

Eastern Cape
PARKS & TOURISM AGENCY

explore
the undiscovered

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#ECYours2Explore





PRINTERS PROOF

explore
the undiscovered

*A wealth of truly undiscovered places and experiences to be discovered
in the indigenous forests, mountains, valleys, plains and coastline
of the magnificent Eastern Cape.*

#ECyours2Explore



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COVER IMAGE

*Whale Heritage Site
Accredited by the World Cetacean
Alliance - Algoa Bay*

The World Cetacean Alliance declared Algoa Bay a Whale Heritage Site in recognition of its rich whale and dolphin diversity and the sustainable marine tourism industry its community supports. Algoa Bay is one of only five Whale Heritage Sites in the world.

Discover the southern right whales, humpback whales, sei whales, minke whales and dwarf minke whales.

Other resident species include Indo-Pacific humpback dolphins, common and Indo-Pacific bottlenose dolphins, and Bryde's whales. Algoa Bay welcomes every year.

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SKY DIVE

JEFFREYS BAY

Discover the undiscovered feeling of letting every thought go and simply living completely in the moment - and experience of a lifetime!

Tandem skydiving in Jeffreys Bay is a breathtaking 20 minute plane ride looking down over the glorious Kouga Coastline, jumping daringly out of an aircraft from 9000ft, the undescrivable excitement of an adrenaline charged freefall at 200kph, followed by a 5-minute tranquil parachute ride.



Part A

GENERAL INFORMATION

GENERAL INFORMATION

| | |
|---------------------------|---|
| REGISTERED NAME | Eastern Cape Parks and Tourism Agency |
| REGISTERED OFFICE ADDRESS | 17 - 25 Oxford Street, East London, 5201 |
| POSTAL ADDRESS | P.O. Box 11235, Southernwood East London, 5213 |
| CONTACT TELEPHONE NUMBERS | 27 43 492 0881 |
| EMAIL ADDRESS | info@ecpta.co.za |
| WEBSITE ADDRESS | www.visiteasterncape.co.za |
| EXTERNAL AUDITORS | Auditor-General South Africa |
| BANKERS | First National Bank |
| BOARD SECRETARY | Ms Xoliswe Mkhomo |

BOARD MEMBERS



TRACY PUTZIER

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



ZOLA FIHLANI

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



ANDREW BAXTER

Chair of Operations Committee
Member of Finance and Investment Committee



NOMAKWEZI MZILIKAZI

Chair of Human Resources and Remuneration Committee
Member of Operations Committee



LINDANI BEVILLE

Member of Operations Committee



SIYABULELA ONCEYA

Member of Finance and Investment Committee
Member of Marketing Committee



THEMBINKOSI LEHLOESA

Member of Marketing Committee



ABBREVIATIONS AND ACRONYMS

| | | | |
|-----------------|---|-----------------|--|
| AGSA | Auditor General of South Africa | MTSF | Medium Term Strategic Framework |
| APP | Annual Performance Plan | NDT | National Department of Tourism |
| B-BBEE | Broad Based Black Economic Empowerment | NEMA | National Environmental Management Act |
| CEO | Chief Executive Officer | NSSD | National Strategy for Sustainable Development |
| CFO | Chief Financial Officer | PA | Protected Area |
| COVID-19 | coronavirus disease 2019 | PAES | Protected Area Expansion Strategy |
| DFFE | Department of Forestry, Fisheries, and the Environment | PAMP | Protected Area Management Plan |
| DEDEAT | Department of Economic Development, Environmental Affairs and Tourism | PEDS | Provincial Economic Development Strategy |
| DORA | Division of Revenue Act (Act 1 of 2020) | PDI | Previously Disadvantage Individual |
| DRDLR | Department of Rural Development and Land Reform | PDP | Provincial Development Plan |
| ECDC | Eastern Cape Development Corporation | PFMA | Public Finance Management Act |
| ECPTA | Eastern Cape Parks and Tourism Agency | PMU | Project Management Unit |
| ED | Executive Director | RHINO | ECPTA's values (Respect, Humility, Integrity, Necessity, Optimism) |
| EIA | Environmental Impact Assessment | SANParks | South African National Parks |
| EPWP | Extended Public Works Programme | SANRAL | South African National Roads Agency SOC Limited |
| GDP | Gross Domestic Product | SAT | South African Tourism |
| GRAP | Generally Recognised Accounting Practice | SMME | Small Medium and Micro Enterprises |
| GSSA | Grassland Society of Southern Africa | SoAIM | State of Area Integrity Management |
| Ha | Hectares | StatsSA | Statistics South Africa |
| IMCT | Information management and communications technology | TBCSA | Tourism Business Council of SA |
| LTO | Local Tourism Organisation | TERS | Temporary Employer Employee Relief Scheme |
| MEC | Member of the Executive Council | TR | Treasury Regulations |
| METT-SA | Management Effectiveness Tracking Tool – South Africa | UIF | Unemployment Insurance Fund |
| MICE | Meetings, Incentives, Conferences and Exhibitions | WHS | World Heritage Site |
| MPA | Marine Protected Area | WoF | Working on Fire |
| MoU | Memorandum of Understanding | WTO | World Tourism Organisation (of the United Nations) |
| MTEF | Medium Term Expenditure Framework | YES | Youth Environmental Services |

FOREWORD BY THE CHAIRPERSON

It is my pleasure to present the 2020/21 Annual Report of the Eastern Cape Parks and Tourism Agency (the ECPTA).

I believe it was Sir Winston Churchill who first said, in the context of World War II, "Never let a good crisis go to waste". In the wake of the global coronavirus pandemic of 2020/21, the ECPTA has in all respects taken that sage guidance to heart. In the face of a potentially catastrophic event, the Management and Staff of the ECPTA have responded with fresh ideas, innovative solutions, and an unflinching commitment to delivering on its mandate. The Board, as individuals and as a collective, couldn't be prouder to be associated with an organisation that has, in so many ways, truly risen to the challenge.

Before the President's ink on the Declaration of a National State of Disaster was dry, management presented the Board with a policy, plan, and standard operating procedures for keeping the workforce of the the ECPTA safe and healthy. Without missing a beat, meetings were taken online, office staff were equipped to work remotely, older staff were offered voluntary severance packages and arrangements made for those with co-morbidities to work from home. Conservators were classified essential workers and remained at their posts throughout hard lockdown.

While many organisations were overwhelmed by the challenges, the ECPTA quickly recognised areas where their existing plans would be inadequate, identified what was needed in their stead, and adjusted delivery mechanisms and schedules to meet these needs. In doing so, the ECPTA was able to make over R11 million available to the Provincial COVID-19 response adjustment budget without forgoing any priority deliverables. Later, when relief funding became available, the ECPTA was able to secure R19 million towards the relief and recovery of the Tourism sector. While this funding was only released in December 2020, the planning and preparation over the first six months of the pandemic meant that by the end of the reporting period, only R100 thousand of the R19 million was unspent.

Just as the strength and depth of stakeholder relations were the key to the success of the ECPTA's initiatives during the first year of the pandemic, they are the bedrock of the Agency's plans for 2021/22. The socio-economic realities of the Province require an ever-increasing emphasis on biodiversity economy initiatives that meaningfully support livelihoods in the rural reaches of the Province. It is this integration that will see us achieve a society where "Responsible conservation and tourism benefit current and future generations".

Despite all the tumult and change, the ECPTA secured its sixth consecutive clean audit and its fifth consecutive performance achievement over 90%. The Board anticipates that the standards so set will be maintained and has every confidence that the CEO and his management team will continue to move mountains to do so. Finally, the Board would like to congratulate all of the ECPTA employees on demonstrating, yet again, what it means to be a true servant of the public.



Acting Chairperson:
Eastern Cape Parks and Tourism Agency

**TRACEY
PUTZIER**





CEO'S OVERVIEW

When the Eastern Cape Parks and Tourism Agency (ECPTA) was established in 2010, fanciful projections of self-sufficiency abounded, as did grand plans for the utilisation of purpose-specific development funds. Reference was made to successful models of ecotourism, such as at SANParks. There were confident forecasts of the ECPTA boosting the coffers of the Provincial fiscus.

Not only did the projections turn out to be inaccurate, but it soon became apparent that the underlying assumptions on which the often-referenced success stories depended were entirely absent from the ECPTA scenario: the Development Funds were never established; Revenue projections were included in the ECPTA's baseline budget meaning that generated revenue was allocated before it was received; no meaningful public sector capital investment was made into maintaining and developing tourism and conservation infrastructure in the province; reserve-based vacancies remained unfunded; and there was never a substantial public relations and marketing budget directed to earning revenue on reserves. The baseline equitable share allocation to ECPTA was never properly calculated but has, however, continued to decline.

Two strategic framework periods have concluded since 2010. By the end of the first period, ECPTA had established itself among the best entities for managing tourism and biodiversity in the country. Over the second period, ECPTA pursued a single strategic goal, to leverage resources. By demonstrating excellence in service delivery, controls, governance and conduct, ECPTA indeed became attractive to investors from both public and private sectors. The third strategic framework period is characterised by an emphasis on the ECPTA's developmental role, building on experience of the foregoing decade, and a more clearly defined underlying assumptions articulated in the robust Theory of Change.

This Annual Report, as the first of the third strategic framework period, covers a period that could not possibly have been further from the imagination of the ECPTA pioneers back in 2010. They could not have anticipated the complete collapse of the global tourism and hospitality industries. They could not have anticipated the devastation of entire families, communities, regions by illness and death. All honest people who participated in the preparation of the ECPTA's third Strategic Plan, as recently as late-2019, had no concept of what lay ahead.

Little did we know how precisely the strategic posture adopted by ECPTA would be, how critical it would be to the survival of the fledgling biodiversity economy, or how central it would be to the Provincial economic recovery efforts. The four "maxi-maxi" strategies identified during the planning process were fully adapted to the ECPTA's recovery plans and contributed significantly to their successful roll out. Further, the widely consulted Theory of Change set the stage for meaningful stakeholder relationships to be mobilised in response to the crisis.

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

The final audited budget for the 2020/21 financial year was R470.992 million, including other grants and own revenue projections of R14.377 million and R22.468 million respectively. The increased own revenue projections relate to multi-year infrastructure projects whose budget is spread over the project term. These are projects in agreement with the National Department of Tourism (NDT), the National Department of Forestry, Fisheries and the Environment (DFFE), and non-governmental organisations. The statement of financial performance in the financial statements indicates total revenue of R292.896 million, resulting in a surplus of R10.036 million.

Unspent conditional grants totalled R121.854 million, lower than the amount of R133.629 million in the previous year. Of the unspent funds, R81.273 million relates to the DFFE - Environmental Protection and Infrastructure Programme, a multi-year project. Also included in the unspent grants amount is R6.9 million of the R19 million Provincial Tourism Relief and Recovery Fund, which was committed at year end.

SPENDING TRENDS OF THE PUBLIC ENTITY

The ECPTA spent R283.162 million (on a comparable basis) against eventual revenue of R279.188 million (on a comparable basis). The ECPTA budgeted for several multi-year projects that commenced in the prior year. The under-expenditure of goods and services is mainly due to the under-spending on conditional grant projects for which transfers were received late in the year, or not received at all. In respect of capital expenditure, the underspending is again mainly due to the under-spending on conditional grant projects such as the NDT infrastructure projects, DFFE's infrastructure projects and various other capital projects. Funds for these projects were mostly committed by year-end, and a roll-over applied for. Note 18 of the financial statements provides details of the unspent grants.

The year-on-year increase in personnel expenditure is comparable to the 5.5% in 2020, and 5.5% increase recorded in 2019. This means that effectively there has been no progress in funding the vacancies in the organogram. There has been a slight decrease in the repairs and maintenance in comparison to the previous year, this resulting from the continued travel restrictions related to protocols to prevent the spread of COVID-19. This decrease does not take away the chronic under provision for infrastructure in the province as a whole.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

Recruitment processes to fill the remaining executive management vacancy (Executive Director: Destination Development) and the new position of Project Manager: N2 Biodiversity Offset Project are underway.

The overall vacancy rate for the ECPTA sits at approximately 23%. The bulk of the vacancies are in the Biodiversity and Conservation department and related to reserve operations and remain unfunded. In many instances, staff work overtime and extended shifts to ensure that the ECPTA meets its mandate. The pressure on already stretched teams has been exacerbated by COVID-19 prevention protocols.

SUPPLY CHAIN MANAGEMENT

The Auditor-General has confirmed that the ECPTA has incurred irregular expenditure in the amount of R362 000. ECPTA cancelled the contract with the service provider on discovery of their lapsed tax compliance. The service provider submitted a claim for work done prior to the cancellation of the contract, which claim was settled. Note 44 of the Annual Financial Statements provides further detail.



NEW OR PROPOSED KEY ACTIVITIES

Alignment with the Provincial Economic Cluster departments in organising and implementing a practical economic recovery blueprint for the Province is expected to be a core feature of our plans in the medium term.

EVENTS AFTER THE REPORTING DATE

The Executive Director: Biodiversity and Conservation took office on 1 April 2021. The Executive Director: Corporate Services left the employ of the ECPTA at the end of June 2021.

REQUESTS FOR ROLL OVER OF FUNDS

The Agency has requested the roll-over of R148.426 million of cash balances. This amount consists of:

| Bank Balances 31-Mar-21 | R'000 |
|---|--------|
| Main | 7 401 |
| Revenue | 21 427 |
| Environmental Protection Infrastructure Programme | 81 505 |
| Economic Stimulus Fund | 5 876 |
| N2 Biodiversity Offset | 9 900 |
| National Lotteries Commission | 104 |
| NDT - Baviaanskloof | 6 399 |
| NDT - Infrastructure | 9 073 |
| NDT - Tourism Monitors | 3 079 |
| NDT - Universal Accessibility | 1 088 |
| Rhino Impact Bond | 1 120 |
| Social Responsibility Projects | 630 |
| South African National Biodiversity Institute | 133 |
| South African National Parks | 691 |

AUDIT REPORT MATTERS IN THE PREVIOUS YEAR

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

OUTLOOK / PLANS TO ADDRESS FINANCIAL CHALLENGES

Having successfully weathered the pandemic storm, ECPTA is extremely well positioned to lead the next phase of recovery of the biodiversity conservation and tourism sectors in the Province. Planning to this effect has already begun, with localised engagements around participation in, and benefits of, a strong Biodiversity Economy in the Province.

ACKNOWLEDGEMENTS

The common theme through all three strategic periods since the formation of ECPTA has been to distinguish ECPTA as worthy of public trust. With our sixth consecutive clean audit behind us, and multi-million-rand international investments ahead of us, I believe it is safe to say this has been achieved!

Achieving a clean audit during the first year of the COVID-19 pandemic is a remarkable feat by any measure. That the staff of ECPTA were able to rally as they did, to change the way they work, and to find innovative ways to deliver on our promises speaks volumes about the calibre of person we employ.

The cost of the pandemic was none-the-less too high. We salute the three dear staff members we lost to the virus. We offer our condolences to our staff members who lost loved ones. And we pay tribute to those who resolutely followed the protocols to help keep us all safe.

[Signature]
 Executive Officer:
 Eastern Cape Parks and Tourism Agency

WUYANI DAYIMANI

Compassberg Camino

Discover the Compassberg towering through the clouds at 2 000 meters above sea level. It is the highest peak in the Sneeuberg range and the second-highest in the Eastern Cape offering hikers an incredible 360-degree view of the Karoo. The Compassberg Camino is a circular backpacking route around this remote mountainside - a five-day immersion in nature and rustic overnight accommodation. Passing and crossing private farms and protected nature reserves and some rock scrambling, the summit will reveal panoramic views of the Karoo Heartland and Nieu-Bethesda in the distance.



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STATEMENT OF RESPONSIBILITY AND CONFIRMATION

OF THE ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

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

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

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

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

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

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

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

Yours faithfully

Acting Chair of the Board
TRACEY PUTZIER

Date: 19 August 2021

Chief Executive Officer
VUYANI DAYIMANI

Date: 19 August 2021

STRATEGIC OVERVIEW

VISION

The 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

The values that support the actions of the ECPTA are:

Respect

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

Humility

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

Integrity

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

Necessity

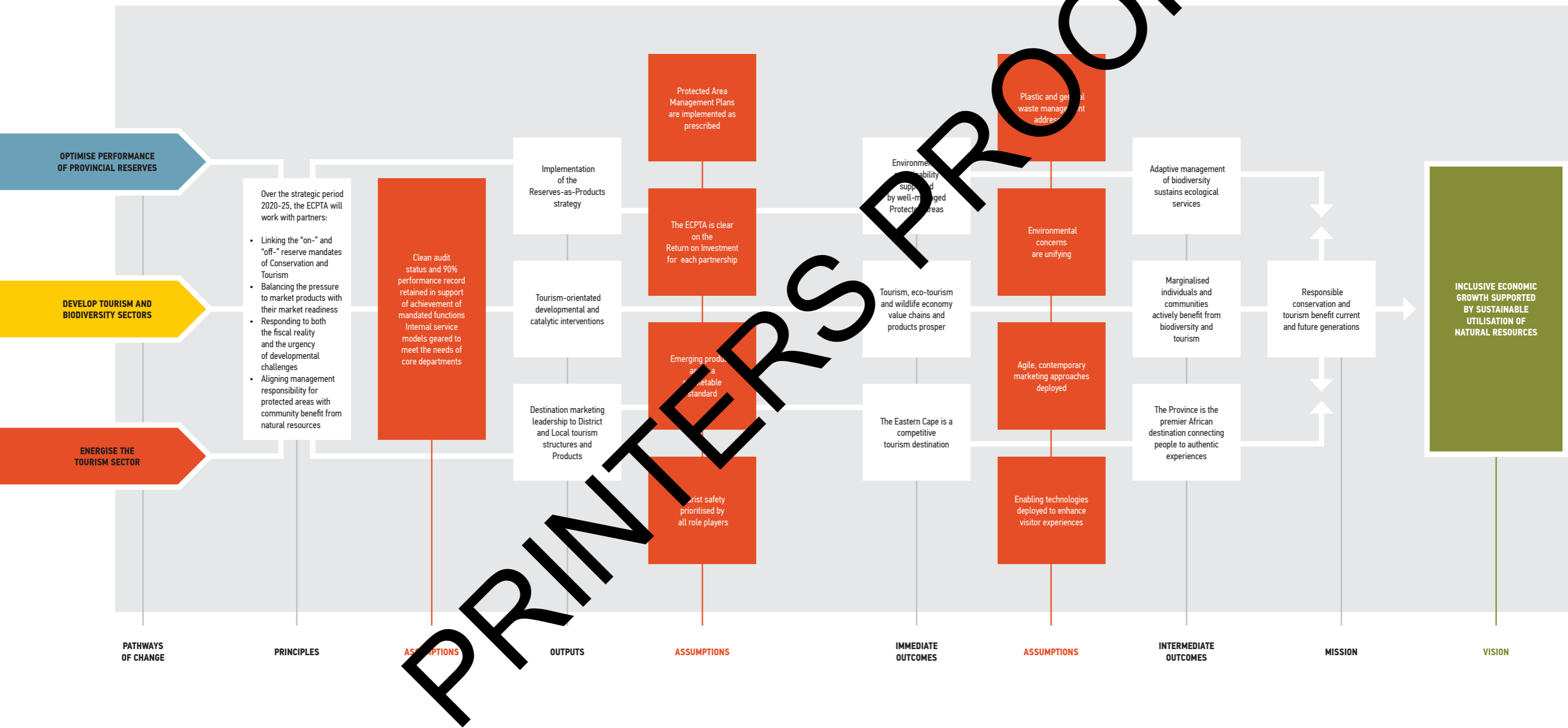
We are pragmatic about sustaining a balance between human progress, economic growth, and environmental conservation

Optimism

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



STRATEGIC RESULTS CHAIN



INTERMEDIATE (INSTITUTIONAL) OUTCOMES

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

IMMEDIATE (DEPARTMENTAL) OUTCOMES

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

LEGISLATIVE AND OTHER MANDATES

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

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

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

LEGISLATIVE MANDATES

| Relevant Acts | Key Responsibilities |
|--|--|
| Cape Nature and Environmental Conservation Ordinance (19 of 1974) | The provincial nature reserves in sections of the former Cape Province were declared under this legislation. |
| Ciskei Conservation Act, 1987 (Act 10 of 1987) * | The Eastern Cape is in the process of proclaiming new provincial environmental legislation where the old (pre-1994 democracy) ordinances remained relevant. This ordinance governs the management of biodiversity conservation areas in the former Ciskei. |
| Eastern Cape Parks and Tourism Agency Act, 2010 (Act 2 of 2010) [under review] * | This is the ECPTA's establishment legislation, allowing for the ECPTA to (i) develop and manage protected areas (ii) promote and facilitate the development of tourism in the Province |
| Fencing Act, 1963 (Act 31 of 1963) (as amended) | The Fencing Act regulates the rights and obligations of adjacent owners regarding all types of boundary fences |
| Fire Arms 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 the 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 of the ECPTA infrastructure development projects. |

* The media statement by MEC for DEDEAT, Honourable M Mvoko on environmental legislation (24 May 2021) confirmed the validity of legacy legislation. These will be repealed once the requisite legislature processes for the Eastern Cape Environmental Management Bill are complete and the bill is assented to by the Premier



LEGISLATIVE MANDATES

Continued

| Relevant Acts | Key Responsibilities |
|---|---|
| National Environmental Management Act, 1998 (Act 107 of 1998) | This is the national environmental legislation which provides guidance on environmental management as well as the interpretation of the ECPTA Act (Act 2 of 2010) |
| National Forests Act, 1998 (Act 84 of 1998) | This is the primary legislation governing the management of indigenous forests and woodlands. Many state forests have been proclaimed as Forest Nature Reserves in terms of the National Forests Act |
| National Veld and Forest Fire Act, 1998 (Act 101 of 1998) | This is the primary legislation governing the prevention and control of runaway wildfires. Fire is used as a biodiversity management tool and control of excessive fires is also important for the management of protected areas and prevention of damage to infrastructure |
| National Water Act, 1998 (Act 36 of 1998) | This is the primary legislation governing the use of water. |
| NEM: Biodiversity Act, 2004 (Act 10 of 2004) (as amended) | This is the primary legislation for the management of biodiversity across the landscape and guides the interpretation of the ECPTA Act (Act 2 of 2010). Sections 43 and 44 concern the publication of Biodiversity Management Plans for conservation of ecosystems and indigenous species |
| NEM: Integrated Coastal Management Act, 2008 (Act 24 of 2008) | This is the primary legislation governing the management of the coastal areas and prescribes the management of coastal protected areas |
| NEM: Protected Areas Act, 2003 (57 of 2003) | This is the primary legislation governing the management of protected areas and guides the interpretation of Act 2 of 2010 |
| NEM: Waste Management Act, 2008 (Act 59 of 2008) | This is the primary legislation governing waste management measures, waste management activities, and reporting on waste impact, including in protected areas |
| Occupational Health and Safety Act, 1993 (Act 85 of 1993) | This is the primary legislation governing health and safety standards in the context of all work environments. |
| Public Finance Management Act, 1999 (Act 1 of 1999) (as amended) (PFMA) | Chapter 6 of the PFMA applies specifically to Public Entities. It lays out prescripts for the conduct of Accounting Authorities and other officials with respect to fiduciary responsibilities, planning, reporting and conduct. |
| Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA) | Chapter 5 of SPLUMA specifies that land use management must ensure minimal impact on public health, the environment, and natural resources Regulation 23 dictates that land use schemes must incorporate environmental requirements |
| Tourism Act, 2014 (Act 3 of 2014) | The promotion of responsible tourism practices Provisions for the effective marketing of the province, both domestically and internationally The promotion of quality tourism products and services The promotion of economic growth and development of the sector The establishment of concrete inter-governmental relations to develop and manage tourism |
| Transkei Environmental Conservation Decree, 1992 (Decree 9 of 1992) * | The Eastern Cape is in the process of promulgating new provincial environmental legislation where the old (pre-1994 democracy) ordinance remained relevant. This ordinance governs the management of biodiversity conservation areas in the former Transkei |
| World Heritage Convention Act, 1999 (Act 49 of 1999) | This is the primary legislation governing the management of World Heritage Sites, which, in the case of the ECPTA, is applicable to the management of the Baviaansklip section of the Cape Floral Region World Heritage Site. |

* The media statement by MEC for DEDEAT, Honourable M Mvoko on environmental legislation (24 May 2021) confirmed the validity of legacy legislation. These will be repealed once the requisite legislature processes for the Eastern Cape Environmental Management Bill are complete and the bill is assented to by the Premier

POLICY MANDATES

The ECPTA's strategy finds synergy with a variety of strategy documents, such as

| National and Provincial Strategy Documents | Relevance to the ECPTA strategy |
|---|--|
| Khawuleza | District-based coordination model aims to address service delivery and economic development challenges through the synchronisation of planning across all spheres of government, working alongside social partners such as business and community. Development will be pursued through single, integrated district plans enabled by the vision of "One District; One Plan; One Budget; One Approach". With effect from the 2020/21 Budget cycle, government budgets and programmes will be spatially referenced to districts and metros. |
| 2019-2024 Medium Term Strategic Framework (MTSF), including 5-year implementation plan for the National Development Plan (NDP) | The MTSF focuses on the seven priorities of the 6 th administration. The ECPTA's mandate finds expression across the 7 priorities with specific contributions to: Employment creation Address apartheid spatial discrepancies by identifying potential and developing industries in the former Bantustans, including tourism. Activate rural economies through investment in tourism (among others) Recreation and Leisure The tourism economies to offer activities and experiences that are appealing to domestic travellers, not only international travellers Clean environment Environmental sustainability and resilience are key features of the NDP approach to ensuring that oceans, soil, water, and biodiversity are protected |
| National Tourism Sector Strategy | Contribute to global competitiveness of South African tourism sector through enhanced service levels and responsive product development |
| National Strategy for Sustainable Development (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. |
| Provincial Medium Term Strategic Framework (PMTSF) [2020 – 2025] | The PMTSF aligns the intentions of Vision 2030 (the Provincial Development Plan) with the pillars of the national MTSF. The priorities of the PMTSF were confirmed in Premier Mabuane's State of the Province Address on 25 February 2020 To give effect to the vision that the "Eastern Cape will be a place where all people reach their potential by 2030", the PMTSF sets out a plan to deliver on the seven MTSF priorities: Priority 1: Capable, ethical and developmental state Priority 2: Economic transformation and job creation Priority 3: Education, skills and health Priority 4: Consolidating the social wage through reliable quality basic services Priority 5: Spatial integration, human settlements, and local government Priority 6: Social cohesion and safe communities Priority 7: A better Africa and a better world The ECPTA is specifically mandated to contribute directly to Priorities 2 and 5, and is committed to contributing to Priority 1 |
| Eastern Cape Tourism Master Plan | <ul style="list-style-type: none"> Improve and maintain accessibility of tourism facilities Reputation management Tourist safety Service standards Transform and grow the economy |
| Provincial Economic Development Strategy (PEDS) | The PEDS identifies tourism as a high potential sector and identifies several opportunities. These include tourism, business tourism, and improved management of tourism "packages", all of which will benefit from increased marketing of the province's unique assets |
| National Biodiversity Economy Strategy (NBES) | The NBES describes the biodiversity economy as combining agriculture, eco-tourism and conservation. The ECPTA's strategy aligns to the NBES by supporting the full spectrum of the wildlife, tourism and eco-tourism value chains. The emphasis across all three is diversification of value chains and support for mainstreaming |



The table below demonstrates alignment of the ECPTA's strategic commitments to the Sixth Administration's Programme of Action towards "Building the Eastern Cape we want":

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

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 Strategic Goal: Innovation for Sustainable Development. These efforts dovetail with Executive Authority commitments, in particular Enterprise Development: SMMEs supported, Tourism Sector Development: Tourism promotion in the Province and Management and Protection of the natural environment.

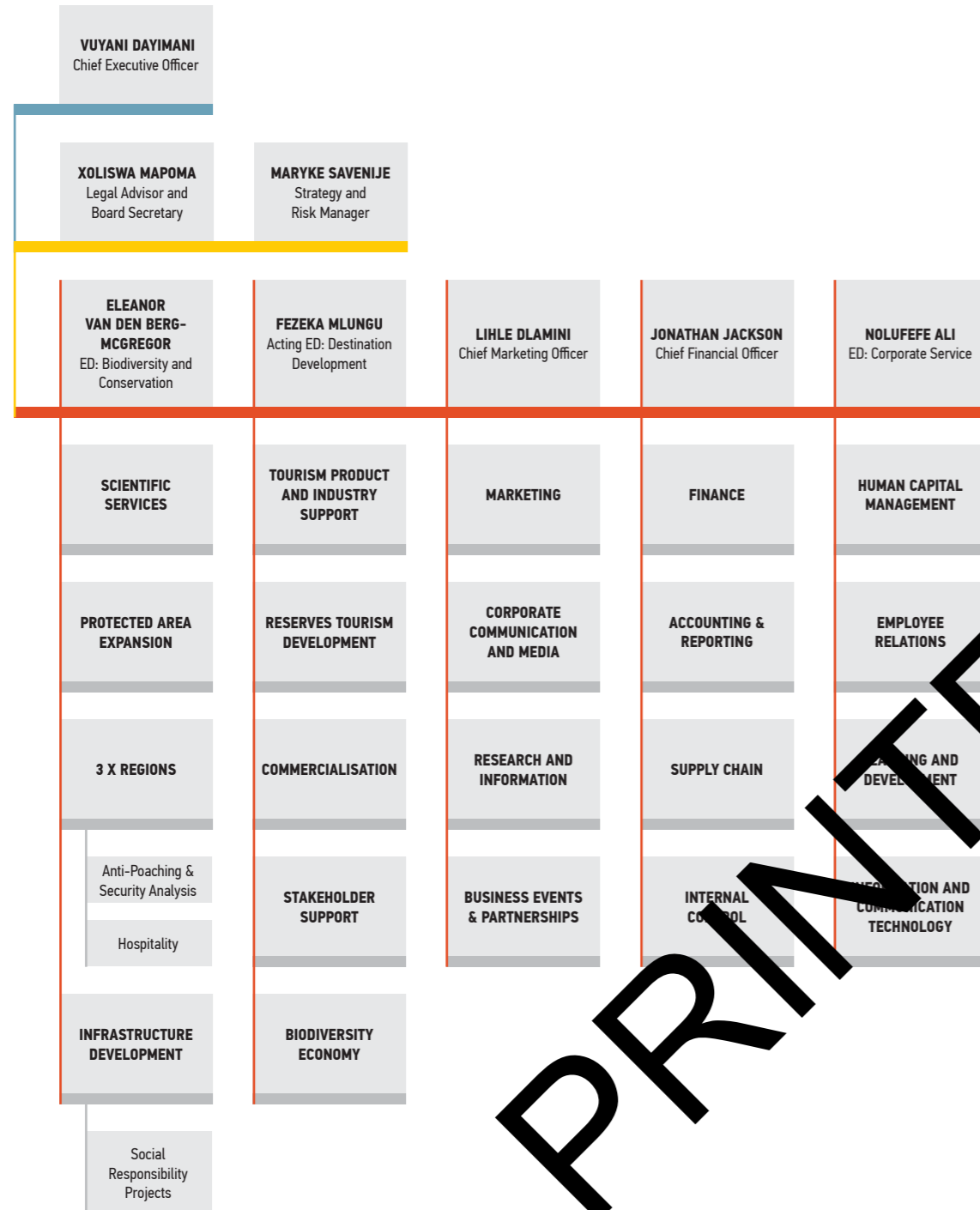
In the wake of the COVID-19 pandemic, ECPTA adjusted its operations to manage the additional risk of COVID-19 transmission:

| Relevant Act | Key Responsibilities |
|---|--|
| Disaster Management Act (Act 57 of 2002) | <ul style="list-style-type: none"> On 15th March 2020, President Cyril Ramaphosa declared a National State of Disaster in terms of Section 27 of the Disaster Management Act (Act 57 of 2002) Extensions to the state of disaster and subsequent regulations have determined the movement of people and allowable activities The risk adjusted lockdown levels were in place for the duration of the reporting period Workplace protocols were developed and updated as lockdown levels changed Compliance with workplace protocols for the prevention of the spread of the virus is compulsory |

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ORGANISATIONAL STRUCTURE



EXECUTIVE MANAGEMENT



VUYANI DAYIMANI
Chief Executive Officer



JONATHAN JACKSON
Chief Financial Officer



NOLUFEFE ALI
Executive Director:
Corporate Services



ELEANOR VAN DEN BERG-MCGREGOR
Executive Director
Biodiversity and Conservation



LIHLE DLAMINI
Chief Marketing Officer



FEZEKA MLUNGU
Acting Executive Director:
Destination Development



XOLISWA MAPOMA
Legal Advisor and Board Secretary

PRINTERS PROOF



BERG VENSTER

KOUGA

Only an hour's drive from Gqeberha, the little town of Patensie lies at the mouth of the Baviaanskloof World Heritage Site. Easy access to the Baviaanskloof, game farms and scenic surroundings makes the area a popular tourist destination. Still, there are also some wonderful hidden treasures to discover here.

The Bergvenster is a natural arch created by weathering of the Enon Conglomerate.

Reached from Philips Tunnel, the path to Bergvenster is rough but well worth the effort. The view across the mosaic of farmlands in the Gamtoos Valley is breathtaking.

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Part B



PERFORMANCE INFORMATION

AUDITOR-GENERAL'S REPORT:

PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit opinion on the performance against predetermined objectives is included in the management report, with material findings being reported under the Report on the audit of the annual performance report section of the auditor's report.

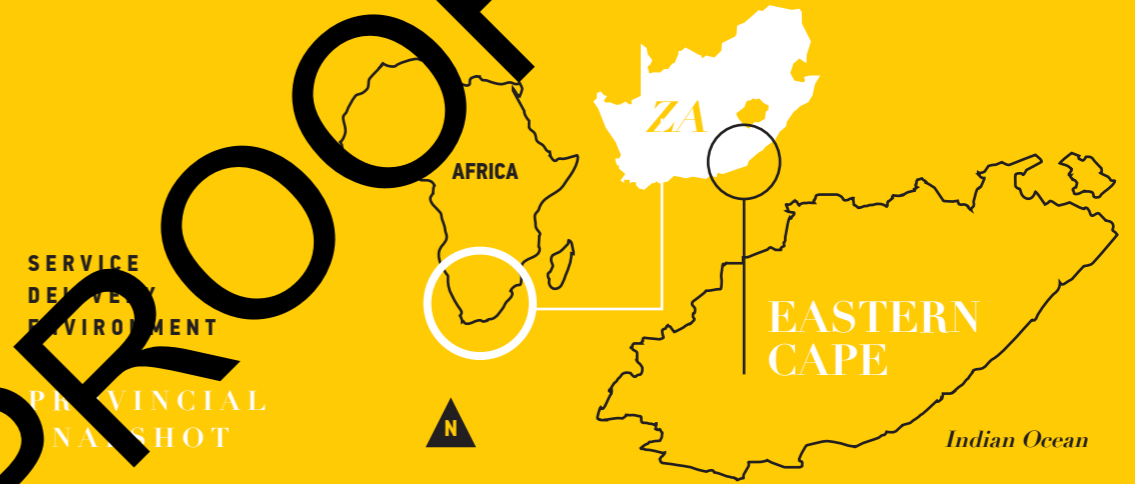
There were no findings on the audit of predetermined objectives.

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



Mapungubwe - Coffee Bay

SITUATIONAL ANALYSIS



The Eastern Cape is the second largest province with a total area of 169 310 km²

At 11.4%, there are **proportionally more elderly people aged 60+** in the Eastern Cape than in any other province

Between 2016 and 2021, the Eastern Cape experienced a net outward migration of approximately **323 THOUSAND PEOPLE** to other provinces, **by far the highest net out migration**

The COVID-19 pandemic had a **SIGNIFICANT IMPACT on the economy, poverty levels and industry performance** in the period under review

According to the Mid-year population estimates, 2020, the province is home to an estimated **6.734 MILLION PEOPLE (a little more than a tenth of the country's population)**

The province recorded the **highest official and expanded unemployment rates in SA** at 47.9% and 52.4% respectively [the rates for South Africa were 32.5% and 42.6%]

The province is the **4th highest contributor to the national economy**, accounting for 8% of Gross Domestic Product (GDP)

Children under the age of 18 account for 44% of the Province's population, about 20% higher than the rate in the rest of South Africa (38%)

The November 2019 report "*Inequality Trends in South Africa - A multidimensional diagnostic of inequality*", stated that inequality (as measured by the Gini coefficient) had increased in the Eastern Cape, while decreasing in seven other provinces

In 2020, the South African economy contracted by 7.0%, driven by a Q/Q GDP decline of 52% in Q2 of 2020. With the economy reopening from Q3, recovery was noted. The Eastern Cape provincial economy appeared to be static

All statistics in this snapshot are sourced from publications by Statistics South Africa (StatsSA)



PROVINCIAL OVERVIEW

LOCATION

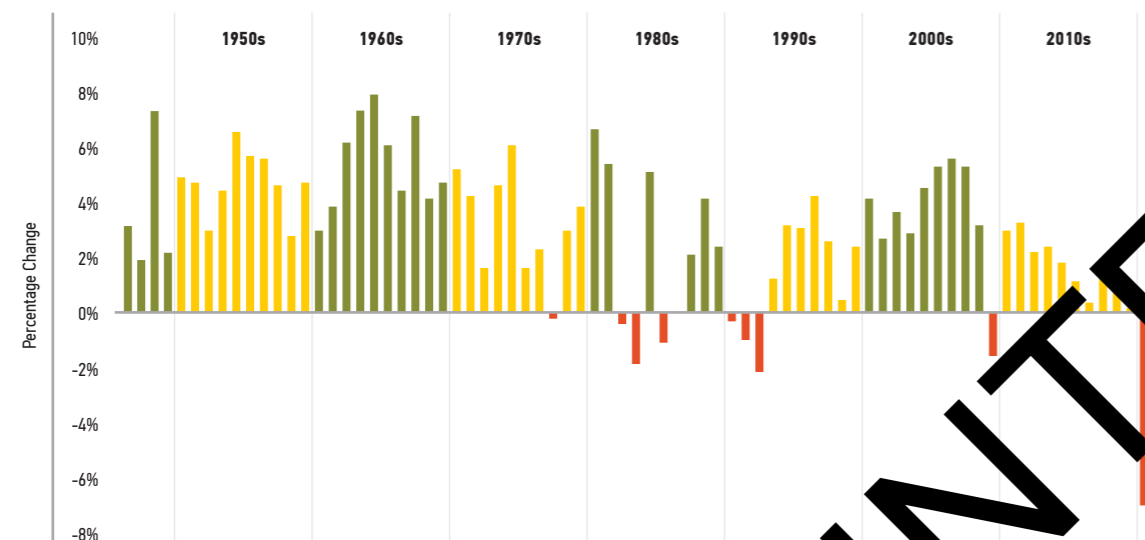
The Eastern Cape accounts for 13.9% of the total land area of South Africa. The province is bordered by the Western Cape to the west, KwaZulu-Natal to the east, Lesotho and the Free State to the north, and the Northern Cape to the north west. Administratively, the province has 31 local municipalities,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

ECONOMY

The South African economy contracted by 7,0% in 2020, the largest annual decrease in GDP since the end of World War II

Sources: South African Reserve Bank, StatsSA, Gross domestic product (GDP), 4th quarter 2020

Annual growth, constant 2010 prices



It is no surprise that the year-of-the-pandemic saw a dramatic economic contraction in South Africa. The real economic GDP growth rate for 2020 shrank by 4.5% nationally (year-on-year unadjusted).

Disparities in employment rates, income, service levels, and productivity continue to characterise the economy of the Eastern

Cape. The impact of the pandemic exacerbated entrenched low growth, high unemployment, and drove the heightened demand for social services. Most recent economic data indicates that the province's economy is shrinking (or at least stagnant): Gross domestic product per region (Eastern Cape) - at market prices - changed by an average 1% annually for the previous 5 years, but was stagnant in 2019, the year before the pandemic.

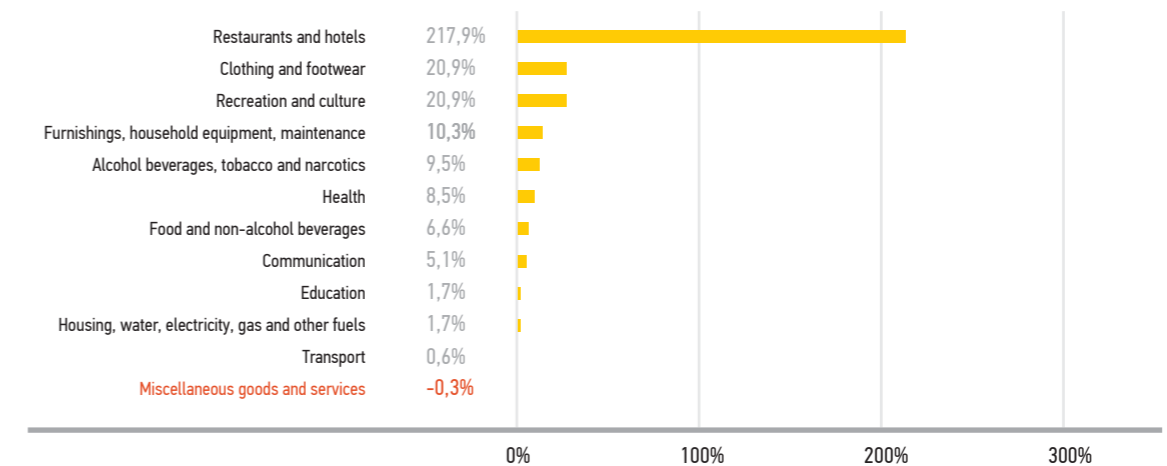
The stakeholder engagement processes that informed the ECPTA's organisational and sectoral strategies for the period indicated that the emergence of entrepreneurship could be a contributor to addressing structural socio-economic challenges. This would in turn present significant opportunities, particularly in the tourism and biodiversity economy sectors. In the wake of the economic assault of the pandemic, it is apparent that entrepreneurship is indeed a vital ingredient in the economic recovery also, probably even more than before.

The provincial economy has contributed an average of around 7.5% of the country's GDP since 2010; this was again the case in the Q4 2020 GDP report from StatsSA. The tertiary sector remains dominant in the province, with general government services contributing the highest proportion. The structure of the provincial economy will need to change significantly to sustain an ever-younger population and to provide employment opportunities.

A green shoot in the national economic growth landscape is that household expenditure was among the biggest contributors to growth in Q4: 2020. A closer look at the seasonally adjusted and annualised household final consumption expenditure data indicates that there is an appetite for spending on tourism-related items. This bodes well for the recovery of the domestic tourism sector, provided the province can offer suitable, safe, and affordable options.

Household final consumption expenditure. Quarter-on-quarter growth in Q4: 2020, seasonally adjusted and annualised

Source: Gross domestic product, 4th quarter 2020. StatsSA



STATE FUNDING

As a Schedule 3C Public Entity, the ECPTA is reliant on transfers from the Provincial Government (through the Equitable Share Allocation to the shareholder department, DEDEAT). The funds available to the province are derived according to the Division of Revenue Act (DORA), which specifies provincial allocations on an annual basis. The calculation of the DORA allocation to the Eastern Cape is not responsive to the two primary drivers of the ECPTA mandate – the expansiveness of the province and the proportion of adults living in poverty. Because it is based largely on population trends, the DORA allocation to the province diminishes as people migrate out of the province. Having lost R23bn since 2013/14, the initial provincial budget for 2020/21 saw a further reduction of R3.4bn in the special Adjustment Budget in late 2020. This was partially offset with provincial reserves and national conditional grants for COVID-19 recovery and relief. Predictions are that the province will lose a further R29.7bn over the 2021 MTEF through further fiscal consolidation and population data updates.

The consequent reduction of the equitable share allocation to the ECPTA is worsened by the fact that the ECPTA's dual mandate is not driven by population numbers, and related cost drivers have little correlation with the province's population size.

