A. Muir<br>Mr C. Sparg<br>Ms V. Mantyi                         |
| Biodiversity & Conservation Committee         | 4                    | 3              | Dr A. Muir<br>Adv. S. Mancotywa<br>Mr L. Beville                  |
| Marketing & Destination Development Committee | 4                    | 3              | Adv. S. Mancotywa<br>Adv C. Mahlati<br>Ms V. Mantyi               |
| Audit and Risk Committee                      | 5                    | 4              | Mr L. Mangquku<br>Ms L. Smith<br>Ms S. Makhathini<br>Ms. U. Exner |

## REMUNERATION OF BOARD MEMBERS

The MEC approved the Board's Subsistence and Travel Policy, and members are remunerated according to this policy. ECPTA records members' remuneration details, including other

expenses, in the Annual Financial Statements for the year ended 31 March 2025. ECPTA does not remunerate the official deployed by DEDEAT to serve as the Shareholder Representative.

Table 43: Board remuneration

| Name             | Remunerations (ZAR) | Other allowances (ZAR) | Other reimbursements (ZAR) | Total (ZAR) |
|------------------|---------------------|------------------------|----------------------------|-------------|
| Dr N. Mzilikazi  | 165 000.00          | 0.00                   | 5 356.65                   | 170 356.65  |
| Ms P. Loyilane   | 239 653.37          | 0.00                   | 2 535.86                   | 242 189.23  |
| Dr A. Muir       | 155 001.28          | 0.00                   | 4 944.24                   | 159 945.52  |
| Adv. S Mancotywa | 187 500.00          | 0.00                   | 0.00                       | 187 500.00  |
| Mr C. Sparg      | 227 392.95          | 0.00                   | 3 327.87                   | 230 720.82  |

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| Name          | Remunerations (ZAR) | Other allowances (ZAR) | Other reimbursements (ZAR) | Total (ZAR) |
|---------------|---------------------|------------------------|----------------------------|-------------|
| Adv C Mahlati | 287 249.87          | 2 800.00               | 32 919.53                  | 322 969.40  |
| Ms V. Mantyi  | 0.00                | 0.00                   | 0.00                       | 0.00        |
| Mr L. Beville | 150 000.00          | 0.00                   | 2 918.25                   | 152 918.25  |

## 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 organisations 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 Man-

agement 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 ensuring all employees are risk informed. The National Treasury Public Sector Risk Management Framework is referenced against ISO 31000 and COSO Enterprise Risk Management — Integrated Framework.

## 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.
- Coordinating 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.

## 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 prepares a legal compliance status report for quarterly scrutiny by the Audit and Risk Committee and the Board. 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 standards that govern the conduct of employees and stakeholders. It provides guidance as to the expected ethical behavior. The ECPTA has an Ethics Committee in place.

## HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Eastern Cape Parks and Tourism Agency (ECPTA) remains steadfast in its commitment to fostering a safe and compliant working environment across all its operations. During the reporting period, significant strides were made in enhancing Occupational Health and Safety (OHS) practices, although certain challenges were noted.

### HEALTH AND SAFETY COMMITTEES

In line with our objective to ensure the full functionality of health and safety committees at all workstations, reserve management teams were encouraged to convene regular committee meetings to strengthen workplace safety oversight. Generally, 100% is the norm but on occasion one (1) reserve may not submit its submission. As was the case in this past financial year. Continued support and follow-up measures are being undertaken to close these gap when they do take place.

### INCIDENT AND ACCIDENT MANAGEMENT

The Agency maintained rigorous standards in the management of workplace incidents and accidents. Procedures for the recording, reporting, and investigation of incidents were consistently applied. All Section 24 incidents were promptly reported to the Department of Employment and Labour, and every incident was duly regis-



tered with the Compensation Fund. These measures underscore our unwavering dedication to employee safety and legal compliance, achieving a compliance level of 100% in this area.

## OHS AUDITS

The objective to conduct comprehensive OHS audits across all ECPTA workstations faced challenges during the reporting period. While audits were scheduled for the year, budgetary constraints limited the scope of implementation, resulting in only 4 out of 16 workstations being audited. This translated to a compliance level of 25%. The Agency is actively exploring measures to secure additional resources to broaden audit coverage in the coming year.

## OHS TRAINING

Strengthening OHS awareness and compliance through training remained a key focus area. Over the reporting period, eight training sessions were delivered, two facilitated by sector departments and six conducted internally through induction programmes and knowledge-sharing initiatives. These sessions significantly enhanced staff capacity and reinforced a culture of safety within the organisation, culminating in a compliance level of 100%. Through these interventions, ECPTA continues to demonstrate its commitment to safeguarding employee welfare while striving for continuous improvement in OHS performance across all its operations.

# INTERNAL AUDIT AND AUDIT & RISK COMMITTEE

## PURPOSE AND MANDATE

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the ECPTA. It assists the ECPTA in accomplishing its objectives by bringing a sys-

tematic and disciplined approach to evaluate and improve the effectiveness of the organisation's governance, risk management and internal control.

The internal audit activity governs itself by adherence to the Institute of Internal Auditor's Global Internal Auditing Standards, which includes the Core Principles for the Professional Practices of Internal Auditing, the Ethics and Professionalism, and the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The mandatory guidance constitutes the fundamental requirements for the professional practice of internal auditing and the principles against which to evaluate the effectiveness of the internal audit activity's performance.

## VISION AND STRATEGY

The mission of the internal audit activity is to enhance and protect organisational value by providing risk based and objective assurance, advice, and insight.

## CHARTER, METHODOLOGY AND INTERNAL AUDIT PLANS

The Global Internal Audit Standards (GIAS) became mandatory effective 09 January 2025. Internal Audit has proactively addressed the recent changes to the International Standards for the Professional Practice of Internal Auditing (IPPF).

The internal audit charter defines the purpose, authority and responsibility of the internal audit activity within the Eastern Cape Parks and Tourism Agency ("ECPTA"). The charter:

- a. Establishes the Internal Audit Activity's positions within the organisation;
- b. Authorises access to records, personnel, and physical properties relevant to the performance of engagements;
- c. Defines the scope of internal audit's activities

The objective of the Internal Audit Plan is to articulate expectations of all Stakeholders and the manner in which Internal Audit intends to address them. This will provide a clear mandate to the Internal Audit Function with regard to the expectations of all Stakeholders.

## INDEPENDENCE AND OBJECTIVITY

To ensure independence of the internal audit activity, internal auditors reported functionally to the Audit & Risk Committee and administratively to the Chief Executive Officer and /or his delegates as approved by the Audit & Risk Committee. Internal audit activity did not have roles and/or responsibilities that fall outside of internal auditing for which safeguards had to be put in place to limit impairments to independence or objectivity.

## INTERNAL AUDIT MODALITY

ECPTA chose to fully outsource its internal audit function to Nexia SAB&T (outsourced service provider). By this, ECPTA had access to specialized expertise and resources without the cost of maintaining a full-time internal audit team. The model of a fully outsourced function ensured potential for objectivity and independence.

## STAFFING

Nexia SAB&T (outsourced service provider) was responsible for the management of its internal audit resources, meeting the expectations of the Audit and Risk Committee and other Stakeholders and to execute the Annual Coverage Plan in its entirety.

Nexia SAB&T is dedicated to fostering a culture of continuous learning and professional growth. Recognizing that the effectiveness of their audits is directly linked to the skills and knowledge of their team, they showed commitment to providing comprehensive training and development opportunities. Their goal was to ensure that their auditors are equipped with the latest indus-

try knowledge, technical skills, and best practices to deliver high-quality audit services. Nexia SAB&T confirmed that all their internal auditors attended a training session on the update of the Internal Audit Methodology which is aligned to the GIAS and developed its own Internal audit training plan including ethics education.

## QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The ECPTA has fully outsourced its Internal Audit function to an external service provider (Nexia SAB&T). In order to ensure that the quality of the Internal Audit is maintained at a high standard, the Internal Audit function developed and maintained comprehensive measurement goals and monitored performance against these goals and reported on the results to the Audit and Risk Committee on an annual basis. External Quality Assurance reviews are conducted at least once every five years by a qualified, independent reviewer or a review team from outside ECPTA. Nexia SAB&T received a satisfactory result of a "Generally Conforms" rating on their latest external IIA quality assurance review performed in March 2023.

## STAKEHOLDER RELATIONSHIPS

Internal audit co-ordinated their work with others as directed by the Audit and Risk Committee. The Auditor-General was notified of the activities of internal audit in order to ensure proper coverage and minimise duplication of audit effort, subject to confidentiality agreements.

Internal audit assisted AGSA with Asset and Employee verification and performance information review.

## SUMMARY OF AUDIT WORK DONE

### PLANNED AND COMPLETED AUDITS

- i. Supply Chain Management
- ii. Quarterly Performance Information
- iii. Annual Performance Report Review
- iv. Interim and Annual Financial Statements
- v. Financial Controls Review
- vi. Follow Up Reviews (AG and IA Findings)
- vii. Risk Reviews
- viii. Compliance Management Review
- ix. Asset Management
- x. Employee Verification
- xi. Human Resource Management
- xii. Information Technology Application Control Review
- xiii. Vulnerability and Penetration Testing
- xiv. Safety and Security
- xv. Occupational Health and Safety Policy and Plan Review
- xvi. Executives Performance Outcome review
- xvii. 2025/6 Strategy and Annual Performance Plan Review

### REVIEWS PLANNED BUT NOT COMPLETED

- i. Board Evaluations
- ii. Audit and Risk Committee Evaluations

### AD HOC PROJECTS

Internal Audit received an ad hoc request from the ARC chairperson to perform a review for the Board in respect of the management and utilisation of ring-fenced grant funds. The report was presented and submitted directly to the Board.

### AD HOC PROJECTS

Communication, particularly through reports, is an essential element of the internal audit process. Reports clearly demonstrated the

control and operational concerns arising from the audit, the potential impact and the practical, reasonable recommendations for change.

During the year under review, all material internal audit recommendations were implemented by management.

### VALUE ADD

The internal audit added value to the ECPTA (and its stakeholders) as it provided objective and relevant assurance and contributed to the effectiveness and efficiency of governance, risk management and control processes.

### LIMITATIONS

During the year under review, no limitations were placed on internal audit in the execution of their duties. Internal Audit had:

- a. Unrestricted access to all functions and information, including records, property, and personnel of ECPTA
- b. Full and free access to the Audit & Risk Committee, through its Chairperson.

## KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT AND RISK COMMITTEE

### PURPOSE AND MANDATE

The Audit and Risk Committee's mandate and purpose is clearly outlined in the Audit and Risk Committee Charter. The Charter is updated on an annual basis to ensure alignment with the model charter as prescribed by the institute of internal audit and other legislative frameworks.

## INDEPENDENCE

To ensure independence, the Audit and Risk Committee is appointed by the Accounting Authority and reports to the Board directly on a quarterly basis in accordance with its Charter.

## PROTECTING THE INDEPENDENCE OF THE INTERNAL AUDIT FUNCTION

On a quarterly basis, the internal audit function confirmed to the Board/Audit and Risk Committee:

- a. The organisational independence of the internal audit activity
- b. That there was no interference in determining the scope of internal auditing, performing work, and/or communicating results.

## PERFORMANCE AGAINST STATUTORY DUTIES

Subject to the approved audit plan, internal audit provided services to ECPTA in accordance with;

- a. Requirements of the internal audit charter;
- b. The public finance management act; and
- c. The terms and conditions contained in the service level agreement/contract.
- d. Internal audit issued periodic reports to the audit & risk committee and management summarising results of audit activities.
- e. Kept the audit & risk committee informed of emerging trends and successful practices in internal auditing.
- f. Internal audit conducted their work in accordance with the international professional practices framework established by the IIA.

## COMPOSITION OF THE AUDIT COMMITTEE: MEMBERSHIP

The Audit and Risk Committee's mandate and purpose is clearly outlined in the Audit and Risk Committee Charter. The Charter is updated on

an annual basis to ensure alignment with the model charter as prescribed by the institute of internal audit and other legislative frameworks.

## MEETING ATTENDANCE: FREQUENCY OF MEETINGS

The committee followed the Board calendar in terms of the ARC meetings and met more than the required four times a year. Several ad hoc/special meetings were held during the year to effectively discharge their duties.

## RESOLUTION OF AUDIT COMMITTEE RECOMMENDATIONS

The Audit and Risk Committee ensured that effective reporting and follow-up procedures are in place and that all matters arising from previous meetings formed part of the standard agenda items. The committee ensured that all significant matters were addressed and resolved timeously.

## AUDIT COMMITTEE PERFORMANCE EVALUATION

Although the effectiveness evaluation of the Audit and Risk Committee is the responsibility of the Accounting Authority, the Audit and Risk Committee conducted self-assessment evaluation, of the committee and individual members, on an annual basis.

## REMUNERATION OF AUDIT COMMITTEE MEMBERS

A member employed by the State may not receive additional remuneration. Subsistence and other allowances may be paid to members in accordance with his/her conditions of service. A member not employed by the State must be remunerated according to scales approved by ECPTA. The Accounting Authority or its delegate if deemed necessary, and in consultation with the Executive Authority, may determine other remuneration, provided that:



- a. The Audit and Risk Committee Charter is properly defined in terms of time and cost; and
- b. If applicable, the remuneration is considered taking into account the tariffs as determined by the institute that regulates the profession that the member belongs to.

#### TOTAL AUDIT COMMITTEE EXPENDITURE FOR THE REPORTING PERIOD

| Name                          | Amount    |
|-------------------------------|-----------|
| Mr L M Mangquku (Chairperson) | R 155 000 |
| Ms L S Smith (Member)         | R 60 000  |
| Ms S Makhathini (Member)      | R 60 000  |
| Ms U Exner (Member)           | R 60 000  |



## AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

### PART 1: AUDIT AND RISK COMMITTEE REFLECTIONS – 2024/25

The Audit and Risk Committee was established by the accounting authority to provide assurance on the effectiveness of the internal controls of the entity as well as risk management and giving assurance on adequacy, reliability and accuracy of financial and performance information of the agency.

#### Audit and Risk Committee Mandate

The Audit and Risk Committee undertook the following:

- a. Evaluated management procedures regarding internal controls
- b. Approved Internal Audit Plan
- c. Recommended External Audit strategy
- d. Oversaw the Internal Audit Function
- e. Reviewed the annual financial statements and interim reports
- f. Considered significant matters arising out of regularity audits and external audits
- g. Reviewed and evaluated management comments on reports issued by the Internal Audit Function and management letters issued by the External Auditors

The Audit and Risk Committee served the agency with the utmost integrity, professionalism, independency and objectivity.

The Audit and Risk Committee also provided oversight role on risk management and the implementation of risk mitigation measures in support of organisational strategy. In the year under review, the agency faced intense financial challenges and cash shortfalls which resulted the agency struggling to even pay salaries. Under the instruction of the Accounting Authority,

the Audit and Risk Committee oversaw a Board initiated investigation into the circumstances that led to the agency experiencing sudden cash shortfalls and the unauthorised use of grant funding. The investigation report and its recommendations were issued to the Board for further processing.

In response to the cash flow challenges the agency experienced, the Audit and Risk Committee took measures to intensify oversight over cash management by implementing the following:

- a. Include Grant Funding Expenditure Review Audit in the annual audit plan of Internal Audit,
- b. Management to present Cash Flow Forecasts and Projections to the ARC on a quarterly basis;
- c. Monitor compliance with Grant Funding Requirements and DORA Requirements on a quarterly basis;
- d. Recommended for management to elevate and expand the "Financial Sustainability" risk included in the agency's Strategic Risk Register to be more explicit in order to make reference to "Inadequate Cash Flows For Operations" for regular monitoring, mitigation and actioning by management;
- e. Management to present the ARC with Interim Financial Statements on a quarterly basis, for monitoring.

As the Chairperson of the Audit and Risk Committee, I confirm that the Audit & Risk Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations. In the year under review the Audit & Risk Committee operated under formal Terms of Reference, approved the Internal Audit Charter, evaluated the Annual Financial Statements and provided oversight over fraud and corruption prevention and related matters.

I also confirm that the Audit & Risk Committee understands and has internalised the requirements of the Global Internal Audit Standards™ in its work. We report that we adopted appropriate formal terms of reference as our Audit & Risk Committee Charter, have regulated our affairs in compliance with the charter, and have discharged all our responsibilities as contained therein, with no exception.

We therefore confirm that we have functioned without hindrance or limitations throughout the reporting period.

## PART 2: AUDIT & RISK COMMITTEE COMPOSITION AND MEETING ATTENDANCE

The audit and risk committee consists of 4 members and is therefore duly constituted, with balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened 6 times during the year, 4 being ordinary meetings and the remainder special meetings.

The table below reflects the composition of the Committee.

Table 44: ARC Attendance of meetings

| Name                          | Qualifications  | Is the AC member an employee of an organ of state? (Yes / No) | Number of ordinary meetings attended | Number of special meetings attended |
|-------------------------------|---|---|--------------------------------------|-------------------------------------|
| Mr L M Mangquku (Chairperson) | <ul style="list-style-type: none"> <li>CA(SA);</li> <li>Master of Business Leadership;</li> <li>Advanced Company Law I&amp;II;</li> <li>Bachelor of Accounting Sciences (Hon);</li> <li>Bachelor of Commerce (Hon) (Accounting).</li> </ul> | No  | 4                                    | 2                                   |
| Ms L S Smith (Member)         | <ul style="list-style-type: none"> <li>Bachelor of Commerce (Hon) (Accounting);</li> <li>CA(SA) RA;</li> <li>Registered Tax Practitioner</li> </ul>   | No  | 4                                    | 2                                   |
| Ms S Makhathini (Member)      | <ul style="list-style-type: none"> <li>Bachelor of Commerce</li> <li>Postgraduate diploma in Accounting Science</li> <li>Bachelor of Accounting Science (Honors)</li> </ul>   | No  | 4                                    | 2                                   |
| Ms U Exner (Member)           | <ul style="list-style-type: none"> <li>Bachelor of Commerce (Informatics)</li> <li>MPhil IT Governance</li> </ul>   | No  | 4                                    | 2                                   |

## PART 3: AUDIT AND RISK COMMITTEE FOCUS AREAS

### 1. Effectiveness of the internal control systems

Internal control is a process effected by the entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness & efficiency of operations;
- Reliability of financial reporting; and

- Compliance with applicable laws and regulations.

All levels at the entity are responsible for establishing internal control processes to ensure good governance principles, to help the entity achieve its objectives, to minimize risk and to deal with changes more effectively.

ECPTA Management developed Internal Audit and Auditor-General's findings tracker report to measure and demonstrate implementation of corrective action as recommended on the audit reports.

Management resolved and implemented recommendations to findings.

## **2. Effectiveness of the Internal Audit Function (IAF)**

In accordance with PFMA Section 51(1)(a)(ii), the Accounting Authority developed a system of internal audit under the control and direction of an audit and risk committee complying with and operating in accordance with Regulations and Instructions prescribed in terms of sections 76 and 77. Internal Audit reported quarterly to the Audit and Risk Committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary. Internal audit engagements were executed in-line with the approved internal audit annual plan. Internal audit demonstrated competence and due professional care throughout the reporting period.

## **3. Activities of the Internal Audit function**

Internal Audit assisted ECPTA in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management and internal control. The Internal Audit unit performed the following functions: reviewed processes and procedures, examined financial statements, assessed compliance with laws and regulations, evaluated risks and developed recommendations to improve risk management and fraud investigations.

## **4. Effectiveness of risk management**

In accordance with Section 51 (1) (a) (i) of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA) and Section 27.2.1 of the Treasury Regulations, the Audit & Risk Committee and the Board has committed the ECPTA to a process of risk management that is aligned to the principles of good corporate governance. The Risk Management Policy ensures that the ECPTA identifies, rates and manages strategic and operational risks in the execution of the ECPTA's strategy and Annual performance plan. In the year under review the ECPTA was rated 3 in terms of the National Treasury Risk Maturity assessment, meaning it had adequately implemented the risk management function. Risk Management

reports are prepared quarterly by management and considered by the Audit and Risk Committee and the Board. The committee is satisfied with the effectiveness of the risk management process and has made recommendations for further improvements

## **5. Adequacy, reliability, and accuracy of financial and performance information**

The ECPTA as a provincial public entity, reported quarterly to the Department of Economic Development and Environmental Affairs, as required. The committee is satisfied with the content and quality of quarterly reports prepared by management and issued by the Chief Executive Officer during the year under review.

