Eastern Cape

ANNUAL REPORT 2012 / 2013

ADVENTURE PROVINCE

Eastern Cape

PARKS & TOURISM AGENCY

ANNUAL REPORT

2012/2013

ADVENTURE PROVINCE
Eastern Cape
PARKS & TOURISM AGENCY

EASTERN CAPE PARKS AND TOURISM AGENCY

BOARD OF DIRECTORS

Vuyo Zitumane
Chairperson

Thobeka Mahlati
Audit Committee Chairperson

Mickey Mama

Tabby Tsengiwe

Fezile Makiwane

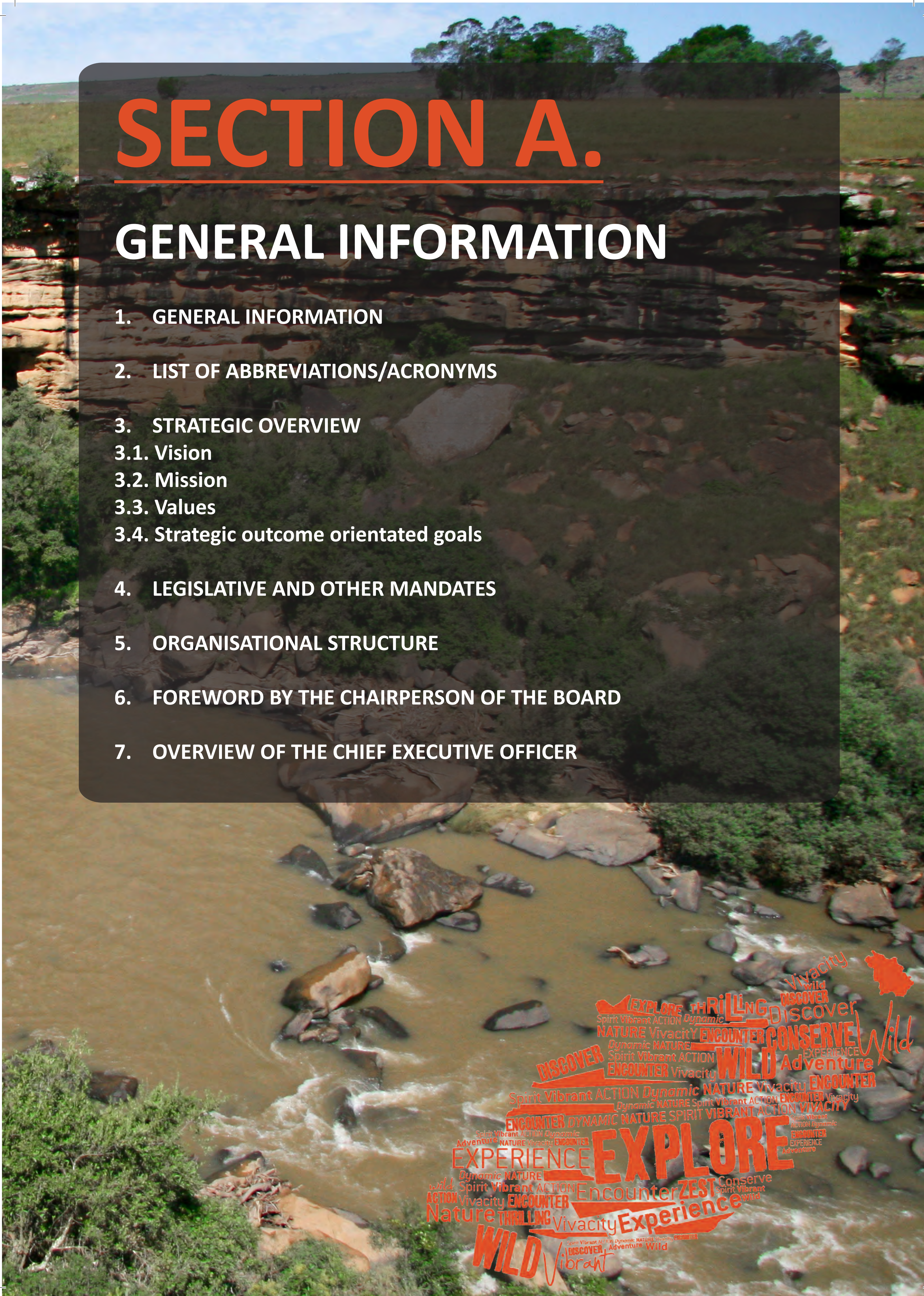
Mziwamadoda Sotshana

Andrew Muir

Sithembele Mgxaji

SECTION A.