INFRASTRUCTURE

Infrastructure distribution across the province is unequal, with the metros and the western part of the province having access to better quality and quantity of infrastructure. User-friendly road infrastructure is generally available throughout the western region, while the eastern region – specifically the former Transkei and Ciskei – has limited accessibility, worsened by a poorly maintained road network. According to the Provincial Department of Transport, 43.7% (1 660.54km) of the province's paved roads are in a "Poor" to "Very Poor" condition, and 88.2% (24 578.48km) of unpaved roads are in a "Poor" to "Very Poor" condition. The state of the road network has declined over the past two years: 5.7% more paved roads and 13.6% more unpaved roads are categorised as "Poor" to "Very Poor". The situation was worsened during the hard lockdown when only emergency repairs to infrastructure could be made.

Although the airport in Gqeberha has international status, there are no international carriers arriving at this facility directly. There are two additional domestic airports, located in East London and Mthatha. However, the cost of flights to and from these destinations is high as demand outstrips supply. There are no passenger rail services linking the Eastern Cape to other regions of the country. While the province has various non-commercial airstrips, these are not used optimally either to promote tourism to the province or to facilitate the geographic spread of tourists across the province.

BIODIVERSITY

Biomes of South Africa, Lesotho and eSwatini

Source: *Introduction to the 3rd South African Environment Outlook Report. Third Draft, September 2018*



South Africa is one of the most biologically diverse countries in the world and has exceptionally high levels of endemism. The Eastern Cape is an area of convergence of eight of the country's nine biomes, making it the most diverse of South Africa's provinces. However, almost 80% of Eastern Cape vegetation types are insufficiently protected. Climate change will increasingly challenge biodiversity and ecosystem services. Unfortunately, the protected area system is inadequate to conserve the Eastern Cape's internationally recognised natural capital. The protected area estate needs to expand.

The ECPTA contributes, on behalf of the Eastern Cape Provincial Government, to the protection and conservation of the province's biodiversity while maximising the tourism potential of the protected area estate. The ECPTA currently manages more than 420 000 ha of terrestrial protected areas, including one World Heritage Site (WHS), and approximately 170 000 ha of marine protected areas. The Baviaanskloof WHS is part of the serial site, the Cape Floristic Region Protected Areas World Heritage Sites. This is one of two internationally recognised biodiversity hotspots included in the provincial protected area estate; the second is the Maputoland-Pondoland-Albany Centres of endemism. The ECPTA-managed estate protects eight of the nine biomes found in South Africa.

A recent policy brief by the OECD titled 'Biodiversity and the economic response to COVID-19' makes the case for building

the planet's resilience to infectious diseases by preventing (even reversing) biodiversity loss. The argument is that investment in conservation and sustainable utilisation of biodiversity is an investment in the health of the planet and her inhabitants. These are concepts that the Eastern Cape Provincial Government is familiar with and has therefore supported the establishment of the world's first Wildlife Conservation Bond on the provincial protected area estate.

DROUGHT

2020 was the hottest year on record for many parts of the world. The drought conditions experienced across large parts of the country have continued in the Eastern Cape. These conditions have affected game densities and conditions in many reserves, particularly as they have persisted for numerous years.

The drought continues to have a serious effect on ECPTA reserves, particularly in the western part of the province. Reserve management are thus monitoring the situation, and appropriate interventions are under consideration should the need arise. It is, however, important to note that droughts are a normal ecological process and play an important part in regulating large animal population numbers. Indigenous animals are generally well adapted to dealing with these conditions and are more resilient than domestic animals. The ECPTA will continue to monitor the situation closely.



Amathole Hiking Trail

TOURISM

Number of tourists by month and year of travel. 2019 and 2020

Source: Tourism, 2020, Statistics South Africa



On the 15th of March 2020, President Ramaphosa announced that South Africa would combat the spread of COVID -19 by reducing and monitoring inward and departing travellers. A ban on travel from high-risk countries followed on the 18th of March. 35 of the country's land ports were closed, as well as 2 of our 8 seaports. South Africa did not receive foreign visitors for six months from April to September.

International travel restrictions were lifted in October.

There can be little doubt that the global tourism sector was decimated by the measures to control the global COVID-19 pandemic. The World Tourism Organisation (of the United Nations) (UNWTO) estimates that up to 100 million direct tourism jobs are at risk because of the pandemic, with a consequent potential shrinkage of between 1.5% to 2.8% to the global GDP for 2020. These impacts are experienced most acutely in developing nations where tourism makes up a sizable portion of the economy.

For many policy makers and strategists, the pandemic offers an opportunity to re-start, re-calibrate, and reimagine systems and processes that have long been problematic, but simply too complex to correct. The opportunity to restart global tourism in a manner that is more respectful of the planet and more conscious of the potential of tourism to positively influence change is unprecedented.

Even before the COVID-19 pandemic created havoc for the tourism industry, issues of air access to the Eastern Cape had been

identified as a major impediment to the growth of the provincial tourism sector. Infrequent flights by a limited number of airlines offering prohibitively expensive seats made air travel increasingly unpopular for the domestic market, while the complete absence of international flights stood in the way of building the international tourist market. The hunting industry, leisure events and MICE sector were all severely impacted by access issues. With the COVID-19 restrictions, the province found itself momentarily in the same situation as all other provinces and immediately used the opportunity to prepare a new strategy to re-build the sector in a more inclusive and resource-efficient manner.

A critical feature of the South African tourism sector's response to the movement restrictions and non-medical prevention methods has been to initiate self-regulation of health protocols and standards. The Tourism Business Council of South Africa (TBCSA) and South African Tourism (SAT) have led such initiatives to facilitate de-risking and the earlier re-opening of the sector. As the Destination Marketing Organisation for the province, and the entity responsible for tourism marketing, the ECPTA partnered with both SAT and the TBCSA to ensure the involvement of as many tourism products as possible in sector-wide relief efforts. Despite these efforts, many small tourism businesses have succumbed – without tourists, there is no tourism.

The resilience of the sector, the ingenuity of product owners, and the curiosity of travellers will most certainly define the next generation of tourism in our province.

ORGANISATIONAL ENVIRONMENT

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

In late 2019, the Board of the ECPTA approved the SRC and agreed to an organisational structure that would deliver accordingly. The new structure is flatter, with two programmes replacing the Operations Department of the previous strategic period. The Biodiversity and Conservation Department is responsible for the first of the three pathways of change: "Optimise performance of provincial sector" which falls to the Destination Development Department, while the Marketing Department seeks to "Energise the Tourism Sector".

Recruitment of departmental heads for the Destination Development and Biodiversity & Conservation departments was initially unsuccessful. It was resolved that until suitable candidates for the two new vacancies could be identified, the post of Chief Operations Officer (COO) would remain in place. The Senior Manager: Scientific Services was appointed to the COO position in an acting capacity on a month-to-month basis while recruitment continued. This ensured that there was minimal disruption to the delivery of mandated functions. Furthermore, the CFO was reappointed for a further 5-year term starting in May 2020, ensuring stability in the Executive Management team.

In March 2020, as soon as lockdown regulations to the Disaster Management Act were promulgated, the ECPTA established a set of preventive protocols to ensure COVID-19 Safe Work. The Board

approved a policy in this regard, in terms of which management was tasked with updating protocols whenever circumstances were required. A task team of reserve managers, key departmental managers and change champions was established to co-ordinate the disbursement of personal protective equipment, personal and surface sanitisers and to ensure compliance to protocols. The task team met every week. As a direct result of these measures and the unwavering commitment of the Occupational Health and Safety team and management, the ECPTA last recorded an active case of COVID-19 in week 5 of 2021 (20 January – 5 February). Over the course of the pandemic, the ECPTA has recorded 47 COVID-19 infections and tragically lost three staff members to the virus. 33 of the positive cases and all the mortalities occurred during the second wave.

The ECPTA activated a business continuity strategy that ensured that the ECPTA continues to operate and provide services to clients and stakeholders despite the devastating pandemic. All eligible employees were allocated mobile phones and data cards. The IMCT infrastructure was already designed to allow remote access of user and network services offering. This therefore helped the ECPTA to avoid downtime. All eligible employees were able to do their duties, hold virtual meetings and sign documents while they were away from the office.

The appointment of Vodacom SA to implement a Wide Area Network (WAN) Solution that will assist the ECPTA to improve network speed and integrate remote nature reserves to the head office under one network was a major milestone. The ECPTA has also implemented a firewall solution to improve network security and allow network policies to be managed better. An advanced email security solution was implemented as an additional layer to cater for email spoofing, malware and spam employing advanced sophisticated algorithms.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

DEDEAT initiated the process of reviewing the Eastern Cape Parks and Tourism Agency Act (No 2 of 2010) in 2017. The Eastern Cape Parks and Tourism Agency Bill, 2019 was endorsed by the Executive Council towards the end of the reporting period and will be tabled at the Provincial Legislature in due course. The Bill aligns the Eastern Cape legislation with National Legislation. The Bill has been translated into IsiXhosa.

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



PROGRESS TOWARDS PRIORITIES

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

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

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

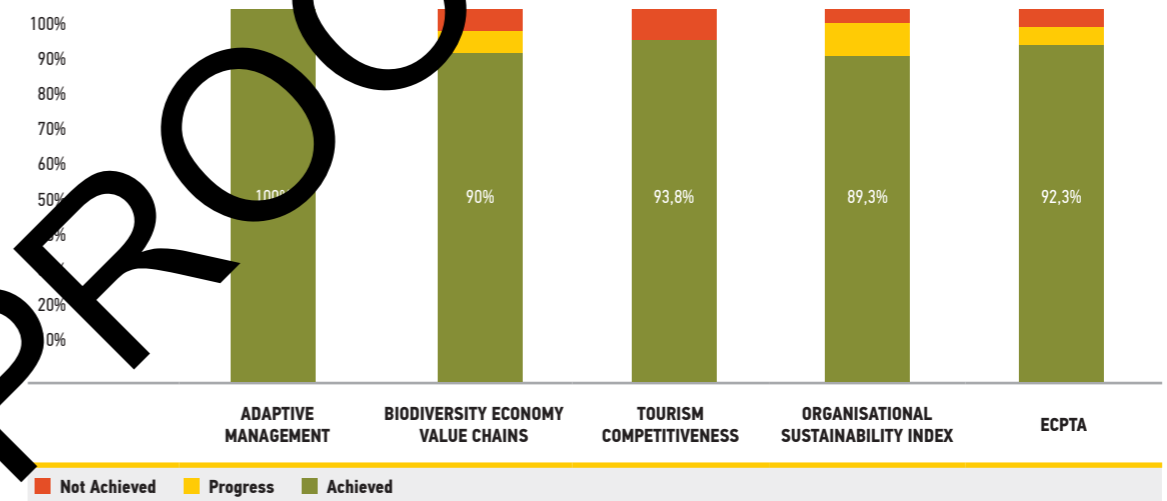
| Outcome | Outcome Statement | Short Title |
|---|--|-------------------------------------|
| 1. Adaptive management of biodiversity sustains ecological services | Environmental sustainability supported by well-managed protected areas | Adaptive Management |
| 2. Marginalised individuals and communities actively benefit from biodiversity and tourism | Tourism and biodiversity value chains and products prosper | Biodiversity Economy Value Chains |
| 3. The province is the premier African destination connecting people to authentic experiences | The Eastern Cape is a competitive international and domestic tourism destination | Tourism Competitiveness |
| 4. Organisational sustainability supported by capable, ethical, and responsive administration | Internal service models geared to meet the needs of core departments | Organisational Sustainability Index |

These are accomplished through the achievement of associated immediate outcomes:

| Adaptive Management | Biodiversity Economy Value Chains | Tourism Competitiveness | Organisational Sustainability Index |
|---|-----------------------------------|-------------------------------------|-------------------------------------|
| Biodiversity Decision Support | Tourism Value Chain Support | Destination Marketing | Reputation Dimension |
| Provincial Protected Area Expansion | Biodiversity Economy: Tourism | Public Relations and Communication | Financial Dimension |
| Protected Area Management Plan Implementation | Biodiversity Economy: Wildlife | Research and Information Management | Social Dimension |
| Projects Implementation | Stakeholder Support | Business Events and Partnerships | Security Dimension |

Despite the challenges of the year dominated by the pandemic, the ECPTA was able to sustain the positive performance record of the past four years, with 92.3% of all outcome and output targets achieved in 2020/21. These achievements align directly to the four Intermediate Outcomes as presented below.

Progress towards achieving Intermediate Outcomes, ECPTA, 2020/21



An important feature of the ECPTA strategic response to known Strengths, Weaknesses, Opportunities, Threats (SWOT), was the identification of "maxi-maxi" strategies. These are strategies that have the highest potential for success, as they deliberately use strengths to take advantage of opportunities. It should be borne in

mind that the Strategy for 2020/21 – 2024/25 was completed and tabled prior to the COVID-19 pandemic. Interestingly, all four the "maxi-maxi" strategies were central to the ECPTA's recovery plans and contributed significantly to the successful roll out thereof.

- S701:** Establish and manage a panel of technical assistance to deploy in response to requests for support
- S302:** Bring micro-packaging and route-planning services with diversified product offerings to scale
- S603:** Priority implementation of the Reserves-as-Products strategy
- S501:** Leverage stakeholders' technology and networks for campaigns

PROGRAMME PERFORMANCE INFORMATION

A NOTE ON SCORES

In the 2020-21 financial year, the ECPTA has matured its performance measurement methodology to use SCORES for almost all Intermediate Outcome and Output indicators. Scores are calculated through the accumulation of lower level scores assigned to contributing activities and outputs. A maximum score is 100, and a minimum score is zero.

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

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

A NOTE ON ROUNDING

All calculations are executed using Excel. Where figures are rounded to whole numbers in quarterly reports, rounded figures are retained in the Annual Report.

A NOTE ON RE-TABLING THE APP 2020/21

Due to the unprecedented events relating to the COVID-19 pandemic, the province's Annual Performance Plans were not tabled in March 2020 as scheduled. The Speaker of the Legislature requested that changes to the APP occasioned by the pandemic be captured as an addendum to the un-tabled plans.

For the ECPTA, the Theory of Change and results chain remained constant, so changes to the APP were chiefly to do with adjusting the relative weight of indicators and the financial resources available to implement underlying projects and activities. These adjustments were made under the auspices of the Board and the Executive Authority during Q1, and tabled as an addendum to the un-tabled APP. All performance reports were therefore prepared in accordance with a single APP. The "re-tabled" APP in October simply captured the adjustments from the addendum into the body of the plan.

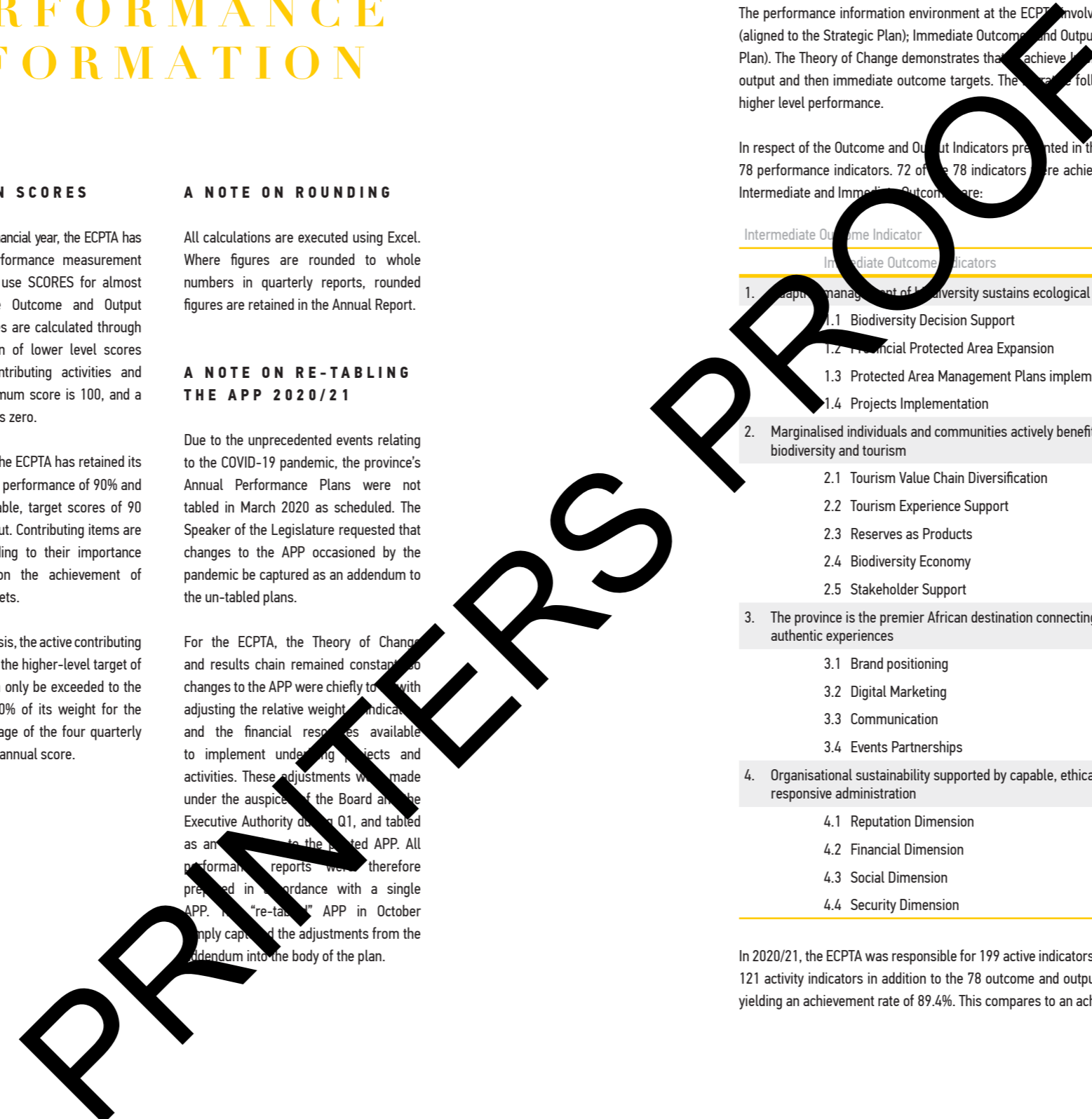
A NOTE ON PERFORMANCE INFORMATION

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

In respect of the Outcome and Output Indicators presented in the Strategic and Annual Performance Plans, the ECPTA undertook to deliver on 78 performance indicators. 72 of the 78 indicators were achieved, representing an achievement rate of 92.3%. The performance results for Intermediate and Immediate Outcomes are:

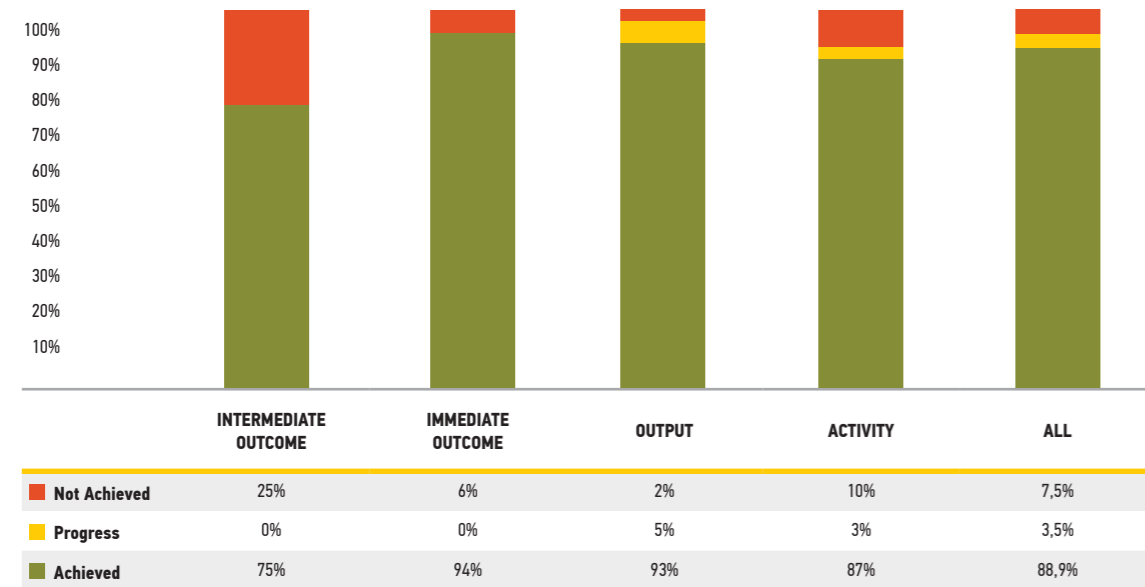
| Intermediate Outcome Indicator | Annual Performance | | |
|--|--------------------|----------|--------------|
| | Planned | Actual | Result |
| 1. Ecosystem management of biodiversity sustains ecological services | 90.0 | 99.6 | Achieved |
| 1.1 Biodiversity Decision Support | 90.0 | 100.0 | Achieved |
| 1.2 Financial Protected Area Expansion | 90.0 | 96.9 | Achieved |
| 1.3 Protected Area Management Plans implementation | 90.0 | 98.3 | Achieved |
| 1.4 Projects Implementation | 90.0 | 89.7 | Partial |
| 2. Marginalised individuals and communities actively benefit from biodiversity and tourism | 90.0 | 100.0 | Achieved |
| 2.1 Tourism Value Chain Diversification | 90.0 | 100.0 | Achieved |
| 2.2 Tourism Experience Support | 90.0 | 100.0 | Achieved |
| 2.3 Reserves as Products | 90.0 | 100.0 | Achieved |
| 2.4 Biodiversity Economy | 90.0 | 80.2 | Partial |
| 2.5 Stakeholder Support | 90.0 | 95.7 | Achieved |
| 3. The province is the premier African destination connecting people to authentic experiences | 40 000 | -225 824 | Not Achieved |
| 3.1 Brand positioning | 90.0 | 100.0 | Achieved |
| 3.2 Digital Marketing | 90.0 | 100.0 | Achieved |
| 3.3 Communication | 90.0 | 100.0 | Achieved |
| 3.4 Events Partnerships | 90.0 | 91.6 | Achieved |
| 4. Organisational sustainability supported by capable, ethical, and responsive administration | 90.0 | 96.2 | Achieved |
| 4.1 Reputation Dimension | 27.0 | 30.0 | Achieved |
| 4.2 Financial Dimension | 31.5 | 31.1 | Achieved |
| 4.3 Social Dimension | 18.0 | 19.5 | Achieved |
| 4.4 Security Dimension | 13.5 | 15.0 | Achieved |

In 2020/21, the ECPTA was responsible for 199 active indicators across its three plan levels (Strategic, Performance and Operational), including 121 activity indicators in addition to the 78 outcome and output indicators. The targets for 178 indicators were either achieved or exceeded, yielding an achievement rate of 89.4%. This compares to an achievement rate of 90.4% in 2019/20.



PROGRAMME 1: BIODIVERSITY AND CONSERVATION

Graphic representation of overall performance by Performance Level in 2020/21



Details of performance achievements for the underlying Output Indicators are presented per Programme in the remainder of this section of the Annual Report. Comparisons to prior year results are not always possible as new indicators were developed for the new strategic cycle.



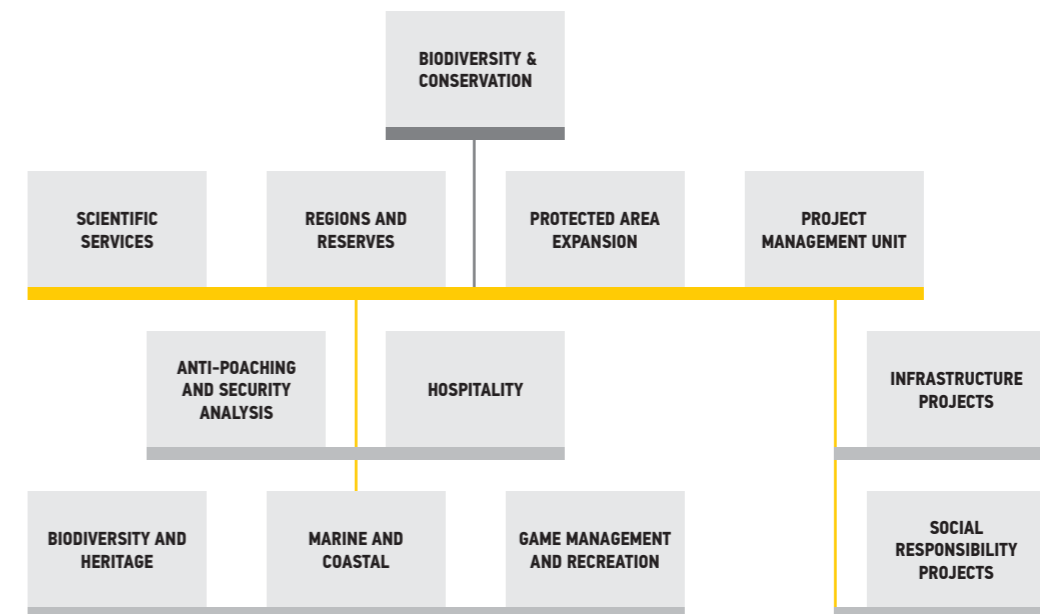
The Biodiversity and Conservation Department¹ is a part of Biodiversity Conservation and Reserve management operations. The units within the programme combine to ensure that Protected Areas are effectively managed, developed, expanded, and integrated into local government planning.

DESCRIPTION OF PROGRAMME

PROPOS

- Effective management of provincial declared protected areas, including conservation of rare and threatened species
- Manage visitors and visitor facilities in protected areas
- Provide professional scientific information and planning support to guide and inform biodiversity management, strategy, and decision making in the ECPTA
- Lead efforts to expand the protected area estate through stewardship
- Develop and maintain tourism and management Infrastructure in declared protected areas.
- Ensure compliance with Occupational Health and Safety legislation

SUB-PROGRAMMES



¹ Per "Annexure C: COVID-19 – occasioned changes to APP", page 67 Annual Performance Plan 2020/21-2022/23 | March 2020 | Updated October 2020

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CONTRIBUTION TO INSTITUTIONAL OUTCOMES

The Biodiversity and Conservation Department is responsible for delivering services towards the achievement of the following outcomes through a set of weighted outputs and activities:

INTERMEDIATE OUTCOME

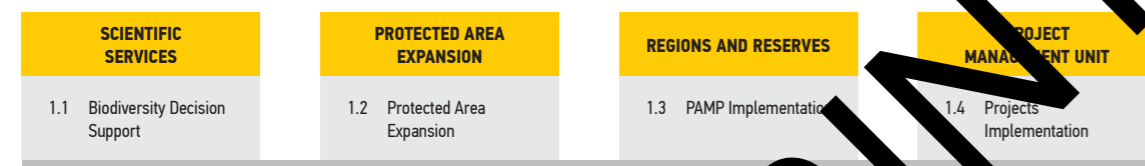
Adaptive management of biodiversity sustains ecological services

OUTCOME STATEMENT

Environmental sustainability supported by well-managed protected areas

| Immediate Outcome Indicators | Relative Weight | Output Indicators | Relative Weight |
|--------------------------------------|-----------------|--------------------------------------|-----------------|
| 1.1 Biodiversity Decision Support | 25% | | |
| | | 1.1.1 Biodiversity Research | 30% |
| | | 1.1.2 Biodiversity Monitoring | 40% |
| | | 1.1.3 Ecological Planning | 30% |
| 1.2 Protected Area Expansion | 15% | | |
| | | 1.2.1 Stewardship programme | 50% |
| | | 1.2.2 Integrated planning support | 50% |
| 1.3 PAMP ² implementation | 35% | | |
| | | 1.3.1 Conservation Management | 90% |
| | | 1.3.2 Reserves Tourism Management | 10% |
| 1.4 Projects Implementation | 25% | | |
| | | 1.4.1 Infrastructure project | 70% |
| | | 1.4.2 Social Responsibility projects | 30% |

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



² Protected Area Management Plans

INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

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

| Intermediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| Adaptive management of biodiversity sustains ecological services | New | 90 | 90 (score) | 100 (score) | + 10 (points) | All underlying immediate outcomes achieved |

SUB-PROGRAMME:

SCIENTIFIC SERVICES

Table 2: Immediate Outcome: Biodiversity Decision Support

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-----------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 1.1 Biodiversity Decision Support | 3 (index score) | 3 (index score) | 90 (score) | 100 (score) | + 10 (points) | All underlying output targets achieved |

Table 3: Output Indicators: Biodiversity Decision Support

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 1.1.1 Biodiversity Research | 3 (index score) | 3 (index score) | 27 (score) | 30 (score) | + 3 (points) | All underlying activity targets achieved |
| 1.1.2 Biodiversity Monitoring | 3 (index score) | 3 (index score) | 36 (score) | 40 (score) | + 4 (points) | All underlying activity targets achieved |
| 1.1.3 Ecological Planning | 3 (index score) | 3 (index score) | 27 (score) | 30 (score) | + 3 (points) | All underlying activity targets achieved |

The Scientific Services sub-programme's outputs and activities are carefully planned to compliment the management of the protected area estate. As per the ECPTA's mandate, the focus of these interventions is on the estate managed by the ECPTA.

1.1.1 BIODIVERSITY RESEARCH

- Establish priority research agenda
 - Priority research needs were reviewed and updated
 - Fieldwork for research was subjected to strict COVID-19 mitigation protocols throughout the year
- Research to fill identified knowledge gaps
 - The following research reports / publications were generated in 2020/21:
 - Herpetofaunal survey of the Ongeluksnek (Malekgalonyane) Nature Reserve (published paper)
 - Geographical distribution of *Lygodactylus capensis* (the Common Dwarf Gecko) in the Makhanda region (published paper)
 - Population and ecology of buffalo in the Great Fish River Nature Reserve
 - Vegetation ecology of Oviston and Commando Drift
- Manage external research on reserves
 - A register of external (and internal) research applications is maintained by the Scientific Services sub-programme
 - Nine external research applications were received and processed over the course of the year
- Develop systems to support conservation
 - The Game Census Protocol was developed to guide aerial game counting process and ensure consistency across periods
 - The ECPTA's marine research permit was renewed with the Department of Forestry, Fisheries, and the Environment (DFFE). This process requires that detailed progress reports are submitted on all active projects
 - Three internal policies were reviewed and updated to ensure that their content remains relevant. These were the policies on artificial water holes, alien species management and large mammal management
- New taxon inventories developed
 - 13 taxon inventories were completed over the course of the year:
 1. Amphibian lists for Beggars Bush
 2. Bird lists for Beggars Bush
 3. Mammal lists for Beggars Bush
 4. Reptile lists for Beggars Bush
 5. Amphibian lists for Cape Morgan
 6. Bird lists for Cape Morgan
 7. Mammal lists for Cape Morgan
 8. Reptile lists for Cape Morgan
 9. Amphibian lists for Hamburg
 10. Bird lists for Hamburg
 11. Mammal lists for Hamburg
 12. Reptile lists for Hamburg
 13. Plants list for Cape Morgan

1.1.2 BIODIVERSITY MONITORING

- Ecological monitoring conducted
 - Information on fires that occurred in the Protected Areas in 2020 was collected throughout the year and collated into an advisory report.
 - In addition, two detailed fire monitoring reports were compiled for the Baviaanskloof cluster and Formosa Nature Reserves
- Priority taxon monitoring completed
 - Quarterly black rhino monitoring reports were generated, and detailed population status reports were prepared for the 2020 calendar year
 - Other priority taxon monitoring reports concluded were on:
 - Cape mountain zebra in the Baviaanskloof World Heritage site (BKWHS)
 - In-shore line-fish in the Dwesa-Cwebe Marine Protected Area (MPA)
 - Pondoland MPA estuary water quality
 - Leopard in the BKWHS
- Game census completed
 - The annual game census is the foundation upon which recommendations for the following year's game off-take plan are dependent
 - Fieldwork for the annual game census was completed during the first quarter and a detailed report generated in Q2.
- Monitor annual game off-takes
 - Game off-takes are carried out per the approved recommendations over the first three quarters of each financial year
 - Hunting, culling, and translocation operations were monitored and actual off-takes recorded monthly

1.1.3 ECOLOGICAL PLANNING

- Subsidiary management plans developed
 - A new elephant management plan for Great Fish River Nature Reserve was developed. This is aligned with the revised laws and standards for the management of elephant that were published in late 2020. The elephant management plan is the culmination of 4 years of work
 - Work was initiated on the alien plant management plan for the ECPTA-managed reserves for in the next financial year
 - Annual game management recommendations
 - The Board approved the Large Mammal Management Recommendations for 2021 during Q3, allowing time for preparatory work ahead of the 2021 off-take season

SUB-PROGRAMME:

PROTECTED AREA EXPANSION

Table 4: Immediate Outcome: Protected Area Expansion

| Immediate Outcome | Planned Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|------------------------------|------------------------|------------------------|-------------------------------|----------------------------|--------------------------------------|---|
| 1.2 Protected Area Expansion | 1 748 (ha) | 12 627 (ha) | 90 (score) | 96.9 (score) | + 6.9 (points) | All output targets achieved in first three quarters |

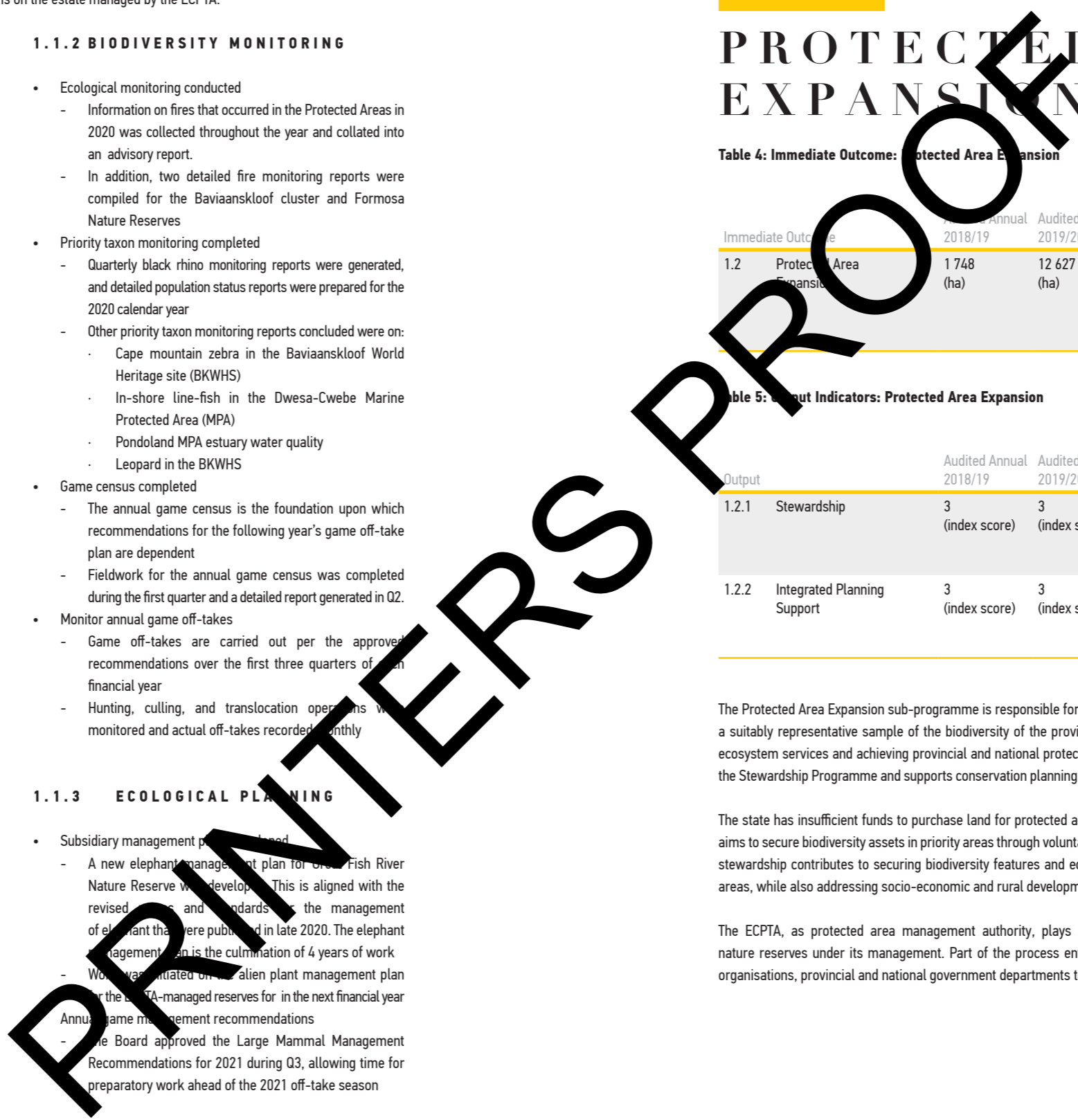
Table 5: Output Indicators: Protected Area Expansion

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-----------------------------------|------------------------|------------------------|-------------------------------|----------------------------|--------------------------------------|---|
| 1.2.1 Stewardship | 3 (index score) | 3 (index score) | 45 (score) | 50 (score) | + 5 (points) | Underlying activity targets were achieved or exceeded |
| 1.2.2 Integrated Planning Support | 3 (index score) | 3 (index score) | 45 (score) | 46.9 (score) | + 1.9 (points) | Most underlying activity targets were achieved |

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

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

The ECPTA, as protected area management authority, plays an important role in influencing biodiversity planning in and around the nature reserves under its management. Part of the process entails engagements with local authorities, municipalities, non-governmental organisations, provincial and national government departments to ensure that there is integrated biodiversity planning.



1.2.1 STEWARDSHIP

- Expansion targets achievement (area)
 - To date this programme has secured the declaration of around 200 000 ha for the province, preparing a further 30 751 ha towards declaration during 2020/21.
 - The 2020/21 target for hectares prepared for declaration as part of the protected area estate was 10 000 ha. Declaration documentation for 4 693 ha has been submitted following the conclusion of all prescribed consultative and technical processes. In addition, landowners consented to undertaking formal "intention to declare" processes for a total of 26 058 ha, for which the consultation and technical processes will take place in 2021/22.
- Manage declaration processes for stewardship sites
 - The Stewardship unit prepares a pipeline of potential privately-owned properties in priority conservation areas and guides landowners through the bureaucratic and legal requirements of the declaration process.
- Assess annual implementation of protected area management plans
 - Once properties are declared as protected areas through the stewardship process, the ECPTA is responsible for conducting regular assessments of the extent to which the Protected Area Management Plans (PAMPs) have been implemented. During 2020/21, assessments were done for five biodiversity stewardship sites as follows: Skilderkrantz Nature Reserve, Kromme Riviers Hoogte Nature Reserve, Bergplaas Nature Reserve, Noorseveld Protected Environment, and Indalo Protected Environment.

1.2.2 INTEGRATED PLANNING SUPPORT

- Provide support to provincial and municipal biodiversity planning processes
 - The Planning unit engaged relevant stakeholders in relation to Municipal Biodiversity Sector Plans, Environmental Management Plans, Integrated Development Plans and Spatial Planning Tools (Spatial Development Plans and District Development Model).
- Participate in priority Environmental Impact Assessment (EIA) processes
 - In general, the types of proposals interacted with included residential development, telecommunication masts, fencing, mining, wind energy development, and tourism infrastructure developments.
- Update Protected Area Management Plans
 - The ECPTA partially fulfilled its commitment to review Protected Area Management Plans (PAMPs) for Nduli Luchaba and Silaka Nature Reserves during the 2020/21 financial year. Despite initial delays associated with COVID-19 lockdown regulations, both plans were reviewed and updated as required. They could, however, not be submitted to the shareholder department before the end of the year.
- Preparation of Protected Area Expansion Strategy (PAES) for the Eastern Cape
 - The target tables were updated, and a draft Eastern Cape PAES document was compiled during the reporting period.