## **6. Accounting and auditing concerns identified as a result of internal and external audits**

Internal Audit identified some areas of concern during the year but all were acted upon and resolved by management. These included:

- a. Procurement and contract management, where one supplier had a director in service of the state;
- b. Weaknesses identified relating to Sage200 audit trails;
- c. Weaknesses identified relating to password policy and parameters; and
- d. Employee Benefit Obligation, where there were differences in the recalculation of leave accrual.

With respect to External Audit concerns, the major issue was the non-compliance identified during the year which resulted in the agency incurring irregular expenditure following the unauthorised use of grant funding.

## **7. Compliance with legal and regulatory provisions**

The ECPTA strives to comply with all relevant laws as it 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. The committee is satisfied with the



quality of the quarterly performance reports produced by the entity. The public entity has submitted all the required quarterly reports to the Executive Authority related to performance and subjected itself to validation processes by the shareholder department.

#### **8. Combined Assurance**

The Audit and Risk Committee has set itself a target of establishing a combined assurance model, as well as overseeing its implementation in the upcoming financial year. In the year under review, the ARC ensured that Internal Audit liaises with the External Auditors and other assurance providers to avoid unnecessary duplication of audit effort and to facilitate sharing of audit plans and working papers as applicable.

#### **9. Evaluation of the annual financial statements**

The Audit & Risk Committee reviewed and discussed the Annual Financial Statements of the Agency for the financial year ended 2024/25 with Management and the Auditor-General of South Africa.

#### **10. Auditor-General's Report**

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

#### **11. Conclusion**

While the Audit & Risk Committee acknowledges the AGSA Opinion, which points to a regrettable regression from the past nine years of Clean Audits, the Committee acknowledges the resilience demonstrated by the Accounting Officer and management in the face of a difficult operating environment, ensuring that the agency continues to operate and deliver on its mandate. The Committee will continue to provide independent oversight to ensure that the entity puts effective measures in place to regain its clean audit status by the next audit cycle.



**LM MANGQUKU**, CA(SA)

Chairperson of the Audit and Risk Committee  
Eastern Cape Parks and Tourism Agency

31 July 2025



Nelson Mandela Museum, Mthatha





Nahoon Nature Reserve, Buffalo City



# PART D

## *Human Resource Management*



## OVERVIEW OF HUMAN RESOURCE MATTERS

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

### 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 operating 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 road-shows 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

Table 45: Personnel cost by programme

| Programme / activity / objective   | 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 & Conservation (B&C)  | 226 093                                  | 142 463                       | 41%   | 404              | 353   |
| Destination Development (DD)       | 15 978                                   | 13 232                        | 4%  | 16               | 827   |
| Marketing                          | 25 190                                   | 13 223                        | 4%  | 16               | 826   |
| Corporate Management Support (CMS) | 79 209                                   | 32 772                        | 9%  | 61               | 537   |
| <b>TOTAL</b>                       | <b>346 470</b>                           | <b>201 690</b>                | <b>58%</b>  | <b>497</b>       | <b>406</b>                                  |

Table 46: Personnel cost by salary band

| Level                  | Personnel Expenditure (R'000) | % of personnel exp. to total personnel cost (R'000) | No. of employees | Average personnel cost per employee (R'000) |
|------------------------|-------------------------------|---|------------------|---|
| Top Management         | 11 876                        | 6%  | 5                | 2 375                                       |
| Senior Management      | 28 301                        | 14%   | 41               | 690   |
| Professional qualified | 34 307                        | 17%   | 39               | 880   |
| Skilled                | 36 556                        | 18%   | 70               | 522   |
| Semi-skilled           | 55 568                        | 28%   | 230              | 242   |
| Unskilled              | 35 082                        | 17%   | 112              | 313   |
| <b>TOTAL</b>           | <b>201 690</b>                | <b>100%</b>   | <b>497</b>       | <b>406</b>                                  |

## PART D: HUMAN RESOURCE MANAGEMENT

Table 47: Performance rewards

| Programme / activity / objective | Performance rewards | Personnel Expenditure (R'000) | % of performance rewards to total personnel cost |
|----------------------------------|---------------------|-------------------------------|--|
| Top Management                   | 864                 | 11 876                        | 0,43%  |
| Senior Management                | 3 399               | 28 301                        | 1,69%  |
| Professional qualified           | 1 701               | 34 307                        | 0,84%  |
| Skilled                          | 1 858               | 36 556                        | 0,92%  |
| Semi-skilled                     | 843                 | 55 568                        | 0,42%  |
| Unskilled                        | 335                 | 35 082                        | 0,17%  |
| <b>TOTAL</b>                     | <b>9 000</b>        | <b>201 690</b>                | <b>4,46%</b>                                     |

Table 48: Training cost

| Programme / activity / objective   | 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 Costs Training priorities undergone to capacitate the ECPTA workforce | 201 690                       | 1 193                | 1%  | 164                      | 7,27                                       |

Table 49: Employment and vacancies

| Programme 2024/25                   | No. of Employees | Approved Posts | No. of Employees | Vacancies  | Vacancy rate  |
|-------------------------------------|------------------|----------------|------------------|------------|---------------|
| Biodiversity and Conservation (B&C) | 381              | 402            | 408              | 114        | 21.71%        |
| Destination Development (DD)        | 15               | 29             | 15               | 10         | 34.4%         |
| Marketing                           | 17               | 25             | 15               | 10         | 40.00%        |
| Corporate Management Support (CMS)  | 60               | 69             | 59               | 10         | 14.49%        |
| <b>TOTAL</b>                        | <b>473</b>       | <b>525</b>     | <b>497</b>       | <b>144</b> | <b>27.42%</b> |

| Level<br>2024/25       | No. of<br>Employees | Approved<br>Posts | No. of<br>Employees | Vacancies | Vacancy rate |
|------------------------|---------------------|-------------------|---------------------|-----------|--------------|
| Top Management         | 6                   | 6                 | 5                   | 1         | 16.66%       |
| Senior Management      | 35                  | 40                | 40                  | 0         | 0%           |
| Professional qualified | 34                  | 40                | 36                  | 4         | 10%          |
| Skilled                | 52                  | 60                | 65                  | -5        | -8.33%       |
| Semi-skilled           | 218                 | 220               | 216                 | 4         | 1.81%        |
| Unskilled              | 128                 | 159               | 135                 | 24        | 15.09%       |
| <b>TOTAL</b>           | <b>473</b>          | <b>525</b>        | <b>497</b>          | <b>28</b> | <b>5.33%</b> |

## EMPLOYMENT CHANGES

Table 50: Employment changes

| Salary Band<br>2024/25 | Employment<br>at beginning<br>of period | Appointments | Terminations | Employment<br>at end of the<br>period |
|------------------------|---|--------------|--------------|---------------------------------------|
| Top Management         | 5                                       | 0            | 0            | 5                                     |
| Senior Management      | 40                                      | 0            | 0            | 40                                    |
| Professional qualified | 37                                      | 0            | 1            | 36                                    |
| Skilled                | 65                                      | 2            | 2            | 65                                    |
| Semi-skilled           | 218                                     | 4            | 6            | 216                                   |
| Unskilled              | 127                                     | 11           | 3            | 135                                   |
| <b>Total</b>           | <b>495</b>                              | <b>17</b>    | <b>12</b>    | <b>497</b>                            |

Table 51: Reasons for staff leaving

| Reason             | Number    | % of total no. of staff leaving |
|--------------------|-----------|---------------------------------|
| Death              | 0         | 0%                              |
| Resignation        | 2         | 0.4%                            |
| Dismissal          | 0         | 0%                              |
| Retirement         | 10        | 2.01%                           |
| Ill health         | 0         | 0%                              |
| Expiry of contract | 0         | 0%                              |
| Other              | 0         | 0%                              |
| <b>Total</b>       | <b>12</b> | <b>2.4%</b>                     |



## LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Table 52: Labour Relations

| Nature of disciplinary Action | Number   |
|-------------------------------|----------|
| Verbal Warning                | 1        |
| Written Warning               | 0        |
| Final Written warning         | 5        |
| Dismissal                     | 1        |
| <b>Total</b>                  | <b>7</b> |

## EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Table 53: Equity and employment status male

| MALE Levels            | African<br>Current | Coloured<br>Current | Indian<br>Current | White<br>Current |
|------------------------|--------------------|---------------------|-------------------|------------------|
| Top Management         | 1                  | 0                   | 0                 | 0                |
| Senior Management      | 20                 | 1                   | 1                 | 1                |
| Professional Qualified | 11                 | 0                   | 0                 | 1                |
| Skilled                | 18                 | 0                   | 0                 | 2                |
| Semi-skilled           | 115                | 14                  | 0                 | 0                |
| Unskilled              | 58                 | 12                  | 0                 | 0                |
| <b>TOTAL</b>           | <b>223</b>         | <b>27</b>           | <b>1</b>          | <b>4</b>         |

Table 54: Equity and employment status female

| FEMALE Levels          | African<br>Current | Coloured<br>Current | Indian<br>Current | White<br>Current |
|------------------------|--------------------|---------------------|-------------------|------------------|
| Top Management         | 3                  | 1                   | 0                 | 0                |
| Senior Management      | 14                 | 1                   | 1                 | 0                |
| Professional Qualified | 22                 | 1                   | 0                 | 1                |
| Skilled                | 42                 | 2                   | 0                 | 1                |
| Semi-skilled           | 75                 | 7                   | 0                 | 0                |
| Unskilled              | 65                 | 6                   | 0                 | 0                |
| <b>TOTAL</b>           | <b>221</b>         | <b>18</b>           | <b>1</b>          | <b>2</b>         |

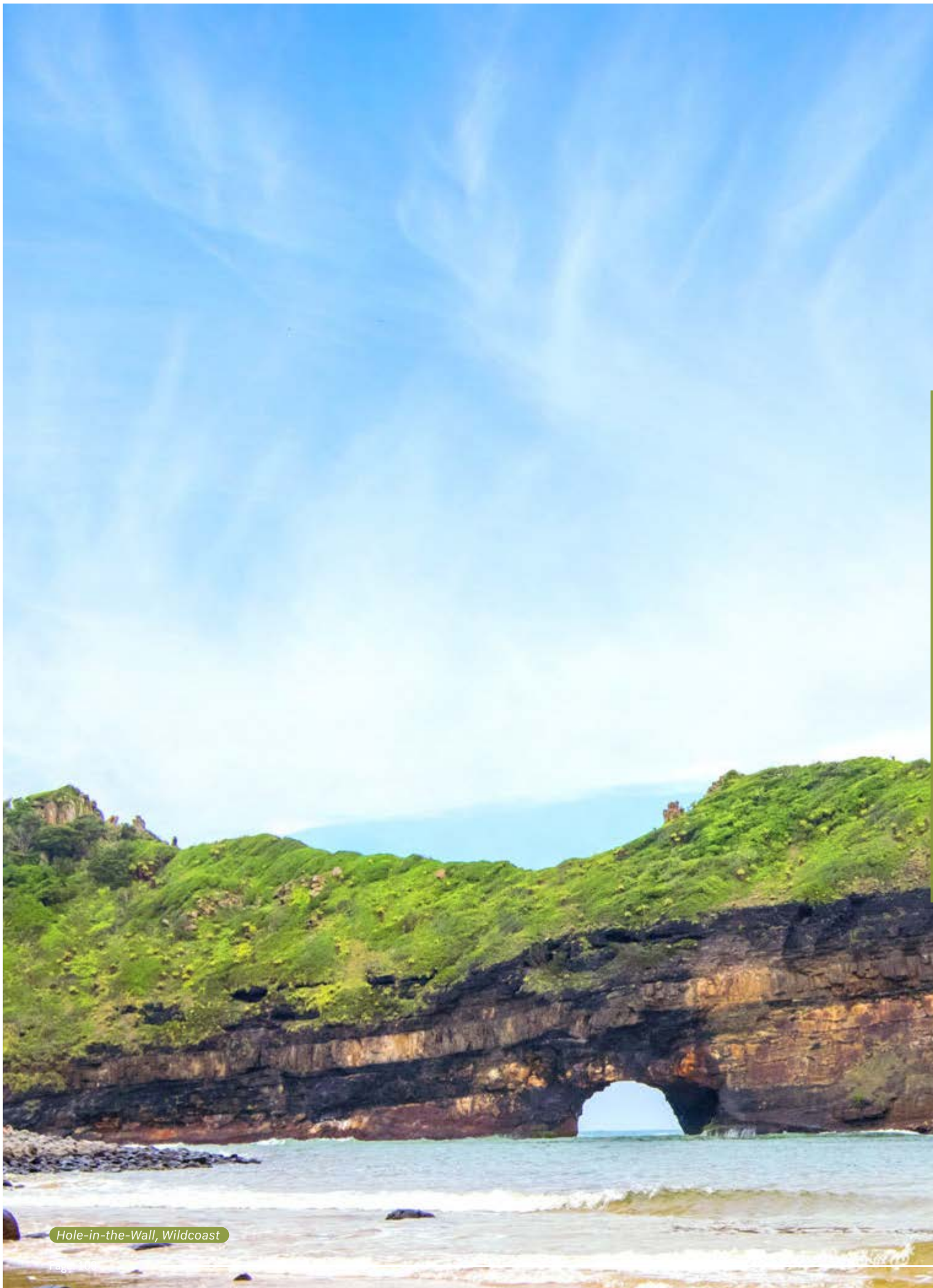
Table 55: Disability in the ECPTA

| DISABILITY<br>Levels   | Male     | Female    |
|------------------------|----------|-----------|
|                        | Current  | Current   |
| Top Management         | 1        | 0         |
| Senior Management      | 0        | 1         |
| Professional Qualified | 1        | 2         |
| Skilled                | 2        | 4         |
| Semi-skilled           | 3        | 2         |
| Unskilled              | 2        | 2         |
| <b>TOTAL</b>           | <b>9</b> | <b>11</b> |



Honeymoon Dome, Tsitsikamma





Hole-in-the-Wall, Wildcoast

# PART E

## *PMFA Compliance Report*





## IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

### IRREGULAR EXPENDITURE

#### Reconciliation of irregular expenditure:

Table 56: Reconciliation of irregular expenditure

| Description   | 2023/24<br>ZAR   | 2024/25<br>ZAR    |
|---|------------------|-------------------|
| Opening balance   | 7 424 907        | 8 268 151         |
| Adjustment to opening balance                               |                  |                   |
| Opening balance as restated                                 |                  |                   |
| Add: Irregular expenditure confirmed                        | 843 264          | 45 615 000        |
| Less: Irregular expenditure condoned                        |                  |                   |
| Less: Irregular expenditure not condoned and removed        |                  |                   |
| Less: Irregular expenditure recoverable                     |                  |                   |
| Less: Irregular expenditure not recoverable and written off |                  |                   |
| <b>Closing balance</b>                                      | <b>8 268 151</b> | <b>53 883 151</b> |

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 entity is in the process of condoning the irregular expenditure. Irregular expenditure identified in the current financial year amounted to R5 813 000 that relates to the prior year for funds used for other intended purposes not cash backed at year end. For the current financial year irregular expenditure accounts for R39 802 000 for funds utilized for other intended purposes.

On the agency function the entity performs, there has been delays by third parties transferring funds/ payments/ reimbursements resulting in financial strain on the entity that resulted in the utilization of some conditional grants.

The reasons for the financial strain emanate from:

- Baseline deficit at merger resulting in underfunding of the mandate in totality.
- Cost of living adjustments and allowances honored that was not provided for.
- The entity starts the financial year with unfunded own revenue budgets that if not realized in the year results in liquidity and cash flow challenges.
- Continued decline in equitable share allocation has resulted in cash flow challenges.

Table 57: Reconciling notes

| Description   | 2023/24<br>ZAR | 2024/25<br>ZAR    |
|---|----------------|-------------------|
| Irregular expenditure that was under assessment   |                |                   |
| Irregular expenditure that relates to the prior year and identified in the current year |                | 5 813 000         |
| Irregular expenditure for the current year  | 843 264        | 39 802 000        |
| <b>Total</b>  | <b>843 264</b> | <b>45 615 000</b> |

## DETAILS OF IRREGULAR EXPENDITURE CONDONED

Table 58: Condoned Irregular expenditure

| Description                    | 2023/24<br>ZAR | 2024/25<br>ZAR |
|--------------------------------|----------------|----------------|
| Irregular expenditure condoned | 0              | 0              |
| <b>Total</b>                   | <b>0</b>       | <b>0</b>       |

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 was provided and a decision is awaited.

## FRUITLESS AND WASTEFUL EXPENDITURE

Table 59: Reconciliation of fruitless and wasteful expenditure

| Description  | 2023/24<br>ZAR | 2022/23<br>ZAR |
|--|----------------|----------------|
| Opening balance  | 306 000        | 306 000        |
| Adjustment to opening balance  | 0              | 0              |
| Opening balance as restated  | 0              | 0              |
| Add: Fruitless and wasteful expenditure confirmed                        | 0              | 0              |
| Less: Fruitless and wasteful expenditure recoverable                     | 0              | 0              |
| Less: Fruitless and wasteful expenditure not recoverable and written off | 0              | 0              |
| <b>Closing balance</b>   | <b>306 000</b> | <b>306 000</b> |

The Agency has written to the Provincial Treasury for approval to condone the fruitless and wasteful expenditure.

Table 60: Reconciling notes

| Description  | 2023/24<br>ZAR | 2024/25<br>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 |                |                |
| Fruitless and wasteful expenditure for the current year  | 306 000        | 306 000        |
| <b>Total</b>   | <b>306 000</b> | <b>306 000</b> |

Table 61: Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

| Description  | 2023/24<br>ZAR | 2022/25<br>ZAR |
|--|----------------|----------------|
| Fruitless and wasteful expenditure under assessment    |                |                |
| Fruitless and wasteful expenditure under determination |                |                |
| Fruitless and wasteful expenditure under investigation | 306 000        | 306 000        |
| <b>Total</b>   | <b>306 000</b> | <b>306 000</b> |

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 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

Table 62: Procurement by other means

| Project description          | Name of supplier                          | Type of procurement by other means | Contract number    | Value of contract |
|------------------------------|---|------------------------------------|--------------------|-------------------|
| WTM Africa                   | Reed Venue Management                     | Sole Source                        | Req46415 & P065166 | R 336 222,05      |
| Africa Travel Indaba - Stand | Synergy Business Events                   | Sole Source                        | Req46555 & P065444 | R 426 582,78      |
| Membership fee 2024/25       | Southern Cape Fire Protection Association | Single Source                      | Req46999 & P066341 | R 183 792,74      |
| WTM London 2024              | South African Tourism                     | Sole Source                        | Req47703 & P067229 | R 117 191,00      |
| IBTM World                   | South African Tourism                     | Sole Source                        | Req47757 & P067315 | R 101 236,00      |

Table continues to next page

Table continues from previous page

| Project description              | Name of supplier  | Type of procurement by other means | Contract number    | Value of contract     |
|----------------------------------|-------------------|------------------------------------|--------------------|-----------------------|
| Repairs to network communication | PE Communications | Single Source                      | Req48056 & PO67777 | R 139 756,63          |
| Annual License fee               | Sage South Africa | Single Source                      | Req48361 & PO68270 | R 178 756,00          |
| Annual License fee               | Sage South Africa | Single Source                      | Req48399 & PO68382 | R 208 131,01          |
| <b>Total</b>                     |                   |                                    |                    | <b>R 1 691 668,21</b> |

## CONTRACT VARIATIONS AND EXPANSIONS

Table 63: Contract variations

| Project description   | Name of supplier          | Contract number  | Reason for expansion or variation of contract  | Original contract value | Value of contract expansion or variation of contract |
|---|---------------------------|------------------|--|-------------------------|--|
| Refurbishment and upgrade of Infrastructure and facilities at Great Fish River Nature Reserve                 | Deedscon                  | Bid No:21/FY/22  | Rain delays and adverse weather conditions   | R1 338 445,79           | R 193 200,00   |
| Construction of a Kitchen and Refurbishment of a Picnic Site and Ablution Facility at Tsolwana Nature Reserve | Luyoliso Development      | Bid No: 07/FY/23 | Delays due to lack of support from the previous PSP, Inclement Weather and appointment of the replacement PSP                    | R1 077 534,70           | R 57 357,31  |
| Rental of a 100KVA diesel generator for the period of three months at Hluleka Nature Reserve                  | Thessens Generators       | RFQ No: 99/24/25 | Due to current road upgrades, the site was inaccessible, and the generator was utilized for more than the initial approved days. | R185 150,00             | R 20 000,00  |
| Security services for a period of 2 days for ECPTA - Qaukeni Engagement                                       | Vilo Security Services    | Bid No: 36/22/23 | Additional security was required due to imminent security threats on the operations  | R686 000,00             | R 1 100,00   |
| Repairs to Backup Generator   | Industrial Power Products | PO65823          | Additional costs incurred due to hike in services price  | R8 389,00               | R 983,25   |
| <b>Total</b>  |                           |                  |  | <b>R3 295 519,49</b>    | <b>R 272 640,56</b>                                  |







# PART F

## *Financial Information*

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### General Information

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|  |  |
|--|--|
| <b>Country of incorporation and domicile</b>       | South Africa   |
| <b>Legal form of entity</b>                        | Schedule 3C Public Entity in terms of the Public Finance Management Act, 1999 (Act no. 1 of 1999)                                      |
| <b>Nature of business and principal activities</b> | Biodiversity Conservation and Tourism Management   |
| <b>Members</b>                                     | Dr. N Mzilikazi<br>Ms. P Loyilane<br>Adv. S Mancotywa<br>Mr. L Beville<br>Mr. C Sparg<br>Dr. A Muir<br>Ms. V Mantyi*<br>Adv. C Mahlati |
| * Shareholder representative, not remunerated      |  |
| <b>Registered office</b>                           | 17-15 Fleet Street<br>East London<br>5201  |
| <b>Postal address</b>                              | P.O. Box 11235<br>Southernwood<br>East London<br>5213  |
| <b>Bankers</b>                                     | First National Bank Limited  |
| <b>Auditors</b>                                    | Office of the Auditor-General of South Africa  |
| <b>Website</b>                                     | <a href="http://www.visiteasterncape.co.za">www.visiteasterncape.co.za</a>   |

# Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

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The information on the Accounting Authority's Responsibility and Approval, and the Report of the Auditor-General does not form part of the annual financial statements and is not audited.