GENERAL INFORMATION



1. GENERAL INFORMATION

PHYSICAL ADDRESS:	6 St. Marks Road Southernwood East London
POSTAL ADDRESS:	P.O. Box 11235 Southernwood East London 5213
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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA – Auditor General South Africa

AFS – Annual Financial Statements

AOP – Annual Operational Plan

APP – Annual Performance Plan

ASB – Accounting Standards Board

BBBEE – Broad Based Black Economic Empowerment

BCMM – Buffalo City Metropolitan Municipality

CATHSSETA - Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority

CEO – Chief Executive Officer

CFO – Chief Financial Officer

CIDB – Construction Industry Development Board

CPA – Communal Property Association

CSIR - Council for Scientific and Industrial Research

DEA – Department of Environmental Affairs

DEDEAT – Department of Economic Development, Environmental Affairs and Tourism

DPSA – Department of Public Service and Administration

DRDLR – Department of Rural Development and Land Reform

DWAF – Department of Water Affairs and Forestry

ECDC – Eastern Cape Development Corporation

ECPB – Eastern Cape Parks Board

ECPTA – Eastern Cape Parks and Tourism Agency

ECTB – Eastern Cape Tourism Board

EE – Employment Equity

EPWP – Expanded Public Works Programme

ERP – Enterprise Resource Planning

ESTA - Extension of Security of Tenure Act

EWP – Emergency Watershed Protection

EXCO – Executive Committee

GIS – Geographic Information System

GPS – Global Positioning System

GRAP – Generally Recognised Accounting Practice

HCD – Human Capital Development

HCM – Human Capital Management

HDI – Historically Disadvantaged Individual

HIV/AIDS – Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome

IAS – International Accounting Standard

ICT – Information and Communication Technology

IT – Information Technology

IMCT – Information Management and Communication Technology

MCM – Marine and Coastal Management

MEC – Member of the Executive Council

METT-SA – Management Effectiveness Tracking Tool – South Africa

MOA – Memorandum of Agreement

MOU – Memorandum of Understanding

MTEF – Medium Term Expenditure Framework

NDT – National Department of Tourism

NPA – National Prosecuting Authority

NSSD - National Strategy for Sustainable Development

NTCE – National Tourism Career Expo

NTR – National Treasury Regulations

OHS – Occupational Health and Safety

PAA – Public Administration Act

PEO – Public Entity Oversight

PFMA – Public Finance Management Act (1 of 1999)

PPE – Property Plant and Equipment

PR – Public Relations

RSA – Republic of South Africa

SANBI - South African National Biodiversity Institute

SDL – Skills Development Levy

SMME – Small, Medium and Micro-sized Enterprises

TBNR – Thomas Baines Nature Reserve

UIF - Unemployment Insurance Fund

UNDP – United Nations Development Programme

VFR – Visiting Friends and Relatives

VSP – Voluntary Severance Packages

3. STRATEGIC OVERVIEW

3.1 Vision

A province where Biodiversity Conservation and Tourism Management underpin sustainable development.

3.2 Mission

To be the premier entity for managing biodiversity and tourism.

3.3 Values

The values which underpin the actions of the ECPTA are:

COMMITMENT

We pledge our sincere and steadfast commitment in all engagements to achieve our objectives.

ACCOUNTABILITY

We will take responsibility for all our actions and will disclose results in a transparent manner.

INTEGRITY

We will conduct our business based on sound moral principles.

RESPONSIBILITY

We will be honourable, trustworthy and answerable for all our actions.

3.4 Strategic Outcome Orientated Goals

The ECPTA pursues three strategic goals:

1. To secure key biodiversity in the Province.
2. To serve as a catalyst for all dimensions of tourism in the Province.
3. To establish and maintain an efficient and effective institution.

4. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandate

The constitutional mandate of the ECPTA is rooted in the Constitution of RSA, Act 108 of 1996, Chapter 2: Bill of Rights (section 24) – Environment, which states:

Everyone has the right to:

(b) have the environment protected, for the benefit of present and future generations, through reason

able legislative and other measures that –

i. prevent pollution and ecological degradation

ii. promote conservation; and

iii. secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

Legislative Mandates

RELEVANT ACTS	KEY RESPONSIBILITIES
Eastern Cape Parks and Tourism Agency Act (Act no. 2 of 2010)	(a) Manage biodiversity in protected areas in the Province; (b) Manage tourism in the Province
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 Act 2 of 2010
NEM: Protected Areas Act (NEMPAA), 2003 (Act 57 of 2003)	This is the primary legislation governing the management of protected areas and guides the interpretation of Act 2 of 2010
NEM: Biodiversity Act (NEMBA), 2004 (Act 10 of 2004)	This is the primary legislation for the management of biodiversity across the landscape and guides the interpretation of Act 2 of 2010
NEM: Waste Management Act, 2008 (Act 59 of 2008)	This is the primary legislation governing the management of waste in protected areas
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
National Forests Act, 1998 (Act 84 of 1998)	This is the primary legislation governing the management of forests areas proclaimed in terms of the NFA
National Veld and Forest Fire Act, 1998 (Act 101 of 1998)	This is the primary legislation governing the management of fire. Fire is used as a biodiversity management tool and thus is important for the management of protected areas
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
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 it is applicable to the management of the Baviaanskloof section of the Cape Floral Region WHS.
Cape Nature and Environmental Conservation Ordinance (19 of 1974)	Proportions of the Baviaanskloof extend into the Western Cape Province this legislation is applicable for the joint management of those relevant areas
Ciskei Conservation 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 particular ordinance governs the management of biodiversity conservation areas in the former Ciskei.
Transkei Environmental Conservation Decree (9 of 1992)	The Eastern Cape is in the process of proclaiming new provincial environmental legislation where the old (pre1994 democracy) ordinances remained relevant. This particular ordinance governs the management of biodiversity conservation areas in the former Transkei
Communal Land Rights Act (CLARA)	Regulates the management of Protected Areas which are under the jurisdiction of Traditional Authorities
Provincial Growth and Development Plan (PGDP)	The PGDP refers to the provincial integrated growth and development plan which includes spatial land utilisation in terms of provincial priorities for development. It acknowledges the need to view biodiversity conservation as a natural resource for rural development and diversification of economic development.
National Strategy for Sustainable Development (NSSD)	Defines the strategic imperatives of the South African Government as they relate to the interaction between people, the environment and the economy.