SUB-PROGRAMME:

REGIONS AND RESERVES

Table 6: Immediate Outcome: Protected Area Management Plans (PAMP) implementation

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-------------------------|------------------------|------------------------|-------------------------------|----------------------------|--------------------------------------|---|
| 1.3 PAMP implementation | New | New | 90 (score) | 98.5 (score) | + 8.5 (points) | Output targets for conservation management exceeded |

Table 7: Output Indicators: PAMP implementation

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-----------------------------------|------------------------|------------------------|-------------------------------|----------------------------|--------------------------------------|---|
| 1.3.1 Conservation Management | New | New | 81 (score) | 90 (score) | + 9 (points) | Most underlying activity targets achieved |
| 1.3.2 Reserves Tourism Management | New | New | 9 (score) | 8.3 (score) | - 0.7 (points) | Some underlying activity targets not achieved |

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

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

PRINTER'S PROOF



1.3.1 CONSERVATION MANAGEMENT

- Reserves with METT-SA score over 67
 - The annual METT-SA assessment was conducted during Q4 of 2020/21. The outcome of the assessment confirmed that the management of the ECPTA-managed reserves had plateaued, and is at risk of deteriorating if resources are not directed to addressing the identified challenges in the coming year
 - As was the case in the previous year, fourteen of the fifteen reserves (93.3%) achieved a METT-SA over 67 and the average score remained at 72%. The fifteenth reserve scored 67
 - New METT turnaround plans will be developed in Q1 of 2021/22 to address identified issues
- Provincial State of Area Integrity Management (SoAIM) score
 - The annual SoAIM assessments were conducted in March 2021 and an overall organisational score of 3.05 was attained. Turnaround plans will be developed in Quarter 1 to address weaknesses
- Reserve security
 - Because field rangers were classified as essential workers under the disaster management regulations, they remained on-post throughout the lockdown. With tourism, hunting and education responsibilities curtailed during lockdown, rangers spent more time than usual patrolling the reserves. With office staff within the ECPTA limited with respect to travelling for work, all spare vehicles were deployed to reserves. Performance in this aspect of reserve security was therefore significantly exceeded for the year under review
 - Firearm competency of reserve personnel was identified as a key risk that required attention in the 2020/21 financial year. Plans to address the issue had to be delayed until movement and gathering restrictions allowed. It has subsequently emerged that there are substantial bottlenecks in processing firearm competency applications lodged with the SAPS. A coordinated response to this challenge has been prepared for 2021/22
- Waste management
 - As soon as movement between sites became possible, waste sorting and removal was resumed from all reserves
- Fire management
 - All reserves in fire-prone areas are required to belong to the local or regional Fire Protection Association, a

- group of landowners that prevent and manage wildland fires in a defined area
- Administrative delays in processing membership fees and certification in the first half of the year were largely overcome as lockdown regulations were relaxed
- Fires were dealt with as they occurred
- Fire breaks were prepared in Baviaanskloof, Ongeluksnek and Mkhambathi with the assistance of the Working on Fire (WoF) teams
- Hectares (ha) cleared of invasive alien plants species
 - The removal of alien vegetation is a key contributor to fire management
 - Approximately 360 ha were cleared of alien vegetation across the three the ECPTA regions in 2020/21, which was more than double the target. As with patrols this was due to reprioritisation of work plans to accommodate lockdown restrictions
 - Working for the Coast in Mkhambathi, and WoF teams on other reserves, assisted with the alien clearing operations
- Environmental education
 - Environmental education programmes for neighbouring communities and local schools were curtailed in adherence to COVID-19 prevention protocols. Some school groups were accommodated in the 4th quarter
- Maintenance
 - Only emergency maintenance activities were permitted in the first half of the year, meaning that routine maintenance did not take place as planned
- Execution of prioritised turn around strategies recommended from evaluation report
 - There were several limitations on implementing the turnaround plans during quarter one. Efforts to address backlogs over the remaining quarters were reflected in reserve reports
- Implementation of key species management plans
 - Reserve teams implemented the key species (rhino) management plans as planned
 - The support of private landowners and various law enforcement agencies is gratefully acknowledged in this regard
- Operational risks management
 - Each reserve prepares and manages their own risk register and response plan under the guidance of the Regional Rangers
 - All fifteen reserves effectively managed their operational reserves in the last three quarters after a difficult first quarter

1.3.2 RESERVES TOURISM MANAGEMENT

- Hospitality staff on reserves were unable to work for the first part of the financial year due to the COVID-19 lockdown regulations. Once all precautions were in place and facilities deep cleaned, hospitality staff, general assistants, and staff on reserves returned to work in September 2020. Operational targets were adjusted to ensure the continued safety of staff and potential guests. Reserves were closed to visitors until September 2020.
- Implementation of Tourism Development Plans
 - Tourism development plans for Brecklish, Thomas Baines, Mpofu, Mkhambathi and Hluleka were implemented as planned
 - The visiting vehicles were purchased through the Provincial Economic Stimulus Fund to boost tourism in key reserves
 - Activities included in tourism plans were confirmed with municipalities as included in municipal integrated development plans (IDPs)
 - Hospitality revenue
 - No hospitality revenue was generated in the first half of the year under lockdown
 - In response to concerted marketing efforts, higher numbers

- of visitors to reserves were recorded in the second half of the year, with hospitality revenue targets being exceeded in both Q3 and Q4
- Grading tourism facilities (reserves)
 - Only nine of the planned 16 tourist facilities on reserves could be graded in 2020/21 as there were limited opportunities for inspection visits
- Customer feedback response plan implemented
 - An annual plan to respond to visitor concerns in the prior year is ordinarily implemented throughout the year
 - Preparations for the return of visitors were made in September, and included the communication of Standard Operating Procedures for all guest-facing functions as well as for guests
- 2020/21 customer satisfaction survey administered
 - The service provider responsible for administering the customer satisfaction survey was unable to repair damaged modules. The survey was not administered in 2020/21
- Sustained positive customer satisfaction survey score
 - The hospitality units were not provided with a customer satisfaction score as the system was down for the entire year



SUB-PROGRAMME:

PROJECT MANAGEMENT UNIT

Table 8: Immediate Outcome: Projects Implementation

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-----------------------------|------------------------|------------------------|-------------------------------|----------------------------|--------------------------------------|-----------------------------------|
| 1.4 Projects Implementation | New | New | 90 (score) | 89.7 (score) | - 0.3 (points) | Delays in infrastructure projects |

Table 9: Output Indicators: Projects Implementation

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--------------------------------------|------------------------|------------------------|-------------------------------|----------------------------|--------------------------------------|---|
| 1.4.1 Infrastructure projects | 3 (index score) | 3 (index score) | 63 (score) | 61.9 (score) | - 1.1 (points) | Some underlying activity targets not achieved |
| 1.4.2 Social Responsibility projects | 3 (index score) | 3 (index score) | 27 (score) | 27.7 (score) | + 0.7 (points) | Most underlying activity targets achieved |

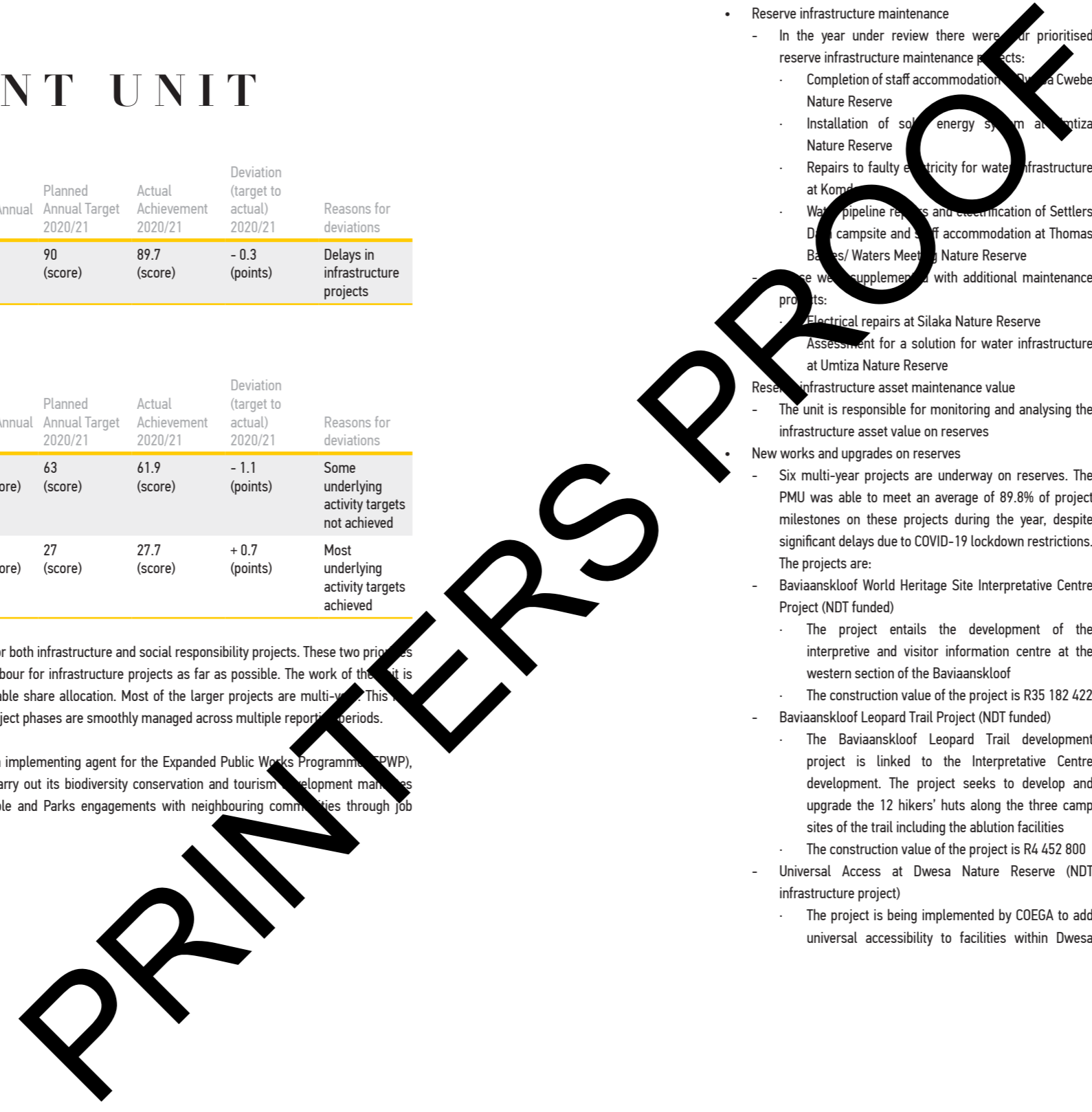
The Project Management Unit (PMU) of the ECPTA is responsible for both infrastructure and social responsibility projects. These two priorities frequently align or overlap as the ECPTA strives to utilise local labour for infrastructure projects as far as possible. The work of the unit is invariably funded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

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

1.4.1 INFRASTRUCTURE PROJECTS

- Reserve infrastructure maintenance
 - In the year under review there were four prioritised reserve infrastructure maintenance projects:
 - Completion of staff accommodation at Dweza Cwebe Nature Reserve
 - Installation of solar energy system at Umtiza Nature Reserve
 - Repairs to faulty electricity for water infrastructure at Komduin Nature Reserve
 - Water pipeline repairs and electrification of Settlers Day Campsite and staff accommodation at Thomas Baines/ Waters Meeting Nature Reserve
 - There were supplemented with additional maintenance projects:
 - Electrical repairs at Silaka Nature Reserve
 - Assessment for a solution for water infrastructure at Umtiza Nature Reserve
- Reserve infrastructure asset maintenance value
 - The unit is responsible for monitoring and analysing the infrastructure asset value on reserves
- New works and upgrades on reserves
 - Six multi-year projects are underway on reserves. The PMU was able to meet an average of 89.8% of project milestones on these projects during the year, despite significant delays due to COVID-19 lockdown restrictions. The projects are:
 - Baviaanskloof World Heritage Site Interpretative Centre Project (NDT funded)
 - The project entails the development of the interpretive and visitor information centre at the western section of the Baviaanskloof
 - The construction value of the project is R35 182 422
 - Baviaanskloof Leopard Trail Project (NDT funded)
 - The Baviaanskloof Leopard Trail development project is linked to the Interpretative Centre development. The project seeks to develop and upgrade the 12 hikers' huts along the three camp sites of the trail including the ablution facilities
 - The construction value of the project is R4 452 800
 - Universal Access at Dweza Nature Reserve (NDT infrastructure project)
 - The project is being implemented by COEGA to add universal accessibility to facilities within Dweza

- Nature Reserve. In particular, the project seeks to upgrade and refurbish the tourist accommodation unit and construct new ablution facilities at Dweza Nature Reserve to accommodate people with disabilities
 - The construction value of the project is R1 396 802
- Thomas Baines Environmental Education Centre Upgrade (National Lotteries Commission funding)
 - The ECPTA was approved for grant funding by the National Lotteries Commission (NLC) for upgrade, repairs, and maintenance of the Environmental Education Centre at Thomas Baines Nature Reserve
 - The approved grant by NLC is R2 million
- Environmental Protection and Infrastructure Programmes (EPIP) funding for 2018/19 – 2020/21 MTEF (DEFF funding)
 - In late 2017, the ECPTA applied to the EPIP facility for funding for various tourism and biodiversity infrastructure projects on reserves
 - Three turnkey projects and three fencing projects are funded through EPIP. The turnkey projects are:
 - Cape Morgan tourism accommodation and office space
 - Silaka thatched roof structures rehabilitation
 - Brakfontein hunters' accommodation
- Provincial Economic Stimulus - Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)
 - In addition to the purchase of game drive vehicles, this funding was allocated to renovations to infrastructure at four coastal nature reserves: Mkhambathi, Silaka, Hluleka and Dweza
- New works and upgrades outside reserves
 - Delays in project initiation were experienced due to the non-essential nature of the works being prohibited during the initial stages of the pandemic. Progress has been made to clear backlogs, and an average 61% of milestones were achieved.
 - Projects undertaken outside of reserves are funded by NDT, and comprise the completion of a 6-day hiking trail from Port St Johns to Coffee Bay, and infrastructure development at Mthentu, Mzamba, Port Alfred beaches
- Projects implemented to adequately enclose reserves
 - Materials were delivered to Oviston Nature Reserve (20km) and Hluleka Nature Reserve (6km) during the year
 - No progress on implementation could be made by year end due to delays in procurement of site resources



1.4.2 SOCIAL RESPONSIBILITY PROJECTS

- Social responsibility projects implemented
 - The ECPTA implemented programmes in its Provincial Nature Reserves geared to create job opportunities with a focus on youth employment and training
 - National Environmental Monitors Programme.
 - Working on Fire (WoF) - Baviaanskloof World Heritage Site
 - WoF - Mkhambathi Nature Reserve

- Over the course of the year, the unit achieved an average of 84.3% of project milestones. Under performance in quarters two and three were the result of the suspension of the National Environmental Monitors programme by DFFE
- Community beneficiation
 - 181 employment opportunities had been facilitated through EPWP and infrastructure projects as at year end. The proportion of designated groups employed on construction projects varied throughout the year depending on the phase of the project
- SMMEs engaged on projects
 - The unit was party to successfully engaging SMMEs to sub-contract on the turnkey projects

Table 10: Employment opportunities linked to EPWP and Infrastructure projects

| Programme Area / Focus | Target ³ | Actual | # of Youth # of Women # of Elderly | | | |
|--------------------------------------|---------------------|------------|------------------------------------|------------|-----------|----------|
| | | | % | # | | |
| 1 Environmental Monitors | 80% | 100% | 42 | 42 | 22 | 0 |
| 3 WoF - Baviaanskloof | 80% | 100% | 22 | 22 | 4 | 0 |
| 4 WoF - Mkhambathi | 80% | 100% | 20 | 20 | 4 | 0 |
| 5 WoF - Ongeluksnek | 80% | 100% | 18 | 18 | 11 | 0 |
| 6 Baviaanskloof WHS - Construction | 80% | 50% | 42 | 21 | 1 | 5 |
| 7 Cape Morgan Tourist Accommodation | 80% | 53% | 15 | 8 | 4 | 0 |
| 8 Accommodation renovations - Silaka | 80% | 94% | 16 | 15 | 0 | 1 |
| 9 Accommodation upgrades - Dwesa | 80% | 50% | 6 | 3 | 2 | 1 |
| TOTAL | 80% | 81% | 181 | 149 | 48 | 7 |

Strategy to overcome areas of under performance

To respond to uncertainties in the operating environment, biodiversity and conservation adopted a flexible delivery model that ensured maintenance of operational integrity across reserves and delivery units. The fact that under performance was marginal is because of the commitment and flexibility of the entire Biodiversity and Conservation team. Where targets were not met or exceeded, this was due to delays imposed by movement and activity restrictions related to the risk adjusted lockdown levels. Wherever possible, alternative delivery mechanisms were identified within the scope of the organisational mandate. Project plans were also adjusted, with planned projects brought forward as appropriate.

This flexibility will be retained in the coming year to ensure that mandated responsibilities are met.

³ Youth set-asides



PROGRAMME 2: DESTINATION DEVELOPMENT

The Destination Development Department draws its mandate from the ECPTA Act 2 of 2010 and focuses on developing the tourism industry in the province. Since 2016/17, this has included intentional attention to developing the tourism capacity of reserves.

DESCRIPTION OF PROGRAMME

PURPOSE

Product diversification and transformation of the tourism industry are critical to the future success of the industry. Whilst a certain degree of organic growth in transformation will occur in the industry over time, some interventions are necessary to assist with the process. Transformation programmes seek to ensure that emerging enterprises owned by Previously Disadvantaged Individuals (PDIs) reach the mainstream of the sector through providing market access to SMMEs, providing tourism interventions / support to tourism associations and businesses, and preparing communities to leverage benefits from events held in their localities. In many instances, this support involves the genesis of new tourism products.

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

- Supporting the growth of the tourism sector through value chain diversification
- Strengthening product support with our partners in all spheres of government; national and provincial government, and local and district municipalities
- Facilitating skills development of SMMEs through public and private sector partnerships which provide training, coaching and mentorship programmes

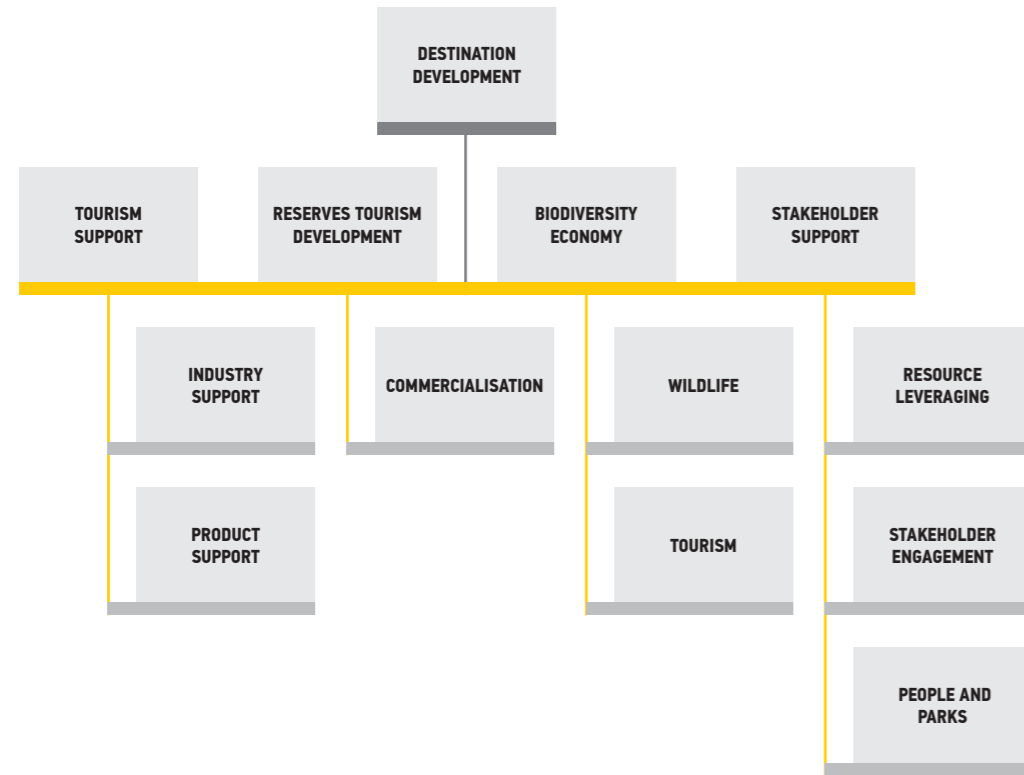
The programme further seeks to support the tourism industry by implementing tourism support programmes, creating tourism awareness, facilitating seasonal tourism safety jobs, and implementing initiatives to empower youth on tourism.

The quality assurance efforts seek to ensure that every visitor leaves the destination having experienced the warmth of the people and superior service excellence. Responsibilities include facilitating tourist guide compliance and facilitating grading of accommodation facilities. (Gradings are internationally recognised as a tool for consumers to know upfront the type and level of service and facility to expect in a destination).

Inclusion of the Stakeholder Engagement, Biodiversity Economy and Commercialisation functions in this Department ensure that the necessary linkages between Conservation and Tourism in so far as product support is concerned are actively developed and sustained. All units will contribute to the drafting and implementation of co-management agreements between communities and the ECPTA.

Biodiversity economy initiatives focus on four related areas:

- With regional management, facilitate access to the biodiversity economy
- Implementing the game farm transformation programme, whereby emerging black game farmers enter into a custodianship agreement to add the ECPTA-owned game to their farms, which then affords new and enhanced products the opportunity to contribute to tourism offerings in the province
- Facilitating transformation initiatives such as mentoring within the established game farm industry in the province



SUB - PROGRAMMES

CONTRIBUTION TO INSTITUTIONAL OUTCOMES

The Destination Development department is responsible for delivering services towards the achievement of the following outcomes through a set of weighted outputs and activities:

INTERMEDIATE OUTCOME

Marginalised individuals and communities actively benefit from biodiversity and tourism

OUTCOME STATEMENT

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

| Immediate Outcome Indicators | Relative Weight | Output Indicators | Relative Weight |
|---|-----------------|---|-----------------|
| 2.1 Tourism Value Chain Diversification | 10% | | |
| ⁴ Original weight (40%) | | 2.1.1 Product Linkages | 30% |
| Original weight (50%) | | 2.1.2 Tourism Experience Diversification | 40% |
| Original weight (10%) | | 2.1.3 Tourism Experience Support | 30% |
| 2.2 Tourism Experience Support | 25% | | |
| Original weight (30%) | | 2.2.1 Tourism Organisation Functionality | 15% |
| Original weight (80%) | | 2.2.2 Intergovernmental collaboration | 60% |
| Original weight (50%) | | 2.2.3 Tourism standards | 25% |
| 2.3 Reserves as Products | 20% | | |
| | | 2.3.1 Reserve-based tourism | 40% |
| | | 2.3.2 Reserves Tourism Product Development | 60% |
| 2.4 Biodiversity Economy | 25% | | |
| | | 2.4.1 Game farm transformationV | 45% |
| | | 2.4.2 Social Responsibility projects | 45% |
| | | 2.4.3 Tourism transformation | 10% |
| 2.5 Stakeholder Support | 25% | | |
| | | 2.5.1 Stakeholder engagement | 70% |
| | | 2.5.2 Resource leveraging | 10% |
| | | 2.5.3 Socio-economic beneficiation through People and Parks | 20% |

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

| TOURISM DEVELOPMENT | COMMERCIALISATION | GAME MANAGEMENT | STAKEHOLDER ENGAGEMENT |
|---|--------------------------|--------------------------|-------------------------|
| 2.1 Tourism Value Chain Diversification 2.2 Tourism Experience Support | 2.3 Reserves as Products | 2.4 Biodiversity Economy | 2.5 Stakeholder Support |

INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

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

| Intermediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|---|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| Marginalised individuals and communities actively benefit from biodiversity | New | New | 90 (score) | 100 (score) | + 10 (points) | Underlying immediate outcomes achieved |

⁴ Per "Annexure C: COVID-19 – occasioned changes to APP", page 67 Annual Performance Plan 2020/21-2022/23 | March 2020 | Updated October 2020

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SUB-PROGRAMME:

TOURISM DEVELOPMENT

Table 12: Immediate Outcome: Tourism Value Chain Diversification (until date of re-tabling)

| Output / Output Indicator | Audited Actual 2018/19 | Audited Actual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 until date of re-tabling | Deviation (target to actual) 2020/21 | Reasons for deviations |
|---|------------------------|------------------------|-------------------------------|---|--------------------------------------|---|
| 2.1.1 Product linkages | New | New | 27 (score) | Not applicable | | All revisions to relative weights of contributing indicators made in early Q1 |
| 2.1.2 Tourism experience diversification | | New | 36 (score) | | | All performance information generated throughout the year was in respect of the COVID-19 adjusted weights |
| 2.1.3 Tourism business operationalisation | New | New | 27 (score) | | | At no point was any performance report generated in respect of the original APP |

Reasons for revisions to the Outputs / Output indicators / Annual Targets

- Increased emphasis on support to tourism businesses through sector-driven interventions to ensure compliance to COVID-19 prevention measures and protocols
- Increased focus on improving intergovernmental collaboration to facilitate the flow of support and COVID-19 relief to tourism products, specifically to SMMEs and women-led businesses
- Delay of certain activities in compliance with risk adjusted Lockdown Alert Levels

Table 13: Immediate Outcome: Tourism Value Chain Diversification

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|---|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 2.1 Tourism Value Chain Diversification | New | New | 90 (score) | 100 (score) | + 10 | All underlying activity targets achieved |

Table 14: Output Indicator: Tourism Value Chain Diversification

| Output / Output Indicator | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|---|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 2.1.1 Product linkages | New | New | 27 (score) | 30 (score) | + 3 (points) | All underlying activity targets achieved |
| 2.1.2 Tourism experience diversification | New | New | 36 (score) | 40 (score) | + 4 (points) | All underlying activity targets achieved |
| 2.1.3 Tourism business operationalisation | New | New | 27 (score) | 30 (score) | + 3 (points) | All underlying activity targets achieved |

Table 15: Immediate Outcome: Tourism Experience Support (until date of re-tabling)

| Output / Output Indicator | Audited Actual 2018/19 | Audited Actual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 until date of re-tabling | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--|------------------------|------------------------|-------------------------------|---|--------------------------------------|---|
| 2.2.1 Tourism Organisation functionality | New | New | 14 (score) | Not applicable | | All revisions to relative weights of contributing indicators made in early Q1 |
| 2.2.2 Inter-governmental collaboration | New | New | 54 (score) | | | All performance information generated throughout the year was in respect of the COVID-19 adjusted weights |
| 2.2.3 Tourism standards | New | New | 23 (score) | | | At no point was any performance report generated in respect of the original APP |

Reasons for revisions to the Outputs / Output indicators / Annual Targets

- Increased emphasis on support to tourism businesses through sector-driven interventions to ensure compliance to COVID-19 prevention measures and protocols
- Increased focus on improving intergovernmental collaboration to facilitate the flow of support and COVID-19 relief to tourism products, specifically to SMMEs and women-led businesses
- Delay of certain activities in compliance with risk adjusted Lockdown Alert Levels

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Table 16: Immediate Outcome: Tourism Experience Support

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 2.2 Tourism experience support | New | New | 90 (score) | 100 (score) | + 10 (points) | All underlying output targets achieved |

Table 17: Output Indicators: Tourism Experience Support

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 2.2.1 Tourism Organisation functionality | New | New | 14 (score) | 15 (score) | + 1 (point) | All underlying activity targets achieved |
| 2.2.2 Inter-governmental collaboration | New | New | 54 (score) | 60 (score) | + 6 (points) | All underlying activity targets achieved |
| 2.2.3 Tourism standards | New | New | 23 (score) | 25 (score) | + 2 (points) | All underlying activity targets achieved |

The Tourism Development sub-programme seeks to ensure that marginalised individuals and communities actively benefit from tourism. To this end, the ECPTA assisted the sector to diversify product offerings, provided support to tourism enterprises and initiated the Provincial tourism sector recovery project. Although the Recovery project was the subject of an addendum to the Service Level Agreement with DEDEAT, for which funds were received in December, the activities related to the project were absorbed into the sub-programme's existing performance framework.

2.1.1 PRODUCT LINKAGES

- Utilise reserves as hubs for developing rural tourism experiences
 - The ECPTA worked with the Dwesa-Cwebe community representatives to identify tourism enterprises to be established and supported. For this purpose, the ECPTA started the process of assisting enterprises with the business registration process. These enterprises are comprised of the following: Tourist guiding, Kayaking and Massage therapists. Participants in these enterprises are predominantly women and youths from the villages around Dwesa-Cwebe Nature Reserve
- Activate diverse urban tourism businesses to operate as tourism experiences
 - In an effort to enhance visitor experience and diversify tourism offerings, the ECPTA is working with six tourism products within the Buffalo City Metro Municipality (three tourism products in Mdantsane township, one from Qonce (previously King William's Town) and two from the villages adjacent to Qonce)
 - This project entailed encouraging the tourism product owners to collaborate with local crafters to diversify their tourism offerings
 - The ECPTA is in the process of procuring cabinets for those tourism products to exhibit crafts
- Initiate micro-packaging collaborations between tourism products
 - The ECPTA has facilitated the revitalisation of the Thunga Thunga route and developed the concept for the route in collaboration with the route members
 - The ECPTA has collated information that will be used in interpretative sign boards, and initiated the appointment of a service provider for the development of interpretative signage

2.1.2 TOURISM EXPERIENCE DIVERSIFICATION

- Increase investment-ready tourism initiatives
 - Port St Johns Cable car feasibility study has been developed in consultation with Port St Johns Local Municipality, OR Tambo District Municipality, DEDEAT, the Local Tourism Organisation and the ECPTA Management Committee
- Facilitate authentic tourism experiences aligned to the Oceans economy
 - The ECPTA facilitated the establishment of the Marine and Coastal Regional Forum. Terms of Reference were developed and adopted by the forum members
 - In consultation with the forum, tourism experiences aligned to oceans economy were identified. These include kayaking, surfing, diving, homestay experiences as well as arts and craft

- The ECPTA implemented the following capacity building programs linked to the Oceans Economy
 - Capacitating homestay owners on basic food preparation and safety and hygiene training
 - Capacity building workshop for Wild Coast Tourist Guides was done in collaboration with Conservation SA. The objective of the workshop was to improve the knowledge and understanding of the local fauna and flora by the tourist guides
 - The ECPTA also facilitated training for Eastern Cape Hiking trail community trust members who own the Wild Coast hiking trail from Port St Johns to Coffee Bay. The training focussed on governance and leadership
- Assist in converting heritage sites into tourism products
 - Inqquza Hill Heritage Site in Lusikisiki was been identified for the program
 - The ECPTA planned to work with Department of Sports, Recreation, Arts and Culture, the Local and District Municipalities and the Community to identify activities to be done in order for the heritage site to operate as a tourism attraction
 - These engagements were planned for the latter part of the year. Unfortunately, the COVID-19 infection rate at the time was high, making physical meetings with community members who do not have access to digital platforms inadvisable. It was consequently agreed that this activity be postponed to the next financial year

2.1.3 TOURISM BUSINESS OPERATIONALISATION

- Planned activities towards this output were steadily achieved throughout the year.
- Assist emerging tourism products to overcome bureaucratic barriers to entry
 - Engagements are underway with Nontuli Agri-tourism enterprise to profile their business as one of the Mqanduli township tourism offerings. As a way of facilitating sustainability of this business, the ECPTA has introduced them to the municipality and lobbied for support from the King Sabatha Dalindyebo (KSD) local municipality
 - The ECPTA has enabled several collaborations between government structures and tourism products:
 - KSD local municipality and Luchaba Nature Reserve to keep the area free of litter
 - Amahlathi local municipality and a potential tourism product in Frankfurt village
 - National Department of Tourism and freelance tour guides to resolve relief funding issues
 - Mbashe local municipality and Esebani village to explore a possible indigenous forest eco-tourism development

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• Provide information on support options to tourism stakeholders

- Tourism Relief Funds
 - In Q1 the ECPTA shared information and assisted tourism businesses in the application process for tourism relief funds offered by the National Department of Tourism.
 - NDT finalised payment of the Tourism Relief Fund with a total of 4 000 businesses receiving a grant of R50 000
 - 457 of 746 applicants from the Eastern Cape received Tourism Relief Funding
 - The breakdown per district is as follows:

| District / Metro | Number |
|--|--------|
| Amathole District Municipality | 23 |
| Alfred Nzo District Municipality | 45 |
| Buffalo City Metropolitan Municipality | 102 |
| Chris Hani District Municipality | 27 |
| Joe Gqabi District Municipality | 12 |
| Nelson Mandela Bay Metropolitan Municipality | 103 |
| OR Tambo District Municipality | 61 |
| Sarah Baartman District Municipality | 84 |
| Total | 457 |

- 182 Freelance tourist guides were paid the monthly stipend of R1 500 for 3 months
- Using electronic mail and digital platforms, the ECPTA consistently shared information about grants/loans and tourism related information for business growth and sustainability with the tourism industry
- Loans / grants shared with the tourism sector
 - To support tourism enterprises to grow and sustain their businesses, the following grants / loans available from different institutions were shared with stakeholders in the ECPTA database:
 1. Amavulandelela funding scheme (SEFA)
 2. The Black Business Supplier Development program (DSBD)
 3. The co-operative incentive scheme (DSBD)
 4. Eastern Cape Development Corporation (ECDC) - funding/loan
 5. Industrial Development Corporation (IDC) - tourism
 6. Small Enterprise Development Agency (COOP and CPPP)
- COVID-19 Tourism Protocols - Awareness of the certification process
 - To self-regulate the de-risking of the tourism sector, the Tourism Business Council of South Africa (TBCSA) launched a Travel Safe - Eat Safe Certification Programme and screening app linked to the tourism protocols for COVID-19
 - The ECPTA continues to create awareness of the

protocols and the certification program.

- Information on online training and the certification process is shared with the industry
- Provincial reserves with accommodation facilities have also been encouraged to undergo this free online training and receive the certificate which is also a good marketing tool

- Facilitate Provincial Tourism Safety Forum
 - The target for the year was to establish the Provincial Tourism Safety Forum in Q4. However, to allow adequate time for planning, the ECPTA facilitated the establishment of a Provincial Tourism Safety Forum in August 2020 and held forum meetings in August and December 2020
 - Participants in the forum include South African Police Services, Tourism Associations, Municipalities, DEDEAT, ECDC and the ECPTA
 - The Forum has started a process of developing an implementation plan which is informed by previous incidents affecting tourists in the province and a learning exercise undertaken from the Western Cape Department of Tourism

2.2.1 TOURISM ORGANISATION FUNCTIONALITY

- Support tourism organisations and associations to in turn support local tourism products
 - The ECPTA supported the Tsitsikamma tourism organisation with promotional material (banners) for the promotion of local experiences
 - The Provincial Tourism Recovery project has enabled the ECPTA to assist with developing websites and promotional videos for some local tourism organisations and tour operators
- Establish mentorship matches between functional and non functional Tourism Organisations
 - A Mentorship concept plan has been developed for Mbizana and Elundini Local Tourism Organisations (LTOs). Both LTOs will be supported by the Ngqunu Tourism Association in KZN
 - The concept plan will be implemented in the next financial year including the following key areas:
 - Capacity building for members
 - Marketing opportunities
 - LTO Management
 - Fundraising for the LTOs
 - Developing tourism experiences
 - Synchro-nise support interventions with the relevant District Development Plan
 - The Bhekile building in Gqeberha (formerly Gqberha) has been identified for conversion as a tourism hub
 - The ECPTA, New Brighton Tourism Forum and the Tourism

Unit within the Nelson Mandela Metropolitan Municipality secured a council resolution in support of the initiative. A service provider has been appointed for the development of the project business plan

2.2.2 INTER-GOVERNMENTAL COLLABORATION

- Facilitate / Participate in tourism industry meetings to address trends in tourism development and marketing
 - The pandemic led to a dramatic change in tourism trends, instead of focusing on arrivals and source markets the ECPTA had to focus on developing and implementing tourism recovery plans. Stakeholder sessions were held regularly to ensure that stakeholders had access to relevant information, particularly regarding accessing support
 - These engagements led directly to the establishment of the Provincial Safety Forum and supported the establishment of a unified destination brand
 - Engagements over the course of the year included:
 - The ECPTA facilitated a Digital Marketing and Public Relations workshop for the Women in Tourism
 - The ECPTA supported Mnquma LTO establishment by sharing information with the members on how best to set-up the LTO and programs available for tourism support
 - The ECPTA participated in the Matatiele LTO meeting. Key issues discussed included ways of increasing membership for sustainability of the LTO, and the participation of the LTO in the virtual travel shows during the pandemic
 - The ECPTA partnered with SA Tourism for a SMME workshop which sought to encourage SMMEs to explore digital platforms to promote their products and to diversify their offerings
 - The ECPTA organised a workshop for LTOs and municipalities on Tourism Investment for distressed businesses
- Provide feedback to government stakeholders on tourism businesses' experience of services
 - The ECPTA channelled complaints and concerns about poor service delivery to the relevant government structures and followed up on the resolution of issues raised
 - These 'red-tape reduction' interventions were an important pillar of the Provincial Tourism Recovery efforts
 - By way of example, the assistance provided included, among others:
 - Freelance tourist guides trying to access relief funding
 - Women in Tourism concerned about the processes used by the Department of Public Works to register accommodation facilities as quarantine sites
 - The Phelondaba village community in Sterkspruit to link with their local municipality for IDP inclusion and support

- A game farm near Stutterheim was referred to the ECPTA Game Transformation Unit for direct support. The ECPTA also made a follow-up on the application for land use with the Department of Rural Development and Agrarian Reform in tracking progress on the land use application
- The ECPTA initiated engagements with Raymond Mhlaba Local Municipality and Amathole District Municipality to work with the Department of Forestry and provide necessary support for options to rescue the Amatola Hiking Trails

2.2.3 TOURISM STANDARDS

- Improve capacity of tourism experiences (individually and collectively)
 - The ECPTA facilitated access to training by Women in Tourism in Mthatha (tourist product owners and staff) on Hazard Analysis Critical Control Points (HACCP). The training was done in collaboration with SEDA
 - In collaboration with the Port St John's Local Municipality, the ECPTA developed the "Port St John's tourism directory", which includes all tourism services and attractions in the area
 - Through the Provincial Tourism Recovery project, the ECPTA supported 27 tourism businesses to access the R50 000 grant through the Tourism Relief Fund - these were business that were positively vetted by the National Department of Tourism but did not receive the National Relief Fund as there was not enough money
 - ECPTA is currently supporting various businesses with compliance matters which include: UIF; Financial Management; BBBEE; Grading; Tourist Guiding and First Aid
 - Through the MOU signed with the TGCSA, the ECPTA supported grading of accommodation establishments throughout the province
- Share success stories on available public relations and marketing platforms
 - The unit provided information where products and businesses were concerned. These include SMMEs such as Imonti Tours, Ezethu Tours, Uncuthu Tours, Emarikeni, Park Place and Ingxingxolo Cultural Village who were featured in national platforms such as Umhlobo Wenene, Radio 2000, Die Burger and SABC television. This was in line with trying to showcase provincial tourism offering and assuring potential customers that the destination is ready to welcome guests again
- Facilitate tour guide compliance
 - The province has registered 20 Tourist Guides (new and renewal) during the reporting period. At year end, there are 775 registered Tourist Guides in the provincial database
 - As part of the Tourism Relief Programme, ECPTA is in the process of training Tourist Guides on Nature and Culture Guiding as well as First Aid training



SUB-PROGRAMME:

COMMERCIALISATION

Table 18: Immediate Outcome: Reserves as Products

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 2.3 Reserves as Products | New | New | 90 (score) | 100 (score) | + 10 (points) | All underlying output targets achieved |

Table 19: Output Indicators: Reserves as Products

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|---|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 2.3.1 Reserve-based tourism | New | New | 36 (score) | 40 (score) | + 4 (points) | All underlying activity targets achieved |
| 2.3.2 Reserve tourism product development | New | New | 54 (score) | 60 (score) | + 6 (points) | All underlying activity targets achieved |

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

2.3.1 RESERVE-BASED TOURISM

- Review existing Reserve Tourism Development Plans
 - Thomas Baines and Tsoelike/Commando/Drift Nature Reserve Tourism Development Plans were reviewed over the course of the year

2.3.2 RESERVE TOURISM PRODUCT DEVELOPMENT

- Leverage investors to support on-reserves tourism initiatives
 - A model for the operation of nature-based experiences utilising the off-road game drive vehicles (that were acquired through the support of DEDEAT stimulus fund) was developed
 - Project registration for two projects for implementation as Public Private Partnerships have been prepared and will be submitted to Government Technical Advisory Services (National Treasury). The two projects are a conference facility and restaurant at Silaka Nature Reserve, and the Geelhoutbos development in the Baviaanskloof World Heritage Site
- Enhance visitor experience on reserves
 - The ECPTA recognises the need for a responsible hiking trail management process on Provincial Nature Reserves. The Green Flag Trail accreditation system is being implemented to improve the hiking experience of our visitors and offer them value for money
 - Seven trails on the Groendal Nature Reserves were audited for the Green Flag accreditation system
 - In addition to the hiking trail assessment, new trail experiences in the following reserves have been mapped:
 - Great Fish River Nature Reserve and Mpofu-Fort Fordyce Nature Reserve - mapping of potential heritage trails
 - Assessment of game viewing routes
- Support on reserve revenue generation
 - Due to the unprecedented upheaval of the tourism industry, reserve-based activities were only permissible in the last two quarters of the year
 - Reserve-based activities earned almost R420 thousand

- Concessions managed according to objectives
 - As a result of the COVID-19 pandemic all tourism operations at reserves were halted, negatively impacting hospitality services and activities, including those of the four active concessions
 - Contact was maintained with concessionaires using digital and virtual platforms throughout the year
 - Key milestones in the concession agreements were met during the year, albeit delayed by lockdown regulations
 - The Mkhambathi Resort development (a R200 million investment) at Mkhambathi Nature Reserve has started with preliminary work on site for the construction of the development
 - Work on additional accommodation facilities for the Luchaba Mthatha Dam concession commenced this will see additional beds being added to the facility
- Promote investment opportunities through awareness and promotion activities
 - A marketing e-mailer was developed to disseminate information on nature-based activities in Provincial Nature Reserves. This information was shared through:
 - Provincial Tour Guide Registrar
 - Eastern Cape Maritime Business Chamber
 - The African Sea Kayak Society
 - Mountain Club of South Africa
 - Green Flag Accredited Hiking and Canoe Trails
 - A tourism investment opportunities brochure was developed for concession opportunities in the reserves
 - Several online platforms were utilised to promote investment opportunities within our Provincial Nature Reserves this included a webinar organised by Australia Africa Chamber of Commerce and Eastern Cape Development Corporation
 - Three nature reserve investment opportunities were submitted to the Eastern Cape Socio-Economic Consultative Council for the provincial investment conference
 - Co-branding initiated on the Leopard Trail concession through the product's website and Facebook page

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SUB-PROGRAMME:

GAME MANAGEMENT

Table 20: Immediate Outcome: Biodiversity Economy

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|---|
| 2.4 Biodiversity Economy | New | New | 90 (score) | 80 (score) | - 10 (points) | Planned activities curtailed in Q1 and Q2 due to the pandemic |

Table 21: Output Indicators: Biodiversity Economy

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 2.4.1 Game farm transformation | New | New | 40 (score) | 45 (score) | + 5 (points) | All underlying activity targets achieved |
| 2.4.2 Wildlife management | New | New | 41 (score) | 29.9 (score) | - 11.1 (points) | Wildlife revenue severely affected by lockdown |
| 2.4.3 Tourism transformation | New | New | 9 (score) | 10 (score) | + 1 (point) | All underlying activity targets achieved |

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

During the year under review, the Tourism Development Unit initiated processes to round off the ECPTA's Biodiversity Economy projects. These first efforts prepare the foundation for future success in building the Biodiversity Economy in the province.

2.4.1 GAME FARM TRANSFORMATION

- Maintain game transformation candidates register / data base
 - The Game Industry Transformation register grew from 72 candidates in Q1 to 85 by the end of the year. The increase was driven by responses to the call for expression of interest (EOI) in Q2
 - Of the eight applications received, two properties met the requirements for participation in the programme, and duly received 90 head of game
- Deliver approved animals from 2019/20 approval process
 - Lockdown restrictions made it difficult for the unit to deliver the animals approved for distribution to transformation sites
 - Further game necessary to adjust the method of off-take originally approved by the Board so that game on reserves could be sustained in their enclosed environments
 - Game not delivered to transformation sites in Q2 were subsequently delivered in Q3
 - In total, 207 head of game were relocated to transformation sites over the year
 - In percentage terms, the target of 80% was exceeded for the year
- Facilitate agreements with approved transformation sites for 2020 round
 - The unit had aimed to add one additional transformation site to the project, and was able to exceed this target following the EOI in Q2
 - New agreements were signed with:
 - Indwe Group - property is leased by Litha Makubalo of East London from DRDLR on a long-term lease
 - Capstone 1248cc - Elinah Ndevu is the lessor on the property owned by Gondalier Trading and Saddle Path properties.
- Facilitate Eastern Cape Game Transformation Forum
 - Only one meeting of the Wildlife Industry Transformation Forum took place in the 2020/21 financial year. This was due to a few members not having access to the tools of trade needed to conduct virtual meetings as necessitated by pandemic management protocols
- Monitor game on all custodian sites
 - Successful candidates to the Game Industry Transformation programme are required to abide by the conditions of the Custodianship Agreement with the ECPTA
 - The ECPTA monitors compliance of custodian / transformation sites to their agreements
 - Five of the seven custodianship sites provided prescribed annual reports in compliance with the agreements

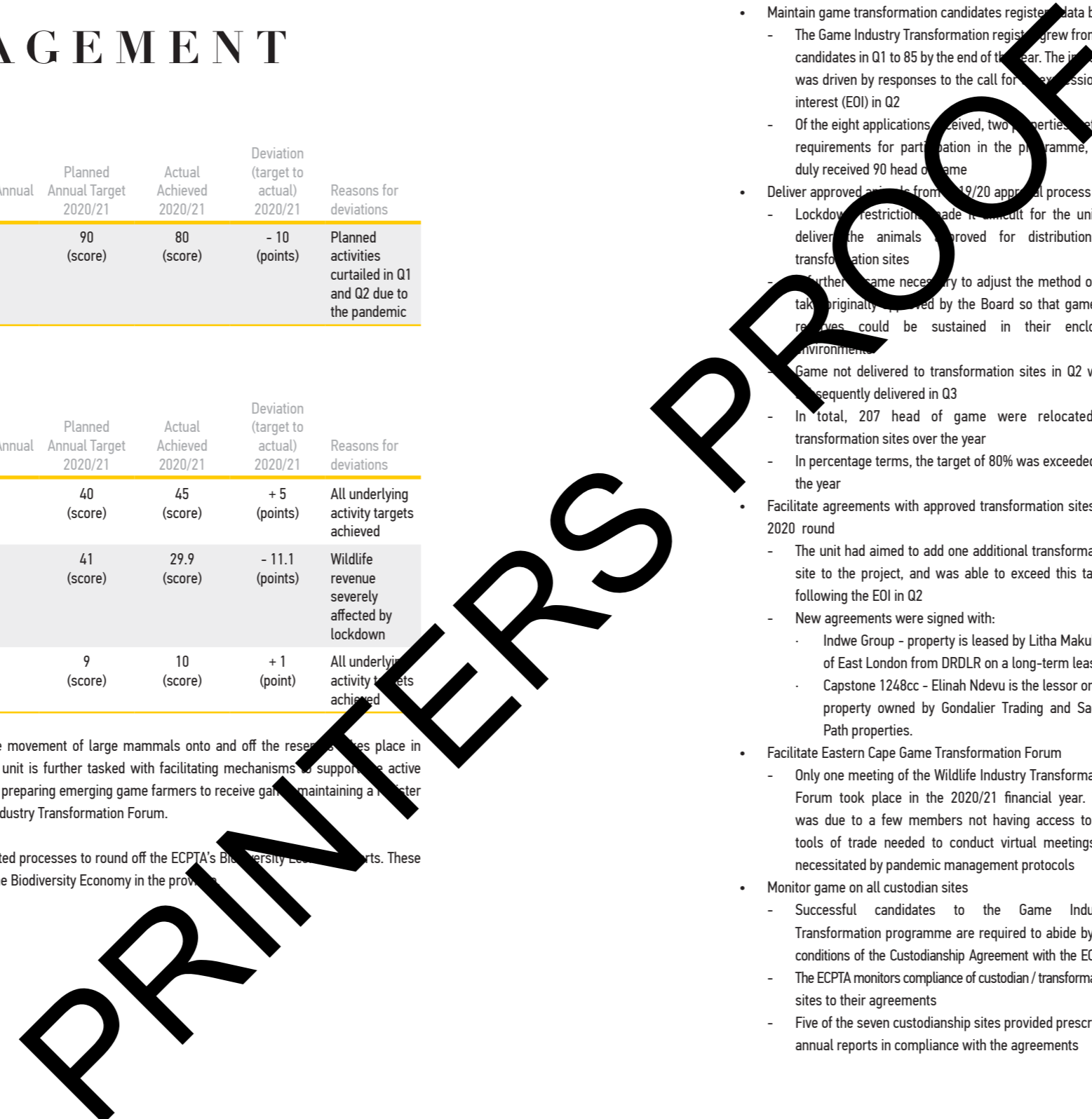
2.4.2 WILDLIFE MANAGEMENT

During the year it became obvious that wildlife management activities would be severely curtailed because of lockdown regulations. Economic uncertainty exacerbated the situation. Several changes to the wildlife management operational targets were necessary to realign with what remained realistically achievable.