### Abbreviations used:

|           |  |
|-----------|--|
| CATHSSETA | Culture, Arts, Tourism, Hospitality and Sports Sector 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)                      |
| SANPARKS  | South African National Parks   |
| SANBI     | South African National Biodiversity Institute                                |
| BANKSETA  | Banking Sector Education and Training Authority                              |



## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Accounting Authority's Responsibilities and Approval

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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 are 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.

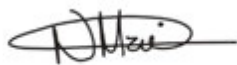
The members have reviewed the entity's cash flow forecast for the year to 31 March 2026 determined through the DEDEAT MTEF budget and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Department of Economic Development, Environmental Affairs and Tourism (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 auditing and reporting on the entity's annual financial statements. The annual financial statements have been audited 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 30 May 2025 and were signed on its behalf by:



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**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 129 - 194, which comprise the statement of financial position as at 31 March 2025, 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 2025 and its financial performance and cash flows for the year then ended in accordance with the Standard of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for opinion

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

### Emphasis of matter

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

### Going concern

7. I draw attention to note 41 in the financial statements, which deals with the possible effects of the future implications of own-revenue that is not cash backed and exposure to liquidity risk, on the entity's prospects, performance and cash flows. Management have also described how they plan to deal with these circumstances. My opinion is not modified in respect of this matter.

### Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
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 126, forms part of my 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 material performance indicators 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 2025. 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.

**1.1. Biodiversity Decision Support**

- 1.1.1 Biodiversity Research
- 1.1.2 Biodiversity Monitoring
- 1.1.3 Ecological and Integrated Planning
- 1.1.4 Wildlife Management and Game Industry Transformation

**1.2 Protected Area Expansion**

- 1.2.1 Stewardship Programme
- 1.2.2 N2 Biodiversity Offset Project

**1.3 Protected Area Management Plan**

- 1.3.1 Conservation Management
- 1.3.2 Reserves Tourism Management
- 1.3.3 People and Parks

**1.4 Projects Implementation**

- 1.4.1 Infrastructure Project Implementation
- 1.4.2 Social Responsibility Projects

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 matter 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 31 - 44.

## Biodiversity and conservation

Targets achieved: **94.50%**  
Budget spent: **100%**

| Key indicators not achieved                          | Planned target | Reported achievement |
|--|----------------|----------------------|
| Wildlife management and game Industry transformation | 22.5           | 20.3                 |

## REPORT ON COMPLIANCE WITH LEGISLATION

21. 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.
22. 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.
23. 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.
24. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

## Annual financial statements, performance report and annual report

25. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1 )(b) of the PFMA. Material misstatements of non-current assets, revenue and disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

## Expenditure Management

26. Expenditure incurred was not in accordance with of the approved budget, in contravention of section 53(4) of the PFMA

## OTHER INFORMATION IN THE ANNUAL REPORT

27. 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 material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the financial statements and my reports on the audit of the annual performance report and 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.
29. 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 material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## INTERNAL CONTROL DEFICIENCIES

31. 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.
32. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
33. Leadership did not effectively exercise oversight responsibility regarding financial reporting and compliance with relevant laws and regulations. This has resulted in the material findings in the financial statements and the non-compliance with laws and regulations.
34. Management did not prepare regular and accurate financial reports that are supported by reliable information and compliant with the applicable laws and regulations. This has resulted in material findings in the financial statements and the audit of compliance with laws and regulations.

*Auditor General.*

East London

30 July 2025



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 material performance indicators 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);<br>Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b);<br>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);<br>Regulation 16A6.1; 16A6.2(a) 16A6.2(b);<br>Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c);<br>Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6;<br>Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7;<br>Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii);<br>Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f);<br>Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1;<br>Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1;<br>Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a);<br>Regulation 33.1.1; 33.1.3 |
| Companies Act 71 of 2008                                       | Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a);<br>Regulation 16A6.1; 16A6.2(a) 16A6.2(b);<br>Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c);<br>Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6;<br>Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7;<br>Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii);<br>Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f);<br>Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1;<br>Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1;<br>Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a);<br>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   |

|   |  |
|---|--|
| 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;<br>Paragraph 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5;<br>Paragraph 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2;<br>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 2025

### Statement of Financial Position as at 31 March 2025

| Figures in Rand thousand                   | Note(s) | 2025           | 2024<br>Restated* |
|--|---------|----------------|-------------------|
| <b>Assets</b>                              |         |                |                   |
| <b>Current Assets</b>                      |         |                |                   |
| Inventories                                | 3       | 40             | 45                |
| Receivables from exchange transactions     | 4       | 3 312          | 4 123             |
| Receivables from non-exchange transactions | 5       | 582            | 25 370            |
| Cash and cash equivalents                  | 6       | 19 888         | 55 536            |
|  |         | <b>23 822</b>  | <b>85 074</b>     |
| <b>Non-Current Assets</b>                  |         |                |                   |
| Intangible assets                          | 8       | 256            | 329               |
| Property, plant and equipment              | 9       | 323 411        | 314 809           |
| Service concession assets                  | 10      | 99 671         | 103 145           |
| Heritage assets                            | 11      | 23 616         | 23 616            |
| Investment property                        | 12      | 5 707          | 5 862             |
|  |         | <b>452 661</b> | <b>447 761</b>    |
| <b>Total Assets</b>                        |         | <b>476 483</b> | <b>532 835</b>    |
| <b>Liabilities</b>                         |         |                |                   |
| <b>Current Liabilities</b>                 |         |                |                   |
| Finance lease obligation                   | 13      | 412            | 610               |
| Payables from exchange transactions        | 14      | 38 956         | 24 291            |
| Social responsibility projects             | 15      | 3              | 78                |
| Provisions                                 | 16      | 151            | 151               |
| Unspent conditional grants and receipts    | 17      | 46 140         | 86 719            |
| Employee benefit obligation                | 18      | 14 405         | 22 248            |
|  |         | <b>100 067</b> | <b>134 097</b>    |
| <b>Non-Current Liabilities</b>             |         |                |                   |
| Finance lease obligation                   | 13      | -              | 412               |
| Employee benefit obligation                | 18      | 17 761         | 16 588            |
|  |         | <b>17 761</b>  | <b>17 000</b>     |
| <b>Total Liabilities</b>                   |         | <b>117 828</b> | <b>151 097</b>    |
| <b>Net Assets</b>                          |         | <b>358 655</b> | <b>381 738</b>    |
| Accumulated surplus                        |         | 358 654        | 381 737           |
| <b>Total Net Assets</b>                    |         | <b>358 654</b> | <b>381 737</b>    |

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Statement of Financial Performance

| Figures in Rand thousand                            | Note(s) | 2025             | 2024<br>Restated* |
|---|---------|------------------|-------------------|
| <b>Revenue</b>                                      |         |                  |                   |
| <b>Revenue from exchange transactions</b>           |         |                  |                   |
| Wildlife income                                     | 19      | 7 750            | 5 948             |
| Rendering of services                               | 20      | 9 490            | 7 640             |
| Rental income                                       | 21      | 1 803            | 1 797             |
| Interest received - investment                      | 22      | 4 927            | 7 375             |
| Actuarial gains                                     | 18      | 446              | 2 546             |
| Profit on disposal of assets                        | 23      | -                | 478               |
| <b>Total revenue from exchange transactions</b>     |         | <b>24 416</b>    | <b>25 784</b>     |
| <b>Revenue from non-exchange transactions</b>       |         |                  |                   |
| <b>Transfer revenue</b>                             |         |                  |                   |
| Government grants and subsidies                     | 24      | 293 765          | 282 194           |
| Donations   | 25      | 443              | 1 466             |
| Fines and penalties                                 | 26      | 308              | 124               |
| Debt Impairment                                     | 31      | 771              | -                 |
| Construction contract revenue                       | 48      | 1 983            | 908               |
| <b>Total revenue from non-exchange transactions</b> |         | <b>297 270</b>   | <b>284 692</b>    |
| <b>Total revenue</b>                                |         | <b>321 686</b>   | <b>310 476</b>    |
| <b>Expenditure</b>                                  |         |                  |                   |
| Employee related costs                              | 27      | (202 138)        | (191 143)         |
| Depreciation and amortisation                       | 28      | (27 329)         | (24 773)          |
| Impairment of assets                                | 29      | (5 554)          | (467)             |
| Finance costs                                       | 30      | (2 195)          | (2 227)           |
| Debt impairment                                     | 31      | (202)            | (67)              |
| Construction contract expenditure                   | 48      | (1 983)          | (908)             |
| Profit /loss on disposal of assets                  | 23      | (3 816)          | -                 |
| General expenses                                    | 32      | (101 552)        | (108 096)         |
| <b>Total expenditure</b>                            |         | <b>(344 769)</b> | <b>(327 681)</b>  |
| <b>Deficit for the year</b>                         |         | <b>(23 083)</b>  | <b>(17 205)</b>   |



## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Statement of Changes in Net Assets

| Figures in Rand thousand                             | Accumulated<br>surplus / deficit | Total net<br>assets |
|--|----------------------------------|---------------------|
| Opening balance as previously reported               |                                  | 418 970             |
| Adjustments  |                                  |                     |
| Prior year adjustments 46                            |                                  | (20 028)            |
| <b>Balance at 01 April 2023 as restated*</b>         |                                  | <b>398 942</b>      |
| Changes in net assets                                |                                  |                     |
| Surplus (deficit) for the year - previously reported |                                  | (17 205)            |
| Total changes  |                                  | (17 205)            |
| Opening balance as previously reported               |                                  | 396 959             |
| Adjustments  |                                  |                     |
| Correction of errors 46                              |                                  | (15 222)            |
| <b>Balance at 01 April 2024</b>                      |                                  | <b>381 737</b>      |
| Changes in net assets                                |                                  |                     |
| Surplus (deficit) for the year                       |                                  | (23 083)            |
| Total changes  |                                  | (23 083)            |
| <b>Balance at 31 March 2025</b>                      |                                  | <b>358 654</b>      |

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Cash Flow Statement

| Figures in Rand thousand                                    | Note(s) | 2025             | 2024<br>Restated* |
|---|---------|------------------|-------------------|
| <b>Cash flows from operating activities</b>                 |         |                  |                   |
| <b>Receipts</b>   |         |                  |                   |
| Sale of goods and services                                  |         | 46 580           | 15 049            |
| Grants  |         | 255 169          | 237 939           |
| Interest income   |         | 4 927            | 7 375             |
|   |         | <u>306 676</u>   | <u>260 363</u>    |
| <b>Payments</b>   |         |                  |                   |
| Employee costs  |         | (209 319)        | (188 101)         |
| Suppliers   |         | (91 172)         | (103 723)         |
| Finance costs   |         | -                | (89)              |
|   |         | <u>(300 491)</u> | <u>(291 913)</u>  |
| <b>Net cash flows from operating activities</b>             | 36      | <b>6 185</b>     | <b>(31 550)</b>   |
| <b>Cash flows from investing activities</b>                 |         |                  |                   |
| Purchase of property, plant and equipment                   | 9       | (41 268)         | (27 492)          |
| Proceeds from sale of property, plant and equipment         | 9       | 98               | 1 262             |
| <b>Net cash flows from investing activities</b>             |         | <b>(41 170)</b>  | <b>(26 230)</b>   |
| <b>Cash flows from financing activities</b>                 |         |                  |                   |
| Finance lease payments                                      | 13      | (663)            | (571)             |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |         | <b>(35 648)</b>  | <b>(58 351)</b>   |
| Cash and cash equivalents at the beginning of the year      |         | 55 536           | 113 887           |
| <b>Cash and cash equivalents at the end of the year</b>     | 6       | <b>19 888</b>    | <b>55 536</b>     |

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

|  | Approved<br>budget | Adjustments | Final Budget | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference |
|--|--------------------|-------------|--------------|--|---|-----------|
|--|--------------------|-------------|--------------|--|---|-----------|

Figures in Rand thousand

#### Statement of Financial Performance

##### Revenue

##### Revenue from exchange transactions

|                                    |        |       |        |        |         |         |
|------------------------------------|--------|-------|--------|--------|---------|---------|
| Revenue from exchange transactions | 22 643 | 7 402 | 30 045 | 24 416 | (5 629) | Note 44 |
|------------------------------------|--------|-------|--------|--------|---------|---------|

##### Revenue from non-exchange transactions

##### Transfer revenue

|                                    |         |        |         |         |          |         |
|------------------------------------|---------|--------|---------|---------|----------|---------|
| Government grants and subsidies    | 213 089 | -      | 213 089 | 213 089 | -        | Note 44 |
| Public contributions and donations | -       | -      | -       | 443     | 443      | Note 44 |
| Fines and penalties                | -       | -      | -       | 308     | 308      | Note 44 |
| Debt impairment                    | -       | -      | -       | 771     | 771      | Note 44 |
| Other grants                       | 62 779  | 52 064 | 114 843 | 80 676  | (34 167) | Note 44 |
| Construction contract revenue      | -       | -      | -       | 1 983   | 1 983    | Note 44 |

##### Total revenue from non-exchange transactions

|  |         |        |         |         |          |  |
|--|---------|--------|---------|---------|----------|--|
|  | 275 868 | 52 064 | 327 932 | 297 270 | (30 662) |  |
|--|---------|--------|---------|---------|----------|--|

##### Total revenue

|  |         |        |         |         |          |  |
|--|---------|--------|---------|---------|----------|--|
|  | 298 511 | 59 466 | 357 977 | 321 686 | (36 291) |  |
|--|---------|--------|---------|---------|----------|--|

##### Expenditure

|                        |           |          |           |           |         |         |
|------------------------|-----------|----------|-----------|-----------|---------|---------|
| Employee related costs | (201 202) | (3 636)  | (204 838) | (202 138) | 2 700   | Note 44 |
| Goods and services     | (75 701)  | (40 463) | (116 164) | (62 269)  | 53 895  | Note 44 |
| Capital expenditure    | (21 608)  | (15 367) | (36 975)  | (41 266)  | (4 291) | Note 44 |
| Impairments of assets  | -         | -        | -         | (5 554)   | (5 554) | Note 44 |

##### Total expenditure

|  |           |          |           |           |        |  |
|--|-----------|----------|-----------|-----------|--------|--|
|  | (298 511) | (59 466) | (357 977) | (311 227) | 46 750 |  |
|--|-----------|----------|-----------|-----------|--------|--|

##### Surplus (deficit)

|  |   |   |   |        |        |  |
|--|---|---|---|--------|--------|--|
|  | - | - | - | 10 459 | 10 459 |  |
|--|---|---|---|--------|--------|--|

##### Reconciliation

##### Basis difference

|                               |          |  |  |  |  |         |
|-------------------------------|----------|--|--|--|--|---------|
| Depreciation and amortisation | (27 329) |  |  |  |  | Note 44 |
| Finance costs                 | (2 195)  |  |  |  |  | Note 44 |
| Debt impairment               | (202)    |  |  |  |  | Note 44 |
| Loss on disposal of assets    | (3 816)  |  |  |  |  | Note 44 |

##### Actual Amount in the Statement of Financial Performance

(23 083)

The entity does not budget for depreciation, finance costs, bad debts and loss on disposal of assets.

The deficit of R23 million as presented on this statement, and in reference to the Statement of Financial Performance includes the balance of R37,8 million being the funds owed to conditional grants projects by the ECPTA.

Other grants as presented in revenue from non-exchange transactions, represents conditional grant funded projects

# Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

| Figures in Rand thousand | 2025 | 2024 |
|--------------------------|------|------|
|--------------------------|------|------|

### 1. Presentation of Annual Financial Statements

These annual financial statements are for the year ended 31 March 2025. Comparisons are for the year ended 31 March 2024. 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.

The significant accounting policies applied in the preparation of these annual financial statements are set out 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 2025

### Accounting Policies

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#### 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 these estimates.

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. Refer to disclosure note 6.

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.

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Accounting Policies

#### 1.8 Intangible assets

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

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 2025

### Accounting Policies

#### 1.9 Property, plant and equipment (continued)

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

| Item                        | Depreciation method | Average useful life |
|-----------------------------|---------------------|---------------------|
| 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.

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

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.

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.

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Accounting Policies

#### 1.10 Service concession arrangements (continued)

Land is not depreciated. The useful lives of items of service concession assets property, plant and equipment 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.

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.



## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Accounting Policies

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#### 1.11 Heritage assets (continued)

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 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 and professional fees 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 37.

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.

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Accounting Policies

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#### 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 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: Defined benefit plans

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

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

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

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

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

#### 1.17 Revenue from exchange transactions

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

##### Sale of goods

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

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

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Accounting Policies

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#### 1.17 Revenue from exchange transactions (continued)

##### 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.

#### 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 Construction contracts

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Accounting Policies

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#### 1.20 Construction contracts (continued)

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

Contract revenue is measured at the fair value of the consideration received or receivable shall comprise the initial amount of revenue agreed in the contract, variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

#### 1.21 Living and non-living resources

Living resources are those resources that undergo biological transformation. Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Agricultural activity is the management by the entity of the biological transformation and harvest of biological assets for:

- a) sale;
- b) distribution at no charge or for a nominal charge; or
- c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

The ECPTA is responsible for managing a wide range of fauna, flora, geological structures and unique scenery. Since the ECPTA does not control conditions affecting the progeny or quantity of any species, and since its main line of business does not include trade in these assets, it does not account for any living and non-living resources.



## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

## 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:<br>Years beginning on or after | Expected impact:                         |
|---|--|--|
| • GRAP 25 (as revised): Employee Benefits   | 01 April 2023                                  | Unlikely there will be a material impact |
| • iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interactions | 01 April 2023                                  | Unlikely there will be a material impact |
| • iGRAP 21: The Effect of Past Decisions on Materiality   | 01 April 2023                                  | Unlikely there will be a material impact |
| • GRAP 2020: Improvements to the standards of GRAP 2020   | 01 April 2023                                  | Unlikely there will be a material impact |

### 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 2025 or later periods:

| Standard/ Interpretation:  | Effective date:<br>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                                   | 01 April 2025                                  | Unlikely there will be a material impact |
| • GRAP 1 (amended): Presentation of Financial Statements                         | 01 April 2024                                  | Expected impact is material              |
| • iGRAP 22 Foreign Currency Transactions and Advance Consideration               | 01 April 2025                                  | Unlikely there will be a material impact |
| • GRAP 103 Heritage assets   | 01 April 2025                                  | Expected impact is material              |
| • GRAP 105 Transfer of functions between entities under common control           | 01 April 2023                                  | Unlikely there will be a material impact |
| • GRAP 106   | 01 April 2023                                  | Unlikely there will be a material impact |
| • GRAP 107 Transfer of functions between entities not under common control       | 01 April 2023                                  | Unlikely there will be a material impact |

## 3. Inventories

Fuel

40

45

Fuel purchased directly from suppliers and accordingly expensed amounted to R15 thousand (2024: R13 thousand).