RELEVANT ACTS	KEY RESPONSIBILITIES
Occupational Health and Safety Act	This is the primary legislation governing health and safety standards in the context of all work environments.
National Water Act	This is the primary legislation governing the use of water.
National Building Regulations of South Africa	This legislation governs the building industry and is relevant for all ECPTA infrastructure development projects.

Policy Mandates

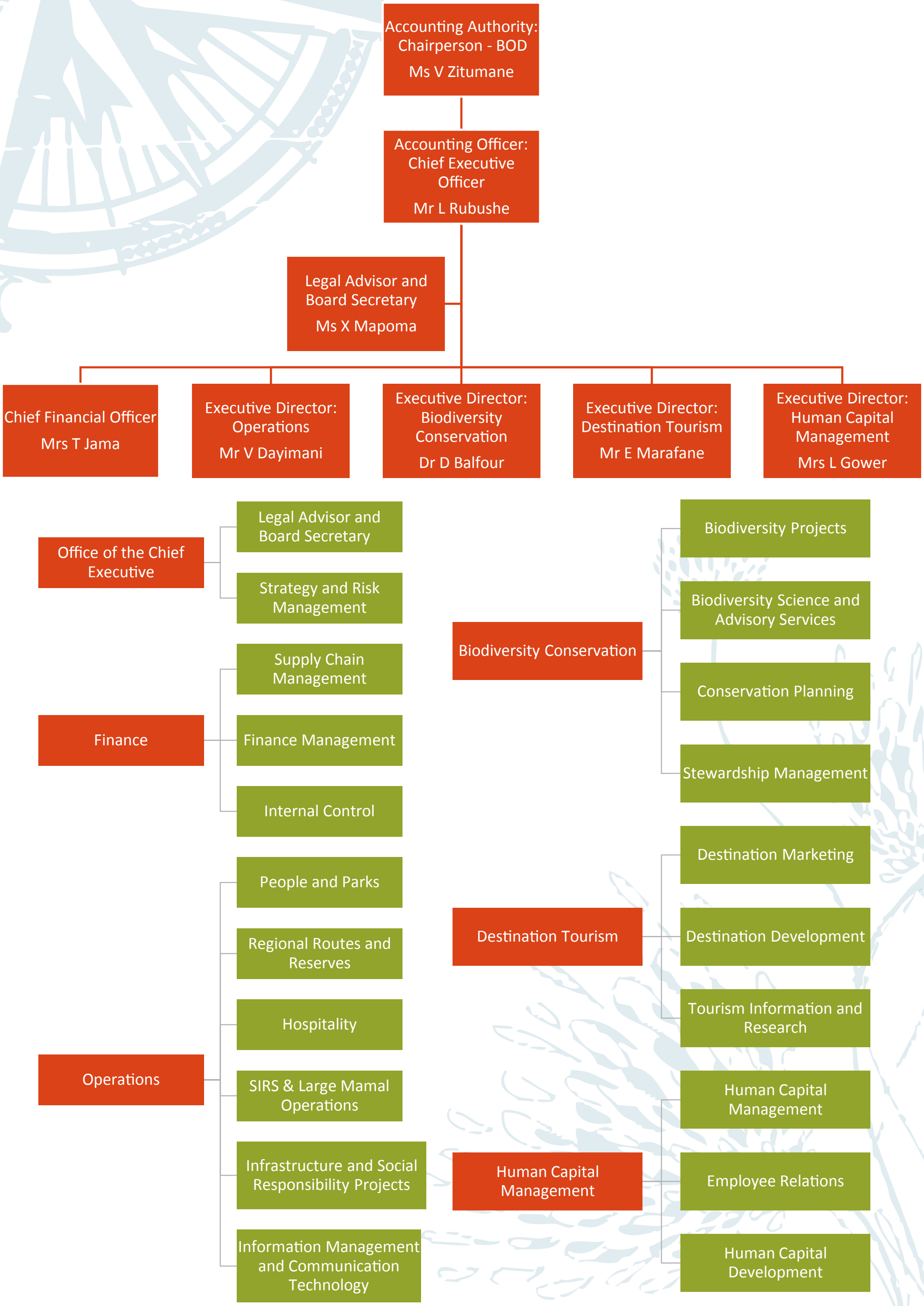
In order to give effect to the electoral mandate of the current administration, twelve key strategic imperatives have been identified, which must be addressed during the current electoral cycle. These outcomes constitute the primarily policy imperatives of the South African Government, according to which all government initiatives must be aligned:

1. Improved quality of basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support an inclusive growth path
6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of household life
9. A responsive, accountable, effective and efficient local government system
10. Environmental assets and natural resources that are well protected and continually enhanced
11. Create a better South Africa and contribute to a better and safer Africa and World
12. An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship.