- Implement approved game off-takes
 - The annual target for removal of approved game from reserves was revised from 90% to 70%
 - By the end of the wildlife management season, 69% of the planned off-takes were finalised
- Wildlife revenue
 - Revenue targets were missed by a significant margin as the hunting season was cancelled in its entirety, and the (online) auction was unsuccessful

2.4.3 TOURISM TRANSFORMATION

- Maintain township and village tourism candidates register / data base
 - The database was developed for the first time during the year under review
 - The database is used for identification of gaps within the industry and to lobby for support where ECPTA is unable to close a gap
- Facilitate mentorship program
 - The Eastern Cape Tourism Master Plan (2020) indicates that the levels of transformation in the tourism industry in the Eastern Cape are low despite the various support programmes that have been implemented to address imbalances
 - ECPTA identified mentorship as a possible methodology to further address transformation
 - ECPTA therefore initiated a mentorship relationship between the Coffee Bay Kayaking and Russell Kruger from the Ocean View Hotel in Coffee Bay
 - The year-long mentorship programme will focus on Business Management, Planning, Communication and Professionalisation of the enterprise in dealing with clients
- Facilitate Provincial Tourism Transformation Forum
 - The Provincial Transformation Forum was initiated in December 2020
 - It was agreed that the forum members must work closely with communities to advance transformation. Their duties would therefore be to identify initiatives in the communities to enhance transformation. Programs should also be aligned to the operational plans of the various institutions so that they are resourced.
 - This platform will also be used to share progress and plans on transformation, not just by ECPTA but by all the stakeholders



SUB-PROGRAMME:

STAKEHOLDER ENGAGEMENT

Table 22: Immediate Outcome: Stakeholder Support

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|---|
| 2.5 Stakeholder Support | New | 2.9 (index score) | 90 (score) | 95.7 (score) | + 5.7 (points) | Planned activity targets achieved in most instances |

Table 23: Output Indicators: Stakeholder Support

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|------------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|---|
| 2.5.1 Stakeholder engagement | New | New | 63 (score) | 68.4 (score) | + 5.4 (points) | N2 Biodiversity Offset Project met milestones |
| 2.5.2 Resource leveraging | New | New | 9 (score) | 8.8 (score) | - 0.2 (points) | No public sector opportunities identified in Q2 |
| 2.5.3 Socio-economic beneficiation | 3.0 (index score) | 3.0 (index score) | 18 (score) | 18.5 (score) | + 0.5 (point) | Capacity building activities were cancelled due to pandemic |

The priority for the Stakeholder Engagement Unit over the 2020/21 reporting period was to oversee the preparatory phases of the N2 Wild Coast Biodiversity Offset project (BOP). The South African National Roads Agency Limited (SANRAL) are currently constructing the new portions of N2 Wild Coast road between East London and KwaZulu Natal. This project was approved per the Environmental Conservation Act (Act 73 of 1989) in April 2010. The Record of Decision granted by the then Department of Environmental Affairs (now DFFE) specified that a biodiversity offset must be established to mitigate the anticipated environmental impact. SANRAL appointed the ECPTA to implement the N2 Wild Coast BOP. The unit is further responsible for ensuring that ECPTA maintains a pipeline of potential off-budget funding to augment the dwindling equitable share allocation. This requires that existing stakeholders remain satisfied with the work of the ECPTA, and that new potential resources are identified regularly.

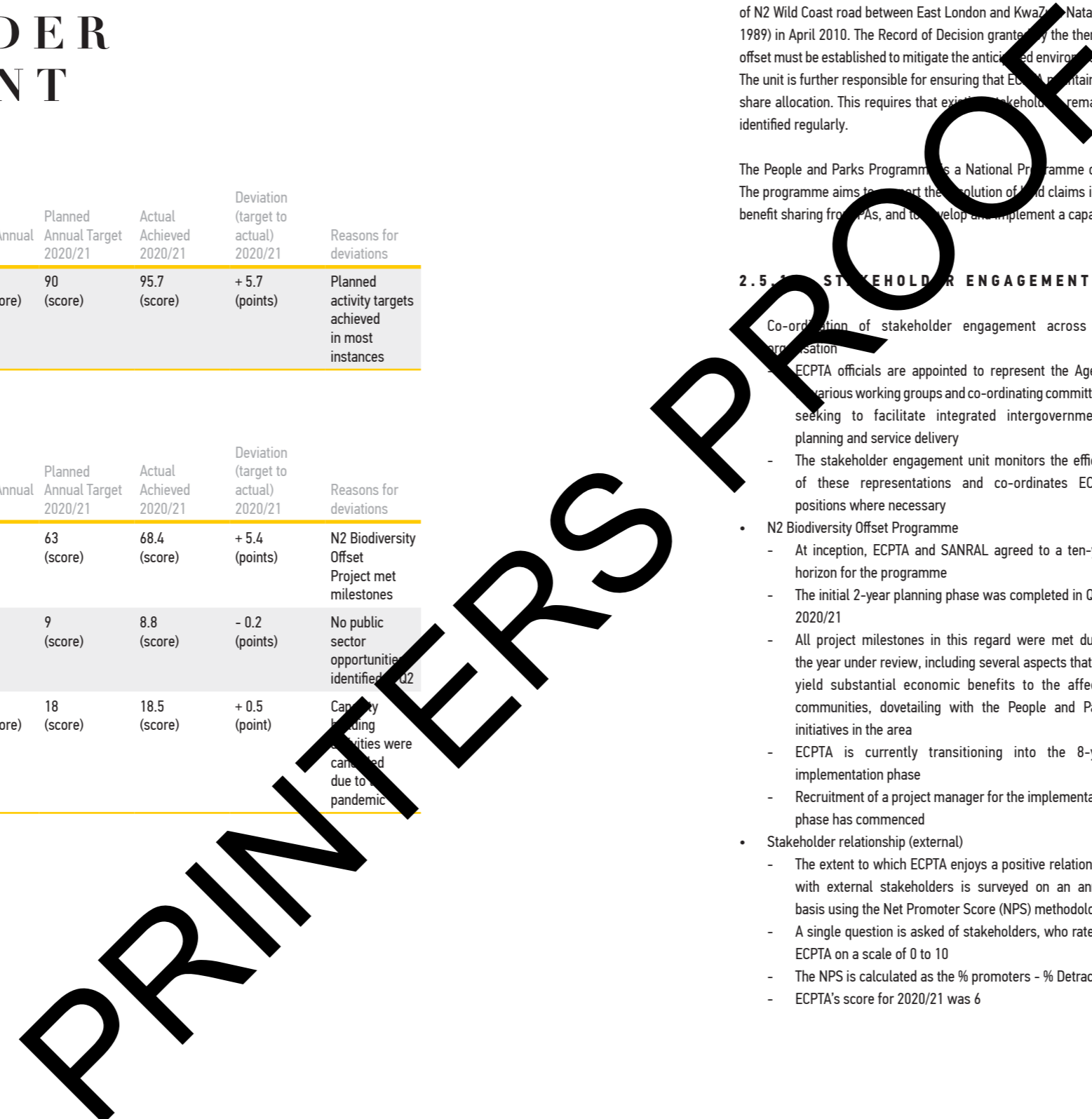
The People and Parks Programme is a National Programme of DFFE, for which ECPTA coordinates and implements the provincial chapter. The programme aims to support the resolution of land claims in protected areas (PAs), to strengthen governance, participation, access to and benefit sharing from PAs, and to develop and implement a capacity building and awareness raising strategy.

2.5.1 STAKEHOLDER ENGAGEMENT

- Co-ordination of stakeholder engagement across the organisation
- ECPTA officials are appointed to represent the Agency in various working groups and co-ordinating committees, seeking to facilitate integrated intergovernmental planning and service delivery
- The stakeholder engagement unit monitors the efficacy of these representations and co-ordinates ECPTA positions where necessary
- N2 Biodiversity Offset Programme
 - At inception, ECPTA and SANRAL agreed to a ten-year horizon for the programme
 - The initial 2-year planning phase was completed in Q2 of 2020/21
 - All project milestones in this regard were met during the year under review, including several aspects that will yield substantial economic benefits to the affected communities, dovetailing with the People and Parks initiatives in the area
 - ECPTA is currently transitioning into the 8-year implementation phase
 - Recruitment of a project manager for the implementation phase has commenced
- Stakeholder relationship (external)
 - The extent to which ECPTA enjoys a positive relationship with external stakeholders is surveyed on an annual basis using the Net Promoter Score (NPS) methodology
 - A single question is asked of stakeholders, who rate the ECPTA on a scale of 0 to 10
 - The NPS is calculated as the % promoters - % Detractors
 - ECPTA's score for 2020/21 was 6

2.5.2 RESOURCE LEVERAGING

- Identify resource leveraging opportunities from database of potential public funders
 - The emphasis on intergovernmental funding stems from the understanding that significant funds are required to augment the dwindling equitable share allocation
- Grade stakeholders according to levels of contribution
 - To facilitate the transition of stakeholders to resources, ECPTA quantifies the value that each stakeholder contributes in rand terms
 - This methodology assists ECPTA to dedicate appropriate levels of engagement based on the anticipated rate of return
- Facilitate implementation of the Resource Leveraging process flow
 - To manage the solicitation of external resources in a responsible, transparent, and strategic manner, ECPTA introduced a process flow with requisite checks and balances
 - The Stakeholder Engagement unit implemented this process flow consistently throughout the year
- Match resources to ECPTA projects
 - This step in the resource leveraging process was managed as planned



2.5.3 SOCIO-ECONOMIC BENEFICIATION THROUGH PEOPLE & PARKS PROGRAMME

- Monitor socio-economic beneficiation
 - The unit consistently utilised the DFFE-initiated processes to monitor the extent of socio-economic beneficiation resulting from the People and Parks Programme
 - During the year, the unit reported that the appointment, through DFFE funding, of 168 young people to work in the reserves for a period of four months from December 2020 to March 2021 was initiated. To promote local beneficiation, transport and accommodation services are procured from local services providers
- Formalise co-management agreements
 - The target for 2020/21 financial year was to facilitate the negotiations of the Silaka (Caguba) co-management agreement and to support the Department of Rural Development and Land Affairs (DRDLR) to establish the Dwesa-Cwebe Community Property Association (CPA) committee.
 - Additional work towards resolution of the Mkhambathi, Double Drift, and Hluleka was undertaken
- Implement Capacity Building for the outreach team
 - Capacity building efforts were not feasible in Q1 or Q4 due

- to lockdown regulations
- Implement Capacity Building for the land claimant communities
 - A process to procure training for communities on environmental legislation and the negotiation of co-management agreements is currently underway
- Facilitate development of business plans for the land claimant communities
 - As part of implementing the settlement agreements of the protected areas, ECPTA received funds from the Department of Rural Development and Land Reform (DRDLR) to facilitate the development of business plans for the Double Drift and Mkhambathi communities
- Promote social development component of the N2 Biodiversity Offset Programme
 - The unit facilitated the participation of the Provincial People and Parks Forum in engaging with the proposals made in the project's implementation plans
- Support Reserves to conduct environmental education and awareness programme
 - When lockdown regulations curtailed the planned school based education programmes, the unit supported reserve management and CPA committees to adjust their plans in accordance with alert levels

Strategy to overcome areas of under performance

Adjustments made to operational plans during the year effectively mitigated the impact of the COVID-19 pandemic on the Programme's performance.

PROGRAMME 3: MARKETING

The Department is responsible for marketing and promoting of the Eastern Cape Province as a tourism destination in accordance with Section 13 of the ECPTA Act 2 of 2010. It is further tasked with promoting accommodation and activities on provincial reserves, supporting business events, public relations management, and performing internal and external corporate communication functions.

DESCRIPTION OF PROGRAMME

PURPOSE

The Marketing Department consists of three components, namely Destination Marketing (incorporating Branding and Campaigns, Digital Marketing, and Destination Marketing), Business Events and Partnerships, and Corporate Communication and Public Relations. The fourth unit, Research and Information, has not been established. The units are expected to promote the Eastern Cape as a tourism destination. The new strategy for the 2020-25 MTSF requires definitive changes in what the Marketing Department does. This involves the "5-Cs" (customers, connections, conversations, content, community):

Brand Positioning

- Consistent branding
- Return on Investment
- Conversion value
- **Customer** exposure > bookings > experiences > feedback **conversations**
- Seasonal campaigns and seasonal smoothing
- Affiliate marketing with the broader **community**

Digital Marketing

- Full range of social media platforms to **connect customers** and experiences
- **Content** critical
- User-generated media **content**
- Impactful media
- Digital campaigns
- Promotional videos

Public Relations and Communication

- The industry and wider **community** feel ECPTA's presence
- Balance the narrative through **conversations**
- Proactively position the ECPTA and tourism offerings

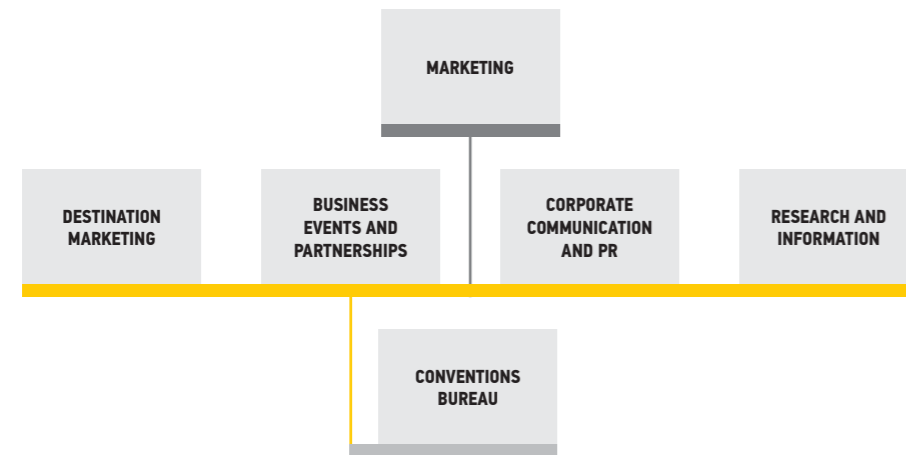
To enable the ECPTA to meet this mandate, the Marketing Department focuses on:

- Building a strong provincial tourism brand that is, ultimately, passionately lived by tourism stakeholders
- Communicating better with partners, products, travellers, and citizens to inspire, champion, and facilitate great tourism experiences
- Supporting the work of the Tourism Development unit to grow the tourism sector through value chain diversification
- Contributing to strengthening product support with our partners in local and district municipalities
- Refreshing our marketing approaches, practices, platforms, and tools to take advantage of the opportunities attendant the Fourth Industrial Revolution (4IR)
- Using events and Meetings, Incentives, Conferences and Exhibitions (MICE) to draw visitors to the province and to promote and profile its iconic attractions

PRINTERS PROOF



SUB-PROGRAMMES



CONTRIBUTION TO INSTITUTIONAL OUTCOMES

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

The Marketing Department is responsible for delivering services towards the achievement of the following outcomes through a set of weighted outputs and activities:

INTERMEDIATE OUTCOME

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

OUTCOME STATEMENT

The Eastern Cape is a competitive international and domestic tourism destination

| Immediate Outcome Indicators | Relative Weight | Output Indicators | Relative Weight |
|---|-----------------|--|-----------------|
| 3.1 Brand positioning | 40% | | |
| ⁵ Not originally included | | 3.1.1 Sector stabilisation | 15% |
| Original weight 30% | | 3.1.2 Brand leadership | 25% |
| Original weight 20% | | 3.1.3 Brand communication | 15% |
| Original weight 50% | | 3.1.4 Brand conversion | 45% |
| 3.2 Digital marketing | 25% | | |
| | | 3.2.1 Digital connection | 40% |
| | | 3.2.2 Digital exploration | 40% |
| | | 3.2.3 Online user experience | 20% |
| 3.3 Communication | 15% | | |
| Originally part of "Unique Selling Proposition Profiling" | | 3.3.1 Information leadership | 30% |
| | | 3.3.2 Public relations | 70% |
| 3.4 Event Partnerships | 20% | | |
| Originally part of "Unique Selling Proposition Profiling" | | 3.4.1 Event profiling | 55% |
| | | 3.4.2 Meetings Incentives Conferences and Exhibitions (MICE) profiling | 45% |

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

| DESTINATION MARKETING | CORPORATE COMMUNICATION AND PUBLIC RELATIONS | BUSINESS EVENTS AND PARTNERSHIPS |
|--|--|----------------------------------|
| 3.1 Brand Positioning 3.2 Digital Marketing | 3.3 Communication | 3.4 Event Partnerships |

INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Table 24: Intermediate Outcome: The province is the premier African destination connecting people to authentic experiences

| Intermediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--|------------------------|------------------------|--|--|--|---|
| The province is the premier African destination connecting people to authentic experiences | New | New | 40 000 (additional domestic holiday trips) | -225 824 (additional domestic holiday trips) | -225 824 (additional domestic holiday trips) | Analysis not available in SAT publication |

⁵ Per "Annexure C: COVID-19 – occasioned changes to APP", page 67 Annual Performance Plan 2020/21-2022/23 | March 2020 | Updated October 2020

PRINTERS PROOF



SUB-PROGRAMME:

MARKETING

Table 25: Immediate Outcome: Brand Positioning (until date of re-tabling)

| Output / Output Indicator | Audited Actual 2018/19 | Audited Actual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 until date of re-tabling | Deviation (target to actual) 2020/21 | Reasons for deviations |
|---------------------------|------------------------|------------------------|-------------------------------|---|--------------------------------------|---|
| 3.1.1 Brand leadership | New | New | 27 (score) | Not applicable | | All revisions to relative weights of contributing indicators made in early Q1 |
| 3.1.2 Brand communication | New | New | 18 (score) | All performance information generated throughout the year was in respect of the COVID-19 adjusted weights | | At no point was any performance report generated in respect of the original APP |
| 3.1.3 Brand conversion | New | New | 45 (score) | | | |

REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS

- Introduction of new interventions to prevent the permanent closure of the tourism sector by encouraging the utilisation of existing accommodation establishments for isolation and quarantine and foregrounding intense multiplatform SMART marketing campaigns

Table 26: Immediate Outcome: Brand Positioning

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-----------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 3.1 Brand Positioning | New | New | 90 (score) | 100 (score) | + 10 (points) | All underlying activity targets achieved |

Table 27: Output Indicators: Brand Positioning

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|----------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 3.1.1 Sector stabilisation | New | New | 13.5 (Score) | 15 (Score) | + 1.5 (points) | All underlying activity targets achieved |
| 3.1.2 Brand leadership | New | New | 22.5 (score) | 25 (score) | + 2.5 (points) | All underlying activity targets achieved |
| 3.1.3 Brand communication | New | New | 22.5 (score) | 25 (score) | + 2.5 (points) | All underlying activity targets achieved |
| 3.1.4 Brand conversion | New | New | 40.5 (score) | 45 (score) | + 4.5 (points) | All underlying activity targets achieved |

Table 28: Immediate Outcome: Digital Marketing

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-----------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 3.2 Digital Marketing | New | New | 90 (score) | 100 (score) | + 10 (points) | All underlying output targets achieved |

Table 29: Output Indicators: Digital Marketing

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 3.2.1 Digital connection | New | New | 36 (Score) | 40 (Score) | + 4 (points) | All underlying activity targets achieved |
| 3.2.2 Digital exploration | New | New | 36 (Score) | 40 (Score) | + 4 (points) | All underlying activity targets achieved |
| 3.2.3 Online user experience | New | New | 18 (score) | 20 (score) | + 2 (points) | All underlying activity targets achieved |

The Destination Marketing sub-programme was responsible for the Brand Positioning and Digital Marketing immediate outcomes in 2020/21. To a substantial degree, the ECPTA's relevance in the wake of the COVID-19 pandemic was enhanced through the sub-programme's ability to redirect their focus from traditional to innovative marketing formats and channels. It was also a significant contributor to the success of the Provincial Tourism Recovery Project.

Although the Recovery project was the subject of an addendum to the Service Level Agreement with DEDEAT, for which funds were received in December 2020, the marketing activities related to the project were absorbed into the sub-programme's existing performance framework.

PRINTERS PROOF



3.1.1 SECTOR STABILISATION

- Encourage use of graded facilities for isolation, essential workers, and quarantine during the pandemic
 - During Alert Levels 5 and 4 (March – June 2020) the ECPTA, through a variety of stakeholder engagements, encouraged product owners to register their tourism establishments to provide accommodation for essential service workers, and or offer their establishments as isolation or quarantine facilities
 - Further to this the ECPTA took the initiative and requested the provincial graded accommodation database from the Grading Council. This was then submitted to the Department of Health to encourage the use of graded establishments during this challenging period
 - The intention was to save jobs and businesses in the hospitality sector and to stimulate the economy
- Stratify support to respond to product needs
 - ECPTA delivered a forty-minute online presentation to 25 Thompsons Holidays Agents with the intention to:
 - Educate Thompsons Holiday agents on the Eastern Capes tourism experiences
 - Equip the sales agents to positively sell and market the Eastern Cape
 - Create an awareness of the Explore Eastern Cape Brand
 - Promote the destinations accessibility with a variety of self-drive and guided tour options
 - Encourage and stimulate the domestic tourism market
 - Peri Expo offered the ECPTA an opportunity to partner with them to host a 'real time' tourism exhibition for the tourism industry to get back to marketing directly to consumers. The exhibition took place in Gqeberha
- ECPTA partnered with the Bay to Baviaans tour operators who manage both the Chokka Trail and the Baviaans Camino to host a crew from AweMyBru to showcase the Baviaans Camino for the 2021 Hi-Tec marketing campaign and for an editorial piece in the AA Travel Magazine
- Defend international source markets
 - ECPTA in partnership with South African Tourism (SAT) presented to the travel trade through multiple engagement sessions targeting different source markets
 - Markets reached include India, Germany, Switzerland, Malaysia, the Philippines, and Austria

3.1.2 BRAND LEADERSHIP

- Influence travellers by facilitating third party content creation
 - South African Tourism Services Association (SATSA) proposed to partner with the ECPTA to coordinate a Virtual Fam⁴ for the Eastern Cape which was presented to their database of tour operator contacts nationally. 18 tourism products and 181 buyers participated
 - ECPTA partnered with South African Tourism on their summer campaign initiative with a focus on showcasing the destination through off the beaten track, rural and SMME experiences underpinned by the concept of 'Travel with a Purpose'. With three itineraries, 76 experiences were showcased
- Align brand usage to Brand SA branding
 - The province has been rebranded as a destination, both to overcome the misconception that the destination was limited to extreme adventure activities, and to align with Brand South Africa under a consistent, coherent, and single brand identity. The Brand South Africa brand adoption is aimed at uniting South Africa as a destination to elevate and increase the global competitiveness of South Africa and its provinces.
 - The brand positioning for domestic marketing entices local tourists to "explore" the Eastern Cape and ALL its attractions. "Yours to Explore" opens the offer up to "whatever your interest or preferences, you'll find it here in the Eastern Cape". Significantly, "Yours to Explore" is personalised and inviting, alluding to the warm and friendly nature of the people of the Eastern Cape - one of the key selling features of the province.
 - The brand realignment project was finalised in Q2



Suppliers to ECPTA that need to apply branding were provided with branding guidelines to ensure standardised use of the brand

3.1.3 BRAND COMMUNICATION

- Influence tourism organisations to unify under umbrella Destination Brand
 - Activities towards this objective varied each quarter
 - In Q1, the Chief Executive Officer hosted three engagement sessions with tourism stakeholders. The purpose of these sessions was to cover the state of tourism against the backdrop of the pandemic, government interventions, recovery plans, the required industry protocols and to further understand what challenges tourism stakeholders are facing during this challenging time
 - In Q3, ECPTA hosted two webinars and an online meeting at which the Province's recovery plan and tourism sector development fund progress were presented. An update on the new ECPTA and Provincial Tourism Sector brands was also shared
- Control brand expression across multiple external touchpoints
 - Tourism products and stakeholders were encouraged to adopt the new branding on their own promotional materials
 - Many have opted to utilise stickers supplied by ECPTA in the interim, as printing new branding materials is understandable not generally prioritised in the current climate

3.1.4 BRAND CONVERSION

- Build brand association with key brand partners
 - ECPTA established a brand partnership with Chippa United Football Club, the only club from the Eastern Cape in the Premier Soccer League. The partnership allowed the ECPTA to use Chippa United's marketing platforms
- Refresh marketing materials to reflect mix of iconic and new attractions
 - The new branding is incrementally replacing the old brand as marketing items are re-printed or new runs produced

3.2.1 DIGITAL CONNECTION

- Mobilise citizens to share their ideal Eastern Cape locations and attractions
 - ECPTA launched a competition which requires entrants to upload their Eastern Cape holiday and destination images to social media using the #ECTravelInspo and #ECYours2Explore hashtags. The aim is to create a platform for citizens and visitors to share their travel stories, locations, and getaways on social media to extend reach and promote 3rd party brand advocacy

- Curate user-generated content
 - ECPTA monitored engagement on social media platforms to gauge the extent to which users were generating content – by sharing pictures, videos, stories etc.
 - The quarterly target of a 45% increase in social media followings was exceeded, with follower rates almost doubling in every quarter
 - The increase was driven by the unprecedented growth of Instagram followers and Facebook impressions
- Showcase EC product experiences and locations
 - In Q1, ECPTA launched the 'Eastern Cape Travel Inspiration' campaign to stimulate the idea for future travel and exploration post pandemic. Ten product experiences and/or locations were showcased. By the end of Q1, the 'Eastern Cape Travel Inspiration' videos had secured a viewer reach of 1 120 218, indicating interest in the content
 - This success grew over the remainder of the year, with continuously more products showcased on additional videos

3.2.2 DIGITAL EXPLORATION

- Connect niche content to niche markets
 - The first niche group that was targeted in the period under review were campers. Leading the campaign was a Facebook advertising drive specifically targeted at people who had listed camping, caravanning, nature and outdoors as an interest
 - This was followed by the "Take A Hike" digital campaign. An E-brochure detailing all the ECPTA hiking trails, unique offerings, and things to do in the area was developed. It was placed on the ECPTA website for downloading, and sent to hiking clubs in the province
 - The final niche campaign of the year was the "Fishing etc..." digital campaign. Leading the campaign was a direct marketing drive specifically targeting fishing clubs within the Eastern Cape, supported by an E-brochure detailing all the ECPTA fishing reserves, unique offerings, and things to do in the area
- Create awareness of product offerings
 - ECPTA developed an online campaign under the banner of "Stay at home today, so we can travel tomorrow". This sentiment aligns to the United Nations World Tourism Organization's COVID-19 campaign
 - The ECPTA developed short inspiring videos of product offerings to plant the seed for future travel by showcasing the Eastern Cape's natural, scenic, and iconic attractions and experiences

⁴ A Virtual FAM is a "Virtual Familiarisation Trip". It is an innovative mechanism for Destination Marketing Organisations to stay top of mind with media, meeting planners and travel agents by creatively marketing their destination



SUB-PROGRAMME:

CORPORATE COMMUNICATION AND PUBLIC RELATIONS

- South African Tourism (SAT) provided the ECPTA with an opportunity to host Zoom sessions to train SAT staff members and the One Above network of travel agents in India on how to position and sell the Eastern Cape as a preferred holiday destination
- The ECPTA concluded a partnership agreement with Inkanyezi Events to host a Virtual Exhibition for Eastern Cape product owners to market their tourism offerings to consumers and trade across an online marketing platform. The partnership enabled ECPTA to fully subsidise the cost of product participation thus making it affordable for tourism product to promote themselves during the COVID-19 crisis
- The Tourism Month campaign theme served as a reminder to travellers and product owners alike that the Eastern Cape is "Always Open". The aim was to reignite domestic travellers' interest and passion for tourism, encouraging them to explore the Eastern Cape. Tourism and Rural Development - the 2020 World Tourism Month day theme - was fitting for the Eastern Cape
- The ECPTA hosted an Open Week at various Provincial Nature Reserves from 26 October to 01 November 2020. The primary objective of this campaign was to encourage locals to visit the Provincial Nature Reserves
- To increase the occupancy and to generate revenue for the inland reserves during December, a 50% discount was offered for accommodation as a Black Friday promotion
- The ECPTA officially launched the Summer Season at an event held at the Ocean View Hotel in Coffee Bay. In addition to launching summer activations and the new look video teaser, the event sought to promote the Travel Safe, Eat Safe protocols

- The Easter campaign theme this year was "home is where the heart is". It appeals to the hearts of holidaymakers, reminding them to play their part in supporting the tourism product owners hardest hit by the pandemic.
- Leverage content partners' profiles to extend reach
 - ECPTA hosted two influencers and monitored their impression count to gauge the interest this medium could generate. Their combined efforts saw the ECPTA's social media impression count climb by 77.73% by the conclusion of this activation

3.2.3 ONLINE USER EXPERIENCE

- Ensure seamless online experience across all ECPTA platforms
 - ECPTA continually reviews and adjusts its online practices to enhance the user experience and expectation
 - As a result, ECPTA rebranded it's Facebook Page, Twitter Profile and YouTube channel
- Manage credible product content (product database)
 - ECPTA had a drive to encourage Eastern Cape tourism products to register on the ECPTA tourism product database for use in campaigns and to create more tripping offerings. 370 tourism products across multiple categories have registered

Table 30: Immediate Outcome: Unique Selling Proposition Profiling (until date of re-tabling)

| Output / Indicator | Audited Actual 2018/19 | Audited Actual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 until date of re-tabling | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-----------------------------------|------------------------|------------------------|-------------------------------|---|--------------------------------------|--|
| 3.3.1 Event profiling | New | New | 27 (score) | Not applicable | | All revisions to relative weights and distribution of contributing indicators made in early Q1 All performance information generated throughout the year was in respect of the COVID-19 adjusted weights At no point was any performance report generated in respect of the original APP |
| 3.3.2 MICE ⁷ profiling | New | New | 22.5 (score) | | | |
| 3.3.3 Information leadership | New | New | 18 (score) | | | |
| 3.3.4 Communication | New | New | 22.5 (score) | | | |

REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS

- Role of Public Relations and Communication to be distinguished from Event Partnerships, particularly considering COVID-19 recovery of the Tourism Sector

Table 31: Immediate Outcome: Communication

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 3.3 Communication | New | New | 90 (score) | 100 (score) | + 10 (points) | All underlying output targets achieved |

Table 32: Output Indicators: Communication

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 3.3.1 Information leadership | New | New | 27 (Score) | 30 (Score) | + 3 (points) | All underlying activity targets achieved |
| 3.3.2 Public Relations | New | New | 63 (score) | 70 (score) | + 7 (points) | All underlying activity targets achieved |

⁷ Meetings Incentives Conferences and Exhibitions

PRINTERS PROOF



SUB-PROGRAMME:

BUSINESS EVENTS AND PARTNERSHIPS

3.3.1 INFORMATION LEADERSHIP

- Establish information portal(s) through which tourism stakeholders can access credible information
 - ECPTA created a quarterly e-newsletter as a key portal for stakeholder information sharing. The development of this newsletter formed part of the Provincial Tourism Recovery Plan, and served to keep our stakeholders up to date with changes to COVID-19 protocols, recovery initiatives, and PR campaigns
- Facilitate sharing of key tourism information with stakeholders
 - The stakeholder newsletter - Tourism Talk - was distributed quarterly to tourism stakeholders
- Investigate tourism trends relevant to the Destination
 - A range of mediums were deployed to gather tourism data trends during the pandemic
 - ECPTA supplemented one-on-one engagements with product owners by monitoring WhatsApp and Facebook chat groups and conducting spot surveys
 - Trends revealed in this manner informed the content and focus of destination marketing campaigns in 2020/21

3.3.2 PUBLIC RELATIONS

The Public Relations and Communication unit is responsible for profiling destination Eastern Cape and defending its image and reputation.

- Profile "good news" stories related to the ECPTA's dual mandate
 - The success of the unit is measured by the media coverage tone, reach, and Advertising Value Equivalent (AVE)
 - The average positive sentiment for the year was 31.25%, against the industry standard of 20%
 - The unit reached 40.4 million citizens with information on ECPTA's dual mandate, compared to the targeted 22.3 million

- The AVE achieved was R9.2 million against a target of R3.6 million
- Drive targeted PR & Communication campaign to re-ignite tourism during and after lockdown
 - Billboard campaign
 - ECPTA partnered with Primedia Outdoor to place freeway billboards in Johannesburg, Cape Town, and Durban
 - The billboards served to place the destination top of mind with the millions of road users passing them each month
 - Radio campaigns
 - Television campaigns
 - Infomercial on eTV
 - Hosting of Social media influencers to 3-day itineraries of different regions of the province
 - Hosting of a 5-day media tour showcasing our natural assets culminating in the Provincial "Summer Launch"
 - Social media promos on KayaFM
 - Promotional videos through digital display advertising and on Digi-boards
 - 4-day media tour to showcase that travel is possible during the pandemic because provincial offerings are safe and adhere to COVID-19 prevention protocols
 - Television commercials on SuperSport and ABC Africa promoting the Province's authentic experiences via affordable Easter deals on things to do in the province. As the only Pan-African television network and portal into business and financial news across Africa, CNBC Africa allowed ECPTA to promote the destination to the 16 million subscribing households in 48 African countries
- Drive internal communication to keep staff informed
 - Under the recovery approach and finding new ways of effectively delivering on its mandate, ECPTA merged its quarterly internal newsletter with information packaged for external stakeholders

Table 33: Immediate Outcome: Unique Selling Proposition Profiling (until date of re-tabling)

| Output / Output Indicator | Audited Actual 2018/19 | Audited Actual 2019/20 | Planned Annual Target 2020/21 | Actual Achievement 2020/21 until date of re-tabling | Deviation (target to actual) 2020/21 | Reasons for deviations |
|------------------------------|------------------------|------------------------|-------------------------------|---|--------------------------------------|---|
| 3.4.1 Event profiling | New | New | 27 (score) | Not applicable | | All revisions to relative weights of contributing indicators made in early Q1 |
| 3.4.2 MICE profiling | New | New | 22.5 (score) | | | All performance information generated throughout the year was in respect of the COVID-19 adjusted weights |
| 3.4.3 Information leadership | | | 18 (score) | | | At no point was any performance report generated in respect of the original APP |
| 3.4.4 Communication | New | New | 22.5 (score) | | | |

REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS

- Role of Public Relations and Communication to be distinguished from Event Partnerships, particularly considering COVID-19 recovery of the Tourism Sector

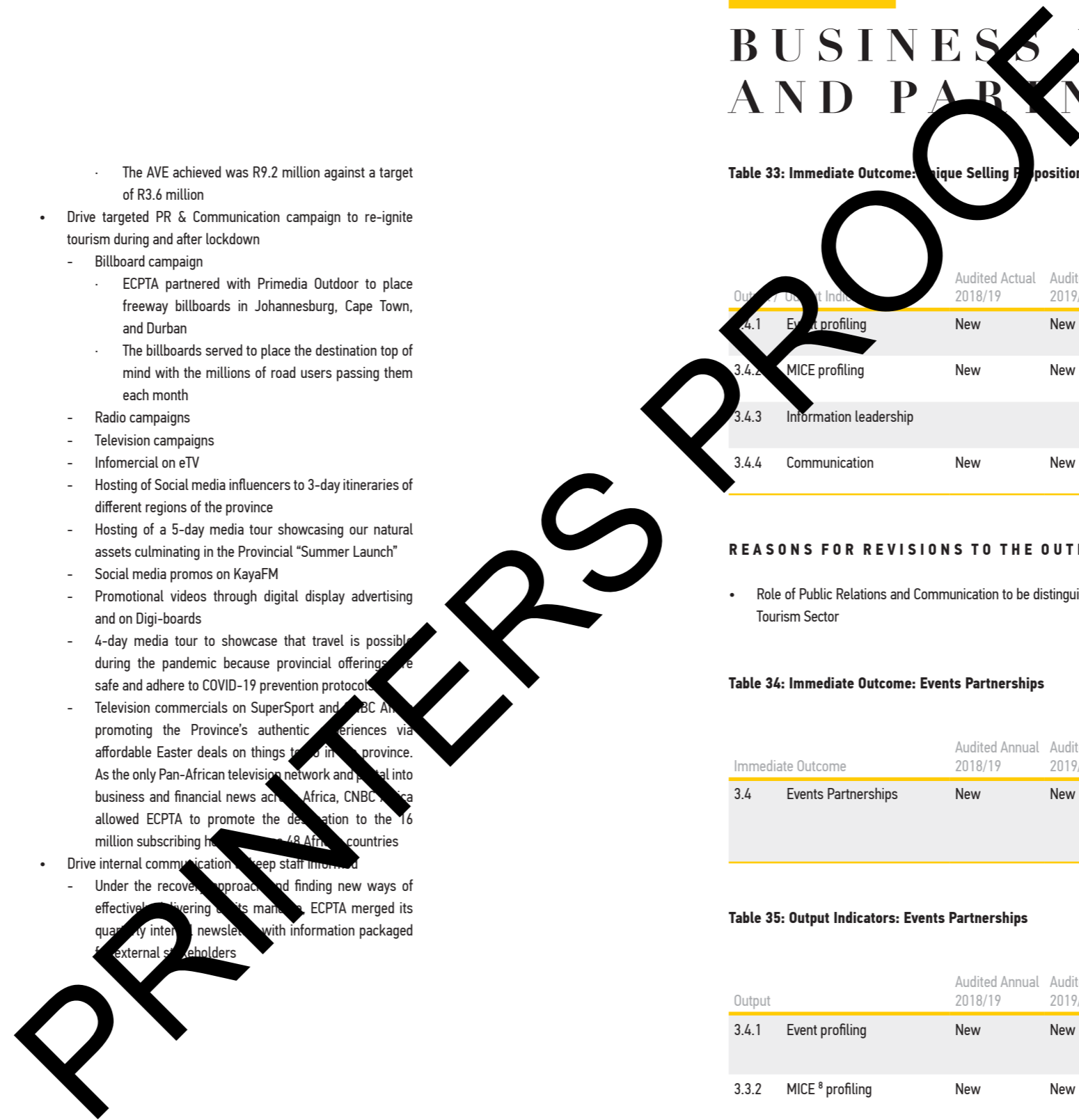
Table 34: Immediate Outcome: Events Partnerships

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 3.4 Events Partnerships | New | New | 90 (score) | 91.6 (score) | + 1.6 (points) | Underlying output targets generally achieved |

Table 35: Output Indicators: Events Partnerships

| Output | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-----------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 3.4.1 Event profiling | New | New | 49.5 (Score) | 55 (Score) | + 5.5 (points) | Events and MICE industries negatively impacted by pandemic |
| 3.3.2 MICE ⁸ profiling | New | New | 40.5 (score) | 42 (score) | + 1.5 (points) | |

⁸ Meetings Incentives Conferences and Exhibitions



3.4.1 EVENT PROFILING

ECPTA is committed to ensuring that its activities and those of its partners are conducted in a such a manner as to protect staff and the public from being infected with COVID-19. As such, ECPTA has only partnered with events that adhere to the National COVID-19 regulations. Preferably, such events are hosted virtually. Hybrid events at which strict preventive measures and social distancing (utilising only 50% of the normal venue floor plan) are observed were also supported.

- Profile the destination through opportunities presented by events partnerships
 - The measure of success for this activity is the return on investment (ROI), calculated by comparing the targeted and actual returns on Advertising Value Equivalent, participation and jobs created
 - ECPTA enjoyed an ROI of 260.7%, mostly due to the greater than expected jobs (work opportunities) associated with virtual events
- Plan for branding opportunities, including contingency plans
 - Due to the uncertain nature of the events industry over the period, alternatives to traditional marketing plans were deployed utilising virtual platforms
 - ECPTA and the event organiser (Siyakudumisa Productions) developed a detailed branding and marketing plan for the Eastern Cape Music Awards (ECMA's)
- Support signature events to boost the profile of the Eastern Cape
 - Most of the signature events with which ECPTA had planned to partner were scheduled over the summer season. This coincided with the second wave of the pandemic in the province. While ECPTA remains committed to increasing tourism to the province, we are equally committed to the health and well-being of our partners and citizens of the Eastern Cape. ECPTA therefore had to withhold its partnership support to all the events over the festive season. Most events were ultimately cancelled
 - Partnership agreements with the Berlin November and Eubeleni Music Festival were concluded before the spike in infections. Because both were able to accommodate the COVID-19 safety protocols, ECPTA proceeded with the partnerships

- Support local events to broaden the geographical spread of event offerings
 - Support of local events was cancelled for the same reason
- Utilise events as opportunity to market routes, products, and packages
 - As per the Board-approved plan for supporting signature events in 2020/21, ECPTA partnered with the National Arts Festival (NAF) to bring the first ever virtual festival to the public
 - ECPTA in collaboration with the NAF hosted a very successful webinar on the future of Events which included 72 participants and 5 panellists
 - Having concluded the partnership agreement with the Eubeleni Music Festival before the spike and because the festival was re-styled as a broadcast event, ECPTA proceeded with support. The event was recorded in November and broadcast on Channel 0 on the 30th of December 2020

3.4.2 MICE PROFILING

- Establish the province as a niche destination for small-scale MICE events
 - Meetings Africa, SAT's international MICE engagement was postponed
- Secure new MICE activities for the province
 - The Grassland Society of Southern Africa (GSSA) is a professional association for scientists with 240 members
 - The GSSA annual congress rotates amongst the regions of South Africa and was hosted in the Eastern Cape for the first time. It was initially planned to take place in Jeffery's Bay, but instead took on a virtual format
 - The "I Am an Entrepreneur" online summit attracted 374 online delegates from seven provinces. 100 Eastern Cape delegates were invited to participate data free
- Support partners to communicate tourism investment opportunities
 - A formal Service Level Agreement has been entered into with ECDC to collaborate in maximising returns for the Eastern Cape from MICE

Strategy to overcome areas of under performance

Adjustments made to operational plans during the year were mostly satisfactory in mitigating the impact of the COVID-19 pandemic on the Programme's performance. The same adjustments enabled the Programme to successfully contribute to the Provincial Tourism Recovery Plan and will therefore be retained in the next financial year.

While it is acknowledged that measuring the number of visitors (domestic holiday trips) is a Nationally set target, the usefulness of the information is extremely limited. The figures reported in the Annual Report, for example, relate to the 2019 calendar year, but were only available from February 2021. Furthermore, the factors influencing the figure are not analysed in the South African Tourism publication from which they are sourced. This means that ECPTA is not able to meaningfully respond in a timely manner. Alternatives to this intermediate outcome indicator are being discussed with the Shareholder Department.