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

| Figures in Rand thousand                         | 2025         | 2024         |
|--|--------------|--------------|
| <b>4. Receivables from exchange transactions</b> |              |              |
| Trade debtors                                    | 1 635        | 2 192        |
| Prepaid expenses                                 | 542          | 708          |
| Deposits   | 758          | 715          |
| Rent receivable                                  | 326          | 357          |
| Staff debtors                                    | 371          | 344          |
| Impairment allowance                             | (545)        | (343)        |
| Operating lease receivables                      | 225          | 150          |
|  | <b>3 312</b> | <b>4 123</b> |

#### Trade and other receivables pledged as security

There were no trade and other receivables pledged as security. The ECPTA considers that the carrying amount of trade 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 2025, R405 thousand (2024: R306 thousand) were past due but not impaired.

#### Trade and other receivables impaired

As of 31 March 2025, trade and other receivables of R545 thousand (2024: R343 thousand) were impaired and provided for.

The amount of the provision was R202 thousand as of 31 March 2025 (2024: R67 thousand).

The ageing of these loans is as follows:

|               |     |     |
|---------------|-----|-----|
| 3 to 6 months | 202 | 48  |
| Over 6 months | 343 | 295 |

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

|                                      |            |            |
|--------------------------------------|------------|------------|
| Opening balance                      | 343        | 528        |
| Provision for impairment             | 202        | 67         |
| Amounts written off as uncollectible | -          | (252)      |
|                                      | <b>545</b> | <b>343</b> |

#### 5. Receivables from non-exchange transactions

|                      |            |               |
|----------------------|------------|---------------|
| SARS VAT             | 190        | 190           |
| Social projects      | 2          | 773           |
| Impairment allowance | (192)      | (963)         |
| Grants receivable    | 582        | 25 370        |
|                      | <b>582</b> | <b>25 370</b> |

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         | 444        | 13 480        |
| BANKSETA                                    | 12         | -             |
| SANBI                                       | 27         | -             |
|   | <b>582</b> | <b>25 370</b> |

## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

Figures in Rand thousand 2025 2024

#### 5. Receivables from non-exchange transactions (continued)

Reconciliation of movement in grants receivable:

| <b>31 March 2025</b>                        | Balance<br>receivable at<br>start of year | Current year<br>receipts | Transfers to<br>revenue | Total      |
|---|---|--------------------------|-------------------------|------------|
| National Lotteries Commission               | 99  | -                        | -                       | 99         |
| Marine and Coastal Management - MPA         | 13 480                                    | (15 600)                 | 2 564                   | 444        |
| South African National Roads Agency Limited | 11 791                                    | (11 791)                 | -                       | -          |
| BANKSETA                                    | -   | -                        | 12                      | 12         |
| SANBI                                       | -   | -                        | 27                      | 27         |
|   | <b>25 370</b>                             | <b>(27 391)</b>          | <b>2 603</b>            | <b>582</b> |

| <b>31 March 2024</b>                        | Balance<br>receivable at<br>start of year | Current year<br>receipts | Transfers to<br>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        |
|   | <b>8 799</b>                              | <b>(1 500)</b>           | <b>18 071</b>           | <b>25 370</b> |

#### 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 2025, 99 thousand - (2024: 7 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)        | (963)        |
| Provision for impairment | 771          | -            |
|                          | <b>(192)</b> | <b>(963)</b> |

#### 6. Cash and cash equivalents

Cash and cash equivalents consist of:

|  |               |               |
|--|---------------|---------------|
| Cash on hand                                   | 175           | 162           |
| Bank balances                                  | 19 713        | 55 299        |
| Bank balances (Social responsibility projects) | -             | 75            |
|  | <b>19 888</b> | <b>55 536</b> |

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

## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

| Figures in Rand thousand | 2025 | 2024 |
|--------------------------|------|------|
|--------------------------|------|------|

#### 6. Cash and cash equivalents (continued)

Cash relating to own revenue and the funds transferred from DEDEAT in respect of the mandate of the ECPTA as defined in the Eastern Cape Parks and Tourism Agency Act, 2010 (Act no. 2 of 2010), is maintained from the Main and Revenue accounts for day to day activities. The ECPTA has accounts, including projects, totalling to R20 million (2024: R55 million), as Treasury allows.

Included in the balance of R20 million as at financial year end, is restricted funds of R15 million.

The unspent amounts of R46 million (2024: R87 million), read with grants receivable of R1 million (2024: R25 million), see notes 17 and 5 respectively, is more than the available cash and cash equivalents of R20 million (2024: R55 million), due to cashflow challenges emanating from the use of conditional grants funds for ECPTA operations.

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. There are restrictions on the use of the funds with reference to social projects.

Economic Stimulus Fund and Environmental Protection and Infrastructure Programme balance of R95 thousand 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 39.

There were no cash and cash equivalents pledged as security.

#### 7. Living and non-living resources

##### Non-living resources

##### Entity as custodian

ECPTA exists in terms of the National Environmental Management: Protected Areas Act (NEM:PAA), 57 of 2003, with the mandate to conserve, protect, control and manage provincial protected areas and other defined protected areas and their biological diversity (biodiversity).

ECPTA executes its mandate in accordance with a management plan as required by section 41 of the NEM: PAA which aims to ensure the protection, conservation and management of the provincial protected areas in a manner which is consistent with the objectives of the Act and for the purposes listed in section 17 of the Act. Section 17 of the NEM: PAA provides a list of purposes for the declaration of areas as protected areas, which includes the protection of biological diversity (Section 17(a) (c)), the preservation of ecological integrity (Section 17(b)), and the sustainable use of natural an biological resources (17(h)).

Nature and types of non-living resources for which the entity is responsible

##### Water

Within the provincial protected areas; water is found in its natural state. ECPTA obtain water use licences for water uses as defines in section 21 of the National Water Act, 1998 (Act No 36 of 1998)

##### Land

ECPTA is assigned as the Management Authority of state land that is declared a provincial protected areas in terms of the NEM: PAA.

##### Living resources

##### Entity as custodian

ECPTA exists in terms of the National Environmental Management: Protected Areas Act (NEM: PAA), 57 of 2003, with the mandate to conserve, protect, control and manage provincial protected areas and other defined protected areas and their biological diversity (biodiversity).



## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

#### 7. Living and non-living resources (continued)

ECPTA executes its mandate in accordance with a management plan as required by section 41 of the NEM: PAA which aims to ensure the protection, conservation and management of the provincial protected areas in a manner which is consistent with the objectives of the Act and for the purposes listed in section 17 of the Act. Section 17 of the NEM: PAA provides a list of purposes for the declaration of areas as protected areas, which includes the protection of biological diversity (Section 17(a)(c)), the preservation of ecological integrity (Section 17(b)), and the sustainable use of natural and biological resources (17(h)).

The Accounting Standards Board (ASB) issued GRAP 110: Living and Non-living Resources in March 2017. This GRAP standard became effective with effect from 01 April 2020

The living resource must meet the definition of an asset in terms of GRAP 1 as follows: "A resource controlled by an entity as a result, of past events from which future economic benefits or service potential are expected to flow to the entity". Additionally, in terms of par.15 of GRAP 110, the living resources is recognised as an asset if, and only if:

1. it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and.
2. (ii) the cost or fair value of the asset can be measured reliably. In terms of par. 18 of GRAP 110, to demonstrate control, the entity needs to control the right or access to future economic benefits or service potential of the resource.

To assess whether the entity controls the living resource, the following three (3) indicators must be applied individually, or in combination, to conclude that control exists:

- The intervention by an entity in the management of the physical condition of the living resource.
- The ability to restrict the movement of the living resource.
- The ability to direct the use of the living resource

#### The intervention by an entity in the management of the physical condition of the living resource.

The entity does not take care of the nutrition, health, reproduction, and the environment of the living resources. Everything is done or happens naturally in game reserves or protected areas. ECPTA does not have any feeding plan for living resources, the living resources are feeding themselves naturally in game reserves. ECPTA does not manage the reproduction of living resources. Living resources reproduce themselves naturally in the game reserves without any intervention of ECPTA. ECPTA cannot guarantee the maintenance of accurate records for living resources. ECPTA only does game counting which is also based on estimates. The game counts are performed mainly to estimate and manage animal populations in game reserves. Various methods are used to estimate the population in the game reserves such as registration studies, block counts, total counts, fixed width sample transects, spoor indexing, photographic mark-recapture, call-up surveys or even guestimates usually from ranger experience. The ECPTA cannot guarantee the accuracy and precision of the counting process due to the various methods used and biases involved in the counting process. Furthermore, a count of animals is done on a specific day and given the fact that animals roam freely within a park and ECPTA cannot restrict their movement, the numbers counted on a specific day will certainly change within days or weeks. Therefore, the accurate number of living resources in the game reserves or protected areas cannot be guaranteed.

#### Conclusion:

Therefore, based on this analysis, ECPTA does not control living resources in the game reserves or protected areas.

#### The ability to restrict the movement of the living resource.

Animals in our game reserves or protected areas are left to roam freely and the plants are left in their natural environment or habitat. ECPTA only restricts the movement of wild animals by fencing off game reserves or protected areas generally for disease control purposes and to limit the exposure of neighbouring landowners and communities to the risks associated with keeping wild animals in the game reserve or park. In the bigger protected areas, fences are very permeable as there are rivers and drainage lines going through the protected areas, making it impossible to fence certain sections of the park. Therefore, animals can move in and out through unfenced areas. Furthermore, control by fencing does not guarantee that animals cannot escape or clear the fence, as rhinos, elephants and even buffalos can easily walk through the fences. Also, though game reserves or protected areas have fences, animal migration occurs frequently, and animals do from time to time jump over, or burrow under fences. Access control is therefore not high and as such ECPTA does not have control of the individual animals and plants within the protected areas.

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|--------------------------|------|------|
|--------------------------|------|------|

#### 7. Living and non-living resources (continued)

##### Conclusion:

Therefore, based on this analysis, ECPTA does not control living resources in the game reserves or protected areas.

The ability to direct the use of the living resource.

ECPTA does not have full control in deciding how and by whom the living resources can be used other than for conservation purposes as listed in section 17 of the NEM: PAA. The living resources are not held for disposal or sale in terms of the mandate of ECPTA.

##### Conclusion

Therefore, based on this analysis, ECPTA does not control living resources in the game reserves or protected areas.

##### None of the assets are pledged as security.

Excess animals are determined after the annual game population estimates have been completed. The removal quotas are presented to Exco, the Conservation committee and finally to the Board. After approval, a disposal mechanism is followed as listed below:

##### Number of animals

|                       |              |              |
|-----------------------|--------------|--------------|
| Live sale (auction)   | 236          | 142          |
| Hunting game          | 525          | 125          |
| External culling game | 1 180        | 1 320        |
| Internal culling game | 442          | 324          |
|                       | <b>2 383</b> | <b>1 911</b> |

In the current year the total revenue from wildlife amount to R7,7 million.

#### 8. Intangible assets

|                            | 2025  |                          |                | 2024  |                          |                |
|----------------------------|-------|--------------------------|----------------|-------|--------------------------|----------------|
|                            | Cost  | Accumulated amortisation | Carrying value | Cost  | Accumulated amortisation | Carrying value |
| Computer software licences | 5 154 | (4 898)                  | 256            | 5 154 | (4 825)                  | 329            |

##### Reconciliation of intangible assets - 2025

|                            | Opening balance | Accumulated amortisation | Total |
|----------------------------|-----------------|--------------------------|-------|
| Computer software licences | 329             | (73)                     | 256   |

##### Reconciliation of intangible assets - 2024

|                            | Opening balance | Accumulated amortisation | Total |
|----------------------------|-----------------|--------------------------|-------|
| Computer software licences | 697             | (368)                    | 329   |

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

The movement in accumulated amortisation in 2024/25 financial year is low in comparison to the prior year due to impairment of assets in the current year.

## Eastern Cape Parks and Tourism Agency

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#### 9. Property, plant and equipment

|                                   | 2025                |   |                | 2024                |   |                |
|-----------------------------------|---------------------|---|----------------|---------------------|---|----------------|
|                                   | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value |
| Buildings                         | 219 589             | (65 438)  | 154 151        | 216 202             | (60 106)  | 156 096        |
| Plant and machinery               | 8 644               | (7 657)   | 987            | 9 576               | (8 071)   | 1 505          |
| Furniture and fixtures            | 19 385              | (17 270)  | 2 115          | 18 752              | (16 885)  | 1 867          |
| Motor vehicles                    | 44 289              | (33 514)  | 10 775         | 44 680              | (31 666)  | 13 014         |
| Office equipment                  | 13 968              | (9 856)   | 4 112          | 14 674              | (8 378)   | 6 296          |
| IT equipment                      | 17 703              | (15 416)  | 2 287          | 20 208              | (16 511)  | 3 697          |
| Roads and storm water             | 371 817             | (326 953)   | 44 864         | 374 745             | (327 688)   | 47 057         |
| Building attachment               | 10 113              | (8 495)   | 1 618          | 10 644              | (8 200)   | 2 444          |
| Fencing                           | 76 656              | (60 984)  | 15 672         | 78 356              | (64 256)  | 14 100         |
| Field equipment                   | 4 435               | (3 343)   | 1 092          | 3 811               | (3 025)   | 786            |
| Infrastructure - work in progress | 60 638              | -   | 60 638         | 39 058              | -   | 39 058         |
| Electricity infrastructure        | 17 782              | (6 961)   | 10 821         | 20 975              | (7 695)   | 13 280         |
| Sanitation infrastructure         | 8 722               | (5 057)   | 3 665          | 8 648               | (4 493)   | 4 155          |
| Water supply infrastructure       | 25 242              | (14 628)  | 10 614         | 25 698              | (14 244)  | 11 454         |
| <b>Total</b>                      | <b>898 983</b>      | <b>(575 572)</b>  | <b>323 411</b> | <b>886 027</b>      | <b>(571 218)</b>  | <b>314 809</b> |

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#### 9. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2025

|                                   | Opening balance | Additions     | Disposals      | Transfers to other PPE classes | Transfers to Service Concessions | Transfers of functions (Donations) | Other changes, movements | Depreciation    | Impairment loss | Total          |
|-----------------------------------|-----------------|---------------|----------------|--------------------------------|----------------------------------|------------------------------------|--------------------------|-----------------|-----------------|----------------|
| Buildings                         | 156 096         | -             | (979)          | 6 277                          | -                                | -                                  | -                        | (4 263)         | (2 980)         | 154 151        |
| Plant and machinery               | 1 505           | 59            | (69)           | 22                             | -                                | -                                  | 17                       | (502)           | (45)            | 987            |
| Furniture and fixtures            | 1 867           | 1 048         | (3)            | 24                             | -                                | -                                  | -                        | (774)           | (47)            | 2 115          |
| Motor vehicles                    | 13 014          | 2 956         | (175)          | -                              | -                                | 443                                | -                        | (5 251)         | (212)           | 10 775         |
| Office equipment                  | 6 296           | -             | (59)           | -                              | -                                | -                                  | (1)                      | (2 078)         | (46)            | 4 112          |
| IT equipment                      | 3 697           | 218           | (158)          | -                              | -                                | -                                  | 99                       | (1 569)         | -               | 2 287          |
| Roads and storm water             | 47 057          | -             | (330)          | 2 461                          | -                                | -                                  | 467                      | (4 791)         | -               | 44 864         |
| Building attachments              | 2 444           | 252           | (69)           | -                              | -                                | -                                  | 15                       | (988)           | (36)            | 1 618          |
| Fencing                           | 14 100          | -             | (109)          | 4 721                          | -                                | -                                  | (54)                     | (2 002)         | (984)           | 15 672         |
| Field equipment                   | 786             | 747           | (6)            | -                              | -                                | -                                  | (16)                     | (407)           | (12)            | 1 092          |
| Infrastructure - work in progress | 39 058          | 35 986        | -              | (14 092)                       | (314)                            | -                                  | -                        | -               | -               | 60 638         |
| Electricity infrastructure        | 13 280          | -             | (1 408)        | -                              | -                                | -                                  | -                        | (455)           | (596)           | 10 821         |
| Sanitation infrastructure         | 4 155           | -             | (1)            | 99                             | -                                | -                                  | -                        | (342)           | (246)           | 3 665          |
| Water supply infrastructure       | 11 454          | -             | (397)          | 433                            | -                                | -                                  | -                        | (530)           | (346)           | 10 614         |
|                                   | <b>314 809</b>  | <b>41 266</b> | <b>(3 763)</b> | <b>(55)</b>                    | <b>(314)</b>                     | <b>443</b>                         | <b>527</b>               | <b>(23 952)</b> | <b>(5 550)</b>  | <b>323 411</b> |

##### Infrastructure - work in progress

|                  | Opening balance | Additions     | Transfers to PPE | Transfers to Service Concession and donations | Total         |
|------------------|-----------------|---------------|------------------|---|---------------|
| Fencing projects | 11 308          | 5 301         | (4 721)          | -   | 11 888        |
| Buildings        | 26 837          | 13 315        | (6 477)          | (314)   | 33 361        |
| Electricity      | 643             | -             | -                | -   | 643           |
| Roads            | -               | 16 937        | (2 461)          | -   | 14 476        |
| Water supply     | -               | 433           | (433)            | -   | -             |
|                  | <b>38 788</b>   | <b>35 986</b> | <b>(14 092)</b>  | <b>(314)</b>                                  | <b>60 368</b> |



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Figures in Rand thousand

#### 9. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2024

|                                   | Opening balance | Additions     | Disposals      | Transfers to other PPE classes | Transfers to service concessions | Transfers of functions (Donations) | Depreciation    | Impairment loss | Total          |
|-----------------------------------|-----------------|---------------|----------------|--------------------------------|----------------------------------|------------------------------------|-----------------|-----------------|----------------|
| Buildings                         | 136 664         | 843           | (101)          | 24 795                         | (2 198)                          | -                                  | (3 907)         | -               | 156 096        |
| 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          | -             | -              | 3 805                          | -                                | -                                  | (4 212)         | (468)           | 47 057         |
| Building attachments              | 3 060           | 276           | (8)            | -                              | -                                | -                                  | (884)           | -               | 2 444          |
| Fencing                           | 13 801          | 136           | -              | 1 930                          | -                                | -                                  | (1 767)         | -               | 14 100         |
| Field equipment                   | 718             | 263           | -              | -                              | -                                | -                                  | (195)           | -               | 786            |
| Infrastructure - work in progress | 106 506         | 19 527        | -              | (44 261)                       | (42 634)                         | (80)                               | -               | -               | 39 058         |
| Electricity infrastructure        | 4 641           | 167           | -              | 8 847                          | -                                | -                                  | (375)           | -               | 13 280         |
| Sanitation infrastructure         | 3 104           | -             | -              | 1 260                          | -                                | -                                  | (209)           | -               | 4 155          |
| Water supply infrastructure       | 10 319          | -             | -              | 1 634                          | -                                | -                                  | (499)           | -               | 11 454         |
|                                   | <b>353 165</b>  | <b>29 354</b> | <b>(1 074)</b> | <b>692</b>                     | <b>(44 832)</b>                  | <b>(80)</b>                        | <b>(21 948)</b> | <b>(468)</b>    | <b>314 809</b> |

##### Infrastructure - work in progress

|                  | Opening balance | Additions     | Transfers to PPE | Transfers to Service Concession and donations | Total         |
|------------------|-----------------|---------------|------------------|---|---------------|
| Fencing projects | 7 558           | 3 750         | -                | -   | 11 308        |
| Buildings        | 98 594          | 13 903        | (40 873)         | (44 913)                                      | 26 711        |
| Sanitation       | 103             | 293           | -                | -   | 396           |
| Electricity      | 250             | 1 581         | (1 188)          | -   | 643           |
|                  | <b>106 505</b>  | <b>19 527</b> | <b>(42 061)</b>  | <b>(44 913)</b>                               | <b>39 058</b> |

32. R443 thousand donations received is in respect of a motor vehicle from World Wide Fund (WWF). Where insurance recoveries have been received by the entity, details are reported on the face of the statement of performance and disclosed per class of property, plant and equipment in the notes.