The ECPTA's Strategic Plan is primarily focused on achieving Outcomes 10 and 12, and contributes to achieving Outcomes 4 and 6. The potential contribution of the ECPTA towards the achievement of these national strategic policy imperatives is detailed below.

POLICY DIRECTIVE:	ECPTA POTENTIAL CONTRIBUTION:
4. Decent employment through inclusive economic growth	• Create employment opportunities through Green Job projects for permanent, contract, casual and EPWP appointment by recruiting people from communities near the reserves. • Create economic opportunities by creating a demand for goods and service and unlocking opportunities for economic development for entrepreneurs, concessionaires, eco-tourism and cultural tourism linkages. • Provide seasonal employment opportunities by providing access for the harvesting of natural resources from reserves - e.g. thatching grass, marine resources, firewood, game,etc. • Create employment opportunities for tour operators and service providers in the tourism industry.
6. An efficient, competitive and responsive economic infrastruc ture network	• Develop economic infrastructure relating to tourism, reserve operations and public servitudes, including bulk services infrastructure which will directly and indirectly benefit communities who live around Provincial Parks. • Support the education curriculum and infrastructure by developing environmental education centres in the reserves. • Develop recreational and tourism infrastructure. • Develop tourism routes to the benefit of rural and remote communities.
10. Environmental assets and natural resources that are well protected and continually enhanced	• Provision of ecological goods and services - e.g. clean water through catchments management, combating soil erosion, carbon sequestration. • Facilitate access to natural resources from reserves - e.g. thatching grass, fish, firewood, venison etc. to communities. • Combat poaching, illegal use of natural resources and trade in endangered species • Promote environmental education and awareness programmes for sustainable natural resource use.
12. An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	• Strengthen the management of ECPTA to ensure optimal socio-economic impact on communities. • Increase public access to Provincial Parks and tourism products • Strengthen the capacity of communities to effectively participate biodiversity conservation management and co-management of Provincial Parks. • Develop skills and human resource capacity through staff training and the training of communities • Collaborate with relevant role-players for the advancement of effective resource management.

5. ORGANISATIONAL STRUCTURE



6. FOREWORD BY THE CHAIRPERSON

It gives me great honour to present the annual report of the Eastern Cape Parks and Tourism Agency for the 2012/2013 financial year. The bold promise of the Agency at the beginning of the year was a focus on expansion notwithstanding the difficult operating environment associated with global economic developments and various emerging international financial crises.

According to the United Nations World Tourism Organisation's Tourism Highlights 2013 Edition, the investment in tourism from a global perspective has seen the realisation of the sector as a key driver of socio-economic progress through export revenues, the creation of jobs and enterprises, and infrastructure development. Africa as a region is third in terms of increase in arrivals in 2012. These realities further emboldened the Agency to deliver on the strategic objectives set to extract maximum value from tourism and the effective management of natural heritage assets.

According to the recently released 2012 Annual Tourism Report, leisure, comprising of Visiting Friends and Relatives (VFR), holiday and shopping for personal use, continues to be the major reason for travel to South Africa accounting for over 61% of international tourist arrivals. As expected, the provinces with the lion's share of international tourists remain Gauteng and the Western Cape, due in part to the established international flights routes. The opportunity still remains for the Eastern Cape to capture the market at the often quoted "zero moment of truth", when tourists begin the search for a destination with a compelling unique selling proposition. The research bears the reality that it is too late to capture the tourists once they have already landed in South Africa as very seldom do tourists visit more than one province.

As reflected in the report, 87% of foreign tourists did not have a negative experience while in South Africa. The few who recorded such, 5.3%, mentioned general issues of safety and security and personal safety as negative experiences. The ECPTA remains committed to ensuring the safety of the visitors to our shores through strategic partnerships with both the private and public sector organisations in this space.

On the domestic tourism front, VFR trips still account for the largest share of trips taken, this reality has influenced the Agency's events strategy to ensure that more tourism revenue accrues to the Eastern Cape as well as to mitigate seasonality.

The Adventure Province rebrand was named one of the world's most effective rebrands in the 2013 REBRAND 100® Global Awards. This recognition is the highest recognition for excellence in brand repositioning, and is the first, only, and most respected global program of its kind which is featured in such media as The Wall Street Journal, CNN Money and Bloomberg BusinessWeek.