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PROGRAMME 4:

CORPORATE MANAGEMENT SUPPORT

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

DESCRIPTION OF PROGRAMME

PURPOSE

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

EXECUTIVE OFFICE

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

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 ECPTA, risk management and corporate legal compliance. The Office of the CEO monitors compliance with legislation, strategic and performance management plans, performance reports and the enterprise wide risk profile.

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

FINANCE

The Financial Management Department provides strategic and managerial input on financial and administrative issues necessary to ensure the commercial effectiveness, financial viability, and

sound corporate governance of the ECPTA. It ensures the provision of systematic financial management systems and information to co-ordinate the organisation's budget and resource requirements. This includes ensuring compliance with regulatory provisions as well as taking appropriate steps to ensure that expenditure occurs within the approved budget. Systematic financial management systems entail the maintenance of a procurement system that is fair, equitable, transparent, cost-effective; and ensure that the ECPTA takes effective and appropriate steps to prevent unauthorised, irregular, or fruitless and wasteful expenditure. executive manager in the organisation.

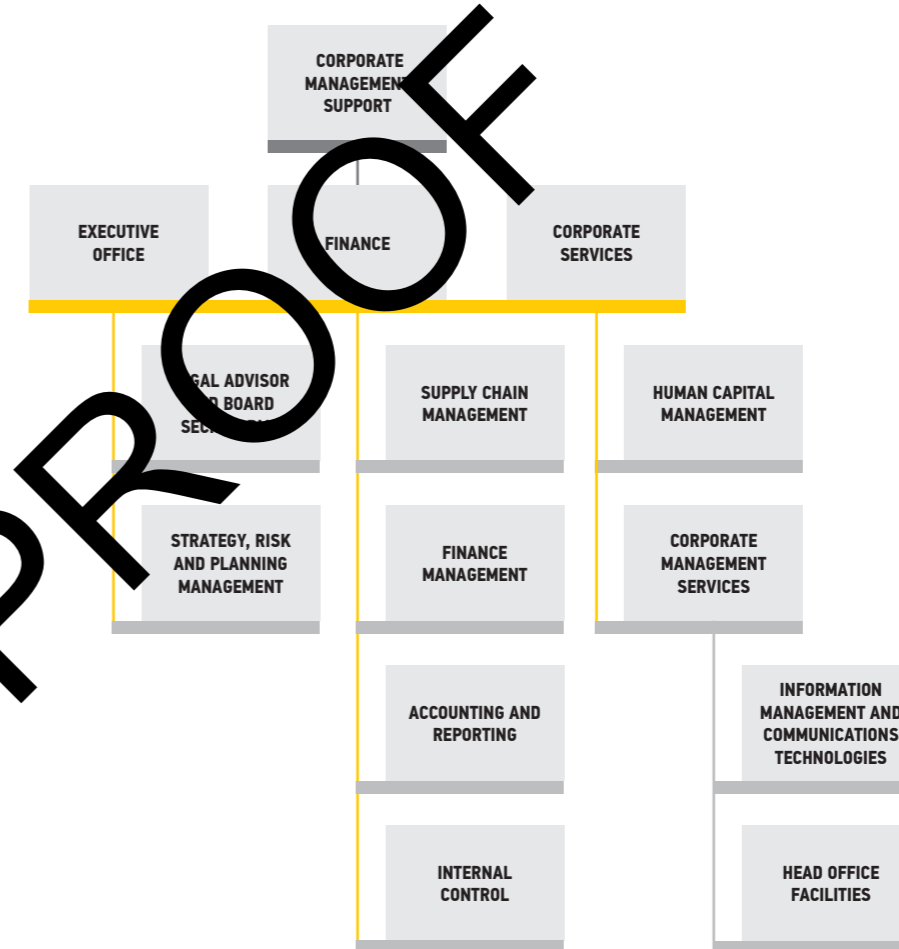
CORPORATE SERVICES

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

The Human Capital Management (HCM) section is responsible for ensuring the delivery of optimal experience in the disciplines of human capital management, training and development, organisational transformation, employee wellness, employee relations and occupational health and safety.

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

SUB-PROGRAMMES



CONTRIBUTION TO INSTITUTIONAL OUTCOMES

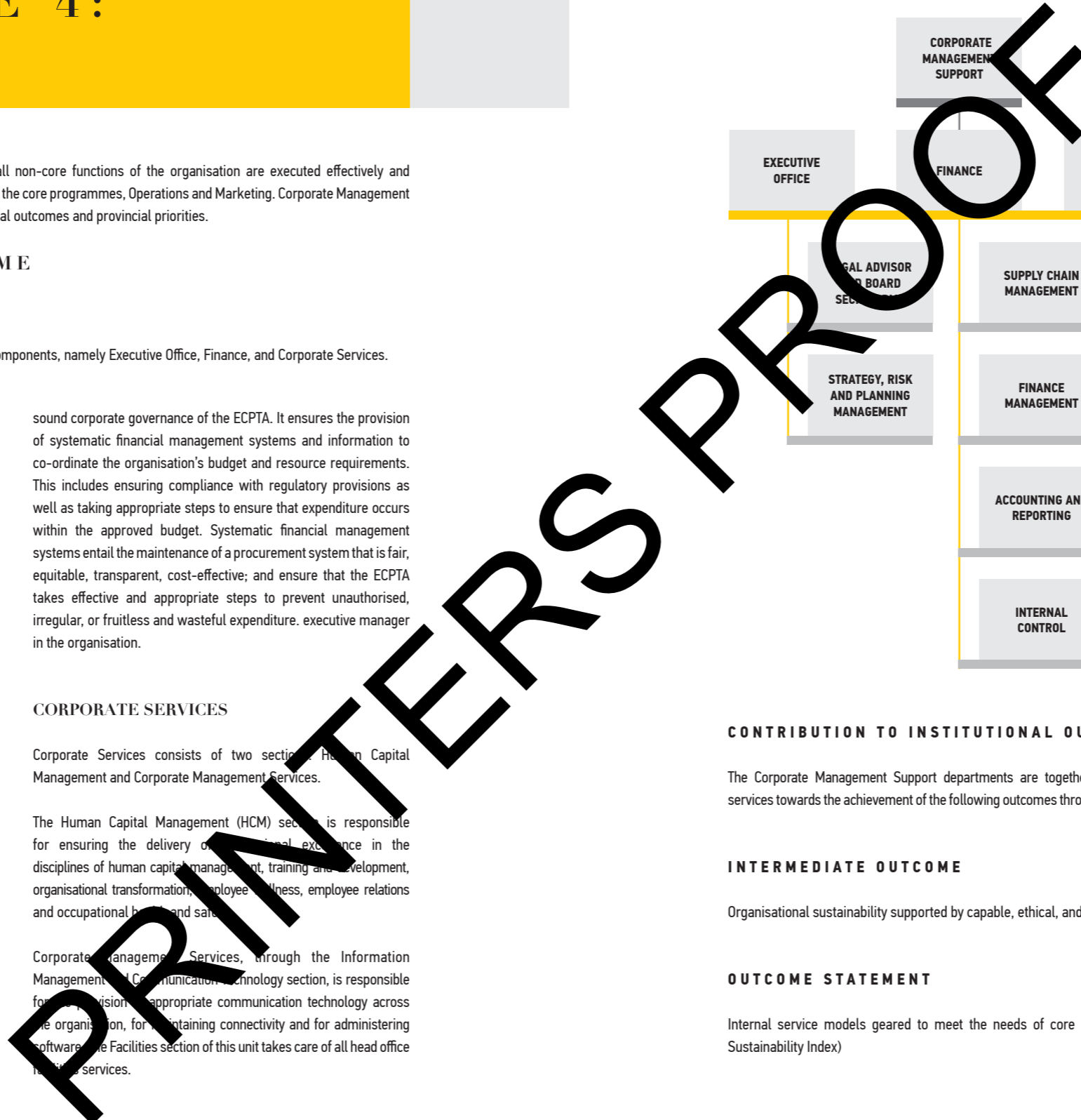
The Corporate Management Support departments are together responsible for delivering services towards the achievement of the following outcomes through a set of weighted outputs:

INTERMEDIATE OUTCOME

Organisational sustainability supported by capable, ethical, and responsive administration

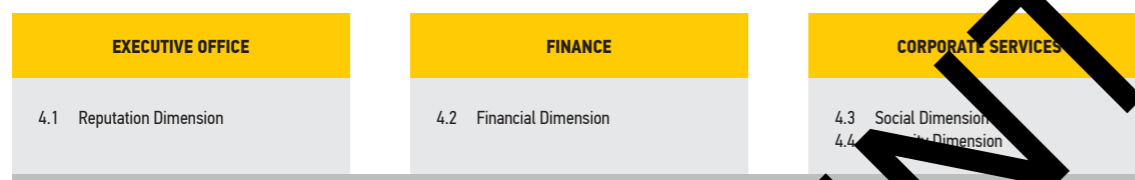
OUTCOME STATEMENT

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



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

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



INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

| Intermediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|---|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|---|
| Organisational sustainability supported by capable, ethical and responsive administration | 100 (score) | 96.7 (score) | 90 (score) | 96.2 (score) | + 6.2 (points) | Most underlying immediate outcomes achieved |

SUB-PROGRAMME:

EXECUTIVE OFFICE

Table 37: Immediate Outcome: Reputation Dimension

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|---|
| 4.1 Reputation Dimension | New | New | 27 (score) | 30 (score) | + 3 (points) | Most underlying output targets achieved |

Table 38: Immediate Outcome: Reputation Dimension

| Output / Output Indicator | Audited Actual 2018/19 | Audited Actual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-------------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 4.1.1 Corporate governance | New | New | 90 (score) | 100 (score) | + 10 (points) | Systems in place and respected |
| 4.1.2 Code of ethics | New | New | 1 (Yes=1; No=0) | 1 (Yes) | None | No deviation |
| 4.1.3 Legislative compliance | New | New | 90 (score) | 99 (score) | + 9 (points) | Most key legislation fully adhered to |
| 4.1.4 Organisational accountability | New | New | Zero (score) | 1.3 (score) | - 1.3 (points) | Submission of QPR 2 delayed |
| 4.1.5 Organisational performance | New | New | 90 (%) | 90.9 (%) | + 0.9 % | Performance target exceeded in Q3 and Q4 |
| 4.1.6 Risk management maturity | New | New | 3 (maturity level) | 3.1 (maturity level) | + 0.1 (maturity level) | Immaterial deviation |

SUB-PROGRAMME:

FINANCE

Table 39: Immediate Outcome: Financial Dimension

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 4.2 Financial Dimension | New | New | 32 (score) | 31.1 (score) | - 0.9 (points) | Licencing of fleet and booking management affected by pandemic regulations |

Table 40: Immediate Outcome: Financial Dimension

| Output / Output Indicator | Audited Actual 2018/19 | Audited Actual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|-------------------------------------|------------------------|------------------------|-------------------------------|--------------------------|--------------------------------------|--|
| 4.2.1 Materiality reporting | New | New | 90 (score) | 94.8 (score) | + 4.8 (points) | Delayed Internal Audits in Q4 |
| 4.2.2 Budget Management | New | New | 90 (score) | 88.0 (score) | - 2 (points) | Budget variance |
| 4.2.3 Revenue Management | New | New | 90 (score) | 100 (score) | + 9 (points) | All underlying activity targets achieved |
| 4.2.4 Supply Chain Management | New | New | 0 (% deviation) | 0 (% deviation) | None | No deviation |
| 4.2.5 Customer service | New | New | 50 (% error reduction) | 61.4 (% error reduction) | + 11.4 (% error reduction) | Customer service interventions successful |
| 4.2.6 Triple bottom line purchasing | New | New | 1 (Yes=1; No=0) | 1 (Yes) | None | No deviation |
| 4.2.7 Fleet Management | New | New | 90 (score) | 70.7 (score) | - 19.3 (points) | Licencing of fleet and booking management affected by pandemic regulations |

SUB-PROGRAMME:

CORPORATE SERVICES

Table 41: Immediate Outcome: Social Dimension

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|----------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|---|
| 4.3 Social Dimension | New | New | 18 (score) | 20 (score) | + 2 (points) | Most underlying output targets achieved |

Table 42: Immediate Outcome: Social Dimension

| Output / Output Indicator | Audited Actual 2018/19 | Audited Actual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|--------------------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|---|
| 4.3.1 Transformation | New | New | 90 (score) | 100 (score) | + 10 (points) | All contributing activity targets achieved |
| 4.3.2 Employee Relations Management | New | New | 90 (score) | 88.0 (score) | - 2 (points) | All contributing activity targets achieved Q1 & 4 |
| 4.3.3 Learning and development | New | New | 1 (Yes=1; No=0) | 1 (Yes) | None | No deviation |
| 4.3.4 Talent management | New | New | 1 (Yes=1; No=0) | 1 (Yes) | None | No deviation |
| 4.3.5 Social Responsibility | New | New | 1 (Yes=1; No=0) | 1 (Yes) | None | No deviation |
| 4.3.6 Customer orientation | New | New | 1 (Yes=1; No=0) | 0.8 (Yes) | - 0.2 | Project start date delayed; No=0 recorded Q1 |
| 4.3.7 Occupational Health and Safety | New | New | 1 (Yes=1; No=0) | 1 (Yes) | None | No deviation |

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

Table 43: Immediate Outcome: Security Dimension

| Immediate Outcome | Audited Annual 2018/19 | Audited Annual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|------------------------------------|
| 4.4 Security Dimension | New | New | 13.5 (score) | 15 (score) | + 1.5 (points) | Underlying output targets achieved |

Table 44: Immediate Outcome: Security Dimension

| Output / Output Indicator | Audited Actual 2018/19 | Audited Actual 2019/20 | Planned Annual Target 2020/21 | Actual Achieved 2020/21 | Deviation (target to actual) 2020/21 | Reasons for deviations |
|----------------------------|------------------------|------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| 4.4.1 Cybersecurity | New | New | 95 (%) | 96 (%) | + 1 (%) | Contributing activity targets achieved |
| 4.4.2 System availability | New | New | 95 (%) | 100 (%) | + 5 (%) | All contributing activity targets achieved |
| 4.4.3 Customer orientation | New | New | 95 (%) | 100 (%) | + 5 (%) | All contributing activity targets achieved |

Corporate Management Support is delivered by three departments, being the Office of the CEO, Finance, and Corporate Services. The Theory of Change assumption propelling the work of these departments is that "Internal service models are geared to the needs of the core departments". This orientation was given even greater gravity in the context of the coronavirus pandemic. The Intermediate Outcome of the CMS programme was achieved in all four quarters, indicating successful adoption of the new service model.

Strategy to overcome areas of under performance

Adjustments made to operational plans during the year were mostly satisfactory in mitigating the impact of the COVID-19 pandemic on the Programme's performance. The same adjustments enabled the Programme to successfully contribute to the Provincial COVID-19 Response by freeing up 45% of funds allocated to travel and catering budgets.

It was necessary to internally redirect budget to allow for:

- the purchase and distribution of personal protective equipment (masks, aprons, gloves, and boots) to staff on reserves and in offices
- to supply all public facing workspaces with desk screens
- to distribute hand and surface sanitisers to offices and reserves
- to provide for staff training and welfare
- to equip staff with remote-working tools of trade

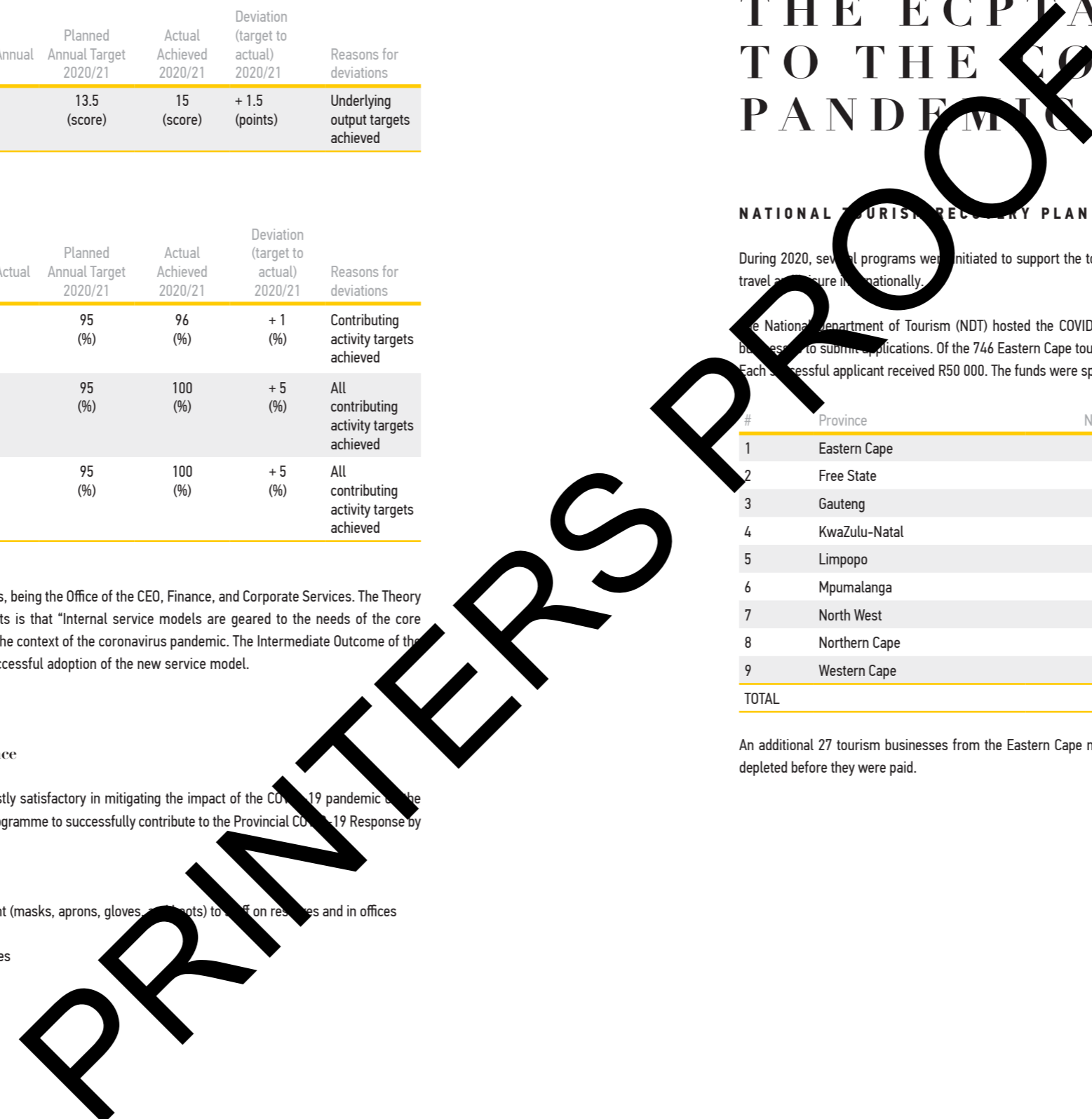
NATIONAL TOURISM RECOVERY PLAN

During 2020, several programs were initiated to support the tourism sector to survive the devastating effects of the COVID-19 pandemic on travel and tourism internationally.

The National Department of Tourism (NDT) hosted the COVID-19 Tourism Relief Fund for SMMEs. The ECPTA assisted scores of tourism businesses to submit applications. Of the 746 Eastern Cape tourism businesses that applied to the National Relief Fund, 457 were successful. Each successful applicant received R50 000. The funds were spread across the country as follows:

| # | Province | Number of SMMEs | Percentage (%) | Total amount (R) |
|-------|---------------|-----------------|----------------|------------------|
| 1 | Eastern Cape | 457 | 11.425 | 22 850 000 |
| 2 | Free State | 134 | 3.35 | 6 700 000 |
| 3 | Gauteng | 1 017 | 25.425 | 50 850 000 |
| 4 | KwaZulu-Natal | 607 | 15.175 | 30 350 000 |
| 5 | Limpopo | 294 | 7.35 | 14 700 000 |
| 6 | Mpumalanga | 238 | 5.95 | 11 900 000 |
| 7 | North West | 162 | 4.05 | 8 100 000 |
| 8 | Northern Cape | 124 | 3.1 | 6 200 000 |
| 9 | Western Cape | 967 | 24.175 | 48 350 000 |
| TOTAL | | 4 000 | 100 | 200 000 000 |

An additional 27 tourism businesses from the Eastern Cape met the criteria for the COVID-19 Tourism Relief Fund. The fund was however depleted before they were paid.



PROVINCIAL TOURISM RECOVERY PLAN

Noting the distress that the tourism industry faced due to the COVID-19 pandemic and understanding the limitations of the COVID-19 Tourism Relief Fund offered by the NDT, the ECPTA applied to the provincial Department of Economic Development Environment Affairs and Tourism (DEDEAT) for additional funding to support tourism businesses in the province. The Provincial Cabinet approved the business plan that the ECPTA prepared, and a Service Level Agreement between DEDEAT and the ECPTA was concluded in December. The Provincial Tourism Recovery Plan aligns to the nationwide recovery programme spearheaded by NDT, and focuses on the following themes for tourism development and destination marketing:

- | | | |
|---|--|--|
| <p>1. Business continuity and sustainability</p> <ul style="list-style-type: none"> • Saving jobs Saving the sector • Sector leads compliance with protocols | <p>2. Tourism Intelligence</p> <ul style="list-style-type: none"> • Customer-centred packaging | <p>3. Smart marketing</p> <ul style="list-style-type: none"> • Campaigns • Events |
|---|--|--|

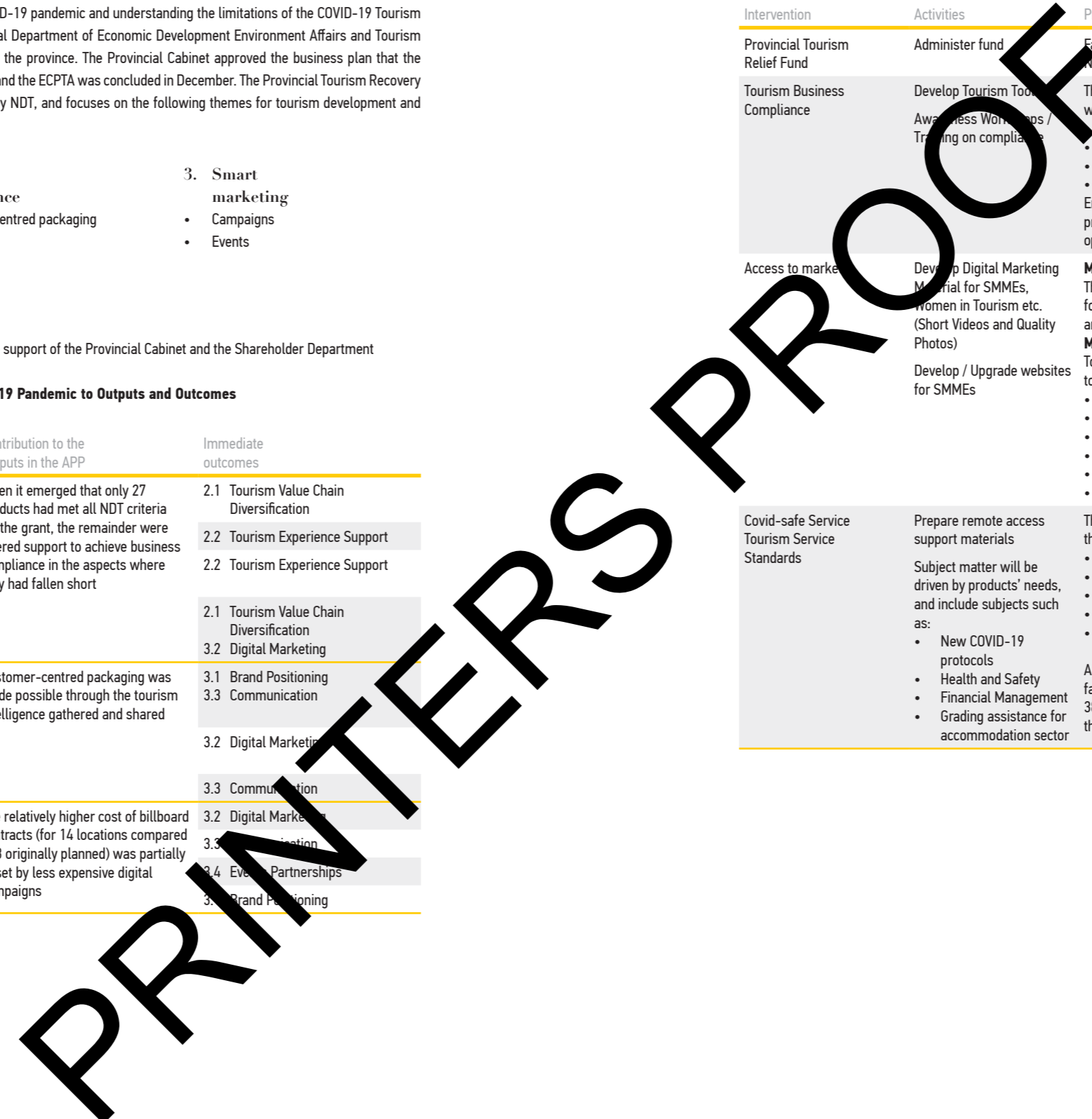
The next table presents progress on the tourism recovery plan. None of these achievements would have been possible without the support of the Provincial Cabinet and the Shareholder Department

Table 45: Alignment of Institutional Response to the COVID-19 Pandemic to Outputs and Outcomes

| Programme | Intervention | Contribution to the Outputs in the APP | Immediate outcomes |
|--------------------------------------|--|--|--|
| Programme 2: Destination Development | Provincial Tourism Relief Fund | When it emerged that only 27 products had met all NDT criteria for the grant, the remainder were offered support to achieve business compliance in the aspects where they had fallen short | 2.1 Tourism Value Chain Diversification |
| | Tourism Business Compliance | | 2.2 Tourism Experience Support |
| | Tourism Service Standards | | 2.2 Tourism Experience Support |
| Programme 2 & Programme 3: Marketing | Access to markets | | 2.1 Tourism Value Chain Diversification 3.2 Digital Marketing |
| Programme 3 | Business registration and stratification database made available to the sector | Customer-centred packaging was made possible through the tourism intelligence gathered and shared | 3.1 Brand Positioning 3.3 Communication |
| | Deploy a range of flexible technologies | | 3.2 Digital Marketing |
| | Harvest data | | 3.3 Communication |
| Programme 3 | Prepare digital campaigns | The relatively higher cost of billboard contracts (for 14 locations compared to 3 originally planned) was partially offset by less expensive digital campaigns | 3.2 Digital Marketing |
| | Billboards | | 3.3 Communication |
| | Support virtual events | | 3.4 Event Partnerships |
| | Micro-trips | | 3.1 Brand Positioning |

1. BUSINESS CONTINUITY AND SUSTAINABILITY

| Intervention | Activities | Progress |
|--|--|--|
| Provincial Tourism Relief Fund | Administer fund | Facilitated the payment of 27 compliant businesses that could not be paid by NDT as their funds were depleted. |
| Tourism Business Compliance | Develop Tourism Tools Awareness Workshops / Training on compliance | The ECPTA appointed a panel of practitioners to support tourism businesses with compliance matters as follows: Tourism B-BBBEE scorecard = 78 • UIF -Department of Labour = 34 • Finance Management = 52 • Tourist Guiding = 252 (Adventure, Nature and Culture as well as First Aid) Encouraging compliance with government regulations does not only promote business sustainability but it also ensures readiness for other funding opportunities. |
| Access to markets | Develop Digital Marketing Material for SMMEs, Women in Tourism etc. (Short Videos and Quality Photos) Develop / Upgrade websites for SMMEs | Mobile Application The ECPTA is re-developing the provincial destination mobile application to focus on the domestic market and give users access to promotions, events, and competitions Media Partnerships To drive online traffic and encourage locals to explore their province and local tourism offerings • Algoa FM • Escape travel Magazine • News24 • SABC Television - Insider • Newspaper advertising • SABC Radio - Umhlobo Wenene |
| Covid-safe Service Tourism Service Standards | Prepare remote access support materials Subject matter will be driven by products' needs, and include subjects such as: • New COVID-19 protocols • Health and Safety • Financial Management • Grading assistance for accommodation sector | The ECPTA partnered TBCSA in promoting the Travel Safe Eat Safe campaign in the following activations: • SMME tourism workshops/webinars • Events • Summer Season Campaign Launch • Social Media platforms • The Travel Safe Eat Campaign seeks to assure potential visitors that the Eastern Cape is ready to welcome them A Memorandum of Agreement was signed by ECPTA for grading of tourism facilities by the Tourism Grading Council of South Africa (TGCSA) 38 accommodation facilities have been graded, 44 have been assessed and their status will be confirmed in April 2021 |



2. TOURISM INTELLIGENCE

| Intervention | Activities | Progress |
|---|--|---|
| Business registration and stratification database made available to the sector | To market the registered Eastern Cape tourism products to the international and local users, trade and media sectors via the various ECPTA marketing platforms. Collect statistics on the size of the tourism sector in the Eastern Cape that can be used as input into the development of various strategies | Preparatory work was done between August and December while there was still uncertainty about the date on which the agreement between the ECPTA and the Department would be finalised. As a result, it was possible to implement actual interventions, thus exceeding the original expectations of this workstream. Initiated CUSTOMER-CENTRED packaging utilising the tourism intelligence gathered: |
| Deploy a range of flexible technologies to track tourists' movements, to gain a rich understanding of visitor travel, decision-making and preferences through the combination of locational and survey data | Software deployed to track tourism-related movement and business intelligence Develop tracking / intelligence gathering capability including tracking apps, customized hardware, survey design, recruitment 'knowhow', visualization tools and specialised analysis. The ECPTA would like to get an understanding on how actual travel patterns differ according to age, home country, length of stay, reason for travel and so on | <ul style="list-style-type: none"> Assisted the industry with the development of 20 websites for LTOs, Tour Operators and Community Projects Developed Promotional Videos for 176 tourist attractions and 261 graded facilities Organised a Digital Marketing and Public Relations workshop - facilitated by the ECPTA Marketing Department |
| Harvest data to improve niche marketing and product preparation | The collected tourism data will provide the ECPTA with new intelligence | |

3. SMART MARKETING

| Intervention | Activities | Progress |
|--|---|--|
| Prepare digital campaigns With many people confined to their homes and travel and tourism businesses closed, people have turned to the next best alternative- virtual tourism. | Virtual Tours for Hottentots and Great Fish Bay Baviaanskloof Digitise 180 things to do in the Eastern Cape (first 30 in year 1) Virtual Tour for at least 3 attributes (adventure, culture, natural phenomena) | Virtual Tourism Platforms To profile, showcase and to create and immersive experience 15 iconic Eastern Cape experiences and locations will be captured to provide an interactive virtual tourism experience for the potential visitor Digital Branding Opportunities To increase destination awareness, various digital platforms were identified such as TV and social media to promote provincial brand as well as some of the tourism offerings. |
| Billboards in Johannesburg, Durban and Cape Town CNBC | Emphasise PR campaigns - promote good news about the province and the tourism sector's readiness Regional reach | The original billboards in Johannesburg, Durban and Cape Town were displayed during Q3 of 2020/21. Due to the extension of lockdown measures, local tourism was targeted to drive the recovery of the sector. Billboards for the promotion of domestic tourism across the province Billboard designs |
| Support trade events The events and business sector will likely see the rise of virtual meetings, events, conferences, exhibitions, and conventions and the ECPTA has adapted its plans to accommodate this "new normal". | Focus on building campaigns off virtual and online events Trade webinars and virtual trade events to keep tourism trade attuned to the readiness of the provincial sector to accept travellers | Supporting Virtual Events The ECPTA in complying with the South African Events Council (SAEC) and Tourism Business Council of South Africa (TBCSA) safety events protocols and had to review the set criteria for the selection of events partnerships and conference support and only partner with events that are hosted on hybrid or virtual formats. The destination was profiled on the online marketing platforms presented by these events. The ECPTA partnered with the following events: <ul style="list-style-type: none"> Virtual National Arts Festival GSSA Summit Berlin November - Hybrid Virtual Ebubeleni Music Festival ECMAS - Hybrid |
| Develop micro-trips around experiences. Create stories around heritage and culture | Connect tourism products to one another to create supportive networks that can be sold as experience packages Micro-trips will be promoted and packaged around tourism experiences - this is ideal for a quick weekend getaway | Domestic Partnership Increasing domestic arrivals to the Eastern Cape remains one of the ECPTA's key focus points. One of the most effective ways of doing this is in partnership with a travel trade partner with the primary focus on reaching multiple target markets through well-directed and packaged digital marketing. To this extent a partnership with TravelStart has been concluded for a 3-month period. |

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Table 46: Progress on Institutional Response to the COVID-19 Pandemic

| Intervention | Geographic location (District) | No. of beneficiaries | Total budget allocation (R'000) | Budget spent / committed |
|--------------------------------------|--------------------------------------|----------------------|---------------------------------|--------------------------|
| Provincial Tourism Relief Fund | Qualifying SMMEs | 27 | 10 000 | 1 350 |
| | Alfred Nzo District Municipality | 2 | | |
| | Amathole District Municipality | 3 | | |
| | Buffalo City Metro | 9 | | |
| | Chris Hani District Municipality | 1 | | |
| | OR Tambo District Municipality | 3 | | |
| | Nelson Mandela Metro | 3 | | |
| | Sarah Baartman District Municipality | 6 | | |
| Tourism Business Compliance | Mentorship, training, support | | 1 250 | 10 119 |
| Tourism Service Standards | B-BBEE | 78 | | 460 |
| | Buffalo City Metro | 9 | | |
| | Joe Gqabi District Municipality | 10 | | |
| | Nelson Mandela Metro | 54 | | |
| | Sarah Baartman District Municipality | 5 | | |
| | UIF | 34 | | |
| | Buffalo City Metro | 4 | | |
| | Chris Hani District Municipality | 6 | | |
| | Joe Gqabi District Municipality | 6 | | |
| | Nelson Mandela Metro | 9 | | |
| | Sarah Baartman District Municipality | 9 | | |
| | Finance Management | 52 | | |
| | Alfred Nzo District Municipality | 4 | | |
| | Amathole District Municipality | 3 | | |
| | Chris Hani District Municipality | 5 | | |
| | Joe Gqabi District Municipality | 5 | | |
| Buffalo City Metro | 9 | | | |
| OR Tambo District Municipality | 14 | | | |
| Sarah Baartman District Municipality | 14 | | | |
| Grading | 38 | | | |
| Amathole District Municipality | | | | |
| Buffalo City Metro | 16 | | | |
| Chris Hani District Municipality | 5 | | | |
| Joe Gqabi District Municipality | 2 | | | |
| Nelson Mandela Metro | 1 | | | |
| OR Tambo District Municipality | 11 | | | |
| Sarah Baartman District Municipality | 1 | | | |

| Intervention | Geographic location (District) | No. of beneficiaries | Total budget allocation (R'000) | Budget spent / committed |
|---|--|----------------------|---------------------------------|--------------------------|
| Access to markets | Promotional Videos | 441 | 2 500 | 1 546 |
| | Attractions | 180 | | |
| | Alfred Nzo District Municipality | 25 | | |
| | Chris Hani District Municipality | 40 | | |
| | Joe Gqabi District Municipality | 50 | | |
| | OR Tambo District Municipality | 30 | | |
| | Sarah Baartman District Municipality | 35 | | |
| | Accommodation | 261 | | |
| | Alfred Nzo District Municipality | 35 | | |
| | Chris Hani District Municipality | 34 | | |
| | Joe Gqabi District Municipality | 25 | | |
| | OR Tambo District Municipality | 47 | | |
| | Sarah Baartman District Municipality | 120 | | |
| | Websites | 20 | | |
| | Local Tourism Organisations | 6 | | |
| | Alfred Nzo District Municipality | 3 | | |
| | OR Tambo District Municipality | 3 | | |
| | Associations | 3 | | |
| | Chris Hani District Municipality | 2 | | |
| | Joe Gqabi District Municipality | 1 | | |
| | Tour Operators | 7 | | |
| | Alfred Nzo District Municipality | 3 | | |
| | OR Tambo District Municipality | 3 | | |
| Sarah Baartman District Municipality | 1 | | | |
| Community Projects | 4 | | | |
| OR Tambo District Municipality | 3 | | | |
| Sarah Baartman District Municipality | 1 | | | |
| Business registration database | Open to all tourism products throughout the Eastern Cape | | 500 | |
| Deploy a range of flexible technologies | | | 1 000 | 1 720 |
| Harvest data | | | 250 | |

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LINKING PERFORMANCE WITH EXPENDITURE

| Intervention | Geographic location (District) | No. of beneficiaries | Total budget allocation (R'000) | Budget spent / committed |
|---------------------------------------|---|----------------------|---------------------------------|--------------------------|
| Prepare digital campaigns | <u>Virtual Tours of iconic locations and attractions</u> | 15 | 1 500 | 732 |
| | Amathole District Municipality | 1 | | |
| | Buffalo City Metro Municipality | 1 | | |
| | Joe Gqabi District Municipality | 1 | | |
| | Nelson Mandela Metro Municipality | 2 | | |
| | OR Tambo District Municipality | 2 | | |
| | Sarah Baartman District Municipality | 8 | | |
| <u>Angling and Fishing Initiative</u> | OR Tambo District Municipality | Coastline experience | | |
| | Sarah Baartman District Municipality | | | |
| | | | | |
| Billboards | <u>Gantries</u> | 4 | 500 | 1 354 |
| | Amathole DM (Butterworth) | 1 | | |
| | Buffalo City Metro (East London) | 1 | | |
| | Nelson Mandela Metro (Gqeberha) | 1 | | |
| | OR Tambo DM (Mthatha) | 1 | | |
| | <u>Billboards</u> | 10 | | |
| | Alfred Nzo DM (Matatiele) | 1 | | |
| | Amathole DM (Middledrift, Seymour, Fort Beaufort) | 3 | | |
| | Buffalo City MM (East London) | 1 | | |
| | Chris Hani DM (Komani, Cradock, Lady Frere) | 3 | | |
| Joe Gqabi DM (Aliwal North) | 1 | | | |
| Sarah Baartman DM (Somerset East) | 1 | | | |
| Support virtual events | <u>Virtual and hybrid events</u> | 4 | 1 250 | 1 250 |
| | Buffalo City Metro | 1 | | |
| | Nelson Mandela Metro | 2 | | |
| | Sarah Baartman District Municipality | 1 | | |
| Micro-trips | <u>Micro-Trips promoted through a domestic partnership with Travelstart</u> | 15 | 250 | 368 |
| | Amathole District Municipality | 4 | | |
| | Chris Hani District Municipality | 1 | | |
| | Joe Gqabi District Municipality | 1 | | |
| | OR Tambo District Municipality | 1 | | |
| | Sarah Baartman District Municipality | 8 | | |
| | TOTAL | | | 19 000 |

| Biodiversity and Conservation | 2020/2021 | | | 2019/2020 | | |
|-------------------------------|----------------|----------------|--------------------|----------------|----------------|--------------------|
| | Budget R'000 | Actual R'000 | (Over)/Under R'000 | Budget R'000 | Actual R'000 | (Over)/Under R'000 |
| Goods and Services | 47 091 | 22 463 | 24 628 | 38 792 | 33 174 | 5 618 |
| Cost of Employment | 106 749 | 103 083 | 3 666 | 105 439 | 108 997 | (3 558) |
| Capital Expenditure | 154 989 | 24 618 | 130 371 | 63 472 | 57 666 | 5 806 |
| Total | 308 829 | 150 164 | 158 665 | 207 703 | 199 837 | 7 866 |

| Destination Development | 2020/2021 | | | 2019/2020 | | |
|-------------------------|---------------|---------------|--------------------|---------------|---------------|--------------------|
| | Budget R'000 | Actual R'000 | (Over)/Under R'000 | Budget R'000 | Actual R'000 | (Over)/Under R'000 |
| Goods and Services | 29 582 | 14 294 | 15 288 | 22 648 | 12 929 | 9 719 |
| Cost of Employment | 11 931 | 12 710 | 779 | 4 177 | 3 621 | 556 |
| Capital Expenditure | 3 300 | 1 023 | 2 277 | 23 999 | 2 066 | 21 933 |
| Total | 44 813 | 28 027 | 18 344 | 50 824 | 18 616 | 32 208 |

| Marketing | 2020/2021 | | | 2019/2020 | | |
|---------------------|---------------|---------------|--------------------|---------------|---------------|--------------------|
| | Budget R'000 | Actual R'000 | (Over)/Under R'000 | Budget R'000 | Actual R'000 | (Over)/Under R'000 |
| Goods and Services | 14 021 | 12 482 | 1 539 | 17 728 | 17 954 | (226) |
| Cost of Employment | 13 567 | 11 428 | 2 139 | 11 655 | 10 438 | 1 217 |
| Capital Expenditure | 37 | 0 | 37 | 83 | 78 | 5 |
| Total | 27 625 | 23 910 | 3 715 | 29 466 | 28 470 | 996 |

| Corporate Management Support | 2020/2021 | | | 2019/2020 | | |
|------------------------------|---------------|---------------|--------------------|---------------|---------------|--------------------|
| | Budget R'000 | Actual R'000 | (Over)/Under R'000 | Budget R'000 | Actual R'000 | (Over)/Under R'000 |
| Goods and Services | 47 071 | 41 139 | 5 932 | 50 172 | 41 507 | 8 665 |
| Cost of Employment | 41 490 | 36 553 | 4 937 | 33 425 | 35 165 | (1 740) |
| Capital Expenditure | 1 065 | 894 | 1 958 | 762 | 615 | 147 |
| Total | 89 626 | 76 798 | 12 827 | 84 359 | 77 287 | 7 072 |

PRINTERS PROOF





REVENUE COLLECTION

| Sources of revenue | 2019/2020 | | | 2020/2021 | | |
|---------------------------|----------------|-------------------------------|-------------------------------|----------------|-------------------------------|-------------------------------|
| | Estimate R'000 | Actual Amount Collected R'000 | (Over)/Under Collection R'000 | Estimate R'000 | Actual Amount Collected R'000 | (Over)/Under Collection R'000 |
| Accommodation | 5 519 | 4 840 | 679 | 1 809 | 2 421 | (612) |
| Actuarial Gains | | 6 698 | (6 698) | | 2 362 | (2 362) |
| Donation Received | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance Income | 8 467 | 6 958 | 1 509 | 8 118 | 5 704 | 2 414 |
| Non exchange transactions | 339 955 | 263 114 | 76 841 | 448 524 | 276 065 | 172 459 |
| Other Income | 4 641 | 3 005 | 1 636 | 5 653 | 1 206 | 4 447 |
| Profit & Loss | | 1 148 | (1 148) | | 0 | 0 |
| Rendering of services | 2 621 | 2 420 | 201 | 1 815 | 1 441 | 374 |
| Rental Income | 1 376 | 1 534 | (158) | 1 373 | 1 498 | (125) |
| Wildlife Sales | 9 817 | 6 224 | 3 593 | 3 700 | 2 199 | 1 501 |
| Total | 372 396 | 295 941 | 76 455 | 470 992 | 292 896 | 178 096 |

The COVID-19 pandemic had a significant effect on the ECPTA during the year under review.

At the onset of the pandemic and the first hard lockdown, ECPTA immediately reviewed its operational plans and budgets to salvage its planned commitments while freeing up funds towards the Provincial COVID-19 relief efforts. The consequent re-prioritisation of budgets during the year enabled the achievement of commitments in the following ways:

1. The procurement of personal protective equipment for ECPTA employees at the nature reserves and at head office ensured that staff were able to execute their duties safely
2. Connectivity and access to information technology platforms such as OneDrive was enhanced to ensure remote working was possible
3. The Marketing Department, although initially constrained, deployed virtual and digital platforms to ensure that the province was kept top of mind as a desirable destination for domestic travellers as soon as lockdown regulations allowed

4. ECPTA successfully conceptualised the provincial tourism recovery intervention and was appointed to implement the Provincial Tourism Recovery Plan. Preparations began as early as August, so when the Adjustment Allocation was received in December, ECPTA was ready to implement. All Provincial Tourism Recovery Plan monies were spent and fully committed by year end.