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#### 9. Property, plant and equipment (continued)

##### Pledged as security

No property, plant and equipment is pledged as security.

Work in progress amounting to R14 million (2024: R42 million) was included in property, plant and equipment. An amount of R nil (2024: R2,119 million) was transferred from inventory to property, plant and equipment. Refer to note 3. The statement of cash flow accordingly states R41 million (2024: R29 million) as purchases of property, plant and equipment. In addition, the change in inventory is reflected as working capital per note 36 cash generated by from operations.

The carrying value of property, plant and equipment work in progress where construction or development has been halted or delayed either during the current or previous reporting period(s) is R9,6 million with no impairment losses recognised. The reasons for the delays are outlined below:

##### Projects affected by delay

|  | Carrying value | Impairment losses recognised | Total        |
|--|----------------|------------------------------|--------------|
| (a) Construction of a Curio shop, swimming pool and chalets      | 5 353          | -                            | 5 353        |
| (b) Construction of a Curio shop, swimming pool and viewing deck | 2 293          | -                            | 2 293        |
| (c) Refurbishment of Hiking facilities                           | 1 355          | -                            | 1 355        |
| (d) Electrical repairs   | 643            | -                            | 643          |
|  | <b>9 644</b>   | <b>-</b>                     | <b>9 644</b> |

##### (a) Construction of a Curio shop, swimming pool and chalet

The contractor was appointed in November 2022 to construct a curio shop, interpretive centre, and five (5) chalets at the Dwesa Nature Reserve. The project encountered several challenges, largely due to the performance of the appointed Professional Service Provider (PSP).

Contributing factors included inclement weather, poor road conditions, and ineffective project management by the PSP. As a result, the contract with the service provider was terminated by mutual agreement. At the point of termination, only the curio shop and interpretive centre had majority of work done. The chalets were not constructed.

The project remains incomplete and will be finalised once a replacement contractor is appointed. The initial contract value was R11,5 million. To date, R5,3 million has been paid to the contractor. The remaining balance of approximately R6,2 million will be allocated for the appointment and execution of the outstanding works by the new contractor.

##### (b) Construction of a Curio shop, swimming pool and viewing deck

The contractor was appointed in August 2021 for the construction of a curio shop, swimming pool, and viewing deck at Silaka Nature Reserve. The total contract value amounted to R2,3 million.

The project faced several challenges, primarily due to the performance of the appointed Professional Service Provider (PSP). Contributing factors included inclement weather, poor road conditions, and ineffective project management by the PSP.

To accommodate delays and allow for completion, the contract was extended by mutual agreement between ECPTA and the contractor, with a revised completion date of 30 October 2025.

To date, R1,9 million has been paid to the contractor. The remaining project balance of R327 thousand, along with an approved variation order amounting to R456 thousand, will be expended by the revised contractual end date.

##### (c) Refurbishment of Hiking facilities

The service provider was appointed in February 2021 for the refurbishment of the Mngazana Hikers Huts facilities, with a total contract value of R1,4 million. The project remains incomplete, as the contract was mutually terminated due to persistent community unrest and security concerns raised by the contractor. In response, the project has been included in the 2025/26 Procurement Plan, and a replacement contractor will be appointed upon conclusion of the procurement process.

To date, R1,2 million has been paid to the original contractor. The remaining project balance of R207 thousand will be utilised by the replacement contractor to complete the outstanding works.

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#### 9. Property, plant and equipment (continued)

##### (d) Electrical repairs

A Service Provider was appointed in December 2023 to undertake electrical repairs at Hluleka Nature Reserve. The contract value was R714 thousand, covering the period from 05 December 2023 to 05 February 2024.

The contractor completed the work to practical completion. However, the infrastructure was subsequently damaged due to flooding and now requires rectification. The cost of the damaged works is expected to be written off in the 2025/26 financial year, and a revised Bill of Quantities (BoQ) will be developed.

To date, R643 thousand has been paid to the contractor, with a remaining contract balance of R71 thousand. An assessment was later conducted by a separate service provider, which identified significant issues with the aged electrical infrastructure. The findings indicate that a substantially higher budget will be required to complete the project effectively.

Property, plant and equipment commitments are as per Commitments note. Refer to note 40.

Disclosure note 10 service concession assets below forms part of disclosure note 9 for property plant and equipment.

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

|              |     |     |
|--------------|-----|-----|
| IT equipment | 396 | 993 |
|--------------|-----|-----|

#### 10. Service concession assets

|                             | 2025                |   |                | 2024                |   |                |
|-----------------------------|---------------------|---|----------------|---------------------|---|----------------|
|                             | Cost /<br>Valuation | Accumulated<br>amortisation<br>and<br>accumulated<br>impairment | Carrying value | Cost /<br>Valuation | Accumulated<br>amortisation<br>and<br>accumulated<br>impairment | Carrying value |
| IT equipment                | 1 395               | (1 234)   | 161            | 1 210               | (1 094)   | 116            |
| Buildings                   | 91 539              | (9 304)   | 82 235         | 90 964              | (6 673)   | 84 291         |
| Furniture and fixtures      | 1 042               | (570)   | 472            | 1 115               | (314)   | 801            |
| Office equipment            | 674                 | (465)   | 209            | 703                 | (446)   | 257            |
| Plant and machinery         | 795                 | (626)   | 169            | 828                 | (599)   | 229            |
| Electricity infrastructure  | 9 077               | (1 200)   | 7 877          | 9 077               | (973)   | 8 104          |
| Building attachments        | 1 972               | (609)   | 1 363          | 1 976               | (250)   | 1 726          |
| Sanitation infrastructure   | 2 880               | (328)   | 2 552          | 2 880               | (177)   | 2 703          |
| Water supply infrastructure | 4 946               | (671)   | 4 275          | 5 084               | (567)   | 4 517          |
| Roads                       | 430                 | (72)  | 358            | 430                 | (29)  | 401            |
| <b>Total</b>                | <b>114 750</b>      | <b>(15 079)</b>   | <b>99 671</b>  | <b>114 267</b>      | <b>(11 122)</b>   | <b>103 145</b> |

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Figures in Rand thousand

#### 10. Service concession assets (continued)

##### Reconciliation of service concession assets - 2025

|                             | Opening balance | Transfers from PPE - Work in Progress | Disposals    | Other changes, movements | Amortisation   | Impairment loss | Total         |
|-----------------------------|-----------------|---------------------------------------|--------------|--------------------------|----------------|-----------------|---------------|
| IT equipment                | 116             | -                                     | -            | 184                      | (139)          | -               | 161           |
| Buildings                   | 84 291          | 314                                   | (15)         | (531)                    | (1 824)        | -               | 82 235        |
| Furniture and fixtures      | 801             | -                                     | (1)          | (169)                    | (156)          | (3)             | 472           |
| Office equipment            | 257             | -                                     | -            | 27                       | (75)           | -               | 209           |
| Plant and machinery         | 229             | -                                     | -            | -                        | (60)           | -               | 169           |
| Electricity infrastructure  | 8 104           | -                                     | -            | -                        | (227)          | -               | 7 877         |
| Building attachments        | 1 726           | -                                     | -            | -                        | (363)          | -               | 1 363         |
| Sanitation infrastructure   | 2 703           | -                                     | -            | -                        | (151)          | -               | 2 552         |
| Water supply infrastructure | 4 517           | -                                     | (135)        | -                        | (107)          | -               | 4 275         |
| Roads                       | 401             | -                                     | -            | -                        | (43)           | -               | 358           |
|                             | <b>103 145</b>  | <b>314</b>                            | <b>(151)</b> | <b>(489)</b>             | <b>(3 145)</b> | <b>(3)</b>      | <b>99 671</b> |

##### 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            |
|                             | <b>47 240</b>   | <b>42 634</b>                         | <b>(186)</b> | <b>2 195</b>                   | <b>13 374</b>                      | <b>191</b>               | <b>(2 303)</b> | <b>103 145</b> |



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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 a prospective basis.

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.

In April 2024, the ECPTA entered into a concession agreement with Ramburi Properties JV Sina Hospitality. The concessionaire did not commence per agreement, leading to the termination of the contract.

## Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand 2025      2024

#### 11. Heritage assets

|      | 2025                |                                     |                | 2024                |                                     |                |
|------|---------------------|-------------------------------------|----------------|---------------------|-------------------------------------|----------------|
|      | Cost /<br>Valuation | Accumulated<br>impairment<br>losses | Carrying value | Cost /<br>Valuation | Accumulated<br>impairment<br>losses | Carrying value |
| Land | 23 616              | -                                   | 23 616         | 23 616              | -                                   | 23 616         |

#### Reconciliation of heritage assets - 2025

|      | Opening<br>balance | Total  |
|------|--------------------|--------|
| Land | 23 616             | 23 616 |

#### Reconciliation of heritage assets - 2024

|      | Opening<br>balance | Additions | Total  |
|------|--------------------|-----------|--------|
| Land | 22 991             | 625       | 23 616 |

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 25.

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

##### Reserve

|   | Estimated area<br>in hectares | Estimated area<br>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, Cockscornb, Onverwacht and Bank Kop |                               |                               |
| Formosa Nature Reserve  | 25 511                        | 25 511                        |
| 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                         |
| HIuleka 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  | 14 557                        | 14 557                        |
| Commando Drift Nature Reserve   | 5 746                         | 5 746                         |
|   | <b>390 970</b>                | <b>390 970</b>                |

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Figures in Rand thousand 2025 2024

#### 11. Heritage assets (continued)

##### 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 was recognised as heritage assets in the 2023/24 financial year.

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 16 159

##### Mpofu Nature Reserve

827 hectares acquired at cost

1 798 1 798

##### Restrictions on heritage assets

There are no contractual commitments for the acquisition, maintenance and restoration of Heritage assets.

##### Pledged as security

There was no heritage assets pledged as security:

There was no expenditure incurred to repair and maintain the heritage assets.

#### 12. Investment property

|           | 2025  |   |                | 2024  |   |                |
|-----------|-------|---|----------------|-------|---|----------------|
|           | Cost  | Accumulated depreciation and accumulated impairment | Carrying value | Cost  | Accumulated depreciation and accumulated impairment | Carrying value |
| Buildings | 7 737 | (2 030)   | 5 707          | 7 737 | (1 875)   | 5 862          |

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|--------------------------|------|------|
|--------------------------|------|------|

#### 12. Investment property (continued)

##### Reconciliation of investment property - 2025

|           | Opening balance | Depreciation | Total |
|-----------|-----------------|--------------|-------|
| Buildings | 5 862           | (155)        | 5 707 |

##### Reconciliation of investment property - 2024

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

#### Pledged as security

There was no investment property pledged as security.

There is no existence and amounts of restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal.

Investment property commitments are as per the commitments note. Refer to note 40

#### 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.

Depreciation on investment property is determined at financial year end.

#### Details of property

|                                |              |              |
|--------------------------------|--------------|--------------|
| Unit 2 Bhisho Business Village | 791          | 813          |
| Tourism House Phalo Avenue     | 4 314        | 4 434        |
| Somerset House                 | 602          | 615          |
|                                | <b>5 707</b> | <b>5 862</b> |

#### Unit 2 Bhisho Business Village:

The property consists of an office block situated in the Bhisho Business Village and transferred to the ECPTA as at 1 July 2010. The building is currently occupied by the Provincial Department of Cooperative Governance and Traditional Affairs. Fair value of the investment property as 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 R1,830 million (2024: R1,710 million). Inspection of the property by the independent valuer was done on 8 April 2025 effective 31 March 2025

#### 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 R10,690 million (2024: R10,020 million). Inspection of the property by the independent valuer was done on 8 April 2025 effective 31 March 2025

#### Somerset House:

The property consists of 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 R1,320 million (2024: R1,230 million). Inspection of the property by the independent valuer was done on 19 March 2025 effective 31 March 2025. The ECPTA is in the process to obtain a tenant for this property.



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Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

| Figures in Rand thousand                                      | 2025       | 2024         |
|---|------------|--------------|
| <b>12. Investment property (continued)</b>                    |            |              |
| <b>From investment property that generated rental revenue</b> |            |              |
| Rental revenue from Investment property                       | 1 637      | 1 797        |
| <b>From Investment property that generated rental revenue</b> |            |              |
| Repairs and maintenance                                       | -          | 46           |
| <b>13. Finance lease obligation</b>                           |            |              |
| <b>Minimum lease payments due</b>                             |            |              |
| - within one year   | 423        | 660          |
| - in second to fifth year inclusive                           | -          | 423          |
|   | 423        | 1 083        |
| less: future finance charges                                  | (11)       | (61)         |
| <b>Present value of minimum lease payments</b>                | <b>412</b> | <b>1 022</b> |
| <b>Present value of minimum lease payments due</b>            |            |              |
| - within one year   | 412        | 610          |
| - in second to fifth year inclusive                           | -          | 412          |
|   | <b>412</b> | <b>1 022</b> |
| Non-current liabilities                                       | -          | 412          |
| Current liabilities   | 412        | 610          |
|   | <b>412</b> | <b>1 022</b> |

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                    | 16 852        | 7 468         |
| Other trade payables              | 33            | 33            |
| Accrued expense trade             | 8 698         | 5 666         |
| Revenue received in advance       | 4 325         | 3 710         |
| Other payables - employee related | 9 048         | 7 375         |
| Operating lease payables          | -             | 39            |
|                                   | <b>38 956</b> | <b>24 291</b> |

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 and excluding revenue received in advance, employee related payables and operating lease payables, is disclosed in note 39.

## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

| Figures in Rand thousand | 2025 | 2024 |
|--------------------------|------|------|
|--------------------------|------|------|

#### 14. Payables from exchange transactions (continued)

Salary control account consists of the following amounts:

|                            |              |              |
|----------------------------|--------------|--------------|
| Salaries and wages         | 629          | 567          |
| Skills development levy    | 213          | 196          |
| UIF                        | 183          | 193          |
| PAYE                       | 2 283        | 1 947        |
| COID contributions         | 2 393        | 1 473        |
| Pension and provident fund | 2 160        | 1 957        |
| Medical aid                | 1 187        | 1 042        |
|                            | <b>9 048</b> | <b>7 375</b> |

#### 15. Social responsibility projects

|                                |   |    |
|--------------------------------|---|----|
| Social responsibility projects | 3 | 78 |
|--------------------------------|---|----|

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. No implementers fees are generated from the projects, projects are near completion.

#### 16. Provisions

##### Reconciliation of provisions - 2025

|                   | Opening Balance | Total      |
|-------------------|-----------------|------------|
| Legal proceedings | 80              | 80         |
| Professional fees | 71              | 71         |
|                   | <b>151</b>      | <b>151</b> |

##### Reconciliation of provisions - 2024

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

##### Legal proceedings provisions

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

|   |           |           |
|---|-----------|-----------|
| Resettlement of people                    | 20        | 20        |
| Public liability claims against employees | 10        | 10        |
| Employment dismissal                      | 30        | 30        |
| Reckless and negligent driving            | 20        | 20        |
|   | <b>80</b> | <b>80</b> |

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

## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

Figures in Rand thousand 2025      2024

#### 16. Provisions (continued)

##### Professional fees provision

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

##### Surrender of surpluses

The ECPTA generates own revenue which then form part of its baseline budget for the year under review. The ECPTA therefore, does not submit requests to the relevant Treasury to retain surpluses in terms of Section 53(3) of the PFMA. The ECPTA applies for the rollover of all unspent funds in April, as duly required by the PFMA.

#### 17. Unspent conditional grants and receipts

##### Unspent conditional grants and receipts comprises of:

##### Unspent conditional grants and receipts

|  |               |               |
|--|---------------|---------------|
| Economic Stimulus Fund (DEDEAT)                              | 4 193         | 11 834        |
| SANBI Presidential Youth Employment Intervention             | -             | 664           |
| South African National Biodiversity Institute                | 2 062         | 2 210         |
| South African National Parks                                 | -             | 50            |
| CATHSSETA  | 777           | 45            |
| National Department of Tourism                               | 7 218         | 12 860        |
| Environmental Protection and Infrastructure Programme (DFFE) | 17 406        | 39 393        |
| Rhino Impact Bond  | 14            | 41            |
| Commission on Restitution of Land Rights                     | 249           | -             |
| South African National Roads Agency Limited (N2BOP)          | 6 498         | -             |
| BANKSETA   | -             | 745           |
| Nedbank Green Trust  | -             | 229           |
| Wildlife Conservation Bond                                   | 7 522         | 18 220        |
| Marketing Tourism Indaba                                     | 187           | 28            |
| FNB  | 3             | 100           |
| Brakfontein Community - Amakhala, Kariega, Lalibela          | 11            | 300           |
|  | <b>46 140</b> | <b>86 719</b> |

##### Movement during the year

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Balance at the beginning of the year | 86 719        | 116 778       |
| Additions during the year            | 255 169       | 253 044       |
| Income recognition during the year   | (295 748)     | (283 103)     |
|                                      | <b>46 140</b> | <b>86 719</b> |

See note 24 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.

Of the R46 million balance of unspent grants, the ECPTA owes an amount of R37,8 million which is not cash-backed.

## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

| Figures in Rand thousand  | 2025                   | 2024             |  |               |
|---|------------------------|------------------|--|---------------|
| <b>18. Employee benefit obligations</b>   |                        |                  |  |               |
| <b>The amounts recognised in the statement of financial position are as follows:</b>                              |                        |                  |  |               |
| Non-current liabilities   | 17 761                 | 16 588           |  |               |
| Current liabilities   | 14 405                 | 22 248           |  |               |
|   | <b>32 166</b>          | <b>38 836</b>    |  |               |
| <b>2025</b>   | <b>Non-current</b>     | <b>Current</b>   | <b>Total</b>                               |               |
| Long service award  | 2 312                  | 37               | 2 349                                      |               |
| Post-employment medical aid   | 15 449                 | 822              | 16 271                                     |               |
| Provision for Leave Pay   | -                      | 13 546           | 13 546                                     |               |
|   | <b>17 761</b>          | <b>14 405</b>    | <b>32 166</b>                              |               |
| <b>2024</b>   | <b>Non-current</b>     | <b>Current</b>   | <b>Total</b>                               |               |
| 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                                      |               |
|   | <b>16 588</b>          | <b>22 248</b>    | <b>38 836</b>                              |               |
| <b>Reconciliation of employee benefits - 2025</b>   | <b>Opening Balance</b> | <b>Additions</b> | <b>Utilised during the year / Reversed</b> | <b>Total</b>  |
| Long service award  | 2 103                  | 246              | -  | 2 349         |
| Post-employment medical aid   | 15 336                 | 935              | -  | 16 271        |
| Provision for Leave Pay   | 12 396                 | 2 756            | (1 606)                                    | 13 546        |
| Performance bonus   | 9 001                  | -                | (9 001)                                    | -             |
|   | <b>38 836</b>          | <b>3 937</b>     | <b>(10 607)</b>                            | <b>32 166</b> |
| <b>Reconciliation of employee benefits - 2024</b>   | <b>Opening Balance</b> | <b>Additions</b> | <b>Utilised during the year</b>            | <b>Total</b>  |
| 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         |
|   | <b>36 937</b>          | <b>9 353</b>     | <b>(7 454)</b>                             | <b>38 836</b> |
| The ECPTA has unfunded benefit plans that relate to long service awards and post retirement medical aid benefits. |                        |                  |  |               |
| An actuarial valuation was performed using the Projected Unit Credit Method.                                      |                        |                  |  |               |
| <b>Changes in the present value of the defined benefit obligation are as follows:</b>                             |                        |                  |  |               |
| Opening balance   | 16 589                 | 17 593           |  |               |
| Benefits paid   | (868)                  | (1 083)          |  |               |
| Net expense recognised in the statement of financial performance  | 2 040                  | 79               |  |               |
|   | <b>17 761</b>          | <b>16 589</b>    |  |               |



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|--|--------------|-----------|
| <b>18. Employee benefit obligations (continued)</b>                      |              |           |
| <b>Net expense recognised in the statement of financial performance:</b> |              |           |
| Current service cost   | 341          | 487       |
| Interest cost  | 2 145        | 2 138     |
| Actuarial (gains) losses   | (446)        | (2 546)   |
|  | <b>2 040</b> | <b>79</b> |

#### 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 (2024: 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. The liabilities are not funded.

#### A regulatory framework in which the plan operates in

Medical Aid:

The post-employment medical aid plan operates under the regulatory oversight of the Medical Schemes Act No. 131 of 1998, which governs all registered medical aid schemes in South Africa. The plan is registered with the Council for Medical Schemes, the statutory body responsible for regulating private healthcare funding.