The performance highlighted above reflects the dedication and tireless efforts of the Executive Team in managing and leading the entire staff compliment to deliver on the strategic goals of the Agency. I would also like to extend sincere appreciation to my fellow board members on the work we have collectively achieved in providing guidance and ensuring single-mindedness towards achieving the Agency's strategic objectives.The developmental impact and potential of tourism as a key sector and driver of economic development has been exhorted both within South Africa and globally, the Eastern Cape Parks and Tourism Agency is committed to realise these and contribute to the Provincial effort to unlock and further elevate the Eastern Cape through the development of industry and its people.

Vuyo Zitumane
Board Chairperson
Eastern Cape Parks & Tourism Agency

7. OVERVIEW OF THE CHIEF EXECUTIVE OFFICER

It gives me great pleasure to present the Annual Report for the 2012/2013 financial year. This report comes at the end of the second financial year since the merger of the Eastern Cape Parks Board and the Eastern Cape Tourism Board to form the Eastern Cape Parks and Tourism Agency (ECPTA). The Agency now has a new Board and a new Chief Executive Officer (CEO), and all the critical positions have been filled. A word of gratitude goes to the leadership of the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), Interim Board and the former Interim CEO, Mr Sybert Liebenberg, for their leadership during this transitional phase of the founding of ECPTA. That it was executed with minimal disruptions is testimony to their astute leadership and maturity.

The ECPTA has three primary strategic goals:

1. To secure key biodiversity in the Province
2. To serve as a catalyst for all dimensions of tourism in the Province
3. To establish and maintain an efficient and effective institution

I am glad to report that, in the 2012/13 financial year, the Agency realised a Management Effectiveness Tracking Tool - South Africa (METT-SA) score of 68, a national target, ahead of many of its peers in South Africa. This tool, a globally recognised yardstick for benchmarking effectiveness of managing protected areas, bears testimony to the work that the Agency continues to perform.

Expansion of our protected area network is central to increasing the footprint of conservation and biodiversity management in the Province. The Agency realised a target of 42 840 ha, as against a target of 24 400 ha.

The Agency managed to leverage R49.3m in funding while exceeding its own revenue projections by more than R4m. With the continued investment in infrastructure in our reserves, noting the positive role and contribution made by the Department of Environmental Affairs in supporting the Agency, a great platform is being laid for future generation of revenue.

The focus on events as a key driver of domestic tourism resulted in additional funding from current provincial and national partners which yielded exceptional results for the brand mileage of the destination. Over and above the R134 million in media value garnered through specific event partnerships, R7.7 million advertising value equivalent of coverage was achieved through print and broadcast media, on the ECPTA and its nature reserves and tourism in general within the Province. This has translated to a total circulation of 39 million and a readership of 14.4 million over the period under review. A substantial portion of circulation has been within the key domestic markets of Gauteng, Western Cape and KwaZulu Natal.

In pursuit of the Agency's strategy, the following considerations bear reference:

- Significance of the Home of Legends Programme, launched by Premier Noxolo Kiviet on 05 October 2012 in Mqhekezweni
- Increasing focus on service excellence
- Revenue generation through repositioning of reserves under management of the Agency from cost to profit centres
- Integration of the Agency's work with other state institutions, particularly Local Economic Development programmes at regional and municipal level. This is focused on job creation as well as demonstrating the value of tourism to broader economic development
- Focus on Stakeholder Management and Partnerships

Significant strides are being made in cementing the relationship between the key tourism stakeholders in the Province, especially Local Government as a sphere. The strengthening of this relationship with regard to both destination management and destination marketing will ensure that the gains from the promotional activities are fully translated into the desired local economic benefits.

In the medium to long term, emphasis will be placed on the full utilization of digital platforms in executing our mandate. Recent developments in the ICT sector portend significant opportunities in digital mobilization of biodiversity records and data standards for the delivery of regular, timely data on biodiversity change to support effective and efficient management.

With travel and tourism being one of the most mature verticals in the digital space, the Agency's foray into creating a compelling digital presence for the destination will be strengthened. The space offers avenues to further support the travel and tourism SMMEs in the Province to gain competitive advantage and thereby facilitating the growth of the industry.

The financial realities under which we operate have highlighted the significant need for the Agency to aggressively seek out strategic partnerships that will assist in the efficient delivery of our mandate. These have played a crucial role in the delivery of the core programmes related to the effective management of our protected areas and destination development initiatives. More can be done and the ECPTA will seek out these opportunities over the medium to long term.

Luxolo Rubushe

Chief Executive Officer

Eastern Cape Parks and Tourism Agency

SECTION B.

PERFORMANCE INFORMATION

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3.2. Organisational Environment
3.3. Key Policy Developments and Legislative Changes

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5.2. Destination tourism
5.3. Operations
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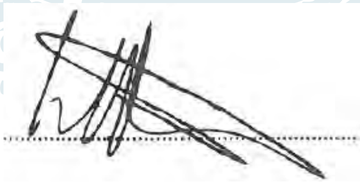
1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the agency's performance information and for the judgements made in this information.The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.In my opinion, the performance information fairly reflects the performance information of the organisation for the financial year ended 31 March 2013.