5. The nature reserves remained closed to the public for most of the year. Reserve management activities such as fire management and security patrols continued throughout and were funded accordingly

The ECPTA had further anticipated the spending of funds for substantial infrastructure projects, within the nature reserves. These projects only commenced in the second part of the year due to lockdown measures and are now due for completion in 2022. The capital expenditure was therefore deferred to 2022.

A significant portion of the ECPTA's budget is augmented by the collection of revenue from tourism, live game sales and hunting on reserves. In some cases, because of the under collection of revenue due to COVID-19 prevention measures, expenditure was deferred.

The COVID-19 pandemic had a devastating effect on revenue generated during the year under review.

1. Revenue generating activities at ECPTA are reliant on the tourism and travel industry which were severely affected by both national and international travel restrictions. The ECPTA was able to mitigate lost revenue by applying for and receiving the Temporary Employer/Employee Relief Scheme (TERS) for COVID-19 grant from the Unemployment Insurance Fund

2. In addition to travel-related revenue, ECPTA had further anticipated the receipt of funds for substantial infrastructure projects planned for the year under review. These projects only commenced in the second part of the year due to lockdown measures and are now due for completion in 2022. The non-exchange revenue is therefore deferred to 2022
3. Lastly, funding from the provincial fiscus was reduced in line with budget re-prioritisation for COVID-19



CAPITAL INVESTMENT

| Infrastructure projects | 2020/2021 | | | 2019/2020 | | |
|-----------------------------------|----------------|--------------------------|--------------------------------|---------------|--------------------------|--------------------------------|
| | Budget R'000 | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 | Budget R'000 | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 |
| Umtiza (Repairs and Maintenance) | | | | 150 | 150 | 0 |
| Baviaanskloof (WHS) | 48 936 | 10 705 | 38 230 | 19 831 | 5 704 | 14 127 |
| Various reserves (NDT - projects) | 19 880 | 337 | 19 543 | 16 076 | 891 | 15 185 |
| National Lottery - Thomas Baines | 1 895 | 990 | 904 | 1 200 | 183 | 1 017 |
| Universal Accessibility | 1 436 | 615 | 821 | 1 436 | 0 | 1 436 |
| EPIP - Various Reserves | 95 705 | 14 955 | 80 749 | 14 708 | 0 | 14 708 |
| Economic Stimulus Fund - Various | 6 997 | 2 187 | 4 810 | 6 900 | 1 637 | 5 263 |
| NR Repairs and maintenance | | | | 2 109 | 2 109 | 0 |
| Total | 174 849 | 29 789 | 145 057 | 62 410 | 10 674 | 51 736 |

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

ECPTA identified a need for an Infrastructure Asset Management Plan as well as an Infrastructure Delivery Master Plan. Terms of reference for the appointment of a service provider in this regard were approved in Q4 of the 2020/21 financial year

The following infrastructure projects were to have been completed in the 2020/21 year. COVID-19 related delays severely impacted the delivery schedules for most projects. Much of the backlog is expected in the latter part of the year. As multi-year projects, commitments will be rolled over to the next financial year.

| Project Name | Allocated Budget Commitment | Actual Expenditure | Project Status | Annual performance | Reasons for Variation |
|--|-----------------------------|--------------------|--------------------------------------|---|---|
| Repairs and Alterations to Thomas Baines Education Centre | 1 436 802 | 990 688 | At Implementation stage | 70% Complete with approved addition work | Steel supply delays due to COVID-19 restrictions. Additional scope for roof structural support |
| Turnkey Rehabilitation Solution for Upgrading of Matched Roofs and Structures | 8 682 500 | 3 209 273 | At Implementation stage | 40% Implementation as per plan for the year | 100% achievement of planned milestones No variation |
| Turnkey Solution for the Development of Office and Tourism Accommodation at Cape Morgan Nature Reserve | 41 906 074 | 6 653 348 | At Implementation stage | 45% Implementation as per plan for the year | 100% achievement of planned milestones No variation |
| Turnkey Solution for Phase Two Development of Hunter Facilities at Double Drift -Brakfontein Community Nature Reserve | 13 305 600 | 349 902 | At Implementation stage | Recently established site | Stakeholder engagement during design stage delayed due to COVID-19. |
| Contract Planning, Design, Administration, Construction Monitoring and Project Management for Various Infrastructure Projects within Marine and Coastal Region at Dwesa, Silaka, Hluleka and Mkhambathi Nature Reserve | 3 191 017 | 903 032 | At procurement stage for contractors | Finalization of the terms of reference for appointment of the contractors | 100% achievement of planned milestones No variation |
| Construction of hikers' huts for Leopard Trail at Baviaanskloof World Heritage Site | 4 452 800 | 4 353 349 | Practical completion stage | Additional Scope Implementation | Delays caused by restrictions to access site during the snagging Site instruction by PSP required additional scope |
| Construction of Interpretative Centre Building at Baviaanskloof World Heritage Site | 35 182 422 | 5 584 747 | At implementation stage | 30% Implementation | |
| Alterations for Universal Access at Dwesa Nature Reserve | 1 396 802 | 615 446 | At implementation stage | 70% Implementation additional scope | Delays in issuing instruction and design clarifications by Coega |
| Supply and Delivery of 6 km Game Fence Material to Hluleka Nature Reserve | 436 212 | 436 212 | 100% Delivered | | |
| Supply and Delivery of 20 km Game Fence Material to Oviston Nature Reserve | 1 434 537 | 1 434 537 | 100% Delivered | | |
| Supply and Delivery of 38 km Game Fence Material to Tsolwana Nature Reserve | 2 604 795 | 2 103 068 | In Progress | 81% delivery of fencing materials | Supplier failed to deliver material in full |

PRINTERS PROOF

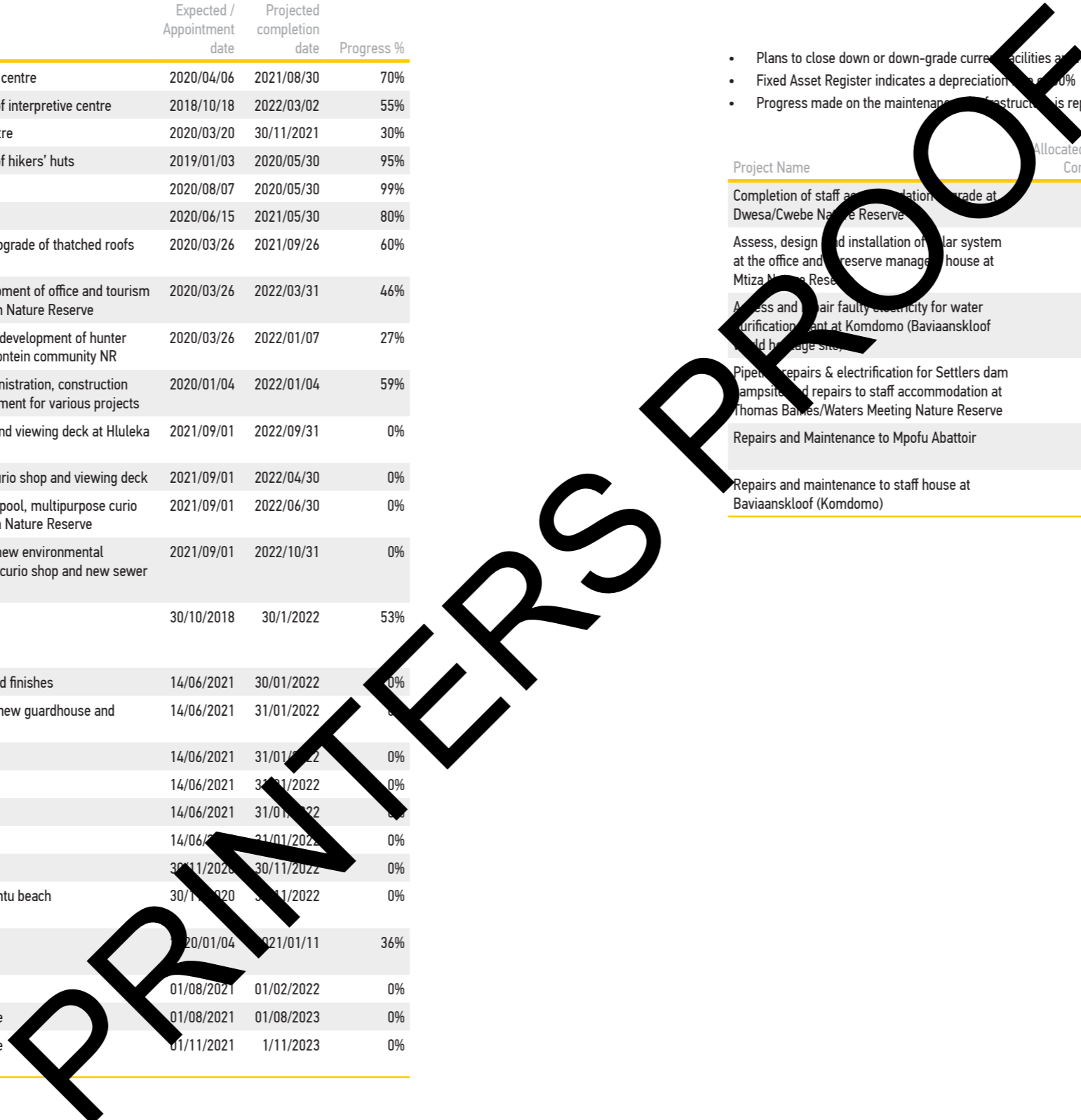


The PMU currently manages almost 30 projects:

| Item No. | Nature Reserve / Location | Project Description | Expected / Appointment date | Projected completion date | Progress % |
|----------|---|---|-----------------------------|---------------------------|------------|
| 1 | Thomas Baines | Alterations and upgrading of EE centre | 2020/04/06 | 2021/08/30 | 70% |
| 2 | Baviaanskloof | Plan, design, and construction of interpretive centre | 2018/10/18 | 2022/03/02 | 55% |
| 3 | Baviaanskloof | Construction of interpretive centre | 2020/03/20 | 30/11/2021 | 30% |
| 4 | Baviaanskloof | Plan, design, and construction of hikers' huts | 2019/01/03 | 2020/05/30 | 95% |
| 5 | Baviaanskloof | Construction of hikers' huts | 2020/08/07 | 2020/05/30 | 99% |
| 6 | Dwesa | Alterations for universal access | 2020/06/15 | 2021/05/30 | 80% |
| 7 | Silaka Nature Reserve | Turnkey solution for design & upgrade of thatched roofs & structures | 2020/03/26 | 2021/09/26 | 60% |
| 8 | Cape Morgan | Turnkey solution for the development of office and tourism accommodation at Cape Morgan Nature Reserve | 2020/03/26 | 2022/03/31 | 46% |
| 9 | Brakfontein community Reserve | Turnkey Solution for phase two development of hunter facilities at Double Drift - Brakfontein community NR | 2020/03/26 | 2022/01/07 | 27% |
| 10 | Dwesa, Silaka, Hluleka and Mkhambathi | Contract planning, design, administration, construction monitoring and project management for various projects | 2020/01/04 | 2022/01/04 | 59% |
| 11 | Hluleka NR | Construction of 4 new chalets and viewing deck at Hluleka Nature Reserve | 2021/09/01 | 2022/09/31 | 0% |
| 12 | Mkhambathi NR | Construction of multipurpose curio shop and viewing deck | 2021/09/01 | 2022/04/30 | 0% |
| 13 | Silaka NR | Construction of new swimming pool, multipurpose curio shop and viewing deck at Silaka Nature Reserve | 2021/09/01 | 2022/06/30 | 0% |
| 14 | Dwesa/Cwebe | Construction of 5 new chalets, new environmental education centre, multipurpose curio shop and new sewer plant system | 2021/09/01 | 2022/10/31 | 0% |
| 15 | 6 Day Hiking Trail and beach infrastructure (various) | Consulting Fees | 30/10/2018 | 30/1/2022 | 53% |
| 16 | Middle beach site | Construction of new ablution and finishes | 14/06/2021 | 30/01/2022 | 0% |
| 17 | Krantz recreational site | Alterations and construction of new guardhouse and fencing | 14/06/2021 | 31/01/2022 | 0% |
| 18 | Kowie river | Repairs to river embankment | 14/06/2021 | 31/01/2022 | 0% |
| 19 | Mngazana site | Alterations and finishes | 14/06/2021 | 31/01/2022 | 0% |
| 20 | Hluleka NR | Alterations and finishes | 14/06/2021 | 31/01/2022 | 0% |
| 21 | Mpande site | Alterations and finishes | 14/06/2021 | 31/01/2022 | 0% |
| 22 | Mngcibe site | Construction of new chalets | 30/11/2020 | 30/11/2022 | 0% |
| 23 | Mzamba and Mthentu beach | Planning for Mzamba and Mthentu beach | 30/11/2020 | 31/01/2022 | 0% |
| 24 | Tsolwana Nature Reserve | Delivery of 38km game fence | 20/01/04 | 021/01/11 | 36% |
| 25 | Hluleka NR | Installation of 6km game fence | 01/08/2021 | 01/02/2022 | 0% |
| 26 | Oviston Nature Reserve | Installation of 20km game fence | 01/08/2021 | 01/08/2023 | 0% |
| 27 | Tsolwana Nature Reserve | Installation of 38km game fence | 01/11/2021 | 1/11/2023 | 0% |

- Plans to close down or down-grade current facilities are made in relation to the asset management plans
- Fixed Asset Register indicates a depreciation of 100%
- Progress made on the maintenance and construction is reported as follows:

| Project Name | Allocated Budget / Commitment | Actual Expenditure | Project Status | Performance % |
|---|-------------------------------|--------------------|--------------------------------------|---|
| Completion of staff accommodation upgrade at Dwesa/Cwebe Nature Reserve | 480 000 | 404 259 | At Implementation stage | 87% implementation |
| Assess, design and installation of solar system at the office and reserve manager's house at Mtiza Nature Reserve | 498 000 | 0 | Project advertised; no bids received | Project advertised; no bids received (Non-responsive) |
| Assess and repair faulty electricity for water purification plant at Komdomo (Baviaanskloof) and bridge site | 36 803 | 26 333 | Complete | 100% |
| Pipeline repairs & electrification for Settlers dam campsites and repairs to staff accommodation at Thomas Baines/Waters Meeting Nature Reserve | 427 895 | 427 895 | At Implementation stage | 100% |
| Repairs and Maintenance to Mpofu Abattoir | 441 023 | 0 | At Implementation Stage | 100% |
| Repairs and maintenance to staff house at Baviaanskloof (Komdomo) | 222 995 | 203 126 | 100% Complete | 100% |



the BIG TREE

—
TSITSIKAMMA

Standing guard over the treetop canopy in the heart of the natural forest of the Tsitsikamma is The Big Tree,

a Yellowwood estimated to be about 800 years old. This majestic tree towers over the rest of the canopy, standing over 36 metres tall and with a trunk circumference of 9 metres - a giant among giants. Discovering these rare, endangered giants is a worthwhile experience!

PRINTERS PROOF



Part C



GOVERNANCE

INTRODUCTION

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

PORTFOLIO COMMITTEES

The ECPTA engaged with the Portfolio Committee for Economic Development, Environmental Affairs and Tourism twice during the year under review. The engagements took place on 19 June 2020 and 15 December 2020. The full Board was present at both engagements. The portfolio committee raised questions which were responded to by the ECPTA:

1. Extent of the ECPTA in involvement in expansion of the Marine Protected Areas
2. Virtual platforms used by the ECPTA for marketing
3. Repeal / replacement of old legislation
4. Youth Environmental Services Programme (YES)
5. The Provincial Tourism Recovery Plan adequacy to address the current COVID-19 related crisis in the tourism sector
6. In respect of the disclosed Contingent Liabilities quantify same and what are the entity's expectations to exposure thereon
7. Diversification of products offerings to include heritage and culture

EXECUTIVE AUTHORITY

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

ACCOUNTING AUTHORITY

The fiduciary duties and general responsibilities of the Accounting Authority are prescribed by Sections 50 and 51 the PFMA. The Board of Directors further ensures that its obligations in terms of the relevant legislation, including the PFMA are effectively discharged.

The Board is responsible for the appointment of Executive Managers, including the Chief Executive Officer. It is also responsible for identifying risk areas and retaining full and effective control over the strategic operations of the ECPTA.

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



COMPOSITION OF THE BOARD

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

| Name | Designation | Date appointed | Date resigned | Qualifications | Area of Expertise | Board Directorships | Other Committees or Task Teams |
|-----------------------|--|----------------|-----------------|---|--|---|---|
| Ms N Mona | Chairperson of the Board | 1 May 2019 | 31st March 2021 | MBA, MA Labour Relations & HR, BA (Hons) Industrial Relations, BA Psychology & Sociology | Labour Relations | ENTSA Board | NCT HR Governance Committee ICASA-Member of REMCO Wilderness Foundation-Trustee and NED |
| Ms T Putzier | Deputy chair of the Board; Chair of Marketing Committee; Member of Human Resources and Remuneration (HR&R) Committee | 1 May 2019 | N/A | BCom, Post Graduate Diploma in Business Administration | Tourism and Marketing | Nil | Nil |
| Dr N Mzilikazi | Chair of HR&R Committee; Member of Operations Committee | 1 May 2019 | N/A | PHD Zoology, M.Sc Zoology, B.Sc (Hons) Zoology, B.Sc Zoology Chemistry, Tropical Ecology Field-Course | Biodiversity and Conservation | Nil | Nil |
| Mr Z Fihlani | Chairperson of Finance and Investment Committee (FINCO); Member of HR&R committee | 1 May 2019 | N/A | M. Com (Tax), Higher Diploma in Tax Law, Higher Diploma in International Tax Law, CA (SA), B. Compt (Hons), B Com in Accounting, Bridging Course | Finance | Nil | Nil |
| Dr A Baxter | Chair of Operations Committee; Member of FINCO | 1 May 2019 | N/A | B.Sc & B.Sc (Hons), Doctor of Philosophy (PHD) in Faculty of Science | Biodiversity and Conservation | Nil | Nil |
| Mr L Bevile | Member of Operations Committee | 1 May 2019 | N/A | Bachelor of Arts (BA) & Higher Diploma in Education (HDE) | Representing the Community | Chairperson Provincial People and Parks Forum | Nil |
| Ms S Onceya | Member of FINCO; Member of Marketing Committee | 1 May 2019 | N/A | Master's Degree in Economics, Bachelor of Commerce (Hons) Transport Economics, Bachelor of Commerce Business Management & Economics, Postgraduate studies PHD in Economics Research | Shareholder Representative Finance Marketing | Nil | Nil |

COMMITTEES

| Committee | No. of meetings held | No. of members | Name of members |
|--|----------------------|----------------|--|
| Audit and Risk Committee | Five | Three | Mr L Mangquku Mr S Dzengwa Mr J Emslie |
| Human Resources and Remuneration (HR & R) | Four | Three | Dr N Mzilikazi Ms T Putzier Mr Z Fihlani |
| Finance and Investment Committee (FINCO) | Four | Three | Mr Z Fihlani Dr A Baxter Ms S Onceya |
| Operations | Four | Three | Dr A Baxter Dr N Mzilikazi Mr L Bevile |
| Marketing | Four | Two | Ms T Putzier Ms S Onceya |

REMUNERATION OF BOARD MEMBERS

The ECPTA Board of Directors is remunerated according to its Subsistence and Travel Policy which was approved by the MEC. Members' remuneration details, including other expenses, are included in the Annual Financial Statements for the year ended 31 March 2021. The official that is employed by DEDEAT to serve as the Shareholder Representative is not remunerated by the ECPTA.



RISK MANAGEMENT

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

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

The Internal Auditors (outsourced) provide the Audit and Risk Committee with an annual assessment of the maturity of the organisational risk management system and environment. Over the past five years, these audits assessed the ECPTA against a six-level model. There was sustained improvement from Level 4 (Information) in 2015/16 to Level 5 (Managed) in 2019/20.

During 2020, Provincial Treasury and the Institute of Risk Management South Africa launched a Risk Maturity Project for the Eastern Cape Provincial Administration. The model used has a 5-stage progression. To align to the rest of the provincial government, the audit model for the ECPTA risk maturity assessment was accordingly updated.

The 2020/21 audit utilised the "Risk Maturity Model" (RMM) which categorises maturity into five levels. The RMM consists of 25 Enterprise Risk Management success components. These are underpinned by 71 competency drivers that are mapped and benchmarked to ISO 31000: 2009; OCEG "Red Book" 2.0: 2009; BS 31000: 2008; COSO: 2004; FERMA: 2002 and Solvency II: 2012 risk standards. The model includes consideration of root cause analysis as required by the Audit and Risk Committee.

| Maturity Level | Level Score |
|-------------------|-------------|
| Leadership | 4 to 5 |
| Managed | 3 to 4 |
| Repeatable | 2 to 3 |
| Initial | 1 to 2 |
| Ad Hoc | 0 to 1 |

The resulting score is compared to a 5-level benchmark, while the detailed attribute analysis provides clear insight into the steps necessary for improvement. The target for the ECPTA in the first year of using the new methodology was to achieve RMM Level Managed and a Score of 3. The ECPTA successfully met this target with a score of 3.1 (Managed).

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

INTERNAL CONTROL UNIT

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

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

INTERNAL AUDIT AND RISK COMMITTEE

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

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

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

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

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



LIST OF AUDIT ENGAGEMENTS CONDUCTED IN 2020/21

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

KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT AND RISK COMMITTEE

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

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

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

| Name | Qualifications | Internal or external | Date appointed | Date Resigned | No. of Meetings attended |
|------------------------|--|----------------------|----------------|---------------|--------------------------|
| Mr L M Mangquku | B-Compt., Bachelor Accounting Science (Hon), BCom, Master's Business Leadership. CA (SA) | External | April 2020 | N/A | 5 |
| Mr S Dzengwa | BA (Hon), MPA, MBA, Certificate Development Finance | External | April 2020 | N/A | 3 |
| Mr J J Emslie | BCom (Accounting/Commercial Law), PGD Accountancy, CA (SA) | External | April 2020 | N/A | 5 |

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 Audit and Risk Committee and Board scrutiny.

FRAUD AND CORRUPTION

THE ECPTA ADOPTS A ZERO-TOLERANCE STANCE TOWARDS FRAUD AND CORRUPTION.

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

The ECPTA appointed a service provider (Whistle Blower) to provide and monitor an anonymous ethics and fraud reporting hotline. The service provider compiles reports for the attention of the CEO and CFO. In the event 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 Audit and Risk Committee.

MINIMISING CONFLICT OF INTEREST

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



CODE OF CONDUCT

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

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

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

BOARD SECRETARY

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

SOCIAL RESPONSIBILITY

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

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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

PRINTER'S PROOF



AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

AUDIT AND RISK COMMITTEE RESPONSIBILITY

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

THE EFFECTIVENESS OF INTERNAL CONTROL

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

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

- Interim Financial Statements
- Strategic and Annual Performance Plans
- Quarterly, Half-year and Annual Performance Information
- Legal and Compliance review
- Executive Performance Outcome Review
- Supply Chain Management Review
- Asset Management Review
- Follow-up reviews (A-G and Internal Audit findings of previous year)

IN-YEAR MANAGEMENT AND MONTHLY / QUARTERLY REPORT

The ECPTA has reported monthly and quarterly to the Provincial Treasury as required by the PFMA.

EVALUATION OF FINANCIAL STATEMENTS

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

AUDITOR'S REPORT

We have reviewed the entity's action plan to address audit findings raised in the prior year and we are satisfied that matters have been adequately resolved.

As the Audit and Risk Committee, we wish to congratulate the ECPTA, its management and all its assurance partners for the dedication and commitment shown to sustain good governance once again.

The Audit and Risk Committee concurs 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.

Chairperson of the Audit and Risk Committee

LUYANDA M. MANGQUKU

13 August 2021



KAROO HEARTLAND

EGG ROCK

A visit to the beautiful "big sky" Karoo Heartland, with its fresh air, blue sky, peace and tranquillity, will surprise and delight you.

Just 8km outside Cradock, you'll discover the Karoo Heartland's mysterious "Egg Rock" standing 10m high, weighing in at around 480 tons

- perched precariously on the edge of the Karoo plains. Legend has it that the rock was cleaved by lightning in 1937.



Part D



HUMAN RESOURCE MANAGEMENT

INTRODUCTION

OVERVIEW OF HUMAN RESOURCES

In the financial year 2020-2021 the entity, country and the world were confronted by the COVID-19 pandemic. This was unprecedented not only for the world of work but for entire global citizenry. The ECPTA had to respond with agility to this pandemic by re-strategising its approach as it was no longer business as usual.

The first order of priority for the ECPTA was to ensure the feasibility of remote working. Corporate Services had to ensure that wellness, health and safety support, including tools of trade, were provided to staff to enable smooth remote working arrangements. Corporate Services introduced online platforms like Zoom and Microsoft Teams to ensure that operations continued to be unhindered. As part of the ECPTA re-prioritised strategic plans, budgets also had to be adjusted and funds redirected to prevention and management of COVID-19 in the workplace, for example; procurement of personal protective equipment (PPE), hygiene consumables and adequate supply of Tools of Trade for staff to necessitate a safe working environment for all.

In line with the Disaster Management Act, and in an endeavour of good governance, the entity established the COVID-19 Coordinating Structure with all reserves represented by Reserve Managers and Occupational Health and Safety Representatives. The structure was to ensure co-ordination, compliance, monitoring and evaluation of implementation of COVID-19 protocols in the workplace to minimize the impact of COVID-19.

KEY PRIORITIES FOR THE YEAR UNDER REVIEW

OCCUPATIONAL HEALTH SAFETY

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

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

WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

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

EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

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

EMPLOYEE WELLNESS PROGRAMMES

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

POLICY DEVELOPMENT

A Policy Review Workshop was conducted during the year updating all policies that needed renewal including the development and approval of the Prevention and Management of COVID_19 in the workplace.

PRINTERS PROOF



HIGHLIGHT ACHIEVEMENTS

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

CHALLENGES FACED BY THE PUBLIC ENTITY

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

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

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

Cyber security remains a challenge that affects many organisations across the world and the ECPTA is no different as we continue to face the daily threat and challenge of cyber security. To address this matter, the ECPTA has employed several controls that minimizes the chance of a successful intrusion.

FUTURE HR PLANS / GOALS

- Establishing the Organisational Alignment Panel to assist with implementing reviewed strategic objectives.
- Implementation of the Talent Management Committees and identification of critical and scarce skills.
- Conducting the Universal Access Audit in all the ECPTA establishments.
- The ECPTA will be reviewing the Microsoft Enterprise Agreement to ensure that relevant solutions such as Teams are licensed and implemented.
- Teams will be the core telephone system replacing Skype for business.
- Microsoft power apps will be implemented following a phased approach.
- The ECPTA will be procuring and implementing new server infrastructure equipment to replace outdated equipment. This will remove all the bottleneck of the network and improving speed and reliability.
- Implementation of Central Reservation System; Help Desk System and SAGE 300.

HUMAN RESOURCES OVERSIGHT STATISTICS

Personnel cost by programme

| Programme | Total Expenditure for the entity (R'000) | Personnel Expenditure (R'000) | Personnel exp. as a % of total exp. (R'000) | No. of employees | Average personnel cost per employee (R'000) |
|-------------------------------------|--|-------------------------------|---|------------------|---|
| Biodiversity and Conservation (B&C) | 150 164 | 103 083 | 37.0% | 386 | 267 |
| Destination Development (DD) | 28 027 | 12 710 | 4.6% | 21 | 605 |
| Marketing | 23 910 | 11 427 | 4.1% | 17 | 672 |
| Operational Support (CMS) | 76 798 | 36 552 | 13.1% | 62 | 590 |
| TOTAL | 278 899 | 163 772 | 58.7% | 486 | 337 |

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 | 5 901 | 3.60% | 4 | 1 475 |
| Senior Management | 41 083 | 25.09% | 39 | 1 053 |
| Professional qualified | 17 782 | 10.86% | 36 | 494 |
| Skilled | 21 856 | 13.35% | 53 | 412 |
| Semi-skilled | 56 364 | 34.42% | 229 | 246 |
| Unskilled | 20 786 | 12.69% | 125 | 166 |
| TOTAL | 163 772 | 100% | 486 | 337 |

Performance Rewards

| Level | Performance rewards | Personnel Expenditure (R'000) | % of performance rewards to total personnel cost (R'000) |
|------------------------|---------------------|-------------------------------|--|
| Top Management | 1 084 | 5 901 | 18.37% |
| Senior Management | 3 954 | 41 083 | 9.62% |
| Professional qualified | 907 | 17 782 | 5.10% |
| Skilled | 1 527 | 21 856 | 6.99% |
| Semi-skilled | 1 554 | 56 364 | 2.76% |
| Unskilled | 606 | 20 786 | 2.92% |
| TOTAL | 9 631 | 163 772 | 5.88% |



Training Costs

| Programme / activity / objective | Personnel Expenditure (R'000) | Training Expenditure (R'000) | Training Expenditure as a % of Personnel Cost | No. of employees trained | Avg training cost per employee ('000) |
|---|-------------------------------|------------------------------|---|--------------------------|---------------------------------------|
| Training priorities undergone to capacitate the ECPTA workforce | 163 772 | 291 | 0.2% | 106 | 2.7 |
| | | Free | 0 | 112 | 0 |

Employment and vacancies

| Programme | 2019/2020 No. of Employees | 2020/2021 Approved Posts | 2020/2021 No. of Employees | 2020/2021 Vacancies | % of vacancies |
|--------------|----------------------------|--------------------------|----------------------------|---------------------|----------------|
| B&C | 422 | 509 | 386 | 123 | 86.0% |
| DD | | 29 | 21 | 8 | 5.6% |
| Marketing | 17 | 25 | 17 | 8 | 5.6% |
| CMS | 59 | 66 | 62 | 4 | 2.8% |
| TOTAL | 498 | 629 | 486 | 143 | 100.0% |

| Level | 2019/2020 No. of Employees | 2020/2021 Approved Posts | 2020/2021 No. of Employees | 2020/2021 Vacancies | % of vacancies |
|------------------------|----------------------------|--------------------------|----------------------------|---------------------|----------------|
| Top Management | 4 | 6 | 4 | 2 | 1.4% |
| Senior Management | 38 | 45 | 39 | 6 | 4.2% |
| Professional qualified | 37 | 53 | 36 | 17 | 11.9% |
| Skilled | 54 | 71 | 53 | 18 | 12.6% |
| Semi-skilled | 233 | 274 | 229 | 45 | 16.4% |
| Unskilled | 132 | 180 | 125 | 55 | 30.6% |
| TOTAL | 498 | 629 | 486 | 143 | 100% |

Employment changes

| Salary Band | Employment at beginning of period | Appointments | Terminations | Employment at end of the period |
|------------------------|-----------------------------------|--------------|--------------|---------------------------------|
| Top Management | 4 | 0 | 0 | 4 |
| Senior Management | 38 | 1 | 0 | 39 |
| Professional qualified | 37 | 0 | -2 | 36 |
| Skilled | 54 | 3 | -3 | 53 |
| Semi-skilled | 233 | 5 | -9 | 229 |
| Unskilled | 132 | 4 | -11 | 125 |
| Total | 498 | 13 | -25 | 486 |

Reasons for staff leaving

| Reason | Number | % of total no. of staff leaving |
|--------------------|-----------|---------------------------------|
| Death | 7 | 28.00% |
| Resignation | 5 | 20.00% |
| Dismissal | 2 | 8.00% |
| Retirement | 6 | 24.00% |
| Ill health | 0 | 0.00% |
| Expiry of contract | 0 | 0.00% |
| Other | 5 | 20.00% |
| Total | 25 | 100.00% |

Labour Relations - Misconduct and disciplinary action

| Name of disciplinary action | Number |
|-----------------------------|----------|
| Grievances | 0 |
| Verbal warning | 1 |
| Written warning | 1 |
| Final Written warning | 4 |
| Dismissal | 2 |
| Total | 8 |

Equity Target and Employment Equity Status

| Levels | AFRICAN | | COLOURED | | INDIAN | | WHITE | |
|--------------|------------|------------|-----------|-----------|----------|----------|----------|-----------|
| | Current | Target | Current | Target | Current | Target | Current | Target |
| Top Mx | 1 | | 0 | | 0 | | 1 | |
| Senior Mx | 16 | | 1 | | 0 | | 3 | |
| Professional | 15 | | 0 | | 0 | | 3 | |
| Skilled | 16 | | 1 | | 0 | | 2 | |
| Semi-skilled | 126 | | 16 | | 0 | | 0 | |
| Unskilled | 51 | | 12 | | 0 | | 0 | |
| TOTAL | 225 | 213 | 30 | 29 | 0 | 0 | 9 | 15 |

| Levels | AFRICAN | | COLOURED | | INDIAN | | WHITE | |
|----------------|------------|------------|-----------|-----------|----------|----------|----------|-----------|
| | Current | Target | Current | Target | Current | Target | Current | Target |
| Top Management | 2 | | 0 | | 0 | | 0 | |
| Senior Mx | 14 | | 2 | | 1 | | 2 | |
| Professional | 17 | | 0 | | 0 | | 1 | |
| Skilled | 30 | | 2 | | 0 | | 2 | |
| Semi-skilled | 79 | | 8 | | 0 | | 0 | |
| Unskilled | 55 | | 6 | | 1 | | 0 | |
| TOTAL | 197 | 197 | 18 | 27 | 2 | 0 | 5 | 12 |



BABY HOLE IN THE WALL

The many undiscovered places to be discovered along the Wild Coast can be reached on foot, by bike, or on horseback.

Winding pathways lead to authentic sites such as the Baby Hole in the Wall,

a miniature replica of the Eastern Cape's unique naturally-occurring topographical landmark Hole in the Wall off the shallow waters of Coffee Bay beach on the Wild Coast.

WILD COAST



Part E

FINANCIAL INFORMATION

GENERAL INFORMATION

| | |
|--|--|
| Country of incorporation and domicile | South Africa |
| Legal form of entity | Schedule 3C Public Entity in terms of the Public Finance Management Act (Act 1 of 1999) |
| Nature of business and principal activities | Biodiversity Conservation and Tourism Management |
| Accounting Authority | <ul style="list-style-type: none"> - Ms T Putzier - Ms S Onceya * - Dr N Mzilikazi - Dr A Baxter - Mr ZL Fihlani - Mr L Beville - Mr T Lehloesa |
| Registered office | 17 - 25 Fleet Street East London 5201 |
| Postal address | P.O. Box 11235 Southernwood East L 5213 |
| Bankers | First National Bank Limited |
| Auditors | Office of the Auditor General |
| Website | www.visiteasterncape.co.za |

*Shareholder representative, not remunerated

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the period and the results of its operations and cash flows for the period then ended. The role of external auditors is to express an independent opinion on the annual financial statements and management should ensure that they 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 March 31, 2022 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 annual financial statements set out on pages 126 - 187, which have been prepared on the going concern basis, were approved by the accounting authority on 21 May, 2021 and were signed on its behalf by:



Ms T Putzier
Acting Chairperson of the Board

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON THE EASTERN CAPE PARKS AND TOURISM AGENCY

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Eastern Cape Parks and Tourism Agency set out on pages 126 to 153, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as notes to the annual financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Parks and Tourism Agency as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with South African Standards on Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no.1 of 1999) (PFMA).

Basis for opinion

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

Responsibilities of the accounting authority for the financial statements

6. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with

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

7. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

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

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on

PRINTERS PROOF



the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

- I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the entity's annual performance report for the year ended 31 March 2021:

| Programme | Pages in the annual performance report |
|---|--|
| Programme 1 - Biodiversity and Conservation | 39 - 50 |

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

Other matter

- I draw attention to the matter below.

Achievement of planned targets

- Refer to the annual performance report on pages 36 to 86 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

- I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

- The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report and the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
- My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
- In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- 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, no withdrawal of the report is necessary.

Internal control deficiencies

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

Auditor General
 East London 30 July 2021


ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

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

Communication with those charged with governance

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



STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

| Figures in Rand thousand | Note(s) | 2021 R'000 | 2020 R'000 |
|---------------------------------------|---------|----------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Inventories | 2 | 5,210 | 1,898 |
| Trade receivables | 3 | 1,169 | 1,008 |
| Other receivables | 4 | 2,988 | 3,049 |
| Cash and cash equivalents | 5 | 148,601 | 153,837 |
| Game held for sale | 6 | 6,762 | 3,458 |
| | | 164,730 | 163,250 |
| Non-Current Assets | | | |
| Intangible assets | 7 | 131 | 230 |
| Property, plant and equipment | 8 | 299,012 | 298,134 |
| Service concession assets | 9 | 24,032 | 24,812 |
| Heritage assets | 10 | 22,991 | 22,991 |
| Investment property | 11 | 20,097 | 20,531 |
| | | 366,263 | 366,698 |
| Total Assets | | 530,993 | 529,948 |
| Liabilities | | | |
| Current Liabilities | | | |
| Finance lease obligation | 12 | 103 | 19 |
| Trade payables | 13 | 23,789 | 20,810 |
| Employee related payables | 14 | 13,271 | 12,500 |
| Social responsibility projects | 15 | 633 | 1,451 |
| Employee benefit obligation | 19 | 729 | 437 |
| Provisions | 16 | 10,380 | 8,226 |
| Deferred revenue - game held for sale | 17 | 6,762 | 3,458 |
| Unspent grants and receipts | 18 | | 133,629 |
| | | 171,227 | 186,299 |
| Non-Current Liabilities | | | |
| Finance lease obligation | 12 | 45 | - |
| Employee benefit obligation | | 16,516 | 16,780 |
| | | 16,561 | 16,780 |
| Total Liabilities | | 194,088 | 203,079 |
| Net Assets | | 336,905 | 326,869 |
| Capitalisation reserve | | 39,304 | 39,304 |
| Accumulated surplus | | 297,601 | 287,565 |
| Total Net Assets | | 336,905 | 326,869 |

STATEMENT OF FINANCIAL PERFORMANCE
AS AT MARCH 31, 2021

| Figures in Rand thousand | Note(s) | 2021 R'000 | 2020 R'000 |
|---|---------|------------------|------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Wildlife income | 20 | 2,199 | 6,224 |
| Rendering of services | 21 | 1,441 | 2,420 |
| Accommodation revenue | 22 | 2,421 | 4,840 |
| Rental income | | 1,498 | 1,534 |
| Other income | 23 | 1,028 | 2,411 |
| Financial income | 24 | 5,704 | 6,959 |
| Accidental gains | 19 | 2,362 | 6,698 |
| | | 16,653 | 31,086 |
| Revenue from non-exchange transactions | | | |
| Revenue from non-exchange transactions | | | |
| Grants and subsidies | 25 | 276,065 | 263,114 |
| Fines, penalties and forfeits | | 178 | 383 |
| | | 276,243 | 263,497 |
| Total revenue from non-exchange transactions | | 276,243 | 263,497 |
| Total revenue | | 292,896 | 294,583 |
| Expenditure | | | |
| Personnel related costs | 26 | (163,772) | (157,607) |
| Depreciation and amortisation | 27 | (24,865) | (23,419) |
| Impairment loss | | - | (1,804) |
| Finance costs | 28 | (2,269) | (2,371) |
| Debt impairment/Reversal | | (163) | 18 |
| Repairs and maintenance | 29 | (4,208) | (5,072) |
| Loss on disposal of assets | | (1,216) | (1,149) |
| Operating expenses | 30 | (86,367) | (104,837) |
| | | (282,860) | (296,241) |
| Total expenditure | | (282,860) | (296,241) |
| Surplus (Deficit) for the year | | 10,036 | (1,658) |



STATEMENT OF CHANGES IN NET ASSETS
AS AT MARCH 31, 2021

| Figures in Rand thousand | Capitalisation reserve | Accumulated surplus | Total net assets |
|--|------------------------|---------------------|------------------|
| Balance at April 1, 2019 | 39,304 | 290,329 | 329,633 |
| Deficit for the year | - | (1,658) | (1,658) |
| Opening balance as previously reported | 39,304 | 288,671 | 327,975 |
| Adjustments | | | |
| Prior year adjustments | - | (1,105) | (1,105) |
| Balance at April 1, 2020 as restated* | 39,304 | 287,565 | 326,869 |
| Surplus for the year | - | 10,036 | 10,036 |
| Balance at March 31, 2021 | 39,304 | 297,601 | 336,905 |

CASH FLOW STATEMENT
AS AT MARCH 31, 2021

| Figures in Rand thousand | Note(s) | 2021 R'000 | 2020 R'000 |
|---|---------|------------------|------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Own revenue | | 7,793 | 17,301 |
| Grants and subsidies | | 264,999 | 340,259 |
| Financial income | | 5,704 | 6,959 |
| | | 278,496 | 364,519 |
| Payments | | | |
| Employee costs | | (162,416) | (156,851) |
| Suppliers | | (94,795) | (102,894) |
| Finance costs | | (12) | (44) |
| | | (257,223) | (259,789) |
| Net cash flows from operating activities | 33 | 21,273 | 104,730 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 8 | (25,951) | (27,252) |
| Proceeds from sale of property, plant and equipment | 8 | - | 18 |
| Transfers out to inventory | | 303 | - |
| Net cash flows used in investing activities | | (25,648) | (27,234) |
| Cash flows from financing activities | | | |
| Movement in social responsibility projects | | (818) | (2,615) |
| Finance lease obligation | | (43) | (426) |
| Net cash flows used in financing activities | | (861) | (3,041) |
| Net (decrease) increase in cash and cash equivalents | | (5,236) | 74,455 |
| Cash and cash equivalents at the beginning of the year | | 153,837 | 79,382 |
| Cash and cash equivalents at the end of the year | 5 | 148,601 | 153,837 |

STATEMENT OF COMPARISON OF BUDGET
AND ACTUAL AMOUNTS AS AT MARCH 31, 2021

| <i>Budget on Cash Basis</i> | | | | | | |
|--|------------------|-----------------|------------------|------------------------------------|--|-----------|
| Figures in Rand thousand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
| Statement of Financial Performance | | | | | | |
| Revenue | | | | | | |
| Revenue from exchange transactions | 31,616 | (9,148) | 22,468 | 13,497 | (8,971) | Note 40 |
| Grants | 220,437 | 13,710 | 234,147 | 231,447 | (2,700) | Note 40 |
| Other grants | 200,484 | 13,893 | 214,377 | 34,244 | (180,133) | Note 40 |
| Total revenue | 452,537 | 18,455 | 470,992 | 279,188 | (191,804) | |
| Expenditure | | | | | | |
| Compensation of employees | (177,060) | 5,147 | (171,913) | (162,416) | 9,497 | Note 40 |
| Goods and services | (120,095) | (19,937) | (140,032) | (94,795) | 45,237 | Note 40 |
| Capital expenditure | (155,382) | (3,665) | (159,047) | (25,951) | 133,096 | Note 40 |
| Total expenditure | (452,537) | (18,455) | (470,992) | (283,162) | 187,830 | |
| Deficit for the year | - | - | - | (3,974) | (3,974) | |
| Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement | - | - | - | (3,974) | (3,974) | |
| Reconciliation | | | | | | |
| Format and classification differences | | | | | | |
| Revenue from exchange transactions | | | | 3,334 | | |
| Grants and subsidies | | | | 10,374 | | |
| Compensation of employees | | | | (1,356) | | |
| Depreciation and amortisation | | | | (24,865) | | |
| Finance charges | | | | (2,269) | | |
| General expenses | | | | 2,841 | | |
| Capital expenditure | | | | 25,951 | | |
| Actual Amount in the Statement of Financial Performance | | | | 10,030 | | |

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

Basis of preparation

• **Statement of compliance**

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), Public Finance Management Act, (Act of 1999) and specific regulations issued by National Treasury.

The Annual Financial Statements were authorised for issue by the Board on 31 May 2021.

• **Going concern assumption**

The Annual Financial Statements have been prepared on a going concern basis.

• **Functional and presentation currency**

The Annual Financial Statements are presented in South African Rand, which is the entity's functional currency. All financial information presented has been rounded to the nearest thousand.