Long Service:

The defined benefit plan is governed by the Pension Funds Act of South Africa, which sets out the legal and funding requirements for retirement benefit plans. The plan is registered with the Financial Sector Conduct Authority (FSCA) and is subject to its oversight.

Risks which the plan exposes the entity:

Actuarial risk

Definition: The risk that actuarial assumptions (e.g. mortality, salary increases, inflation) differ from actual outcomes.

Disclosure example: "The defined benefit obligation is sensitive to changes in assumptions such as discount rate, inflation, and life expectancy. A 0.5% decrease in the discount rate would increase the obligation by R9 million

Interest rate risk

Definition: The risk that changes in interest rates will affect the present value of the defined benefit obligation.

Disclosure example: "A decrease in market interest rates will increase the present value of the obligation, potentially requiring additional contributions."

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|--------------------------|------|------|

#### 18. Employee benefit obligations (continued)

Liquidity risk

Definition: The risk that the entity may not have sufficient liquid assets to meet benefit payments as they fall due.

Disclosure example: "The entity monitors cash flow requirements to ensure timely payment of pension obligations."

#### Post-employment medical aid benefits

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

|  |               |               |
|--|---------------|---------------|
| Opening balance  | 15 335        | 16 120        |
| Net expense recognised in the statement of financial performance | 935           | (785)         |
|  | <b>16 270</b> | <b>15 335</b> |

Net expense recognised  
in the statement of financial performance:

|                          |            |              |
|--------------------------|------------|--------------|
| Interest cost            | 1 909      | 1 906        |
| Actuarial (gains) losses | (348)      | (2 402)      |
| Expenditure incurred     | (822)      | (640)        |
| Current service cost     | 196        | 351          |
|                          | <b>935</b> | <b>(785)</b> |

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 2025 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 members of the post-employment medical aid benefit plan are made up as follows:

|   |           |           |
|---|-----------|-----------|
| In-service members (employees)                        | 14        | 19        |
| Continuation members (retirees, widowers and orphans) | 29        | 25        |
|   | <b>43</b> | <b>44</b> |

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

|   |               |               |
|---|---------------|---------------|
| In-service members (employees)                        | 5 371         | 6 788         |
| Continuation members (retirees, widowers and orphans) | 10 899        | 8 547         |
|   | <b>16 270</b> | <b>15 335</b> |

#### Long Service Awards:

If we assume that the long service award benefit policy of the Organisation remains unchanged over the next 36 months, a projection of the Organisation's unfunded accrued liability and future service cost can be seen as follows:

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#### 18. Employee benefit obligations (continued)

##### Long service:

##### Changes in the value of the obligation as at the current valuation date

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| PV of the obligation as at the previous valuation date | 2 103 | 2 349 | 2 714 | 2 893 |
| Current Service Cost                                   | 145   | 159   | 168   | 178   |
| Interest Cost  | 236   | 259   | 286   | 300   |
| Benefits Paid  | (37)  | (53)  | (276) | (397) |
| Actuarial Loss / (Gain)                                | (98)  | -     | -     | -     |

| Current<br>Valuation date<br>31-03-2025 | 1 Year<br>following the<br>Valuation Date | 2 Years<br>following the<br>Valuation Date | 3 Years<br>following the<br>Valuation Date |
|---|---|--|--|
| 2 103                                   | 2 349                                     | 2 714                                      | 2 893                                      |
| 145                                     | 159                                       | 168  | 178  |
| 236                                     | 259                                       | 286  | 300  |
| (37)                                    | (53)                                      | (276)                                      | (397)                                      |
| (98)                                    | -   | -  | -  |
| <b>2 349</b>                            | <b>2 714</b>                              | <b>2 892</b>                               | <b>2 974</b>                               |

##### Long Service:

##### Amounts recognised in the balance sheet and the income statement:

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Liability recognised in the balance sheet    | 2 349 | 2 714 | 2 893 | 2 974 |
| Current Service Cost in the income statement | 145   | 159   | 168   | 178   |
| Interest Cost in the income statement        | 236   | 259   | 286   | 300   |
| Actuarial Loss / (Gain) recognised in        | (98)  | -     | -     | -     |
| Other Comprehensive Income                   |       |       |       |       |

| Current<br>Valuation date<br>31-03-2025 | 1 Year<br>following the<br>Valuation Date | 2 Years<br>following the<br>Valuation Date | 3 Years<br>following the<br>Valuation Date |
|---|---|--|--|
| 2 349                                   | 2 714                                     | 2 893                                      | 2 974                                      |
| 145                                     | 159                                       | 168  | 178  |
| 236                                     | 259                                       | 286  | 300  |
| (98)                                    | -   | -  | -  |
| <b>2 632</b>                            | <b>3 132</b>                              | <b>3 347</b>                               | <b>3 452</b>                               |

#### Medical Aid Benefits

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Organisation's unfunded accrued liability and future service cost can be projected as follows:

\*The benefits paid figure below has been estimated based on data provided by the entity.

##### Medical Aid:

##### Changes in the value of the obligation as at the current valuation date

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| PV of the obligation as at the previous valuation date | 15 335 | 16 270 | 17 547 | 18 976 |
| Current Service Cost                                   | 196    | 155    | 174    | 195    |
| Interest Cost  | 1 909  | 1 951  | 2 107  | 2 280  |
| Benefits Paid*   | (822)  | (829)  | (852)  | (908)  |
| Actuarial Loss / (Gain)                                | (348)  | -      | -      | -      |

| Current<br>Valuation date<br>31-03-2025 | 1 Year<br>following the<br>Valuation Date | 2 Years<br>following the<br>Valuation Date | 3 Years<br>following the<br>Valuation Date |
|---|---|--|--|
| 15 335                                  | 16 270                                    | 17 547                                     | 18 976                                     |
| 196                                     | 155                                       | 174  | 195  |
| 1 909                                   | 1 951                                     | 2 107                                      | 2 280                                      |
| (822)                                   | (829)                                     | (852)                                      | (908)                                      |
| (348)                                   | -   | -  | -  |
| <b>16 270</b>                           | <b>17 547</b>                             | <b>18 976</b>                              | <b>20 543</b>                              |

##### Medical Aid:

##### Amounts recognised in the balance sheet and the income statement:

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| Liability recognised in the balance sheet    | 16 270 | 17 547 | 18 976 | 20 543 |
| Current Service Cost in the income statement | 196    | 155    | 174    | 195    |
| Interest Cost in the income statement        | 1 909  | 1 951  | 2 107  | 2 280  |
| Actuarial Loss / (Gain) recognised in        | (348)  | -      | -      | -      |
| Other Comprehensive Income                   |        |        |        |        |

| Current<br>Valuation date<br>31-03-2025 | 1 Year<br>following the<br>Valuation Date | 2 Years<br>following the<br>Valuation Date | 3 Years<br>following the<br>Valuation Date |
|---|---|--|--|
| 16 270                                  | 17 547                                    | 18 976                                     | 20 543                                     |
| 196                                     | 155                                       | 174  | 195  |
| 1 909                                   | 1 951                                     | 2 107                                      | 2 280                                      |
| (348)                                   | -   | -  | -  |
| <b>18 027</b>                           | <b>19 653</b>                             | <b>21 257</b>                              | <b>23 018</b>                              |

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

|                             |         |         |
|-----------------------------|---------|---------|
| Discount rate               | 12,24 % | 12,63 % |
| CPI (Consumer Price Index)  | 6,75 %  | 7,24 %  |
| Medical aid inflation rate  | 9,24 %  | 9,24 %  |
| Net effective discount rate | 8,75 %  | 3,10 %  |
| Average retirement age      | 65      | 65      |
|                             | -       | -       |

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

| Figures in Rand thousand | 2025 | 2024 |
|--------------------------|------|------|
|--------------------------|------|------|

#### 18. Employee benefit obligations (continued)

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 2025 is estimated to be R196 thousand (2024: R351 thousand), whereas the cost for the ensuing year is estimated to be R196 thousand (2024: R351 thousand).

The entity expects to make a contribution of R822 thousand (2024: 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:

|                         | -1% Medical<br>aid<br>inflation | Valuation<br>Assumption | +1% Medical<br>aid<br>inflation |
|-------------------------|---------------------------------|-------------------------|---------------------------------|
| Total Accrued Liability | 15 335                          | 16 270                  | 15 226                          |
| Interest Cost           | 1 909                           | 1 951                   | 1 823                           |
| Service Cost            | 196                             | 155                     | 177                             |
|                         | <b>17 440</b>                   | <b>18 376</b>           | <b>17 226</b>                   |

|                         | -20%<br>Mortality rate | Valuation<br>Assumption | +20%<br>Mortality rate |
|-------------------------|------------------------|-------------------------|------------------------|
| Total Accrued Liability | 15 335                 | 16 270                  | 15 226                 |
| Interest Cost           | 1 909                  | 1 951                   | 1 823                  |
| Service Cost            | 196                    | 155                     | 142                    |



## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

Figures in Rand thousand 2025 2024

#### 18. Employee benefit obligations (continued)

##### 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<br>Rate | Valuation<br>Assumption | +1% Discount<br>Rate |
|-------------------------|----------------------|-------------------------|----------------------|
| Total Accrued Liability | 18 068               | 16 270                  | 14 737               |
| Interest Cost           | 2 173                | 1 951                   | 1 762                |
| Service Cost            | 177                  | 155                     | 136                  |

##### 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%<br>Withdrawal<br>rate | Valuation<br>Assumption | +20%<br>Withdrawal<br>rate |
|-------------------------|----------------------------|-------------------------|----------------------------|
| Total Accrued Liability | 13 016                     | 16 270                  | 19 524                     |
| Interest Cost           | 1 561                      | 1 951                   | 2 341                      |
| Service Cost            | 124                        | 155                     | 186                        |

#### Long service awards liability

Changes in the present value of the long service award obligation are as follows:

|  |              |              |
|--|--------------|--------------|
| Opening balance  | 2 103        | 2 091        |
| Net expense recognised in the statement of financial performance | 246          | 12           |
|  | <b>2 349</b> | <b>2 103</b> |

#### Net expense recognised in the statement of financial performance:

|                          |            |           |
|--------------------------|------------|-----------|
| Interest cost            | 236        | 232       |
| Actuarial (gains) losses | (98)       | (145)     |
| Expenditure incurred     | (37)       | (211)     |
| Current service cost     | 145        | 136       |
|                          | <b>246</b> | <b>12</b> |

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 2025 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

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

| Figures in Rand thousand | 2025 | 2024 |
|--------------------------|------|------|
|--------------------------|------|------|

#### 18. Employee benefit obligations (continued)

The current service cost for the year ending 31 March 2025 is estimated to be R145 thousand (2024: R136 thousand), whereas the cost for the ensuing year is estimated to be R145 thousand (2024: R136 thousand).

The entity expects to make a contribution of R182 thousand (2024: R182 thousand) to the defined benefit plans during the next financial year.

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

|                             |         |         |
|-----------------------------|---------|---------|
| Discount rate               | 10,76 % | 11,42 % |
| CPI (Consumer Price Index)  | 5,50 %  | 6,30 %  |
| Benefit inflation rate      | 5,50 %  | 6,30 %  |
| Net effective discount rate | 4,99 %  | 4,82 %  |

#### 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%<br>Withdrawal<br>rate | Valuation<br>Assumption | +20%<br>Withdrawal<br>rate |
|-------------------------|----------------------------|-------------------------|----------------------------|
| Total Accrued Liability | 2 487                      | 2 349                   | 2 225                      |
| Current Service Cost    | 175                        | 159                     | 146                        |
| Interest Cost           | 275                        | 259                     | 245                        |
|                         | <b>2 937</b>               | <b>2 767</b>            | <b>2 616</b>               |

#### Analysis of five years:

|  | 2025  | 2024  | 2023  | 2022  | 2021  |
|--|-------|-------|-------|-------|-------|
| Present value of long service award obligation | 2 349 | 2 103 | 2 091 | 2 269 | 2 788 |

#### 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<br>Inflation Rate | Valuation<br>Assumption | +1% Benefit<br>Inflation Rate |
|-------------------------|-------------------------------|-------------------------|-------------------------------|
| Total Accrued Liability | 2 186                         | 2 349                   | 2 530                         |
| Current Service Cost    | 145                           | 159                     | 176                           |
| Interest Cost           | 241                           | 259                     | 280                           |

#### 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<br>rate | Valuation<br>Assumption | +1% Discount<br>rate |
|-------------------------|----------------------|-------------------------|----------------------|
| Total Accrued Liability | 2 523                | 2 349                   | 2 195                |
| Current Service Cost    | 175                  | 159                     | 145                  |

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

| Figures in Rand thousand   | 2025         | 2024         |
|--|--------------|--------------|
| <b>18. Employee benefit obligations (continued)</b>  |              |              |
| Interest Cost  | 253          | 259          |
|  |              | 264          |
| <b>Provision for leave pay</b>   |              |              |
| 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 (2024: R1,2 million). The related leave pay provision is R14 million (2024: R12 million). |              |              |
| <b>19. Wildlife income</b>   |              |              |
| Culling revenue  | 1 167        | 605          |
| Hunting income   | 4 507        | 2 636        |
| Live game sales  | 1 818        | 2 522        |
| Venison sales  | 258          | 185          |
|  | <b>7 750</b> | <b>5 948</b> |
| <b>20. Rendering of services</b>   |              |              |
| Accommodation fees   | 3 245        | 3 221        |
| Camping fees   | 901          | 838          |
| Commission   | 139          | 97           |
| Concession income  | 1 563        | 1 175        |
| Conservation fees  | 1 454        | 1 304        |
| Day tours and activities   | 530          | 535          |
| Ecological services income   | 21           | 27           |
| Sundry income  | 1 637        | 443          |
|  | <b>9 490</b> | <b>7 640</b> |
| <b>21. Rental income</b>   |              |              |
| <b>Premises</b>  |              |              |
| Unit 2 Bhisho Business Village   | 383          | 264          |
| Tourism House - Bhisho (NPA)   | 1 254        | 864          |
| Other - Luchaba concession   | 166          | 669          |
|  | <b>1 803</b> | <b>1 797</b> |
| <b>22. Investment revenue</b>  |              |              |
| <b>Interest revenue</b>  |              |              |
| Bank   | 4 927        | 7 375        |
| <b>23. Profit (loss) on disposal of assets</b>   |              |              |
| <b>Disposals</b>   |              |              |
| Assets   | (3 816)      | 478          |

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

| Figures in Rand thousand   | 2025           | 2024           |
|--|----------------|----------------|
| <b>24. Government grants &amp; subsidies</b>   |                |                |
| <b>Operating grants</b>  |                |                |
| Equitable Share (DEDEAT)   | 213 089        | 217 947        |
| Economic Stimulus Fund (DEDEAT)  | 7 641          | 8 796          |
| BANKSETA   | 758            | 455            |
| South African National Biodiversity Institute  | 3 751          | 2 456          |
| Department of Transport  | 3 251          | 3 300          |
| NEDBANK Green Trust  | 630            | 1 460          |
| CATHSSETA  | 1 066          | 653            |
| National Department of Tourism   | 3 659          | 831            |
| Environmental Protection and Infrastructure Programme (DFFE-EPIP)  | 21 986         | 15 372         |
| Rhino Impact Bond  | 26             | 93             |
| Wildlife Conservation Bond   | 19 817         | 8 278          |
| Marketing Tourism Indaba   | -              | 103            |
| South African National Roads Agency Limited (N2BOP)  | 15 091         | 16 170         |
| Other - FNB  | 147            | -              |
| Brakfontein Community - Amakhala, Kariega, Lalibela  | 289            | -              |
| Marine and Coastal Management - MPA  | 2 564          | 6 280          |
|  | <b>293 765</b> | <b>282 194</b> |
| <b>Conditional and Unconditional</b>   |                |                |
| Included above are the following grants and subsidies received:  |                |                |
| Equitable share DEDEAT   | 213 089        | 217 947        |
| Conditional grants received  | 80 676         | 64 247         |
|  | <b>293 765</b> | <b>282 194</b> |
| Spending on grants refers to instances where the entity receives the grant and subsequently spends thereon and the revenue is realised on the expenditure incurred. Re-imbursements refers to instances where the entity incurs expenditure on the applicable grant and is subsequently re-imbursed. |                |                |
| Conditions still to be met - remain liabilities (see notes 5 and 17).  |                |                |
| <b>Equitable Share (DEDEAT)</b>  |                |                |
| Current-year receipts  | 213 089        | 217 947        |
| Conditions met - transferred to revenue  | (213 089)      | (217 947)      |
|  | <b>-</b>       | <b>-</b>       |
| <b>Economic Stimulus Fund (DEDEAT)</b>   |                |                |
| Balance unspent at beginning of year   | 11 834         | 20 630         |
| Conditions met - transferred to revenue  | (7 641)        | (8 796)        |
|  | <b>4 193</b>   | <b>11 834</b>  |
| <b>Marine and Coastal Management - MPA</b>   |                |                |
| Conditions met - transferred to revenue  | (2 564)        | (6 280)        |
| Other - grants receivable  | 2 564          | 6 280          |
|  | <b>-</b>       | <b>-</b>       |



## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

| Figures in Rand thousand   | 2025          | 2024          |
|--|---------------|---------------|
| <b>24. Government grants &amp; subsidies (continued)</b>                 |               |               |
| <b>SANBI Presidential Youth Employment Intervention</b>                  |               |               |
| Balance unspent at beginning of year                                     | 664           | 664           |
| Other - repayment of SRP receivable                                      | (691)         | -             |
| Other - grants receivable  | 27            | -             |
|  | <b>-</b>      | <b>664</b>    |
| <b>South African National Biodiversity Institute</b>                     |               |               |
| Balance unspent at beginning of year                                     | 2 210         | 2 266         |
| Current-year receipts  | 4 213         | 2 400         |
| Conditions met - transferred to revenue                                  | (3 751)       | (2 456)       |
| Other - Surrender to funder  | (610)         | -             |
|  | <b>2 062</b>  | <b>2 210</b>  |
| <b>SANPARKS</b>  |               |               |
| Balance unspent at beginning of year                                     | 50            | 50            |
| Other  | (50)          | -             |
|  | <b>-</b>      | <b>50</b>     |
| <b>CATHSSETA</b>   |               |               |
| Balance unspent at beginning of year                                     | 45            | 203           |
| Current-year receipts  | 1 798         | 494           |
| Conditions met - transferred to revenue                                  | (1 066)       | (652)         |
|  | <b>777</b>    | <b>45</b>     |
| <b>National Department of Tourism</b>                                    |               |               |
| Balance unspent at beginning of year                                     | 12 860        | 14 158        |
| Conditions met - transferred to revenue                                  | (3 659)       | (831)         |
| Recognised under Construction contract revenue                           | (1 983)       | (467)         |
|  | <b>7 218</b>  | <b>12 860</b> |
| <b>Environmental Protection and Infrastructure Programme (DFFE-EPIP)</b> |               |               |
| Balance unspent at beginning of year                                     | 39 393        | 55 207        |
| Conditions met - transferred to revenue                                  | (21 987)      | (15 372)      |
| Recognised under Construction contract revenue                           | -             | (442)         |
|  | <b>17 406</b> | <b>39 393</b> |
| <b>Rhino Impact Bond</b>   |               |               |
| Balance unspent at beginning of year                                     | 41            | 134           |
| Conditions met - transferred to revenue                                  | (27)          | (93)          |
|  | <b>14</b>     | <b>41</b>     |

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

| Figures in Rand thousand                                   | 2025         | 2024          |
|--|--------------|---------------|
| <b>24. Government grants &amp; subsidies (continued)</b>   |              |               |
| <b>South African National Roads Agency Limited (N2BOP)</b> |              |               |
| Balance unspent at beginning of year                       | -            | 4 379         |
| Current-year receipts                                      | 21 589       | -             |
| Conditions met - transferred to revenue                    | (15 091)     | (16 170)      |
| Other - grants receivable                                  | -            | 11 791        |
|  | <b>6 498</b> | <b>-</b>      |
| <b>BANKSETA</b>  |              |               |
| Balance unspent at beginning of year                       | 745          | 720           |
| Current-year receipts                                      | -            | 480           |
| Conditions met - transferred to revenue                    | (757)        | (455)         |
| Other - grant receivable                                   | 12           | -             |
|  | <b>-</b>     | <b>745</b>    |
| <b>NEDBANK Green Trust</b>                                 |              |               |
| Balance unspent at beginning of year                       | 229          | 989           |
| Current-year receipts                                      | 400          | 700           |
| Conditions met - transferred to revenue                    | (629)        | (1 460)       |
|  | <b>-</b>     | <b>229</b>    |
| <b>Wildlife Conservation Bond</b>                          |              |               |
| Balance unspent at beginning of year                       | 18 220       | 17 378        |
| Current-year receipts                                      | 9 120        | 9 120         |
| Conditions met - transferred to revenue                    | (19 818)     | (8 278)       |
|  | <b>7 522</b> | <b>18 220</b> |
| <b>Marketing Tourism Indaba</b>                            |              |               |
| Balance unspent at beginning of year                       | 28           | -             |
| Current-year receipts                                      | 159          | 131           |
| Conditions met - transferred to revenue                    | -            | (103)         |
|  | <b>187</b>   | <b>28</b>     |
| <b>FNB</b>   |              |               |
| Balance unspent at beginning of year                       | 100          | -             |
| Current-year receipts                                      | 50           | 100           |
| Conditions met - transferred to revenue                    | (147)        | -             |
|  | <b>3</b>     | <b>100</b>    |
| <b>Brakfontein Community - Amakhala, Kariega, Lalibela</b> |              |               |
| Balance unspent at beginning of year                       | 300          | -             |
| Current-year receipts                                      | -            | 300           |
| Other  | (289)        | -             |
|  | <b>11</b>    | <b>300</b>    |

## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

| Figures in Rand thousand | 2025 | 2024 |
|--------------------------|------|------|
|--------------------------|------|------|

#### 25. Donations

|           |     |       |
|-----------|-----|-------|
| Donations | 443 | 1 466 |
|-----------|-----|-------|

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 2023/24 financial year.