Luxolo Rubushe

Accounting Officer

Date: 31 May 2013

EXECUTIVE MANAGEMENT

Luxolo Rubushe
Chief Executive Officer

Thoneka Jama
Chief Financial Officer

Lenoray Gower
Executive Director: Human Capital Management

Xoliswa Mapoma
Legal Advisor
Board Secretary

Eddie Marafane
Executive Director: Destination Tourism

Dave Balfour
Executive Director: Biodiversity Conservation

Vuyani Dayimani
Executive Director: Operations

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

Refer to page 80 of the Report of the Auditor General, published as Part E: Financial Information.

3. OVERVIEW OF ORGANISATIONAL PERFORMANCE

3.1. Service Delivery Environment

The ECPTA provides direct services to the tourism SMMEs and cooperatives across the province. Support for tourism SMMEs spans business management support through training and awareness sessions on BBBEE and grading. Further support is extended for promotional platforms and marketing collateral. More than 480 SMMEs have been supported throughout the year. Initiatives to support businesses are carried out through strategic partnerships with public sector organisations within the tourism development sector. Notable, partnerships with the Eastern Cape Development Corporation and the Tourism Enterprise Partnership have yielded significant results.

Support to SMMEs is predicated upon registration on the provincial tourism database. Initiatives are currently underway to ensure streamlining of processes and ease of registration together with our partners within the local government sphere. Through numerous registration drives, it has been established that the tour guiding industry has been experiencing challenges resulting in less than anticipated numbers of renewals. The ECPTA is exploring the possibilities of profiling registered tour guides prominently on digital channels to facilitate market exchange by providing a platform for potential tourists to locate guides by geographic location. This initiative will also assist in ensuring that tourists get access to vetted operators and thereby ensuring access to higher service levels and mitigating any tourism safety issues.

3.2. Organisational Environment

During the year under review the term of office of the Interim Board of Directors came to an end and a new Board of Directors was appointed in the second quarter of the year which created a sense of stability for the Agency. A new Chief Executive Officer (CEO) was appointed in the third quarter of the year upon resignation of the Interim CEO.

The Agency also undertook a recruitment drive to fill identified funded posts that remained vacant after placement of employees in November 2011 into the merged entity organogram. Twenty percent (20%) of the workforce were newly appointed thus improving the age profile of the Agency from average age of 49 to 44 years. This recruitment resulted in a younger cadre of field rangers majority from local communicates who have brought freshness and youth into the Agency. A further 5% (26) of employees within the Agency were appointed to higher level positions whilst 15% (75) of the field ranger cadre moved from untrained level 4 to trained level 5. This process enhanced and confirmed the skills set of this cadre particularly in light of the rhino poaching threat that the Agency faces on a daily basis.

Up skilling and re-skilling programmes were undertaken during the year under review in an effort to address the capacity building requirements aligned to the new Agency needs. Staff turnover during the year under review was 7% which was within acceptable limits. Service delivery imperatives of the Agency continued to be delivered on during this period with no significant negative impact having been felt but rather improvement of service delivery through the employment of a younger workforce.

3.3. Key Policy Developments and Legislative Changes

No major changes to relevant policies or legislation has occurred that affected operations during the period under review. The impact on the new Tourism Act may have nominal impact on the mandate and strategic objectives of the Agency.