• **Use of estimates and judgements**

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

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

• **Basis of measurement**

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost except for certain assets and liabilities which are measured at fair value as set out in the accounting policies below. Under this basis, the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent are received or paid) and they are recorded in the accounting records and reported in the Annual Financial Statements of the periods to which they relate.

• **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.

• **Comparative information**

When the presentation or classification of items in the Annual Financial Statements is amended, prior year comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Accounting Policies

The accounting policies set out below have been applied consistently in all material respects to all periods in these annual financial statements.

1.1 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction.

ACCOUNTING POLICIES

1.1 Revenue from exchange transactions (continued)

Recognition

Sale of goods

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

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

Rendering of services

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

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

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

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

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

Interest

Revenue arising from the use by others of entity assets yielding interest is recognised using the effective interest method when:

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

Other income

Implementers fees based on calculations of activities done are recognised as other income.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.2 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

When implementers fees form part and parcel of a grant and subsidy arrangement set out in an agreement, it is recognised as part and parcel of grant income.

ACCOUNTING POLICIES

1.2 Revenue from non-exchange transactions (continued)

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

Measurement

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

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

1.3 Living and Non-living Resources

Living resources include living organisms, for example animals and plants that are used or held for conservation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Recognition

Non-living resources, other than land, shall not be recognised as assets.

A living resource shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- (b) the cost or fair value of the asset can be measured reliably.

Game held for sale

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

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

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

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

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

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

- The key drivers for successful biodiversity conservation include scientific management of the entire ecosystem in terms of flora and fauna (from the smallest organism to the largest) as well as the processes that maintain these patterns. It is not possible to place a reliable fair value on all material aspects of biodiversity.
- Valuing certain animal species without taking into account the contribution of other organisms and other aspects of the ecosystem is not in line with biodiversity conservation principles.
- Fauna move naturally from one place to the other in search of preferred habitat and are therefore unpredictable in terms of their availability for counting. This issue is further complicated by short term responses of game to weather conditions. While fences are used as artificial barriers to control movement of some species, this is not an ideal situation, and some species move freely despite these barriers, which make counting impractical.
- Game counts are also extremely expensive processes, as these frequently require the use of sophisticated technology (helicopters, GPS, GIS) and data analysis. In addition, the complexity in counting different species varies, such that elephants are easier to census than small species such as the blue duiker. Applying a uniform accounting approach to this range of species will not be practical.



ACCOUNTING POLICIES

1.3 Living and Non-living Resources (continued)

- In terms of the Framework for Preparation and Presentation of Financial Information, the ECPTA does not recognise its biodiversity assets and only reflect the excess game identified for off take (disposal) as additional disclosure for the benefit of users to the Annual Financial Statements.
- By virtue of these species being included in the defined protected areas they form part of the legislative mandate of the ECPTA to conserve biodiversity in these areas.

1.4 Intangible assets

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

An asset is identified as an intangible asset when it:

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

An intangible asset is recognised when:

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

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

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

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

| Item | Useful life |
|----------------------------|-------------|
| Computer software licences | 3 years |

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

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

1.5 Investment property

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

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

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

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. The cost of investment property acquired at no cost or nominal cost (i.e. acquired in a non-exchange transaction) is its fair value at the date of acquisition.

Cost model

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 |

1.6 Heritage assets

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

A heritage asset shall be recognised as an asset if, and only 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 can be measured reliably.

Assets that qualify for recognition as heritage assets are initially measured at cost where the cost or fair values cannot be measured reliably, the assets are not recognised. Heritage assets are not depreciated as they are considered to have an indefinite useful life due to their environmental significance.

ACCOUNTING POLICIES

1.6 Heritage assets (continued)

Subsequent to recognition, heritage assets are carried at cost less any accumulated impairment losses. In the case of specialised heritage buildings, the fair value is determined using the replacement cost approach.

The gain or loss arising from the derecognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

An impairment assessment is performed at each reporting date and impairment losses are recognised in surplus or deficit.

1.7 Property, plant and equipment

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

All property, plant and equipment are initially recorded at cost. Cost includes all costs directly attributable to bringing the assets to its working condition for its intended usage.

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

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

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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

Subsequent to initial measurement, property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Land accounted for as property, plant and equipment has an indefinite useful life and is not depreciated.

Water tanks, septic tanks, geysers and ablutions attached to buildings; or fencing surrounding buildings and infrastructure are presumed to be part of the buildings or infrastructure unless specifically identified; and otherwise stated.

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

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

Infrastructure work in progress represents capital projects in progress at year-end. Expenditure incurred on infrastructure 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. Subsequent to transfers to the relevant asset classes, the assets are accounted for in terms of the applicable GRAP Standard.



ACCOUNTING POLICIES

1.7 Property, plant and equipment (continued)

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

| Item | Average useful life |
|-----------------------------|---------------------|
| Land | Indefinite |
| Buildings | 5-50 years |
| Plant and machinery | 5 years |
| Furniture and fixtures | 6 years |
| Motor vehicles | 4 years |
| Office equipment | 5 years |
| IT equipment | 3 years |
| Building attachments | 5 years |
| Field equipment | 2 - 30 years |
| Roads and storm water | 10 - 60 years |
| Electricity infrastructure | 30 - 40 years |
| Sanitation infrastructure | 10 - 60 years |
| Water supply infrastructure | 30 - 50 years |
| Fencing | 10 - 40 years |

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

Changes in residual value, depreciation method and useful life represents changes in estimates and are accounted for prospectively in accordance with GRAP 3 - Accounting policies, changes in accounting estimates and errors.

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

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

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

1.8 Service concession arrangements

A service concession arrangement is a contractual arrangement between the entity and another entity (the operator) in which the operator uses the service concession asset to provide; a public service that falls within the entity's mandate (mandated function) on behalf of the entity for a specified period of time; and the operator is compensated for its services over the period of the service concession arrangement.

Service concession assets

Service concession assets are assets used to provide a mandated function in a service concession arrangement that:

- are provided by an operator which the operator constructs, develops, or acquires from a third party; or are existing assets of the operator; or
- are provided by the entity which are existing assets of the entity; or are an upgrade to existing assets of the entity.

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

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

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

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

ACCOUNTING POLICIES

1.8 Service concession arrangements (continued)

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

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the entity to the operator are allocated by reference to the relative fair values of the service concession asset and the service. 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 for investment property, property, plant and equipment, intangible assets and heritage assets to the subsequent measurement and derecognition of similar items of service concession assets. For the purposes of applying the accounting policies on investment property, property, plant and equipment, intangible assets and heritage assets, service concession assets are treated as a separate class of assets.

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

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

| Item | Useful life |
|-----------------------------|---------------|
| Buildings | 5 - 50 years |
| Plant and machinery | 5 years |
| Electricity infrastructure | 30 - 40 years |
| Water supply infrastructure | 30 - 50 years |
| Sanitation Infrastructure | 10 - 60 years |
| IT Equipment | 3 years |
| Office equipment | 5 years |
| Furniture and fixtures | 6 years |

Service concession liabilities

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

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

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

Service concession revenue

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

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the underlying)



ACCOUNTING POLICIES

1.9 Financial instruments (continued)

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition;
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- held instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or

ACCOUNTING POLICIES

1.9 Financial instruments (continued)

- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actual patterns of short term profit-taking;
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

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

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

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

| Class | Category |
|----------------|--|
| Trade payables | Financial liability measured at amortised cost |

Initial recognition

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

Initial measurement of financial assets and financial liabilities

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

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

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or

- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arms length exchange motivated by normal operating considerations. Valuation techniques include using recent arms length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.



ACCOUNTING POLICIES

1.9 Financial instruments (continued)

Measurement of specific financial instruments

Trade receivables and other receivables

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

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

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

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

Bad debts are written off in the year in which they are identified as irrecoverable.

Trade payables

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

Derecognition

Financial assets

The entity derecognises a financial asset only when:

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

Financial liabilities

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

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

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

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability of the lessor is included in the statement of financial position as a financial lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Amortment fees are expensed in the period in which they are incurred.

Lease assets are depreciated over the shorter of the lease term and its useful life.

ACCOUNTING POLICIES

1.10 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income on leases is disclosed under revenue in statement of financial performance.

1.11 Inventories

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

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

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

1.12 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the assets future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arms length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

Value in use

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

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

Recognition and measurement

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



ACCOUNTING POLICIES

1.12 Impairment of cash-generating asset (continued)

An impairment loss is recognised immediately in surplus or deficit.

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

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

Reversal of impairment loss

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

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

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

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

1.13 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the assets future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

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

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arms length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating assets fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Identification

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

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

In assessing whether there is any indication of impairment, the entity also assesses a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset that is not available for use for impairment annually by comparing its carrying amount with its recoverable service amount.

ACCOUNTING POLICIES

1.13 Impairment of non-cash-generating asset (continued)

Value in use

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

Reversal of an impairment loss

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

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

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

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 amount of the liability and expense is determined as the additional amount the entity is required to pay as a result of the unused leave days owing to employees at the end of the reporting period.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Contributions to a defined contribution plan in respect of service in a particular period are recognised as an expense in that period.

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.



ACCOUNTING POLICIES

1.15 Provisions, contingent assets and contingent liabilities

Provisions

A provision is a liability of uncertain timing or amount.

Provisions are recognised when:

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Contingent assets

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

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

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

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

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

Contingent liability

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

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

1.16 Borrowing costs

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

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

1.17 Surrenders to provincial revenue fund

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

Treasury Regulation 15.8 requires that, at the end of each financial year, and after the books of account of the entity have been closed, the Accounting Officer must surrender to the relevant treasury any unexpended voted funds, for re-depositing into the Exchequer bank account of the relevant revenue fund.

Surrenders to provincial revenue fund are disclosed on the face of the statement of financial position under current liabilities retrospectively in accordance with GRAP 3 and IAS 8.

1.18 Deferred revenue

The corresponding revenue relating to large mammals which are identified through our game census process as being excess game, and have been recognised as "held for sale" is deferred until the sale has been concluded and the entity has discharged its responsibilities in terms of the sale agreement.

1.19 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 recognised as a current liability.

ACCOUNTING POLICIES

1.20 Conditional grants and receipts

Revenue received from conditional grants, donations or 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.

1.21 Capital reserves

Capital reserves consist of:

- Reserves raised upon the initial transfer of funds relating to infrastructure projects which were initially implemented by Eastern Cape Tourism Board;
- Reserves created upon the initial valuation of game held for sale; and
- Reserves raised upon the assignment of assets to the ECPTA on establishment.

1.22 Cash and cash equivalents

Cash and cash equivalents consist of:

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

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

1.23 Related parties and key management personnel

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

Key management is defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity whether directly or indirectly. The Board, Audit Committee, Executive Management as well as the Legal Advisor / Board secretary are considered to be key management per the definition of the financial reporting standard. Close family members of key management personnel are considered to be those family members who may be expected to influence or to be influenced by key management.

Transactions between the entity and key management personnel are disclosed in related party disclosures. Compensation paid to key management personnel is included in the emoluments disclosure notes.

1.24 Fruitless and wasteful and irregular expenditure

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

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

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

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

1.25 Commitments

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



ACCOUNTING POLICIES

1.26 Budget information

The annual financial statements and the budget are not prepared on the same basis of accounting. The Annual Financial Statements are prepared on the accrual basis of accounting whereas the budget is on a cash basis. A reconciliation between the statement of financial performance and the budget is included in the Annual Financial Statements as well as the recommended disclosure as determined by National Treasury.

1.27 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation generally reflect the segments for which the entity reports information to management.

The reported segment amounts are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's Annual Financial Statements. They are the segments identified or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

Segment assets and liabilities consist of those assets and liabilities that are used by a segment in its operating activities, and are either directly attributable to a segment or can be allocated on a reasonable basis.

Segment revenue is that portion of the revenue reported in the entity's statement of financial performance that is directly attributable to a segment, or can be allocated on a reasonable basis. Segment expenses are those expenses that are directly attributable to a segment, or can be allocated to a segment on a reasonable basis.

1.28 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the Annual Financial Statements are authorised for issue.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the Annual Financial Statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the Annual Financial Statements.

1.29 GRAP Standards

The Annual Financial Statements have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board (ASB) and the transitional provisions as applicable in terms of the standard and principles contained in directive two issued by the ASB in March 2009.

The recognition and measurement principles of the approved and effective Standards do not differ or result in material differences compared to previous Annual Financial Statements.

The following prescribed Standard of GRAP have been issued but are not yet effective as at 31 March 2021.

GRAP 104 Financial Instruments – *Revisions to align the Standard with IFRS 9 on Financial Instruments.*

GRAP 25 Employee benefits

Management has considered the above-mentioned GRAP Standard and has decided to issue it but not yet effective and anticipates that the adoption of this Standard will not have a significant impact on the financial position, financial performance or cash flows of the entity.

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2. Inventories

| | | |
|-----------------------|--------------|--------------|
| Maintenance materials | 5,162 | 1,813 |
| Fuel | 48 | 85 |
| | 5,210 | 1,898 |

During the year, fueling materials of over R1 million, was purchased for projects funded by DFFE. In addition, an amount of R303 thousand was transferred from property, plant and equipment to inventory. (2020: R135 thousand was transferred from maintenance materials to property, plant and equipment.)

3. Trade receivables

| | | |
|-----------------------------|--------------|--------------|
| Trade debtors | 881 | 727 |
| Operating lease receivables | 66 | 76 |
| Rent receivable | 222 | 205 |
| | 1,169 | 1,008 |

ECPTA considers that the carrying amount of trade receivables and other receivables approximates their fair value. No trade receivables and other receivables have been pledged as security.

Reconciliation of impairment allowance and bad debts

| | | |
|--------------------------------------|-----------|----------|
| Opening balance | - | 208 |
| Amounts written off as uncollectible | 17 | (208) |
| | 17 | - |

4. Other receivables

| | | |
|---------------------------------|--------------|--------------|
| Grants receivable | - | 709 |
| SARS | 190 | 200 |
| Debts receivables (staff debts) | 90 | 45 |
| Social projects | 1,739 | 1,538 |
| Deposits | 559 | 530 |
| Prepaid expenses | 872 | 326 |
| Impairment allowance | (462) | (299) |
| | 2,988 | 3,049 |

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

Grants receivable

Grants receivable comprises of:

| | | |
|---|----------|------------|
| South African National Roads Agency limited | - | 366 |
| South African National Biodiversity Institute | - | 343 |
| | - | 709 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand 2021 2020

4. Other receivables (continued)

Reconciliation of movement in grants receivable

| | Balance receivable at start of year | Current year receipts | Transfers to revenue | Balance receivable at end of year |
|--|--|--------------------------|-------------------------|--------------------------------------|
| 31 March 2021 | | | | |
| South African National Roads Agency Limited | 366 | (366) | - | - |
| South African National Biodiversity Institute | 343 | (343) | - | - |
| | 709 | (709) | - | - |
| 31 March 2020 | | | | |
| South African National Roads Agency Limited | - | - | 366 | 366 |
| South African National Biodiversity Institute | - | - | 343 | 343 |
| Culture, Arts, Tourism, Hospitality, Sports Sector Education and Training Authority | 45 | (45) | - | - |
| | 45 | (45) | 709 | 709 |

Reconciliation of impairment allowance

| | | | |
|--------------------------|--|------------|------------|
| Opening balance | | 299 | 109 |
| Provision for impairment | | 163 | 190 |
| | | 462 | 299 |

5. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------------------|----------------|----------------|
| Cash on hand | 176 | 172 |
| Bank balances | 147,795 | 152,214 |
| Other cash and cash equivalents | 630 | 1,451 |
| | 148,601 | 153,837 |

Bank balances

Bank balances consist of the following bank accounts with First National Bank Limited:

| | | |
|---|----------------|----------------|
| Main account | 7,401 | 5,712 |
| Revenue account | 21,427 | 7,526 |
| NDT - Baviaanskloof account | 6,399 | 15,018 |
| NDT - Infrastructure account | 9,075 | 14 |
| NDT - Tourism Monitors account | 3,079 | 3,877 |
| NDT - Universal Accessibility account | 1,088 | 1,499 |
| South African National Parks account | 691 | 1,543 |
| South African National Biodiversity Institute account | 23 | 97 |
| Commission for Restitution of Land Rights account and National Lotteries Commission | 10 | 1,095 |
| N2 Biodiversity Offset account | 6,900 | 2,687 |
| Rhino Impact Bond | 1,199 | 1,198 |
| Economic Stimulus Fund and Environmental Protection and Infrastructure Programme | 87,380 | 102,554 |
| | 147,795 | 152,214 |

5. Cash and cash equivalents (continued)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand 2021 2020

The Main and Revenue accounts are maintained for day-to-day activities, totalling to R28,8 million (2020: R13,2 million). However, the Tourism Relief Fund, due to Treasury Regulations, does not have a dedicated bank account for its unspent portion of R6,952 million. This amount is included in the Revenue bank account. The entity has project accounts totalling to R119 million (2020: R139 million), as Treasury allows. These approximate the monies unspent. Refer to notes 18 and 39. The unspent amounts of R108.5 million (2020: R128.3 million) excluding DEDEAT grants, is less than the bank balances of R119 million (2020: R153 million) due to accruals charged to the projects but only paid after reporting date.

Other cash and cash equivalents relate to grant responsibility projects. These bank balances are held by the ECPTA in its capacity as the implementing agent and are ring-fenced for application to activities within those projects, refer to note 15. Economic Stimulus Fund and Environmental Protection and Infrastructure Programme balance of R111 million relates to grant funding for new projects. The amounts received for these multi-year projects were received in the prior financial year.

The entity's exposure to interest rate risk including risk to its financial assets and liabilities is disclosed in note 38.

The bank balances and cash and cash equivalents relate to unspent grants. Refer to note 18.

6. Game held for sale

| | | |
|--------------------|-------|-------|
| Game held for sale | 6,762 | 3,458 |
|--------------------|-------|-------|

A census to determine the current stocking rate and to ensure that the veld carrying capacity is not exceeded, in line with biodiversity best practices, is held over a 3-year cycle. Excess game are identified for sale in the following year and the sale comprises live game sale, hunting packages and culling. The table below gives an indicative number of animals to be disposed off. Management has the delegated authority to switch between the methods listed below to achieve the desired capacity.

| | | |
|-----------------------|--------------|--------------|
| Live game | 110 | 33 |
| Hunting game | 218 | 31 |
| External culling game | 1,678 | 3,006 |
| Internal culling game | 328 | 287 |
| | 2,334 | 3,357 |

The number of animals for off-take (disposal) is approved by the ECPTA Board, and the value of game held for sale varies with the type of species identified for disposal. The Board has resolved at its board meeting during the year on the off-take (disposal) figures for the current year. The actual figures of wildlife sales made during the year are included in revenue, refer to note 20.

| | | |
|-----------------------------|--------------|--------------|
| Game estimated | 6,762 | 6,107 |
| Events after reporting date | - | (2,649) |
| | 6,762 | 3,458 |

7. Intangible assets

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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| | 2021 | | | 2020 | | |
|----------------------------|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| | Cost / Valuation | Accumulated amortisation | Carrying value | Cost / Valuation | Accumulated amortisation | Carrying value |
| Computer software licences | 3,628 | (3,497) | 131 | 3,628 | (3,398) | 230 |

| Reconciliation of intangible assets - 31 March 2021 | | | |
|---|-----------------|-----------------|-------|
| | Opening balance | Impairment loss | Total |
| Computer software licences | 230 | (99) | 131 |

| Reconciliation of intangible assets - 31 March 2020 | | | | |
|---|-----------------|---|-----------------|-------|
| | Opening balance | Additions through transfer of functions / mergers | Impairment loss | Total |
| Computer software licences | 328 | - | (98) | 230 |

8. Property, plant and equipment

| | 2021 | | | 2020 | | |
|-----------------------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated depreciation and impairment | Carrying value | Cost / Valuation | Accumulated depreciation and impairment | Carrying value |
| Buildings | 190,692 | (49,931) | 140,761 | 187,210 | (45,042) | 142,168 |
| Plant and machinery | 8,915 | (7,274) | 1,641 | 8,853 | (6,860) | 1,993 |
| Furniture and fixtures | 18,726 | (15,625) | 3,101 | 18,394 | (14,619) | 3,775 |
| Motor vehicles | 35,270 | (23,747) | 11,523 | 34,740 | (19,511) | 15,229 |
| Office equipment | 5,525 | (4,057) | 1,468 | 5,324 | (3,582) | 1,742 |
| IT equipment | 11,969 | (9,617) | 2,352 | 13,115 | (9,898) | 3,217 |
| Roads and storm water | 370,940 | (311,769) | 59,171 | 370,940 | (305,694) | 65,246 |
| Fencing | 75,334 | (58,551) | 16,783 | 75,576 | (56,579) | 18,997 |
| Building attachments | 6,990 | (4,883) | 2,107 | 6,904 | (4,216) | 2,688 |
| Field equipment | 3,506 | (1,978) | 1,528 | 3,452 | (1,842) | 1,610 |
| Electricity infrastructure | 11,226 | (6,397) | 4,829 | 11,276 | (6,126) | 5,156 |
| Sanitation infrastructure | 7,375 | (3,894) | 3,481 | 7,375 | (3,894) | 3,481 |
| Water supply infrastructure | 24,063 | (12,802) | 11,261 | 24,085 | (12,320) | 11,765 |
| Infrastructure - work in progress | 39,006 | - | 39,006 | 20,569 | - | 20,569 |
| Total | 809,537 | (510,525) | 299,012 | 787,813 | (489,799) | 298,134 |

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Figures in Rand thousand

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8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2021

| | Opening balance | Additions | Disposals | Transfers | Depreciation | Total |
|-----------------------------------|-----------------|---------------|----------------|----------------|-----------------|----------------|
| Buildings | 142,168 | 5,239 | (1,165) | - | (5,481) | 140,761 |
| Plant and machinery | 1,993 | 249 | (28) | - | (573) | 1,641 |
| Furniture and fixtures | 3,775 | 409 | (14) | - | (1,069) | 3,101 |
| Motor vehicles | 15,229 | 530 | - | - | (4,236) | 11,523 |
| Office equipment | 1,742 | 210 | 1 | - | (485) | 1,468 |
| IT equipment | 3,217 | 587 | (22) | - | (1,430) | 2,352 |
| Roads and storm water | 65,246 | - | - | - | (6,075) | 59,171 |
| Fencing | 18,997 | 108 | (249) | - | (2,073) | 16,783 |
| Building attachments | 2,688 | 118 | (2) | - | (697) | 2,107 |
| Field equipment | 1,910 | 63 | - | - | (445) | 1,528 |
| Electricity infrastructure | 5,156 | 1 | (32) | - | (296) | 4,829 |
| Sanitation infrastructure | 3,679 | - | - | - | (198) | 3,481 |
| Water supply infrastructure | 11,765 | - | (9) | - | (495) | 11,261 |
| Infrastructure - work in progress | 20,569 | 23,475 | - | (5,038) | - | 39,006 |
| Total | 298,134 | 30,989 | (1,520) | (5,038) | (23,553) | 299,012 |

Reconciliation of property, plant and equipment - 31 March 2020

| | Opening balance | Additions | Disposals | Transfers | Depreciation | Impairment loss | Total |
|-----------------------------------|-----------------|---------------|----------------|----------------|-----------------|-----------------|----------------|
| Buildings | 146,365 | 3,743 | (600) | - | (5,536) | (1,804) | 142,168 |
| Plant and machinery | 1,984 | 508 | (8) | - | (491) | - | 1,993 |
| Furniture and fixtures | 4,176 | 644 | (49) | - | (996) | - | 3,775 |
| Motor vehicles | 13,117 | 5,478 | (371) | - | (2,995) | - | 15,229 |
| Office equipment | 1,782 | 418 | (31) | - | (427) | - | 1,742 |
| IT equipment | 3,433 | 1,212 | (30) | - | (1,398) | - | 3,217 |
| Roads and storm water | 71,416 | - | - | - | (6,170) | - | 65,246 |
| Fencing | 21,036 | 61 | (21) | - | (2,079) | - | 18,997 |
| Building attachments | 2,978 | 363 | (11) | - | (642) | - | 2,688 |
| Field equipment | 1,821 | 486 | (26) | - | (371) | - | 1,910 |
| Electricity infrastructure | 5,447 | 5 | - | - | (296) | - | 5,156 |
| Sanitation infrastructure | 3,779 | 92 | - | - | (192) | - | 3,679 |
| Water supply infrastructure | 11,790 | 467 | - | - | (492) | - | 11,765 |
| Infrastructure - work in progress | 6,794 | 18,190 | - | (4,415) | - | - | 20,569 |
| Total | 295,918 | 31,667 | (1,147) | (4,415) | (22,085) | (1,804) | 298,134 |

Assets subject to finance lease (Net carrying amount)

| | | |
|--------------|-----|-----|
| IT equipment | 137 | 168 |
|--------------|-----|-----|

Property, plant and equipment amounting to R5,038 million (2020: R4,415 million) and included in additions was transferred from Infrastructure - work in progress.

No property, plant and equipment is pledged as security for any transaction.



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9. Service concession assets

| | 2021 | | | 2020 | | |
|-----------------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated depreciation and impairment | Carrying value | Cost / Valuation | Accumulated depreciation and impairment | Carrying value |
| Buildings | 18,950 | (2,145) | 16,805 | 18,950 | (1,735) | 17,215 |
| Plant and machinery | 550 | (381) | 169 | 550 | (324) | 226 |
| Electricity infrastructure | 4,300 | (543) | 3,757 | 4,300 | (439) | 3,861 |
| Sanitation infrastructure | 375 | (33) | 342 | 375 | (27) | 348 |
| Water supply infrastructure | 3,001 | (318) | 2,683 | 3,001 | (258) | 2,743 |
| IT equipment | 1,021 | (883) | 138 | 1,021 | (777) | 244 |
| Office equipment | 394 | (265) | 129 | 394 | (230) | 164 |
| Furniture and fixtures | 24 | (15) | 9 | 24 | (13) | 11 |
| Total | 28,615 | (4,583) | 24,032 | 28,615 | (3,803) | 24,812 |

Reconciliation of service concession assets - 31 March 2021

| | Opening balance | Depreciation | Total |
|-----------------------------|-----------------|--------------|---------------|
| Buildings | 17,215 | (410) | 16,805 |
| Plant and machinery | 226 | (57) | 169 |
| Electricity infrastructure | 3,861 | (104) | 3,757 |
| Sanitation infrastructure | 348 | (6) | 342 |
| Water supply infrastructure | 2,743 | (60) | 2,683 |
| IT equipment | 244 | (106) | 138 |
| Office equipment | 164 | (35) | 129 |
| Furniture and fixtures | 11 | (2) | 9 |
| | 24,812 | (780) | 24,032 |

Reconciliation of service concession assets - 31 March 2020

| | Opening balance | Disposals | Transfers | Depreciation | Total |
|-----------------------------|-----------------|-------------|-----------------|--------------|---------------|
| Buildings | 32,532 | - | (14,796) | (1,021) | 17,215 |
| Plant and machinery | 283 | - | - | (57) | 226 |
| Electricity infrastructure | 3,966 | - | - | (185) | 3,861 |
| Sanitation infrastructure | 354 | - | - | (6) | 348 |
| Water supply infrastructure | 2,803 | - | - | (60) | 2,743 |
| IT equipment | 352 | - | - | (108) | 244 |
| Office equipment | 224 | (2) | - | (40) | 164 |
| Furniture and fixtures | 14 | - | - | (3) | 11 |
| | 40,528 | (20) | (14,796) | (900) | 24,812 |

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9. Service concession assets (continued)

Concession service arrangements

Mthatha dam concession

The ECPTA entered into a concession agreement with Naritasan Koya Trading, trading as Mthatha Dam Amenities (the operator); whereby the entity has granted the operator the right to use the concession period to generate, charge and collect revenues from the operation of Mthatha dam facilities at Vukhaba Nature Reserve during the concession period of twenty (20) years effective from 01 December 2015, with no renewal option; and to use the concession facilities received as a donation from the National Department of Environmental Affairs for the purpose of this project.

Donated assets to the entity amount to R56,238 million; and consisting of service concession assets (R27,176 million) and property, plant and equipment (R29,062 million) have been received from the National Department of Environmental Affairs by the entity for this project to date.

Service concession assets are maintained by the operator during the concession period; and after expiry of the concession period, the facilities are to be operated by the local community identified as beneficiaries in partnership with the entity.

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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10. Heritage assets

| | 2021 | | | 2020 | | |
|------|---------------------|-------------------------------------|----------------|---------------------|-------------------------------------|----------------|
| | Cost / Valuation | Accumulated impairment losses | Carrying value | Cost / Valuation | Accumulated impairment losses | Carrying value |
| Land | 22,991 | - | 22,991 | 22,991 | - | 22,991 |

Reconciliation of heritage assets - 31 March 2021

| | Opening balance | Total |
|------|--------------------|--------|
| Land | 22,991 | 22,991 |

Reconciliation of heritage assets - 31 March 2020

| | Opening balance | Total |
|------|--------------------|--------|
| Land | 22,991 | 22,991 |

Details of heritage assets

Heritage assets consist of various parks that were assigned to the former Eastern Cape Parks Board, with estimated area in hectares as listed below. For the heritage assets which were obtained from non-exchange transactions, ECPTA attempted to establish the value thereof using guidance from Directive 7: The Application of deemed cost issued by the Accounting Standards Board. Due to the nature of ECPTA's activities, ECPTA could not establish neither a fair value/deemed cost nor a replacement cost for its heritage assets acquired from non-exchange transactions. For that reason ECPTA heritage assets acquired from non-exchange transactions could not be recognised in the Annual Financial Statements.

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

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

Heritage assets measured at cost

Reserve

| | | |
|--|---------------|---------------|
| 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 and Cockscomb - 18,160 hectares acquired at cost | 15,534 | 15,534 |
| Mpofu Nature Reserve - 827 hectares acquired at cost | 1,798 | 1,798 |
| | 22,991 | 22,991 |

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2020

10. Heritage assets (continued)

Heritage assets which fair values cannot be reliably measured

| Reserve | Estimated area in hectares | Estimated area in hectares |
|--|-------------------------------|-------------------------------|
| Great Fish River Nature Reserve - Comprising of Sam Knott and Double Drift Nature Reserves | 43,417 | 43,417 |
| Baviaanskloof Nature Reserve - Comprising of Baviaanskloof Wilderness Area, Stinkhoutberg and Cockscomb | 193,011 | 193,011 |
| Formosa Nature Reserve | 25,490 | 25,490 |
| Geendal Nature Reserve | 44,877 | 44,877 |
| The Island Nature Reserve | 495 | 495 |
| Three Gables Nature Reserve | 2,588 | 2,588 |
| Water Meeting Nature Reserve | 4,217 | 4,217 |
| Isolwana Nature Reserve | 7,796 | 7,796 |
| Mpofu Nature Reserve | 10,104 | 10,104 |
| Fort Fordyce Nature Reserve | 2,970 | 2,970 |
| East London Coast Nature Reserve | 3,827 | 3,827 |
| Hamburg Nature Reserve | 1,466 | 1,466 |
| Dwesa Cwebe Nature Reserve | 5,529 | 5,529 |
| Hluleka Nature Reserve | 4,665 | 4,665 |
| Silaka Nature Reserve | 400 | 400 |
| Nduli Luchaba Nature Reserve | 518 | 518 |
| Mkhambathi Nature Reserve | 7,736 | 7,736 |
| Ongeluksnek Nature Reserve | 11,540 | 11,540 |
| Oviston Nature Reserve | 1,455 | 1,455 |
| Commando Drift Nature Reserve | 5,746 | 5,746 |
| | 377,847 | 377,847 |



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Figures in Rand thousand

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11. Investment property

| | 2021 | | | 2020 | | |
|---------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated depreciation and impairment | Carrying value | Cost / Valuation | Accumulated depreciation and impairment | Carrying value |
| Investment property | 22,554 | (2,457) | 20,097 | 22,554 | (2,023) | 20,531 |

Reconciliation of investment property - 31 March 2021

| | Opening balance | Depreciation | Total |
|---------------------|-----------------|--------------|--------|
| Investment property | 20,531 | (434) | 20,097 |

Reconciliation of investment property - 31 March 2020

| | Opening balance | Transfers received | Depreciation | Total |
|---------------------|-----------------|--------------------|--------------|--------|
| Investment property | 6,071 | 14,796 | (336) | 20,531 |

Details of property

| | | |
|--------------------------------------|--------|--------|
| - Unit 2 Bhisho Business Village | 876 | 896 |
| - Tourism House Phalo Avenue | 4,778 | 4,886 |
| - Somerset House | 160 | 160 |
| - Cape Morgan multi-purpose facility | 14,283 | 14,589 |
| | 20,097 | 20,531 |

Unit 2 Bhisho Business Village:

The property consists of an office block situated in the Bhisho Business Village and transferred to the ECPTA as at 1 July 2010. The building is currently occupied by the Provincial Department of Cooperative Governance and Traditional Affairs.

Fair value of the investment property as determined by an independent valuer, P Lindstrom (Registration no 935/7 registered in terms of the Valuers Act No.47 of 2000) is R1,860 million (2020: R1,757 million).

Tourism House Phalo Avenue:

The property consists of an office block situated in Phalo Avenue in Bhisho and was transferred to the ECPTA as at 1 July 2010. It is currently being occupied by the National Prosecuting Authority (NPA).

Fair value of the investment property as determined by an independent valuer, P Lindstrom (Registration no 935/7 registered in terms of the Valuers Act No.47 of 2000) is R10,170 million (2020: R9,720 million).

Somerset House:

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

Cape Morgan multi-purpose facility:

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

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11. Investment property (continued)

Amounts recognised in surplus/deficit

| | | |
|---|-----|-----|
| Rental revenue from Investment property | 986 | 968 |
| From investment property that generated rental revenue | | |
| Repairs and maintenance | 102 | 15 |

12. Finance lease obligation

| | | |
|--|------------|------------|
| Minimum lease payments due | | |
| - within one year | 111 | 196 |
| - in second to fifth year inclusive | 46 | - |
| | 157 | 196 |
| Less: future finance charges | (9) | (5) |
| Present value of minimum lease payments | 148 | 191 |

Present value of minimum lease payments due

| | | |
|-------------------------------------|------------|------------|
| - within one year | 103 | 191 |
| - in second to fifth year inclusive | 45 | - |
| | 148 | 191 |

Non-current liabilities

45 -

Current liabilities

103 191

148 191

The entity has considered the following leases as significant:

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

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| Figures in Rand thousand | 2021 | 2020 |
|-----------------------------|---------------|---------------|
| 13. Trade payables | | |
| Trade creditors | 14,972 | 16,167 |
| Revenue received in advance | 1,804 | 4,409 |
| Accrued expense trade | 6,889 | 3,901 |
| Operating lease payments | 104 | 108 |
| Other trade payables | 20 | 25 |
| | 23,789 | 24,610 |

The ECPTA considers that the carrying amount of trade payables approximates their fair value. The entity's exposure to liquidity risk related to trade payables is disclosed in note 38.

14. Employee related payables

| | | |
|-------------------------|---------------|---------------|
| Salaries and wages | 536 | 590 |
| Pension and provident | 3 | 67 |
| Skills development levy | 141 | 136 |
| Accrued leave pay | 11,507 | 10,884 |
| Workmen's compensation | 129 | 140 |
| Medical aid | 955 | 780 |
| | 13,271 | 12,597 |

The ECPTA, as a schedule 3C Public Finance Management Act (Act 1 of 1999) entity, is required to surrender surplus cash resources to the Provincial Treasury. Historically, the ECPTA has not retained cash to fully back the accrued leave pay accrual in light of this. The Provincial Treasury does however allow a retention based on prior year trends. The cash back portion is equivalent to the prior payments to employees leaving the ECPTA amounting to R785 thousand (2020: R 931 thousand).

The ECPTA considers that the carrying amount of employee related payables approximates their fair value. The entity's exposure to liquidity risk related to employee related payables is disclosed in note 38.

15. Social responsibility projects

| | | |
|--------------------------------|-----|-------|
| Social responsibility projects | 633 | 1,451 |
|--------------------------------|-----|-------|

Represents amounts available for social responsibility projects (formerly poverty alleviation projects) which are administered on behalf of the National Department of Environmental Affairs, refer to note 5.

The ECPTA has been appointed as implementing agents for certain social responsibility initiatives which are funded directly by DFFE. The project was initiated in 2005 and to date, funding to the extent of R122,488 million (2020: R122,488 million) has been received. A separate set of financial records are maintained for this project and a separate independent audit is conducted on an annual basis. These expenses are submitted to DFFE and are not consolidated into the records of ECPTA.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| Figures in Rand thousand | 2021 | 2020 |
|-----------------------------|---------------|--------------|
| 16. Provisions | | |
| Legal proceedings | 135 | 165 |
| Professional fees | 71 | 130 |
| Voluntary Severance Package | 577 | - |
| Performance bonus | 9,603 | 9,631 |
| | 10,386 | 9,926 |

Reconciliation of provisions - 31 March 2021

| | Opening Balance | Additions | Utilised during the year | Reversed during the year | Total |
|-----------------------------|-----------------|---------------|--------------------------|--------------------------|---------------|
| Legal proceedings | 165 | - | - | (30) | 135 |
| Professional fees | 130 | - | (59) | - | 71 |
| Voluntary Severance Package | - | 577 | - | - | 577 |
| Performance bonus | 9,631 | 9,610 | (9,638) | - | 9,603 |
| | 9,926 | 10,187 | (9,697) | (30) | 10,386 |

Reconciliation of provisions - 31 March 2020

| | Opening Balance | Additions | Utilised during the year | Reversed during the year | Total |
|-------------------|-----------------|--------------|--------------------------|--------------------------|--------------|
| Legal proceedings | 365 | - | - | (200) | 165 |
| Professional fees | 483 | 193 | (546) | - | 130 |
| Performance bonus | 9,607 | 9,607 | (9,563) | (20) | 9,631 |
| | 10,455 | 9,800 | (10,109) | (220) | 9,926 |

Legal proceedings provisions

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

| | | |
|--|------------|------------|
| Resettlement of people | 20 | 20 |
| Eviction of former employees | 30 | 30 |
| Public liability claim against employees | 35 | 35 |
| Employment dismissal | 30 | 30 |
| Repairs and maintenance claim | - | 30 |
| Reckless and negligent driving | 20 | 20 |
| | 135 | 165 |

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

Voluntary Severance Package provision

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

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

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2020

16. Provisions (continued)

Performance bonus provision

The provision on performance bonus of R9,603 million (2020: R9,6 million) relates to management's estimate on possible performance payments in terms of the entity's performance management policy. The payments of such bonuses is subject to the availability of funds and dependent on the outcome of performance evaluations which are to be conducted after year-end.

17. Deferred revenue - game held for sale

| | | |
|--------------------|-------|-------|
| Game held for sale | 6,762 | 3,458 |
|--------------------|-------|-------|

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

18. Unspent grants and receipts

Unspent grants and receipts comprises of:

| | | |
|--|----------------|----------------|
| DEDEAT - Equitable Share | 633 | - |
| DEDEAT - Economic Stimulus Fund | 6,111 | 5,263 |
| DEDEAT - Tourism Relief Fund | 6,952 | - |
| African Wildlife Foundation | 123 | 123 |
| CATHSSETA | 99 | 306 |
| Commission on Restitution of Land Rights | 207 | 207 |
| DEFF - Environmental Protection Infrastructure Programme | 81,273 | 95,705 |
| Wildlife Conservation Bond (Rhino Impact Bond) | 629 | 1,109 |
| Green Trust | 5 | 5 |
| Marine and Coastal Management | 139 | 878 |
| National Department of Tourism | 14,402 | 26,803 |
| National Lotteries Commission | 26 | 1,017 |
| South African National Biodiversity Institute | 9 | - |
| South African National Parks | 2,057 | 2,936 |
| South African National Roads Agency Limited | 9,189 | - |
| | 121,854 | 133,629 |

The entity has project bank accounts per note 5. Unspent funds committed at year-end are detailed in note 39.

Reconciliation of movement in grants

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2021

2020

18. Unspent grants and receipts (continued)

| | Balance unspent at start of year | Current year receipts | Transfers to revenue | Other movements (Surrenders) | Balance unspent at year-end |
|--|----------------------------------|-----------------------|----------------------|------------------------------|-----------------------------|
| 31 March 2021 | | | | | |
| DEDEAT - Economic Stimulus Fund | 5,263 | 4,435 | (2,187) | (1,400) | 6,111 |
| DEDEAT Equitable Share | - | 212,447 | (211,814) | - | 633 |
| DEDEAT Tourism Relief Fund | - | 19,000 | (12,048) | - | 6,952 |
| African Wildlife Foundation | 123 | - | - | - | 123 |
| CATHSSETA | 306 | 324 | (531) | - | 99 |
| Commission on Restitution of Land Rights | 207 | - | - | - | 207 |
| DEFF - Environmental Protection Infrastructure Programme | 95,705 | - | (14,432) | - | 81,273 |
| Wildlife Conservation Bond (Rhino Impact Bond) | 1,109 | - | (480) | - | 629 |
| Green Trust | 5 | - | - | - | 5 |
| Marine and Coastal management | 878 | 2,250 | (2,989) | - | 139 |
| National Department of Tourism | 26,080 | - | (11,678) | - | 14,402 |
| National Lotteries Commission | 1,017 | - | (991) | - | 26 |
| South African National Biodiversity institute | - | 51 | (42) | - | 9 |
| South African National Parks | 2,936 | 1,791 | (2,670) | - | 2,057 |
| South African National Roads Agency Limited | - | 16,066 | (6,877) | - | 9,189 |
| TERS UIF Covid-19 | - | 9,327 | (9,327) | - | - |
| | 133,629 | 265,691 | (276,066) | (1,400) | 121,854 |

| | Balance unspent at start of year | Current year receipts | Transfers to revenue | Balance unspent at year-end |
|--|----------------------------------|-----------------------|----------------------|-----------------------------|
| 31 March 2020 | | | | |
| DEDEAT Digital Conservation | 13,400 | - | (13,400) | - |
| DEDEAT Economic Stimulus Fund | - | 6,900 | (1,637) | 5,263 |
| DEDEAT Equitable Share | - | 215,795 | (215,795) | - |
| Addo Tourism | - | 39 | (39) | - |
| African Wildlife Foundation | 551 | - | (428) | 123 |
| Bushman Museum | - | 19 | (19) | - |
| CATHSSETA | 341 | 102 | (137) | 306 |
| Coega Vulindlela Accommodation and Conference Centre | - | 19 | (19) | - |
| Commission on Restitution of Land Rights | 390 | - | (183) | 207 |
| DEFF - Environmental Protection Infrastructure Programme | - | 95,705 | - | 95,705 |
| Die Tuishuise and Victoria | - | 10 | (10) | - |
| Wildlife Conservation Bond (Rhino Impact Bond) | 425 | 1,400 | (716) | 1,109 |
| Eastern Cape Department of Transport | - | 2,000 | (2,000) | - |
| First National Bank | - | 50 | (50) | - |
| Green Trust | - | 323 | (318) | 5 |
| Joe Gqabi District Municipality | - | 19 | (19) | - |
| Kwantu Private game reserve | - | 10 | (10) | - |
| Marine and Coastal management | - | 4,200 | (3,322) | 878 |
| National Department of Tourism | 30,718 | 6,179 | (10,817) | 26,080 |
| National Lotteries Commission | 1,200 | - | (183) | 1,017 |
| Sarah Baartman District Municipality | - | 115 | (115) | - |
| South African National Biodiversity institute | 305 | 927 | (1,232) | - |
| South African National Parks | 134 | 5,590 | (2,788) | 2,936 |
| South African National Roads Agency Limited | 8,356 | - | (8,356) | - |
| Tsitsikamma Tourism Association | - | 10 | (10) | - |
| World Wildlife Fund - South Africa | - | 800 | (800) | - |
| Zest Holdings | - | 2 | (2) | - |
| | 55,820 | 340,214 | (262,405) | 133,629 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

| | 2021 | 2020 |
|--|------|------|
|--|------|------|

19. Employee benefit obligations

Defined benefit plan

The ECPTA has unfunded defined benefit plans that relates to long service awards and post retirement medical aid benefits. An actuarial valuation was performed using the Projected Unit credit method as specified in GRAP25.