The ECPTA has been granted a donation of motor vehicles to the value of R443 thousand (2024: R nil) by the World Wide Foundation (WWF). The vehicle is based at Great Fish NR.

The ECPTA has been granted the use of assets and resources during the year for conservation and administration activities. These in-kind assets and resources, do not form part of the above disclosed donations and are reflected below at cost as provided by the listed donors:

|  |            |            |
|--|------------|------------|
| DFFE - Salaries                              | 5          | 113        |
| Wilderness Foundation - Aerial Support       | -          | 100        |
| Office of the Premier - Salaries             | -          | 18         |
| University of Fort Hare - Salaries           | -          | 360        |
| TVET Colleges - Salaries                     | -          | 134        |
| William and Mary University (USA) - Training | -          | 126        |
| OR Tambo DM                                  | 40         | 60         |
| Endangered Wildlife Trust                    | 60         | -          |
| Department of Transport                      | 700        | -          |
| Dancing of Rhinos                            | 40         | -          |
| DEDEAT: Traditional Homestay Awards          | 20         | -          |
| SAPS, Nyandeni and KSD Local Municipalities  | 30         | -          |
|  | <b>895</b> | <b>911</b> |

#### 26. Fines, Penalties and Forfeits

|                     |     |     |
|---------------------|-----|-----|
| Fines and penalties | 308 | 124 |
|---------------------|-----|-----|

The fines and penalties are collected or derived from unauthorised entry of livestock at Ongeluksnek nature reserve

#### 27. Employee related costs

|                                  |                |                |
|----------------------------------|----------------|----------------|
| Basic salary                     | 159 728        | 136 549        |
| Performance bonus                | -              | 9 001          |
| Leave pay provision charge       | 2 771          | 1 821          |
| Car allowance                    | 599            | 490            |
| Relocation and acting allowances | 1 882          | 650            |
| Overtime payments                | 5 067          | 6 019          |
| Defined contribution plans       | 22 454         | 20 134         |
| Medical aid contributions        | 5 274          | 12 368         |
| Unemployment insurance fund      | 2 181          | 2 056          |
| Skills development levy          | 182            | 166            |
| Workmen's compensation - COID    | 2 000          | 1 889          |
|                                  | <b>202 138</b> | <b>191 143</b> |

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

| Figures in Rand thousand | 2025 | 2024 |
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|--------------------------|------|------|

#### 28. Depreciation and amortisation

|                               |               |               |
|-------------------------------|---------------|---------------|
| Property, plant and equipment | 23 956        | 21 948        |
| Investment property           | 155           | 153           |
| Service concession assets     | 3 146         | 2 304         |
| Intangible assets             | 72            | 368           |
|                               | <b>27 329</b> | <b>24 773</b> |

An assessment for depreciation and remaining useful lives for non - current assets is conducted at financial year end.

#### Depreciation and amortisation

|                               | As per revised<br>useful life | As per original<br>useful life | Change in<br>estimate |
|-------------------------------|-------------------------------|--------------------------------|-----------------------|
| Property, plant and equipment | 23 956                        | (24 728)                       | (772)                 |
| Investment property           | 155                           | (155)                          | -                     |
| Service concession assets     | 3 146                         | (3 146)                        | -                     |
| Intangible assets             | 72                            | (72)                           | -                     |
|                               | <b>27 329</b>                 | <b>(28 101)</b>                | <b>(772)</b>          |

#### 29. Impairment loss

##### Impairments

|                               |              |            |
|-------------------------------|--------------|------------|
| Property, plant and equipment | 5 551        | 467        |
| Service concession assets     | 3            | -          |
|                               | <b>5 554</b> | <b>467</b> |

#### 30. Finance costs

|                              |              |              |
|------------------------------|--------------|--------------|
| Employee benefit obligations | 2 145        | 2 138        |
| Finance leases               | 50           | 89           |
|                              | <b>2 195</b> | <b>2 227</b> |

#### 31. Debt impairment

|                          |              |           |
|--------------------------|--------------|-----------|
| Debt impairment          | 202          | 67        |
| Debt impairment reversal | (771)        | -         |
|                          | <b>(569)</b> | <b>67</b> |

The credit balance in the 2024/25 financial year for debt impairment is a result of reversal of a debt provision that was raised in the prior financial years. The debt, in respect of special projects was paid in the current year.



## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

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| Figures in Rand thousand           | 2025           | 2024           |
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| <b>32. General expenses</b>        |                |                |
| Advertising                        | 8 900          | 12 829         |
| Auction expenses                   | 3 281          | 1 595          |
| Auditors remuneration              | 3 330          | 2 860          |
| Bank charges                       | 266            | 458            |
| Board expenses^                    | 2 763          | 2 497          |
| Chemicals                          | 366            | 579            |
| Cleaning                           | 1 645          | 1 858          |
| Community development and training | 898            | 131            |
| Compliance law enforcement**       | 1 202          | 1 066          |
| Computer expenses                  | 1              | 14             |
| Conferences and seminars           | 971            | 2 679          |
| Consulting and professional fees   | 5 187          | 5 153          |
| Consumables                        | 1 142          | 1 180          |
| Donations                          | 327            | -              |
| Electricity                        | 11 443         | 8 424          |
| Entertainment                      | 19             | 39             |
| Fleet                              | 8 127          | 6 297          |
| Fuel and oil                       | 15             | 13             |
| Game management*                   | 2 349          | 3 171          |
| Hire expenses                      | 2 083          | 2 033          |
| Insurance                          | 2 647          | 2 976          |
| Internal audit fees                | 1 297          | 1 389          |
| Lease rentals on operating lease   | 8 322          | 7 709          |
| Levies - Buildings                 | 139            | 195            |
| Medical expenses                   | 3              | 101            |
| Staff relocation                   | 432            | 193            |
| Postage and courier                | 41             | 25             |
| Printing and stationery            | 924            | 975            |
| Profit or loss on foreign exchange | 2              | 46             |
| Protective clothing                | 51             | 143            |
| Refuse                             | 317            | 230            |
| Repairs and maintenance^^          | 5 196          | 7 439          |
| Royalties and license fees         | 2 266          | 4 828          |
| Security                           | 1 901          | 1 876          |
| Staff welfare                      | 250            | 358            |
| Subscriptions and membership fees  | 807            | 501            |
| Telephone and fax                  | 6 728          | 6 987          |
| Tourism development                | 755            | 799            |
| Training                           | 1 193          | 1 739          |
| Travel - subsistence               | 1 880          | 2 522          |
| Travel - local                     | 9 232          | 10 815         |
| Travel - overseas                  | 854            | 939            |
| Uniforms                           | 2 000          | 2 435          |
|                                    | <b>101 552</b> | <b>108 096</b> |

^ Board expenses include travel of R694 thousand (2024: R796 thousand).

^^ Repairs and maintenance breakdown and detail of R5,2 million (2024: R7,3 million) is disclosed in note 33 below.  
In the 2023/24 financial year, repairs and maintenance were presented as a separate line item on the statement of financial performance and disclosed separately in the notes and not forming part of the general expenses. The presentation and disclosure has changed in the current year due to internal audit recommendation.

\* 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 | 2025 | 2024 |
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#### 32. 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            | 565          | 540          |
| Ammunition                 | 174          | 137          |
| Compliance law enforcement | 463          | 389          |
|                            | <b>1 202</b> | <b>1 066</b> |

##### Game management

|                    |              |              |
|--------------------|--------------|--------------|
| Rhino security     | 442          | 57           |
| Game census        | 809          | 1 063        |
| Game vet drugs     | 268          | 782          |
| Game translocation | 604          | 914          |
| Animal feed        | 226          | 355          |
|                    | <b>2 349</b> | <b>3 171</b> |

#### 33. Repairs and maintenance

|                               |              |              |
|-------------------------------|--------------|--------------|
| Property, plant and equipment | 5 196        | 7 393        |
| Investment property           | -            | 46           |
|                               | <b>5 196</b> | <b>7 439</b> |

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

The repairs and maintenance was previously disclosed and reported separately on the statement of financial performance, and has now been included in general expenses.

#### 34. Auditors' remuneration

|      |       |       |
|------|-------|-------|
| Fees | 3 330 | 2 860 |
|------|-------|-------|

Auditors' remuneration includes audit fees for projects amounting to R317 thousand (2024: R120 thousand).

#### 35. 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.

## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

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| <b>35. Operating lease (continued)</b>     |               |               |
| Operating leases as the lessor:            |               |               |
| <b>Minimum lease payments due - Lessee</b> |               |               |
| - Not later than one year                  | 8 033         | 7 438         |
| - in second to fifth year inclusive        | 4 171         | 12 204        |
|  | <b>12 204</b> | <b>19 642</b> |
| <b>Minimum lease payments due - Lessor</b> |               |               |
| - Not later than one year                  | 1 310         | 487           |
| - in second to fifth year inclusive        | 3 361         | -             |
|  | <b>4 671</b>  | <b>487</b>    |

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 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 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.

### 36. Cash generated from (used in) operations

|  |              |                 |
|--|--------------|-----------------|
| Deficit  | (23 083)     | (17 205)        |
| <b>Adjustments for:</b>                                |              |                 |
| Depreciation and amortisation                          | 27 329       | 24 772          |
| Donations received                                     | -            | (1 466)         |
| Loss / (profit) on disposal of assets                  | -            | (478)           |
| Impairment deficit                                     | 5 554        | 467             |
| Debt impairment  | -            | 67              |
| Movements in retirement benefit assets and liabilities | (6 670)      | 3 096           |
| Movements in provisions                                | -            | (55)            |
| Non-cash additions to property, plant and equipment    | 17           | -               |
| Finance costs  | 50           | -               |
| Other non-cash items                                   | -            | 101             |
| Loss on disposal of assets                             | 3 816        | -               |
| Donations  | (443)        | 80              |
| <b>Changes in working capital:</b>                     |              |                 |
| Inventories  | 5            | 2 119           |
| Receivables from exchange transactions                 | 811          | (1 400)         |
| Receivables from non-exchange transactions             | 24 788       | (16 571)        |
| Payables from exchange transactions                    | 14 665       | 6 121           |
| Unspent conditional grants and receipts                | (40 579)     | (30 059)        |
| Social responsibility projects                         | (75)         | -               |
| Game held for sale                                     | -            | (1 139)         |
|  | <b>6 185</b> | <b>(31 550)</b> |

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

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#### 37. 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. The case has been closed.
- L Potgieter v ECPTA and Mr M Vukani:**  
 The matter relates to a claim for a motor vehicle accident that took place in Uniondale, Western Cape in July 2023. A collision occurred between the plaintiff's motor vehicle and a hired motor vehicle driven by Mr Vukani an employee of the ECPTA at the time of the collision. The plaintiff is suing the ECPTA for an amount of R359 thousand for damages. The insurer are handling the matter and are responsible for the litigation costs.
- 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). The trial date is set for June 2025 with a settlement amount reached at R100 thousand.

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

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#### 37. 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. The maximum insurance cover for public liability is R2,5 million. The plaintiff has since increased his claim from R5 million to R18 million. Consultation to be held in June 2025.

#### 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 enroll the matter to obtain a trial date.

Settlement attempts are ongoing. The latest offer was received in January 2025 but was rejected as it was unreasonable. In essence the defendant wants to return only 10 buffalos at the instance and costs of ECPTA and expects ECPTA to pay an amount of R704 thousand for loss of grazing. The ECPTA attorneys have been instructed to reject the offer.

#### Contingencies summary

##### Contingent assets:

|                                 |              |              |
|---------------------------------|--------------|--------------|
| ECPTA v Medbury Farm            | 4 000        | 4 000        |
| Anthony McCune Mortlock v ECPTA | 100          | 100          |
| Member of the Public v ECPTA    | 2 500        | 2 500        |
| L Potgieter v ECPTA             | 359          | -            |
|                                 | <b>6 959</b> | <b>6 600</b> |

##### Contingent liabilities:

|                                 |               |              |
|---------------------------------|---------------|--------------|
| Khayaletu Geelbooi v ECPTA      | -             | 500          |
| Anthony McCune Mortlock v ECPTA | 366           | 366          |
| Member of the Public v ECPTA    | 18 000        | 5 000        |
| L Potgieter v ECPTA             | 359           | -            |
|                                 | <b>18 725</b> | <b>5 866</b> |



## Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand

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#### 38. Related parties

Relationships  
Controlling entity

Department of Economic Development,  
Environmental Affairs and Tourism as directed by the  
MEC as the Executive Authority  
Coega Development Corporation  
East London Industrial Development Zone  
Eastern Cape Development Corporation  
Eastern Cape Gambling Board  
Eastern Cape Liquor Board  
Members of The Board of Directors and Key  
Management personnel (as discussed below)

Controlled entities - under common control by DEDEAT

Members of key management

#### Remuneration of management

##### Management class: Board members

##### 31 March 2025

| Name  | Meetings<br>attendance fee | Other benefits<br>received | Total        |
|---|----------------------------|----------------------------|--------------|
| Dr. N Mzilikazi (Chairperson of the Board effective 01 December 2022)<br>(Board Member) Appointed 01 May 2019 - November 2022 | 167                        | 3                          | 170          |
| Ms. NEP Loyilane (Deputy Chairperson)<br>Appointed 01 December 2022   | 239                        | 3                          | 242          |
| Mr. L Beville (Board Member)<br>Appointed 01 May 2019   | 153                        | -                          | 153          |
| Dr. A Muir (Board Member)<br>Appointed 01 December 2022   | 160                        | -                          | 160          |
| Mr. CJ Sparg (Board Member)<br>Appointed 01 December 2022   | 229                        | 2                          | 231          |
| Adv. S Mancotywa (Board Member)<br>Appointed 01 December 2022   | 188                        | -                          | 188          |
| Adv. C Mahlati (Board Member)<br>Appointed 01 October 2023  | 290                        | 23                         | 313          |
|   | <b>1 426</b>               | <b>31</b>                  | <b>1 457</b> |

##### 2024

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

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

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Figures in Rand thousand 2025      2024

#### 38. Related parties (continued)

**1 085      73      1 158**

#### Management class: Executive management

31 March 2025

|   | Basic salary | Bonuses and performance related payments | Post-employment benefits | Other benefits received | Total |
|---|--------------|--|--------------------------|-------------------------|-------|
| <b>Name</b>   |              |  |                          |                         |       |
| Mr. V Dayimani<br>(Chief Executive Officer)<br>Re-appointed 01 August 2024            | 2 872        | 255                                      | 373                      | 39                      | 3 539 |
| Mr. J Jackson<br>(Chief Financial Officer)<br>Resigned 30 April 2024                  | 361          | 191                                      | 21                       | 3                       | 576   |
| Ms. E Van Den Berg-McGregor<br>(Executive Director: Biodiversity and Conservation)    | 1 466        | 133                                      | 208                      | 17                      | 1 824 |
| Ms. M. Mahlatsi<br>(Executive Director: Destination Development)                      | 1 687        | 137                                      | -                        | 7                       | 1 831 |
| Ms. TS Dlamini<br>(Chief Marketing Officer)   | 1 699        | 147                                      | 152                      | 20                      | 2 018 |
| Ms. N. Ali<br>(Executive Director: Corporate Services)<br>Appointed 01 September 2024 | 1 318        | -  | -                        | -                       | 1 318 |
| Ms. X Mapoma<br>(Legal Advisor and Board Secretary)                                   | 1 322        | 141                                      | 190                      | 41                      | 1 694 |

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| Figures in Rand thousand                          | 2025          | 2024         |
|---|---------------|--------------|
| <b>38. Related parties (continued)</b>            |               |              |
| Mr. L Oliphant                                    | 527           | -            |
| - (Acting Executive Director: Corporate Services) |               | 65           |
| - 01 April to August 2024                         |               | 8            |
| Ms. B Fokazi                                      | 1 349         | 143          |
| (Acting Chief Financial Officer)                  |               | 167          |
| - from 01 May 2024                                |               | 21           |
|   | <b>12 601</b> | <b>1 147</b> |
|   | <b>1 176</b>  | <b>156</b>   |
|   | <b>15 080</b> |              |

#### 2024

| Name  | Basic salary  | Bonuses and performance related payments | Other short-term employee benefits | Post-employment benefits | Other benefits received | Total         |
|---|---------------|--|------------------------------------|--------------------------|-------------------------|---------------|
| Mr. V Dayimani<br>(Chief Executive Officer)   | 2 285         | 198                                      | -                                  | 331                      | 99                      | 2 913         |
| Mr. J Jackson<br>(Chief Financial Officer)  | 1 685         | 139                                      | -                                  | 245                      | 48                      | 2 117         |
| Ms. E Van Den Berg-McGregor<br>(Executive Director: Biodiversity Conservation)<br>Appointed 01 April 2021 | 1 308         | 92                                       | -                                  | 174                      | 42                      | 1 616         |
| Ms. TS Dlamini<br>(Chief Marketing Officer)   | 1 522         | 106                                      | -                                  | -                        | 76                      | 1 704         |
| Ms. M. Mahlatsi<br>(Executive Director: Destination Development)  | 1 471         | 96                                       | -                                  | -                        | 52                      | 1 619         |
| Ms. Y Roboji<br>(Executive Director: Corporate Services)<br>Resigned 31 January 2024                      | 1 473         | 121                                      | -                                  | -                        | 110                     | 1 704         |
| Ms. X Mapoma<br>(Legal Advisor and Board Secretary)   | 1 192         | 107                                      | 176                                | -                        | 66                      | 1 541         |
| Mr. L Oliphant<br>(Acting Executive Director: Corporate Services)<br>- 01 February to March 2024          | 167           | -  | -                                  | 24                       | 38                      | 229           |
|   | <b>11 103</b> | <b>859</b>                               | <b>176</b>                         | <b>774</b>               | <b>531</b>              | <b>13 443</b> |

## Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand 2025 2024

#### 39. 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 (a) employee related payables of R9,1 million (2024: R7,4 million), (b) revenue received in advance of R4,3 million (2024: R3,7 million) and (c) operating lease payables of R nil (2024: R39 thousand).