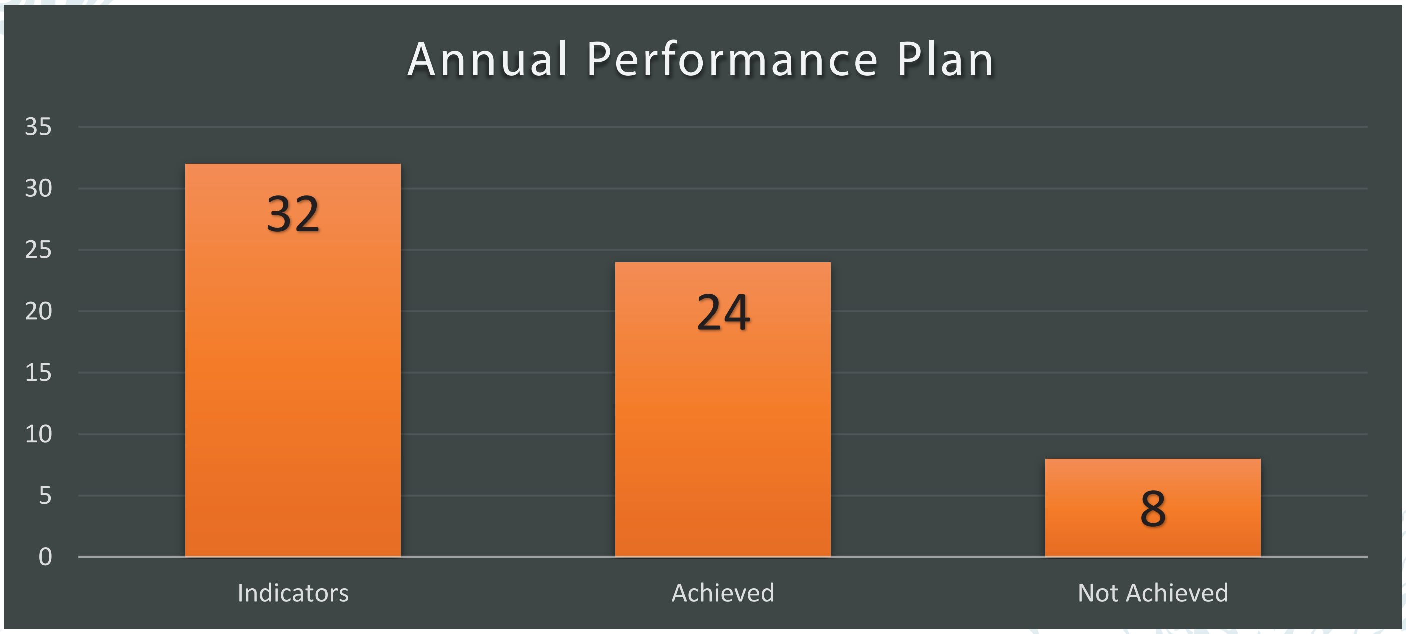
4. Strategic outcome oriented goals

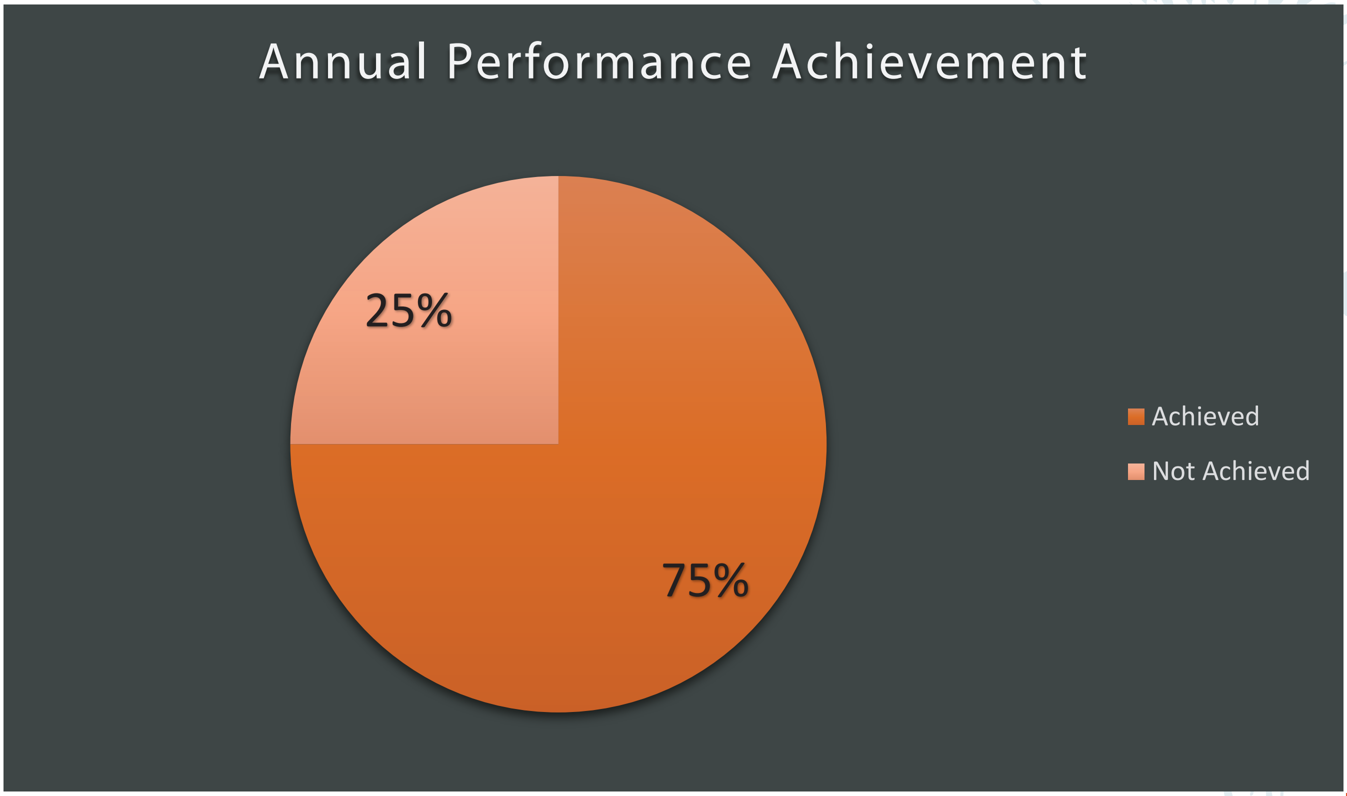
STRATEGIC GOAL	#	STRATEGIC OBJECTIVE SHORT TITLE	STRATEGIC OBJECTIVE STATEMENT
1. To secure key biodiversity in the Province	1.1	Management effectiveness	To strengthen management effectiveness in protected areas
	1.2	Protected area system	To expand the Provincial protected area system
	1.3	Revenue from biodiversity	To grow revenue from biodiversity
2. To serve as a catalyst for all dimensions of tourism in the Province	2.1	Tourism marketing	To promote the Province as a preferred tourism destination
	2.2	Industry transformation	To enhance Provincial tourism transformation
	2.3	Tourism products	To enhance Provincial tourism product development
	2.4	Tourism infrastructure	To facilitate infrastructure development for tourism growth
3. To establish and maintain an efficient and effective institution	3.1	Partnerships	To utilise partnerships with key stakeholders successfully to achieve specific outputs
	3.2	Corporate governance	To ensure effective corporate governance
	3.3	Supportive architecture	To ensure that the organisational architecture supports Agency strategy
	3.4	Financial sustainability	To maintain efficient financial management that will support the growth of own revenue