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

| | 2021 | 2020 |
|-------------------------|---------------|---------------|
| Carrying value | | |
| Long service award | 2,788 | 1,940 |
| Medical aid benefit | 14,457 | 15,276 |
| | 17,245 | 17,216 |
| | | |
| Non-current liabilities | 16,516 | 16,780 |
| Current liabilities | 729 | 436 |
| | 17,245 | 17,216 |

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

| | | |
|--|---------------|---------------|
| Opening balance | 17,216 | 21,312 |
| Benefits paid | 3,789 | (441) |
| Net expense recognised in the statement of financial performance | (3,760) | (3,655) |
| | 17,245 | 17,216 |

Net expense recognised in the statement of financial performance

| | | |
|--------------------------|----------------|----------------|
| Current service cost | (3,655) | 716 |
| Interest cost | 2,257 | 2,327 |
| Actuarial (gains) losses | (2,362) | (6,698) |
| | (3,760) | (3,655) |

Key assumptions used

Assumptions used at the reporting date:

| | | |
|----------------------------|--------|--------|
| Long service discount rate | 8.90% | 10.60% |
| Benefit inflation rate | 6.60% | 6.70% |
| Medical aid discount rate | 14.50% | 13.50% |
| General inflation rate | 9.60% | 8.90% |
| Salary inflation rate | 10.60% | 9.00% |
| Medical inflation rate | 11.40% | 10.00% |

The wording for assumptions used for the prior year has been aligned with the actuarial valuation report for the current year.

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

No ill-health retirement assumption was made and it was assumed that all staff will retire at average age of 65 (2020: 63 years). The results of the valuation are sensitive to the assumptions chosen.

The ECPTA, as a schedule 3C Public Finance Management Act, (Act 1 of 1999) entity is required to surrender surplus cash resources to the Provincial Treasury. Historically, the ECPTA has not retained cash to fund 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

| | 2021 | 2020 |
|--|------|------|
|--|------|------|

20. Wildlife income

| | | |
|----------------------------|--------------|--------------|
| Culling revenue | 1,787 | 551 |
| Hunting and fishing income | 34 | 2,608 |
| Live game sales | 215 | 2,924 |
| Venison sales | 163 | 141 |
| | 2,199 | 6,224 |

21. Rendering of services

| | | |
|--------------------------|--------------|--------------|
| Conservation fees | 953 | 1,717 |
| Day tours and activities | 419 | 615 |
| Other services | 69 | 88 |
| | 1,441 | 2,420 |

22. Accommodation revenue

| | | |
|-----------------------|--------------|--------------|
| General accommodation | 1,826 | 4,038 |
| Camping income | 595 | 801 |
| Catering income | - | 1 |
| | 2,421 | 4,840 |

23. Other income

| | | |
|----------------------------|--------------|--------------|
| Concession income | 31 | 22 |
| Commission | 88 | 69 |
| Ecological services income | 15 | 24 |
| Insurance proceeds | - | 734 |
| Implementers fees | 677 | 1,414 |
| Sale of tender documents | - | 60 |
| Sundry income | 217 | 88 |
| | 1,028 | 2,411 |

24. Finance income

| | | |
|--|--------------|--------------|
| Bank interest | 5,676 | 6,927 |
| Trade receivables and other receivables interest | 28 | 32 |
| | 5,704 | 6,959 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

25. Grants and subsidies

| | 2021 | 2020 |
|---|----------------|----------------|
| DEDEAT | 226,050 | 230,832 |
| Addo Tourism | - | 39 |
| African Wildlife Foundation | - | 428 |
| Bushman Museum | - | 19 |
| CATHSSETA | 530 | 137 |
| Coega Vulindlela Accommodation and Conference Centre | - | 19 |
| Commission on Restitution of Land Rights | - | 183 |
| Die Tuishuise and Victoria | - | 10 |
| Wildlife Conservation Bond (Rhino Impact Bond) | 479 | 716 |
| Eastern Cape Department of Roads and Transport | - | 2,000 |
| Environmental Protection and Infrastructure Programme | 14,432 | - |
| First National Bank | - | 50 |
| Green Trust | - | 318 |
| Joe Gqabi District Municipality | - | 19 |
| Kwantu Private Game Reserve | - | 10 |
| Marine and Coastal Management | 2,989 | 3,322 |
| National Department of Tourism | 11,678 | 10,817 |
| National Lotteries Commission | 991 | 183 |
| Sarah Baartman District Municipality | - | 115 |
| South African National Biodiversity Institute | 42 | 1,575 |
| South African National Parks | 2,670 | 2,788 |
| South African National Roads Agency Limited | 6,877 | 8,722 |
| TERS | 9,327 | - |
| Tsitsikamma Tourism Association | - | 10 |
| World Wildlife Fund - South Africa | - | 0 |
| Zest Holdings | - | 2 |
| | 276,065 | 263,114 |

Grants and subsidies consists of:

| | | |
|--|----------------|----------------|
| Spending on conditional grants and subsidies | 276,065 | 242,405 |
| Re-imbursments on grants and subsidies | - | 19 |
| | 276,065 | 263,114 |

Spending on grants refers to instances where the entity receives the grant and subsequently spends thereon. The revenue is recognised on the expenditure incurred. Re-imbursments refers to instances where the entity incurs expenditure on the application of grant and is subsequently re-imbursed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

26. Personnel related costs

| | | |
|-----------------------------|----------------|----------------|
| Basic salary | 116,081 | 111,125 |
| Performance bonus | 9,607 | 9,669 |
| Medical aid contributions | 12,267 | 10,638 |
| Unemployment insurance fund | 878 | 742 |
| Skills development levy | 141 | 136 |
| Leave pay provision charge | 1,521 | 1,056 |
| Funeral benefits | - | 100 |
| Defined contribution plans | 16,588 | 16,118 |
| Overtime payments | 3,769 | 4,139 |
| Travel allowance | 342 | 303 |
| Other allowances | 865 | 1,945 |
| Women's compensation | 1,713 | 1,636 |
| | 163,772 | 157,607 |

Included in personnel related costs is an amount of R15,831 million (2020: R9,833 million) for projects that are funded outside the provincial fiscus. In addition, included in medical aid contribution is an amount of R279 thousand for former employees that enjoy benefits under the defined benefit plan.

27. Depreciation and amortisation

| | | |
|-------------------------------|---------------|---------------|
| Intangible assets | 99 | 98 |
| Property, plant and equipment | 23,552 | 22,085 |
| Service concession assets | 780 | 900 |
| Investment property | 434 | 336 |
| | 24,865 | 23,419 |

Change in estimate - change in economic useful lives

During the year an assessment for remaining useful lives was conducted for non-current assets. The remaining useful lives of items of intangible assets, service concession assets, investment property and property, plant and equipment were revised with the following effect on depreciation and amortisation:

| | As per revised useful lives | As per original useful lives | Change in estimate |
|--------------------------------------|-----------------------------|------------------------------|--------------------|
| Depreciation and amortisation | | | |
| Intangible assets | 99 | (99) | - |
| Property, plant and equipment | 23,552 | (23,678) | (126) |
| Service concession assets | 780 | (781) | (1) |
| Investment property | 434 | (434) | - |
| | 24,865 | (24,992) | (127) |

28. Finance costs

| | | |
|------------------------------|--------------|--------------|
| Employee benefit obligations | 2,257 | 2,327 |
| Finance lease obligation | 12 | 44 |
| | 2,269 | 2,371 |

29. Repairs and maintenance

| | | |
|-------------------------------|--------------|--------------|
| Property, plant and equipment | 4,106 | 5,057 |
| Investment property | 102 | 15 |
| | 4,208 | 5,072 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| Figures in Rand thousand | 2021 | 2020 |
|---|---------------|----------------|
| 30. General expenses | | |
| Advertising and marketing | 12,271 | 15,428 |
| Animal Costs | 30 | 326 |
| Auction expenses | 551 | 1,206 |
| Auditors remuneration | 2,448 | 2,017 |
| Bad debts | 17 | 652 |
| Bank charges | 273 | 295 |
| Board expenses | 1,603 | 2,945 |
| Chemicals | 504 | 476 |
| Cleaning | 3,005 | 1,587 |
| Community projects | 45 | 132 |
| Compliance and law enforcement | 1,680 | 975 |
| Computer expenses | 69 | 29 |
| Conferences and seminars | 1,357 | 3,467 |
| Consulting and professional fees | 9,209 | 7,178 |
| Consumables | 1,347 | 1,300 |
| Electricity | 5,415 | 4,900 |
| Entertainment | 6 | 23 |
| Fleet | 2,834 | 3,350 |
| Fuel and oil | 407 | 837 |
| Game management | 1,968 | 4,293 |
| Hiring expenses | 637 | 1,139 |
| Insurance | 1,993 | 2,527 |
| Internal audit fees | 1,800 | 1,809 |
| Lease rentals on operating lease | 5,824 | 6,052 |
| Levies | 180 | 10 |
| Medical expenses | 8 | 29 |
| Placement fees | 25 | 18 |
| Postage and courier | 27 | 107 |
| Printing and stationery | 582 | 1,086 |
| Profit & loss on foreign exchange | (3) | 235 |
| Protective clothing | 180 | 10 |
| Refuse | 276 | 198 |
| Research and development costs | | 291 |
| Royalties and license fees | 383 | 3,362 |
| Security | 1,456 | 1,456 |
| Staff welfare | 106 | 269 |
| Subscriptions and membership fees | 49 | 794 |
| Travel - motor car, accommodation and subsistence | 1,111 | 3,629 |
| Telephone, Remote working & Connectivity | 10,054 | 5,498 |
| Tourism development | 1,861 | 4,825 |
| Training | 3,070 | 4,691 |
| Travel - local | 6,313 | 12,086 |
| Travel - overseas | - | 1,319 |
| Uniforms | 1,613 | 1,589 |
| | 86,367 | 104,837 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| Figures in Rand thousand | 2021 | 2020 |
|--|---------------|----------------|
| 31. Auditors' remuneration | | |
| Fees | 2,448 | 2,017 |
| Auditors' remuneration includes audit fees for projects amounting to R nil (2020: R60 thousand). No audit was conducted on projects in the year due to COVID-19. The National Department of Fisheries, Forestry and the Environment performed alternative procedures. | | |
| 32. Bad debts and debt impairment | | |
| Amounts written off as uncollectible (Note 3) | | |
| Amounts written off as uncollectible - Fraudulent activities | - | (444) |
| Amounts written off as uncollectible - DEDEAT Rental | - | (208) |
| Amounts written off as uncollectible - other | (17) | - |
| | (17) | (652) |
| Reconciliation of debt impairment | | |
| Impairment allowance provided in previous years | - | 208 |
| Increase in impairment allowance (Note 4) | (163) | (190) |
| | (163) | 18 |
| The trade debtors (see note 3) was reduced by an amount of R444 thousand in the prior year. This amount related to fraudulent transactions which the Board subsequently approved the process of write-off after exhausting all recovery strategies and engaging with the law enforcement agencies. | | |
| 33. Cash generated from operations | | |
| Deficit for the year | 10,036 | (1,658) |
| Adjustments for: | | |
| Depreciation and amortisation | 24,865 | 23,419 |
| Loss / (profit) on disposal of assets | 1,216 | 1,149 |
| Impairment loss | - | 1,804 |
| Debt impairment | 163 | (18) |
| Movements in employee benefit obligations | 28 | (4,096) |
| Movements in provisions | 460 | (529) |
| Changes in working capital: | | |
| Inventories | (3,312) | (590) |
| Trade receivables | (324) | (189) |
| Other receivables | 61 | (986) |
| Trade payables | (819) | 8,159 |
| Employee related payables | 674 | 456 |
| Unspent grants and receipts | (11,775) | 77,809 |
| Employee benefit obligation | - | - |
| | 21,273 | 104,730 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2021 2020

34. Operating leases

Operating leases as the lessee

Minimum lease payments due

| | | |
|-------------------------------------|--------------|---------------|
| - not later than one year | 2,815 | 5,986 |
| - in second to fifth year inclusive | - | 4,703 |
| | 2,815 | 10,689 |

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

- Hemipac Investments (Pty) Ltd, a division of SKG Properties Group, in East London, at number 17-25 Oxford Street, Central Business District. The lease contract is for a period of thirty six (36) months commencing on 04 October 2016 and is renewable for a further twenty four (24) months. The rental per month is R 362 thousand including parking with an escalation of eight percent (8,00 %) per annum and a value added tax adjustment of one percent (1%) on 01 April 2018. Subsequent to the procurement process, there were variations on the building. These variations amounted to a once-off payment of R2,2 million and R113 thousand per month payable over twelve (12) months. The Board has, in terms of the initial award, given management the mandate to exercise the option to extend the lease by a further two (2) years. For the two (2) year extension period, the rental per month including parking is R463 thousand with an escalation of eight percent (8,00 %) per annum.
- Gana and Dimpo Developers CC in Lusikisiki, in Lungani Drive, Newtown. The lease contract is for a period of twenty four (24) months commencing on 01 November 2019. The rental per month is R21 thousand with no escalation.

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

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

Operating leases as the lessor:

Minimum lease payments due

| | | |
|-------------------------------------|--------------|------------|
| - Not later than one year | 1,187 | 29 |
| - in second to fifth year inclusive | 99 | 76 |
| | 1,286 | 105 |

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

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35. Emoluments

Members

| 2021 | Members's fees | Other benefits | Total |
|--|----------------|----------------|------------|
| Ms N Mona - (Chairperson of the Board) - Appointed 01 May 2019 - Resigned 31 March 2021 | 128 | 5 | 133 |
| Dr N Mzilikazi - (Board Member) - Appointed 01 May 2019 | 170 | 12 | 182 |
| Dr A Baxter - (Board Member) - Appointed 01 May 2019 | 143 | 10 | 153 |
| Ms T Putzier - (Board Member) - Appointed 01 September 2017 * | 143 | 6 | 149 |
| Mr ZL Fihlani - (Board Member) - Appointed 15 August 2017 | 143 | 12 | 155 |
| Mr L Beville - (Board Member) - Appointed 01 May 2019 | 100 | 10 | 110 |
| | 827 | 55 | 882 |

| 2020 | Members' fees | Other benefits | Total |
|---|---------------|----------------|--------------|
| Ms N Mona - (Chairperson of the Board) - Appointed 01 May 2019 | 262 | 41 | 303 |
| Mr S Mgxajir - (Acting Chairperson of the Board) - Term ended 30 April 2019 | 28 | - | 28 |
| Mr SFW Ncume - (Board Member) - Term ended on 30 April 2019 | 20 | - | 20 |
| Dr A Muir - (Board Member) - Term ended on 30 April 2019 | 25 | 2 | 27 |
| Dr N Mzilikazi - (Board Member) - Appointed 01 May 2019 | 156 | 2 | 158 |
| Dr A Baxter - (Board Member) - Appointed 01 May 2019 | 177 | 1 | 178 |
| Mr Z Mkiva - (Board Member) - Appointed 01 May 2019 ** | 43 | - | 43 |
| Ms T Putzier - (Board Member) - Appointed 01 September 2017 * | 308 | 46 | 354 |
| Mr ZL Fihlani - (Board Member) - Appointed 15 August 2017 | 138 | - | 138 |
| Mr L Beville - (Board Member) - Appointed 01 May 2019 | 150 | 1 | 151 |
| | 1,307 | 93 | 1,400 |

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

** Subsequent appointment to the National Council of Provinces in May 2019.

Other benefits include stakeholder engagements and cellphone allowances.

Audit Committee

| 2021 | Committee fees | Other benefits* | Total |
|---|----------------|-----------------|------------|
| Mr L Mangquku - (Chairperson) - Appointed 01 May 2020 | 110 | 28 | 138 |
| Mr S Dzegwa - (Member) - re appointed on 1 May 2020* | - | - | - |
| Mr J Emslie - (Member) - Appointed on 1 May 2020 | 48 | 5 | 53 |
| | 158 | 33 | 191 |

* Non-remunerated member.

| 2020 | Committee fees | Total |
|--|----------------|------------|
| Mr C Sparg - (Chairperson) - Appointed on 1 April 2017 | 110 | 110 |
| Mr S Dzegwa - (Member) - Appointed on 1 April 2017 | 23 | 23 |
| Ms T Semane - (Member) - Appointed on 1 April 2017 | 31 | 31 |
| | 164 | 164 |

Other benefits includes stakeholder engagements and cellphone allowances.



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35. Emoluments (continued)

Executive Directors

| 2021 | Salary | Other benefits* | Retirement fund contribution | Performance incentive bonus | Total |
|--|--------------|-----------------|------------------------------|-----------------------------|---------------|
| Mr V Dayimani - (Chief Executive Officer) | 2,336 | 7 | - | 389 | 2,732 |
| Mr J Jackson - (Chief Financial Officer) - Reappointed 01 May 2020 | 1,730 | 7 | 227 | 276 | 2,240 |
| Ms TS Dlamini - (Chief Marketing Officer) | 1,286 | 9 | - | 155 | 1,450 |
| Ms N Ali - (Executive Director: Corporate Services) | 1,711 | 127 | - | 265 | 2,103 |
| Ms X Mapoma - (Legal Advisor and Board Secretary) | 1,041 | 19 | 162 | 139 | 1,361 |
| Dr D Peinke - (Acting Chief Operations Officer) - April 2020 to March 2021 | 898 | 201 | 135 | 136 | 1,370 |
| | 9,002 | 370 | 524 | 1,360 | 11,256 |

| 2020 | Salary | Other benefits* | Retirement fund contribution | Performance incentive bonus | Total |
|--|--------------|-----------------|------------------------------|-----------------------------|---------------|
| Mr V Dayimani - (Chief Executive Officer) - Reappointed on 01 August 2019 | 2,458 | 52 | - | 413 | 2,923 |
| Mr J Jackson - (Chief Financial Officer) | 1,496 | 33 | 207 | 217 | 1,953 |
| Ms TS Dlamini - (Chief Marketing Officer) - Appointed 01 July 2019 | 916 | 38 | - | - | 954 |
| Ms N Ali - (Executive Director: Corporate Services) | 1,637 | 26 | - | 235 | 1,898 |
| Ms X Mapoma - (Legal Advisor and Board Secretary) | 1,054 | 21 | 151 | 168 | 1,394 |
| Ms E Van Den Berg-McGregor - (Acting Chief Operations Officer) - April to July 2019 | 325 | 70 | 49 | - | 444 |
| Mr. M Kostauli - (Acting Chief Operations Officer) - August 2019 to January 2020 | 474 | 122 | 73 | 27 | 796 |
| Dr D Peinke - (Acting Chief Operations Officer) - February and March 2020 | 153 | 7 | 23 | - | 249 |
| Ms L Shaw - (Acting Chief Marketing Officer) - April and June 2019 | 15 | 22 | 25 | - | 206 |
| Ms ZB Ntwasa - (Acting Chief Marketing Officer) - May 2019 | 62 | 18 | 10 | - | 90 |
| | 8,734 | 475 | 538 | 1,160 | 10,907 |

Other benefits comprise travel allowance, reimbursements and medical benefits

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36. Contingencies

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 R1,4 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 R1,460 million. The entity expects to recover R500 thousand after the taxing of the bills.

Contingent liabilities:

Contingent liabilities comprising of damage claims are as follows

Damage claims

• Khayaletu Geelbooi v ECPTA:

This is a claim for personal injuries. The ECPTA was served with a letter of demand in which the claimant is claiming R500 thousand for damages. A summons has 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. The matter is dormant.

• Andre Prinsloo v ECPTA:

This matter relates to a buffalo attack which took place on the Baviaanskloof Nature Reserve on 13 June 2015. The ECPTA is being sued for damages to the amount of R3,089 million. A settlement proposal has been accepted by the Plaintiff and the damages have been quantified. A sum of R900 thousand was served to the Plaintiff's attorneys and their response is still awaited. The ECPTA is defending the matter through the attorneys appointed by its insurers and is accordingly not in a position to quantify its legal costs.

• Rough Diamonds v ECPTA:

This matter relates to a claim on repairs and maintenance costs to a building in East London which was occupied by the ECPTA in terms of a written lease agreement which ended in 2016 with Rough Diamonds (Pty) Ltd. The claimant allege to have incurred costs to reinstate the property into good order after the ECPTA vacated the premises. The amount claimed is R570 thousand for damages and cost of repairs. The Entity reached agreement during the year with the claimant. The amount settled was R200 thousand.

• Vuyisile Diko v ECPTA:

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

• Anthony McCune Mortlock v ECPTA:

The matter relates to a claim for bodily injury alleged to have occurred to a client at the Blue Bend Nahoon River beach in February 2018. The plaintiff is claiming an amount of R366 thousand for personal injuries. The ECPTA insurers are handling the matter.

Contingencies summary

Contingent Assets:

| | | |
|------------------------|-------|-------|
| - ECPTA v Medbury Farm | 4,000 | 4,000 |
|------------------------|-------|-------|

Contingent Liabilities:

| | | |
|-----------------------------------|--------------|--------------|
| - Khayaletu Geelbooi v ECPTA | 500 | 500 |
| - Andre Prinsloo v ECPTA | 3,089 | 3,089 |
| - Rough Diamonds v ECPTA | - | 570 |
| - Vuyisile Diko v ECPTA | 140 | 140 |
| - Anthony McCune Mortlock v ECPTA | 366 | 366 |
| | 4,095 | 4,665 |

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37. Related party disclosures

Related parties:

The ECPTA operates in an economic sector whereby it interacts with other entities within the national and provincial sphere of government. Such entities are considered to be related parties. Key management is defined as individuals who are key decision makers within the entity with a responsibility and authority to direct and control the activities of the entity. The Board, Audit Committee, Executive Management as well as the Legal Advisor / Board secretary are considered to be key management per the definition of the financial reporting standard. Close family members of key management personnel are considered to be those family members who may be expected to influence or to be influenced by key management.

During the period under review the ECPTA recorded various transactions with the following related parties:

Relationships

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

Related party balances

Amounts included in trade receivables and other receivables regarding related parties

| | | |
|--|----|-------|
| National Department of Forestry, Fisheries and the Environment | - | 11,14 |
| South African National Biodiversity Institute | - | 345 |
| Debt Receivable (Staff debtors) | 90 | 45 |

Related party transactions

Transfer payments received from related parties

| | | |
|---|---------|---------|
| Department of Economic Development, Environmental Affairs and Tourism | 216,882 | 222,695 |
|---|---------|---------|

Amounts received from related parties for tourism development programmes

| | | |
|--------------------------------|--------|-------|
| National Department of Tourism | - | 6,179 |
| Tourism Relief Fund (DEDEAT) | 19,000 | - |

Amounts received from related parties for biodiversity conservation projects

| | | |
|---|-------|-------|
| National Department of Forestry, Fisheries and the Environment | 2,200 | 4,200 |
| South African National Biodiversity Institute | 394 | 1,305 |
| South African National Parks (Including Environmental Monitoring Programme) | 1,748 | 5,590 |

Amounts received from related parties for skills development programmes

| | | |
|--|-----|-----|
| Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority | 324 | 101 |
|--|-----|-----|

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38. Risk management

General

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The ECPTA has a risk management framework, risk management policy, and risk management committee in place which meets on a quarterly basis and reviews the strategic and operational risk registers. The risk management committee comprises of executive and senior management and reports to the audit and risk committee which in turn reports to the Board.

Classification of financial instruments

| 31 March 2021 | At fair value | At amortised cost | At cost | Total |
|--------------------------------|---------------|-------------------|---------|----------|
| Financial assets | | | | |
| Trade receivables | - | 1,169 | - | 1,169 |
| Other receivables | - | 2,988 | - | 2,988 |
| Cash and cash equivalents | - | 148,601 | - | 148,601 |
| Financial liabilities | | | | |
| Trade payables | - | (23,792) | - | (23,792) |
| Social responsibility projects | - | - | (633) | (633) |
| Finance lease obligation | - | (103) | - | (103) |
| | - | 128,863 | (633) | 128,230 |
| 31 March 2020 | | | | |
| Financial assets | | | | |
| Trade receivables | - | 1,008 | - | 1,008 |
| Other receivables | - | 3,049 | - | 3,049 |
| Cash and cash equivalents | - | 153,837 | - | 153,837 |
| Financial liabilities | | | | |
| Trade payables | - | (24,610) | - | (24,610) |
| Social responsibility projects | - | - | (1,451) | (1,451) |
| Finance lease obligation | - | (191) | - | (191) |
| | - | 133,093 | (1,451) | 131,642 |

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 entity 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.

Analysis by credit quality of financial assets:

Neither past due nor impaired

| | | |
|---|---------|---------|
| Cash and cash equivalents | 148,601 | 153,837 |
| Trade receivables and other receivables | 3,255 | 3,730 |
| | 151,856 | 157,567 |

Past due and not impaired

| | | |
|---|----|---|
| Trade receivables and other receivables | 30 | - |
|---|----|---|

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| | | |
|---|-----|-----|
| Past due and impaired | | |
| Trade receivables and other receivables | 462 | 300 |
| 38. Risk management (continued) | | |

Market risk:
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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 entity 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 39.

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 entity.

Capital risk management:
The ECPTA's objectives when managing capital is to safeguard the entity's ability to continue as a going concern. The entity 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.

Liquidity risk
Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

A significant percentage of the ECPTA's liabilities consist of trade creditors. This relates to goods and services obtained during the normal course of business and is budgeted for. Quarterly cash flow forecasts and expenditure analysis reports enables the entity to ensure that adequate cash will be available to meet its obligations. Liquidity risk is regarded as being low.

Contractual maturities of financial liabilities
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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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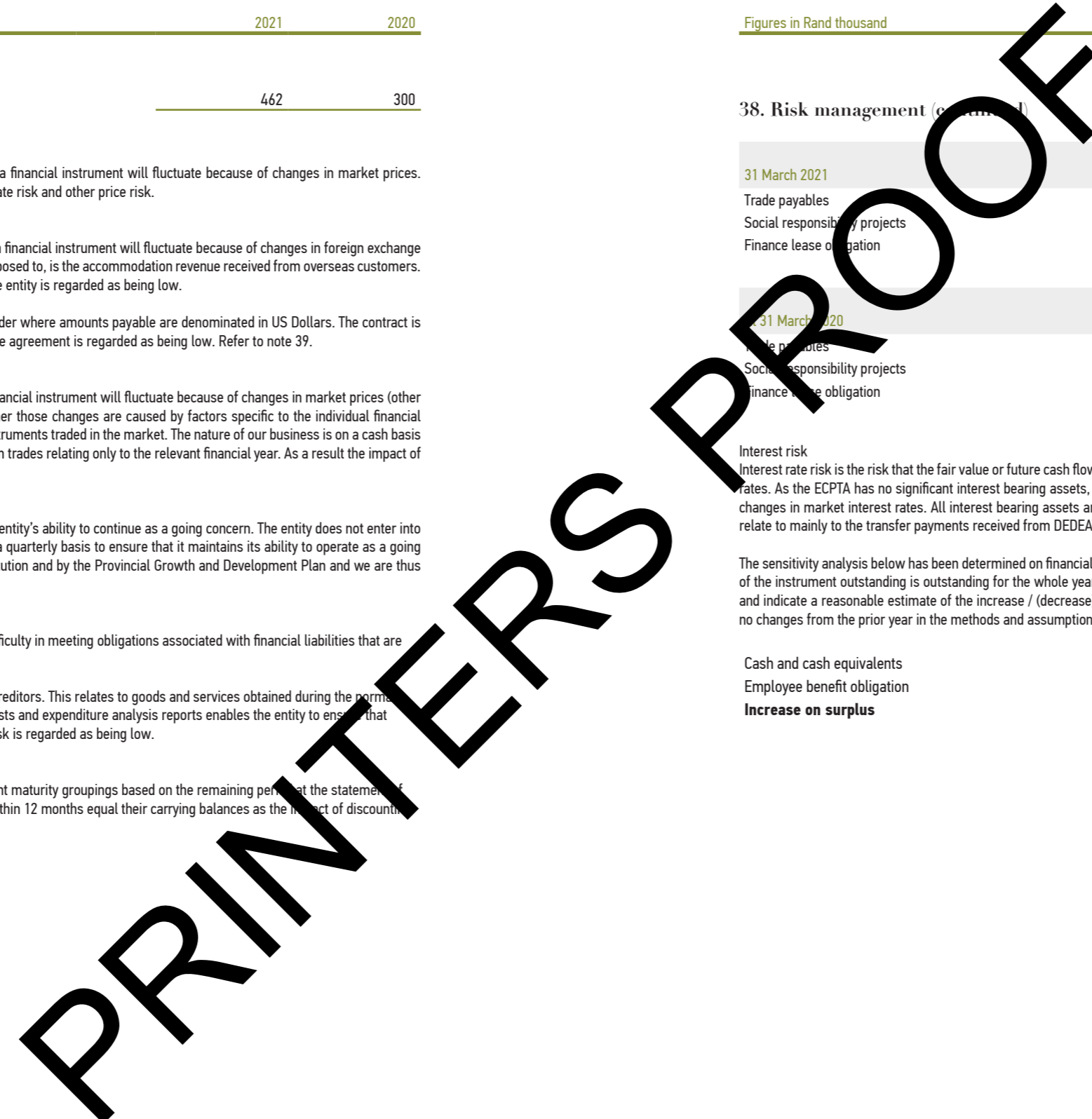
38. Risk management (continued)

| 31 March 2021 | Less than 1 year | Between 1 and 5 years | Over 5 years | Total |
|--------------------------------|---------------------|--------------------------|--------------|---------------|
| Trade payables | 23,792 | - | - | 23,792 |
| Social responsibility projects | 633 | - | - | 633 |
| Finance lease obligation | 103 | - | - | 103 |
| | 24,528 | - | - | 24,528 |
| 31 March 2020 | Less than 1 year | Between 1 and 5 years | Over 5 years | Total |
| Trade payables | 24,610 | - | - | 24,610 |
| Social responsibility projects | 1,451 | - | - | 1,451 |
| Finance lease obligation | 191 | - | - | 191 |
| | 26,252 | - | - | 26,252 |

Interest risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the ECPTA has no significant interest bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates. All interest bearing assets are included under cash and cash equivalents. These are all short term as they relate to mainly to the transfer payments received from DEDEAT as part of our budgeted grants to be used for operational expenditure.

The sensitivity analysis below has been determined on financial instruments exposure to interest rates at reporting date, assuming the amount of the instrument outstanding is outstanding for the whole year. The analysis, as detailed in the table below was determined by management and indicate a reasonable estimate of the increase / (decrease) on surplus from an increase in interest rates by 100 basis points. There were no changes from the prior year in the methods and assumptions used in preparing the sensitivity analysis:

| | | |
|-----------------------------|--------------|--------------|
| Cash and cash equivalents | 1,486 | 1,538 |
| Employee benefit obligation | (172) | (172) |
| Increase on surplus | 1,314 | 1,366 |



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| | 2021 | 2020 |
|--|------|------|
|--|------|------|

39. Commitments

| | | |
|---|----------------|----------------|
| Capital expenditure - approved, funded and contracted | 95,505 | 119,513 |
| Capital expenditure - approved, funded and not yet contracted | - | 402 |
| Goods and services - approved, funded and contracted | 13,332 | 4,223 |
| | 108,837 | 124,138 |

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

| | | |
|--|----------------|----------------|
| DEDEAT - Economic Stimulus Fund | 1,710 | 3,593 |
| DEDEAT - Tourism Relief Fund | 6,941 | - |
| National Department of Forestry, Fisheries and the Environment | 52,755 | 69,248 |
| National Department of Tourism | 44,863 | 45,354 |
| National Lotteries Commission | 406 | 1,397 |
| South African National Biodiversity Institute | 181 | 2,102 |
| South African National Roads Agency Limited | 208 | 2,121 |
| Own Revenue | 633 | 323 |
| Marine and Coastal Management | 874 | - |
| Rhino Impact Bond | 266 | - |
| | 108,837 | 124,138 |

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| | 2021 | 2020 |
|--|------|------|
|--|------|------|

40. Explanation of material differences between the budget and actual amounts

The Annual Financial Statements are prepared on an accrual basis of accounting while the budget is on a cash basis. The amounts in the Annual Financial Statements were recalculated from the accrual to cash basis. A reconciliation between the budget and the actual amounts in the statement of financial performance is presented on a comparable basis in the face of the statement of comparison of budget and actual amounts for the year ended 31 March 2021.

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 variance of R8,9 million is due mainly to implementers fees on projects being deferred to the next year, the shortfall in interest earned due to the reduction in the Repo rate, and the reduction in wildlife sales due to the national lockdown.

Other grants:

The difference of R180,1 million represents firstly, monies received for projects of the National Department of Tourism and National Department of Forestry, Fisheries and Environment - Environmental Protection Infrastructure Programme that were rolled over from the previous financial year. Secondly, anticipated drawdowns for these projects did not occur during the year due to delays caused by the national Covid-19 lockdown. Refer to note 39 for commitments and note 18 for unspent grants.

Compensation of employees:

The variance of R9,5 million is mainly due to the cost of fencing casuals deferred to the next financial year, the vacant posts at senior management level, the increase in provision for employee leave pay and the increase in provision for voluntary severance packages.

Goods and services:

The variance of R45,2 million is mainly due to projects like N2 Biodiversity, professional fees for both National Department of Forestry, Fisheries and Environment - Environmental Protection Infrastructure Programme and the National Department of Tourism. In addition, the Provincial Tourism Relief Fund had approximately R8 million of funds committed but not yet spent at financial year end.

Capital expenditure:

The variance of a R133,1 million is due mainly to the National Department of Tourism Infrastructure Projects and the National Department of Forestry, Fisheries and Environment - Environmental Protection Infrastructure Programme that were delayed due to the Covid-19 pandemic. Refer to note 39 for commitments and note 18 for unspent grants.



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41. Segment information

General information

Identification of segments

The entity is organised and reports to management on the basis of four major functional areas: head office, biodiversity and heritage cluster, game management and recreation cluster and marine and coastal cluster. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

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

| Reportable segment | Goods and/or services |
|--|---|
| Head office | Corporate Management Services and Head Office |
| Biodiversity and heritage cluster | Biodiversity and heritage management |
| Game management and recreation cluster | Game management and recreation services |
| Marine and coastal cluster | Tourism and coastal conservation management |

Segment surplus or deficit, assets and liabilities

| 2021 | 2021 | | | | Total |
|------------------------------------|----------------|---------------------------|--------------------------------|--------------------|----------------|
| | Head office | Biodiversity and heritage | Game management and recreation | Marine and coastal | |
| Revenue | | | | | |
| Revenue from exchange transactions | 10,615 | 1,769 | 2,479 | 1,790 | 16,653 |
| Grants and subsidies | 154,434 | 58,497 | 27,738 | 35,396 | 276,065 |
| Fines, penalties and forfeits | - | - | 178 | - | 178 |
| Total segment revenue | 165,049 | 60,266 | 30,395 | 37,186 | 292,896 |
| Entity's revenue | | | | | 292,896 |
| Expenditure | | | | | |
| Operating expenses | 74,588 | 6,100 | 2,044 | 3,635 | 86,367 |
| Repairs and maintenance | 2,324 | 570 | 654 | 1,559 | 4,206 |
| Personnel related costs | 81,661 | 35,591 | 1,477 | 27,845 | 163,774 |
| Depreciation and amortisation | 24,085 | - | - | - | 24,085 |
| Impairment loss | 163 | - | - | - | 163 |
| Finance costs | 2,269 | - | - | - | 2,269 |
| Loss on disposal of assets | 1,216 | - | - | - | 1,216 |
| Total segment expenditure | 186,306 | 42,261 | 22,155 | 32,138 | 282,860 |
| Total segmental deficit | | | | | 10,036 |

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41. Segment information (continued)

Assets

| | | | | | |
|--|----------------|---------------|--------------|---------------|----------------|
| Inventories | 4,803 | 68 | 21 | 318 | 5,210 |
| Game held for sale | - | 3,207 | 3,428 | 127 | 6,762 |
| Trade receivables | 1,151 | 14 | 2 | 2 | 1,169 |
| Other receivables | 2,988 | - | - | - | 2,988 |
| Service concession assets | - | - | - | 24,032 | 24,032 |
| Investment property | 20,097 | - | - | - | 20,097 |
| Properties, plant and equipment | 299,012 | - | - | - | 299,012 |
| Heritage assets | - | 21,193 | 1,798 | - | 22,991 |
| Intangible assets | 131 | - | - | - | 131 |
| Total segment assets | 328,182 | 24,482 | 5,249 | 24,479 | 382,392 |
| Cash and cash equivalents | | | | | 148,601 |
| Total assets as per Statement of Financial Position | | | | | 530,993 |

Liabilities

| | | | | | |
|---|---|-------|-------|-----|----------------|
| Deferred revenue - game held for sale | - | 3,207 | 3,428 | 127 | 6,762 |
| Finance lease obligation | | | | | 148 |
| Trade payables | | | | | 23,789 |
| Employee related payables | | | | | 13,271 |
| Social responsibility projects | | | | | 633 |
| Provisions | | | | | 10,386 |
| Employee benefit obligation | | | | | 17,245 |
| Unspent conditional grants and receipts | | | | | 121,854 |
| Total liabilities as per Statement of Financial Position | | | | | 194,088 |

The assets and liabilities which have been reported in aggregate are not directly attributable nor can be reasonably allocated to segments. Segmented amounts for these assets and liabilities are not regularly provided to management for the purpose of assessing performance and making decisions about how future resources will be allocated to the various activities of the entity.

| 2021 | 2021 | | | | Total |
|---------------------------------------|-------------|---------------------------|--------------------------------|--------------------|--------|
| | Head office | Biodiversity and heritage | Game management and recreation | Marine and coastal | |
| Non Current Assets - Additions | | | | | |
| Property, plant and equipment | 1,050 | 18,199 | 232 | 11,508 | 30,989 |

| 2020 | 2020 | | | | Total |
|------------------------------------|----------------|---------------------------|--------------------------------|--------------------|----------------|
| | Head office | Biodiversity and heritage | Game management and recreation | Marine and coastal | |
| Revenue | | | | | |
| Revenue from exchange transactions | 17,644 | 4,030 | 5,180 | 4,232 | 31,086 |
| Grants and subsidies | 158,252 | 53,917 | 21,193 | 29,752 | 263,114 |
| Fines, penalties and forfeits | - | 11 | 263 | 109 | 383 |
| Total segment revenue | 175,896 | 57,958 | 26,636 | 34,093 | 294,583 |
| Entity's revenue | | | | | 294,583 |

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41. Segment information (continued)

| | 2021 | | 2020 | | |
|---|----------------|---------------------------|--------------------------------|--------------------|----------------|
| Expenditure | | | | | |
| Operating expenses | 88,280 | 7,628 | 3,062 | 5,216 | 104,186 |
| Repairs and maintenance | 2,898 | 656 | 685 | 833 | 5,072 |
| Personnel related costs | 78,988 | 33,763 | 18,492 | 26,364 | 157,607 |
| Depreciation and amortisation | 3,239 | 8,108 | 5,761 | 6,311 | 23,419 |
| Impairment loss | - | - | - | 1,804 | 1,804 |
| Bad debts | 634 | - | - | - | 634 |
| Finance costs | 2,371 | - | - | - | 2,371 |
| Loss on disposal of assets | 46 | 731 | 273 | 99 | 1,149 |
| Total segment expenditure | 176,456 | 50,886 | 28,273 | 40,627 | 296,242 |
| Total segmental deficit | | | | | (1,659) |
| Assets | | | | | |
| Inventories | 1,759 | 96 | 14 | 29 | 1,898 |
| Game held for sale | - | 848 | 2,550 | 60 | 3,458 |
| Trade receivables | 1,008 | - | - | - | 1,008 |
| Other receivables | 3,049 | - | - | - | 3,049 |
| Service concession assets | - | - | - | 24,812 | 24,812 |
| Investment property | 20,531 | - | - | - | 20,531 |
| Properties, plant and equipment | 112,194 | 94,632 | 12,730 | 78,578 | 298,134 |
| Heritage assets | - | 15,534 | 7,457 | - | 22,991 |
| Intangible assets | 230 | - | - | - | 230 |
| Total segment assets | 138,771 | 111,110 | 22,751 | 103,479 | 376,111 |
| Cash and cash equivalents | | | | | 153,717 |
| Total assets as per Statement of Financial Position | | | | | 529,828 |
| Liabilities | | | | | |
| Deferred revenue - game held for sale | - | 848 | 2,550 | 60 | 3,458 |
| Finance lease obligation | | | | | 1,911 |
| Trade payables | | | | | 23,505 |
| Employee related payables | | | | | 12,597 |
| Social responsibility projects | | | | | 1,451 |
| Provisions | | | | | 9,926 |
| Employee benefit obligation | | | | | 17,216 |
| Unspent conditional grants and receipts | | | | | 133,629 |
| Total liabilities as per Statement of Financial Position | | | | | 201,973 |
| Net Current Assets - Additions | | | | | |
| | Head office | Biodiversity and heritage | Game management and recreation | Marine and coastal | Total |
| Property, plant and equipment | 9,718 | 16,029 | 1,879 | 4,041 | 31,667 |
| Investment property | 14,796 | - | - | - | 14,796 |
| | 24,514 | 16,029 | 1,879 | 4,041 | 46,463 |

The assets and liabilities which have been reported in aggregate are not directly attributable nor can be reasonably allocated to segments. Segmented amounts for these assets and liabilities are not regularly provided to management for the purpose of assessing performance and making decisions about how future resources will be allocated to the various activities of the entity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

2021

2020

42. Prior period adjustments

The correction of errors and the restatement of prior year amounts resulted in prior year adjustments as follows:

| Statement of Financial Position | Note | Amount as previously reported | Prior period error | Restated amount |
|---------------------------------|------|-------------------------------|--------------------|-----------------|
| Trade payables | 13 | 23,505 | 1,105 | 24,610 |
| Accumulated surplus | | 288,670 | (1,105) | 287,565 |
| | | - | - | - |

Trade payables
During the last quarter of the year, SARS determined that the Entity is liable for VAT on imported services. The determination of this liability is not within the scope of the Entity as a PFMA 3C Public entity is not a registered VAT vendor. The Entity was deemed liable for the VAT on services from Microsoft Ireland in the 2015/16, 2016/17, 2017/18 and 2018/19 financial years. Microsoft Ireland was not a registered VAT vendor in the Republic during these years. The Entity settled the VAT liability of R755 thousand in March 2021. The Entity is engaged with the Provincial Treasury to garner the necessary support and motivation to have associated penalties and interest waived.

43. Going concern

The Entity, as a Public Finance Management Act listed 3C entity, receives an annual grant from the Provincial Government and prepares its budget and Annual Performance Plans based on such grant. The entity also receives, as a small proportion of this grant, cash flow from its own revenue to augment its operations. The Entity has also leveraged resources from the National sphere and thereby augmenting its operations and capital expenditure. As such the entity is dependent for its continued operation in the foreseeable future on continued Government Grant funding. Management has determined that such funding is reasonably expected to continue and therefore has prepared these Annual Financial Statements on the going concern basis.

44. Irregular expenditure

| | | |
|--------------------------------------|-----|---|
| Irregular Expenditure - current year | 362 | - |
|--------------------------------------|-----|---|

The ECPTA awarded a bid, in the 2019/20 financial year to a bidder for R878 thousand (inclusive of VAT) in contravention of Treasury Regulation 16A 9.1 (d) read with Treasury Instruction 4A of 2016-17. This regulation requires the ECPTA to award bids to tax compliant bidders at the time of award.

The ECPTA subsequently cancelled the contract with the bidder. Pursuant to the cancellation of the contract the bidder, through its attorneys, demanded to be compensated for costs incurred to date. The ECPTA after due consideration and processes settled the claim in the amount of R362 thousand (inclusive of VAT).

The ECPTA has disclosed the settlement as irregular expenditure, as contemplated by the prescripts, as there is causal link between the awarded contract and the settlement.

45. Events after reporting date

Not applicable to date.

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