Classification of financial instruments.

| 2025                                       | Note(s) | At amortised cost | Total          |
|--|---------|-------------------|----------------|
| Receivables from exchange transactions     | 4       | 3 087             | 3 087          |
| Receivables from non-exchange transactions | 5       | 582               | 582            |
| Cash and cash equivalents                  | 6       | 19 888            | 19 888         |
| Payables from exchange transactions        | 14      | (25 583)          | (25 583)       |
|  |         | <b>(2 026)</b>    | <b>(2 026)</b> |

| 2024                                       | Note(s) | At amortised cost | Total         |
|--|---------|-------------------|---------------|
| Receivables from exchange transactions     | 4       | 3 973             | 3 973         |
| Receivables from non-exchange transactions | 5       | 25 370            | 25 370        |
| Cash and cash equivalents                  | 6       | 55 536            | 55 536        |
| Payables from exchange transactions        | 14      | (13 167)          | (13 167)      |
|  |         | <b>71 712</b>     | <b>71 712</b> |

##### 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).

| 2025                                | Less than 1 year | Total         |
|-------------------------------------|------------------|---------------|
| Payables from exchange transactions | 25 583           | 25 583        |
| Social responsibility projects      | 3                | 3             |
|                                     | <b>25 586</b>    | <b>25 586</b> |

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### Notes to the Annual Financial Statements

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|--------------------------|------|------|
|--------------------------|------|------|

#### 39. Risk management (continued)

| 2024                                | Less than 1 year | Total         |
|-------------------------------------|------------------|---------------|
| Payables from exchange transactions | 13 167           | 13 167        |
| Social responsibility projects      | 78               | 78            |
|                                     | <b>13 245</b>    | <b>13 245</b> |

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

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The ECPTA only deposits cash with the major banks with high quality credit standing. The risk on cash and cash equivalents is thus low. The ECPTA does not operate on a credit basis with customers and a significant portion of trade receivables relate to specific amounts receivable through agreed projects and agreements. A small portion relates to staff debts but this has been mitigated through the creation of an impairment allowance.

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

#### Neither past due nor impaired

|   |       |        |
|---|-------|--------|
| Receivables from exchange and non-exchange transactions | 2 946 | 28 329 |
|---|-------|--------|

#### Past due and not impaired

|   |     |     |
|---|-----|-----|
| Receivables from exchange and non-exchange transactions | 405 | 306 |
|---|-----|-----|

#### Past due and impaired

|   |     |       |
|---|-----|-------|
| Receivables from exchange and non-exchange transactions | 737 | 1 306 |
|---|-----|-------|

#### 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 2025 | Decrease 2024 |
|---------------------------|---------------|---------------|
| Cash and cash equivalents | 356           | 584           |

##### 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.



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| Figures in Rand thousand | 2025 | 2024 |
|--------------------------|------|------|
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**39. Risk management (continued)**

**Currency risk**

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

The ECPTA has a software licencing agreement with a service provider where amounts payable are denominated in US Dollars. The contract is near termination and the currency risk of the entity in relation to the agreement is regarded as being low. Refer to note 40 .

**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.

## Eastern Cape Parks and Tourism Agency

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### Notes to the Annual Financial Statements

| Figures in Rand thousand                              | 2025          | 2024          |
|---|---------------|---------------|
| <b>40. Commitments</b>                                |               |               |
| <b>2025</b>   |               |               |
| Capital expenditure - approved, funded and contracted | 20 051        | 44 272        |
| Goods and services - approved, funded and contracted  | 4 496         | 6 196         |
|   | <b>24 547</b> | <b>50 468</b> |

#### Capital Commitments per asset Class

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| <b>Property, plant and equipment</b> |               |               |
| Roads and stormwater                 | 7 029         | 9 316         |
| Buildings                            | 12 400        | 29 667        |
| Fencing                              | 501           | -             |
| Motor vehicles                       | 121           | 685           |
| Building attachments                 | -             | 505           |
| Computer equipment                   | -             | 100           |
| Electricity infrastructure           | -             | 71            |
| Field equipment                      | -             | 32            |
| Furniture and fixtures               | -             | 3 027         |
| Plant and machinery                  | -             | 780           |
| Water supply infrastructure          | -             | 89            |
|                                      | <b>20 051</b> | <b>44 272</b> |

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)                                       | 3 341         | 8 435         |
| Equitable Share (DEDEAT)  | -             | 1 577         |
| National Department of Forestry, Fisheries and the Environment - EPIP | 18 159        | 29 145        |
| National Department of Tourism  | 16            | 7 141         |
| SANRAL (N2BOP)  | 674           | 2 308         |
| NEDBANK Green Trust   | 32            | 151           |
|   | -             | -             |
| Marine and Coastal Management - MPA                                   | -             | 88            |
| Wildlife Conservation Bond  | 2 325         | 1 623         |
|   | <b>24 547</b> | <b>50 468</b> |

The ECPTA entered into an agreement with Microsoft in respect of Microsoft Software licences, for an amount of R11,1 million (606 thousand USD) during the 2025 financial year for a period of 3 years. The balance of the contract at the reporting date is R11,1 million (2024: R nil).

## Eastern Cape Parks and Tourism Agency

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#### 41. Going concern

The Board evaluated the appropriateness of the going-concern assumptions used in the preparation of the annual financial statements.

The factors in favour of the ECPTA are:

Going concern assumption.

As at 31 March 2025, the entity's assets exceed its liabilities by R357 million, meaning there is no going concern problem. Although the Entity has recorded losses over the last two years, these are largely due to the non-cash contribution of depreciation and decreased revenue due to the increased competition by commercial players who have improved and well-maintained assets. With the Government's continued support, as per the three-year budget as provided by National Treasury to the Provincial Treasury and ultimately DEDEAT, the entity will continue being funded and hence going concern assumption is derived. The reliance on own revenue that is not cash backed (less than 10%) creates uncertainty to the entity's operations. As with all good predictions and forecasts there is always a risk of not collecting revenue as anticipated.

In addition, the entity is exposed to liquidity risk, which is the risk that it will be unable to meet its financial obligations as they fall due. The entity in the short term manages this risk through careful cash flow forecasting. In the medium to long term, the entity has engaged the Shareholder to assist the entity in dealing with the cash deficit, inadequate budget baseline and own revenue uncertainties created by the fact that the own revenue projections are not cash backed. For the year under audit, current liabilities exceed current assets which is an indication of the entity being unable to meet its short-term obligations when they fall due.

#### 42. Irregular expenditure

|                       |        |     |
|-----------------------|--------|-----|
| Irregular expenditure | 45 615 | 844 |
|-----------------------|--------|-----|

Irregular expenditure is presented inclusive of VAT.

Details are included in Annexure E of the Annual Report.

#### 43. Fruitless and wasteful expenditure

|  |   |     |
|--|---|-----|
| Add: Fruitless and wasteful expenditure identified - current | - | 306 |
|--|---|-----|

Fruitless and wasteful expenditure is presented inclusive of VAT

#### 44. 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.

Detailed below are explanations of material differences between the budget and actual amounts on a comparable basis. The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters.

#### Revenue from exchange transactions:

The under collection in revenue from exchange transactions is a result of concession and hospitality revenue targets that have not been achieved. Water challenges, electricity issues, roads not in good condition, community unrest and climate change effects such as flooding, leading to closure of reserves for renovations, are major contributors to the revenue targets not been achieved.

For concession revenue, Mthatha Dam is not paying the rental as budgeted and has been put under administration. Cape Morgan project was cancelled due to the bidder not complying. The successful bidder was supposed to commence work at the beginning of the year but could not begin due to financial crisis, and so the contract had to be cancelled because the bidder had violated the bid requirements. Great Fish and Mpofu concession projects were cancelled for same reasons.

#### Grants and subsidies:

Nil

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Figures in Rand thousand

2025

2024

#### 44. Budget differences (continued)

Other grants:

The difference of R32 million results from underspending on infrastructure projects. Rollover was approved and adjusted in the third quarter of the 2024/25 financial year. The delay in the implementation and completion of the projects can be linked to the financial challenges that the entity has been faced with. Whereas the budget is available, it is not cash backed. 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 CATHSSETA, SANBI and Nedbank Green Trust. Spending has been impacted for projects that were affected by the termination of PSP contracts due to poor performance. A catch-up plan has been developed to address the challenge of underspending in some projects expected to be completed in quarter 2 of the new financial year.

Refer to note 40 for commitments and note 17 for unspent grants.

#### Compensation of employees:

The variance of R2.7 million relates to provisions for employee leave made during the year. Whereas there is overspending on salaries, the entity has vacancies that have not been filled due to management of cashflow. Reviewing the entity's baseline while ensuring that the mandate is adequately funded will assist mitigate the current situation, with austerity measures being implemented, which could improve the entity's overall performance.

Emergency overtime that was worked in the Great Fish Region due to fire that erupted has been a factor and contributor to the variance.

#### Goods and services:

In line with the current cashflow deficit linked to historical funding of the entity, the inability to collect projected revenue which forms part of the expenditure budget, the diminishing support of conditional grants, and the continuous diminishing departmental transfers, the entity has been unable to meet operational obligations for the 2024-25 financial year. To lessen the impact of the entity's negative cash flow, austerity measures that prohibited expenditure on certain operations were implemented.

The variance in expenditure relates to conditional grants funded for DFFE, WCB and ESF projects. The difference on the expenditure can be attributed to numerous reasons including:

1. The need for Environmental Impact Assessments leading to delays in the implementation of the project, causing expenditure to be behind schedule.
2. Cancellation and re - advertisement of projects procurement due to unavailability of suitable service providers, with revised Terms of Reference requiring approvals.
3. Owing to the delays from the Land Affairs department, the entity withheld the gazetting of notices and their publication in newspapers because the land survey work had not been completed and approved by the Chief SG prior to gazetting/publishing notice. This pertains to the declaration by landowners 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:

## Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2025

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Figures in Rand thousand

2025

2024

#### 44. Budget differences (continued)

The entity is severely constrained on capital expenditure budget from DEDEAT equitable share allocation and own revenue sources. Slow implementation of projects due to cancellation of Professional Service Providers (PSP), community unrests and inclement weather conditions (flooding) leading to road closures and redesign and changes to scope of works continue to delay the completion of infrastructure projects. The difference of R6 million on capital expenditure represents rollover budget approved through budget adjustment process and loaded at the end of the third quarter. Capital expenditure projects planned for the year relate to NDT, WCB, DFFE EPIP, ESF and N2BOP conditional projects. Infrastructure projects in progress include roads, fencing and staff accommodation. Continuous monitoring of infrastructure projects progress is conducted regularly.

#### Construction Contract Expenditure

The entity did not budget for the construction contract expenditure under the statement of financial performance but under capital expenditure due to the nature of the transaction. The disclosure is in line with the requirements of accounting standard GRAP 11.

#### 45. 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.

##### 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

Other services refer to head office support services including other cost centres which cannot be directly linked to the clusters based on the location being head office:

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

##### Reportable segment

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

##### Goods and/or services

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



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Figures in Rand thousand

#### 45. Segment information (continued)

##### Segment surplus or deficit

##### 2025

|  | Other services | Biodiversity<br>and heritage | Game<br>management<br>and recreation | Marine and<br>coastal | Total           |
|--|----------------|------------------------------|--------------------------------------|-----------------------|-----------------|
| <b>Revenue</b>                           |                |                              |                                      |                       |                 |
| Revenue from non-exchange transactions   | 295 748        | 443                          | 308                                  | -                     | 296 499         |
| Revenue from exchange transactions       | 5 160          | 4 963                        | 5 485                                | 3 881                 | 19 489          |
| Interest revenue                         | 4 927          | -                            | -                                    | -                     | 4 927           |
| Debt Impairment reversal                 | 771            | -                            | -                                    | -                     | 771             |
| <b>Total segment revenue</b>             | <b>306 606</b> | <b>5 406</b>                 | <b>5 793</b>                         | <b>3 881</b>          | <b>321 686</b>  |
| <b>Entity's revenue</b>                  |                |                              |                                      |                       | <b>321 686</b>  |
| <b>Expenditure</b>                       |                |                              |                                      |                       |                 |
| Salaries and wages                       | 98 970         | 45 586                       | 24 846                               | 32 736                | 202 138         |
| Other expenses                           | 85 873         | 7 550                        | 3 109                                | 5 020                 | 101 552         |
| Depreciation and amortisation            | 24 182         | -                            | 3 146                                | -                     | 27 328          |
| Construction contract expenditure        | 1 984          | -                            | -                                    | -                     | 1 984           |
| Finance costs                            | 2 195          | -                            | -                                    | -                     | 2 195           |
| Profit/loss on disposal of assets        | 3 816          | -                            | -                                    | -                     | 3 816           |
| Debt impairment / bad debts written off  | 202            | -                            | -                                    | -                     | 202             |
| Impairment of assets                     | 59             | 3 059                        | 1 927                                | 509                   | 5 554           |
| <b>Total segment expenditure</b>         | <b>217 281</b> | <b>56 195</b>                | <b>33 028</b>                        | <b>38 265</b>         | <b>344 769</b>  |
| <b>Total segmental surplus/(deficit)</b> | <b>89 325</b>  | <b>(50 789)</b>              | <b>(27 235)</b>                      | <b>(34 384)</b>       | <b>(23 083)</b> |

##### 2024

|  | Other services | Biodiversity<br>and heritage | Game<br>management<br>and recreation | Marine and<br>coastal | Total           |
|--|----------------|------------------------------|--------------------------------------|-----------------------|-----------------|
| <b>Revenue</b>                           |                |                              |                                      |                       |                 |
| 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             |
| <b>Total segment revenue</b>             | <b>296 832</b> | <b>5 799</b>                 | <b>3 877</b>                         | <b>3 969</b>          | <b>310 477</b>  |
| <b>Entity's revenue</b>                  |                |                              |                                      |                       | <b>310 477</b>  |
| <b>Expenditure</b>                       |                |                              |                                      |                       |                 |
| Salaries and wages                       | 97 189         | 41 200                       | 22 336                               | 30 418                | 191 143         |
| Other expenses                           | 89 442         | 7 519                        | 3 746                                | 7 389                 | 108 096         |
| Construction contract expenditure        | 909            | -                            | -                                    | -                     | 909             |
| Depreciation and amortisation            | 22 469         | -                            | 1 997                                | 307                   | 24 773          |
| Finance costs                            | 2 227          | -                            | -                                    | -                     | 2 227           |
| Impairment losses                        | -              | -                            | -                                    | 467                   | 467             |
| Debt impairment                          | 67             | -                            | -                                    | -                     | 67              |
| <b>Total segment expenditure</b>         | <b>212 303</b> | <b>48 719</b>                | <b>28 079</b>                        | <b>38 581</b>         | <b>327 682</b>  |
| <b>Total segmental surplus/(deficit)</b> | <b>84 529</b>  | <b>(42 920)</b>              | <b>(24 202)</b>                      | <b>(34 612)</b>       | <b>(17 205)</b> |

## Eastern Cape Parks and Tourism Agency

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Figures in Rand thousand

#### 45. Segment information (continued)

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.

#### 46. 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

###### 2023

|                               | As previously reported | Correction of error | Restated        |
|-------------------------------|------------------------|---------------------|-----------------|
| Property, plant and equipment | 373 193                | (20 028)            | 353 165         |
| Accumulated surplus           | (418 874)              | 20 028              | (398 846)       |
|                               | <b>(45 681)</b>        | <b>-</b>            | <b>(45 681)</b> |

###### 2024

|                                     | As previously reported | Correction of error | Restated        |
|-------------------------------------|------------------------|---------------------|-----------------|
| Game held for sale (asset)          | 6 587                  | (6 587)             | -               |
| Game held for sale (liability)      | (6 587)                | 6 587               | -               |
| Property, plant and equipment       | 328 856                | (14 047)            | 314 809         |
| Payables from exchange transactions | (23 116)               | (1 175)             | (24 291)        |
| Accumulated surplus                 | (396 957)              | 15 222              | (381 735)       |
|                                     | <b>(91 217)</b>        | <b>-</b>            | <b>(91 217)</b> |

##### Statement of financial performance

###### 2024

|                                   | As previously reported | Correction of error | Restated       |
|-----------------------------------|------------------------|---------------------|----------------|
| Construction contract revenue     | -                      | 908                 | 908            |
| Government grants and subsidies   | 283 103                | (908)               | 282 195        |
| Construction contract expenditure | -                      | (908)               | (908)          |
| General expenditure               | (113 711)              | 5 615               | (108 096)      |
| Deficit for the year              | 21 912                 | (4 707)             | 17 205         |
| <b>Surplus for the year</b>       | <b>191 304</b>         | <b>-</b>            | <b>191 304</b> |

##### Cash flow statement

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| Figures in Rand thousand                      | 2025                   | 2024                |           |
|---|------------------------|---------------------|-----------|
| <b>46. Prior-year adjustments (continued)</b> |                        |                     |           |
| <b>2024</b>                                   |                        |                     |           |
|   | As previously reported | Correction of error | Restated  |
| Cash flow from operating activities           |                        |                     |           |
| Payments to suppliers                         | (291 004)              | (908)               | (291 912) |
| Cash flow from investing activities           |                        |                     |           |
| Purchase of property, plant and equipment     | (28 401)               | 908                 | (27 493)  |

#### Errors

The following prior period errors adjustments occurred:

#### Game held for sale reclassified and corrected

In complying with GRAP 110, living and non living , the entity has established that the game held for sale previously disclosed in previous years was not complying with GRAP 110 in terms of control of the species, hence the prior year adjustment . Living resources are those resources that undergo biological transformation.

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Annual Financial Statements for the year ended 31 March 2025

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| Figures in Rand thousand | 2025 | 2024 |
|--------------------------|------|------|
|--------------------------|------|------|

#### 46. Prior-year adjustments (continued)

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Agricultural activity is the management by the entity of the biological transformation and harvest of biological assets for:

- a) sale;
- b) distribution at no charge or for a nominal charge; or
- c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

The ECPTA is responsible for managing a wide range of fauna, flora, geological structures and unique scenery. Since the ECPTA does not control conditions affecting the progeny or quantity of any species, and since its main line of business does not include trade in these assets, it does not account for any living and non-living resources.

|                                |         |         |
|--------------------------------|---------|---------|
| Game held for sale (asset)     | (6 587) | (6 587) |
| Game held for sale (liability) | 6 587   | 6 587   |

#### Work in progress and repairs and maintenance

It was discovered in the current financial year that Work in progress included repairs and maintenance that should have been expensed and not included in work in progress during the construction of fence in Mkhambathi and Mpofu nature reserves. The fencing project is complete and hence the re-allocation from WIP to repairs and maintenance. This resulted in the overstatement of property, plant and equipment and understatement of expenditure. There is no effect on the accounting policy or estimate due to the error.

|                               |       |       |
|-------------------------------|-------|-------|
| Property, plant and equipment | (101) | (101) |
| Accumulated surplus           | 101   | -     |
| Repairs and maintenance       | -     | 101   |

#### Work in Progress, General Expenditure and Accumulated Surplus

It was discovered in the 2022/23 financial year that prior-year work in progress, in respect of consulting fees was included in general expenditure. This resulted in the understatement of property, plant and equipment and accumulated surplus. There is no effect on the accounting policy or estimate due to the error.

Furthermore, it was discovered that the entity had been recognising capital expenditure on grant funded projects as part of its Work in Progress and subsequently recognising the transfer out of the asset as a donation. This was contrary to the applicable GRAP 11 standard which requires us to recognise the expenditure and related revenue. We have restated this by reversing the previously recognised additions to WIP of R 0,9mil, and recognised a corresponding expenditure. We have also reversed the previously recognised Donations under General expenditure of R5,7

#### Work in Progress and Payables from exchange transactions

It was discovered in the current financial year that prior year work in progress was understated by retention fees payable for consulting fees and for the contractor. This resulted in the understatement of property, plant and equipment and trade payables (accruals). There is no effect on the accounting policy or estimate due to the error.

#### Reclassification of Employee related costs - UIF

During the current financial year, it was identified that a portion of employee-related expenditure relating to the Unemployment Insurance Fund (UIF) for the 2023/24 financial year was incorrectly classified under basic salary expenses. This classification error resulted in an overstatement of basic salary and a corresponding understatement of UIF expenditure. The total employee-related costs were not affected by this error.

The reclassification has no impact on the accounting policies or estimates applied, and the error has been corrected through appropriate adjustment of the affected line items in the financial statements.

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|--------------------------|------|------|
|--------------------------|------|------|

#### 47. Events after the reporting date

Management has reviewed the events between 31 March 2025 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 2025.

#### 48. Construction contract revenue and expenditure

|                                   |         |       |
|-----------------------------------|---------|-------|
| Construction contract revenue     | 1 983   | 908   |
| Construction contract expenditure | (1 983) | (908) |
|                                   | -       | -     |

The Entity through National Department of Tourism Grant and Environmental Protection and Infrastructure Programme Grant, constructs assets. A total of R1.9mil (2024: R0.9mil) was utilised for the purposes of constructing assets that are for the benefit of the community.









## **ANNUAL REPORT 2023/24**

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