5. PERFORMANCE INFORMATION BY PROGRAMME

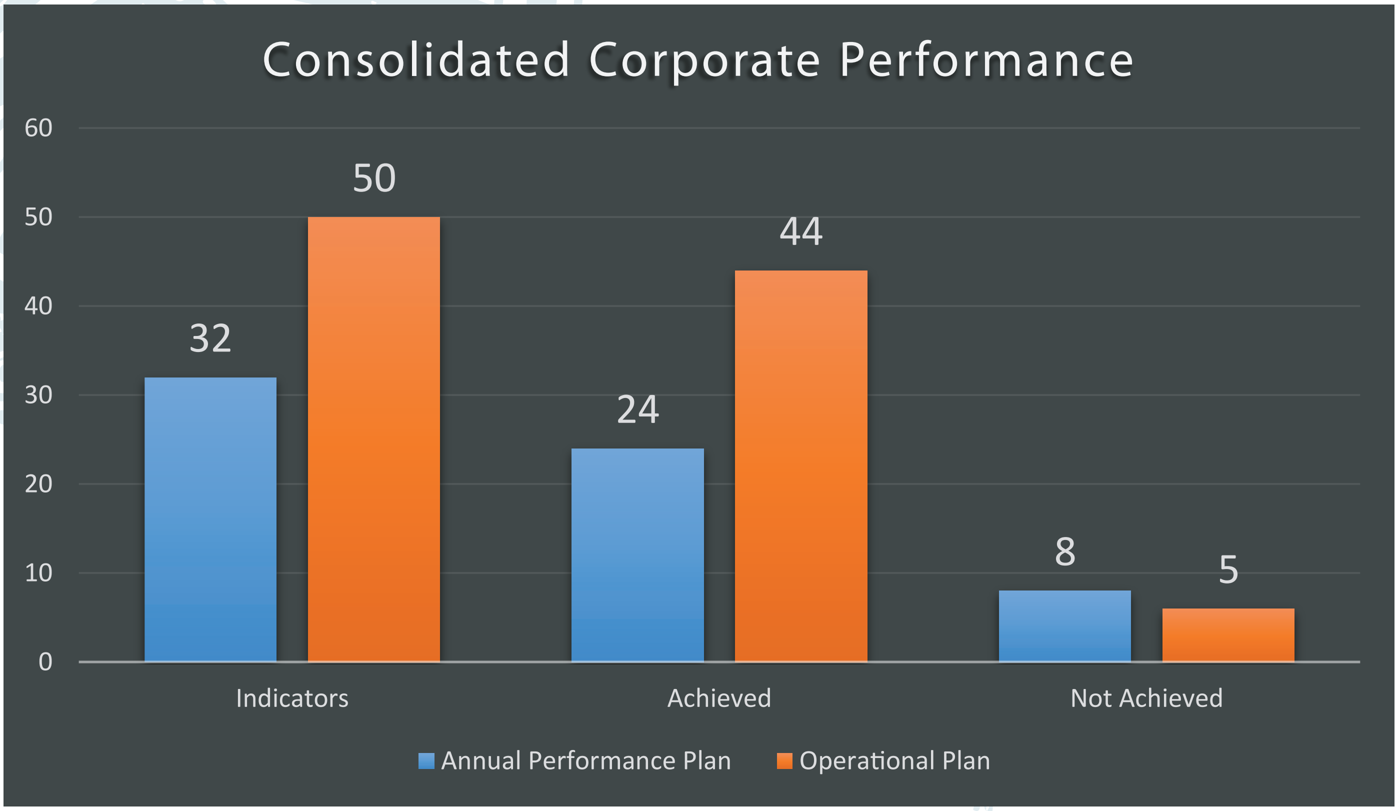
The Agency achieved 75% of the Annual Performance Plan targets in the 2012/2013 financial year as reflected below, with 87% of the achieved targets being exceeded. The most significant of these being;

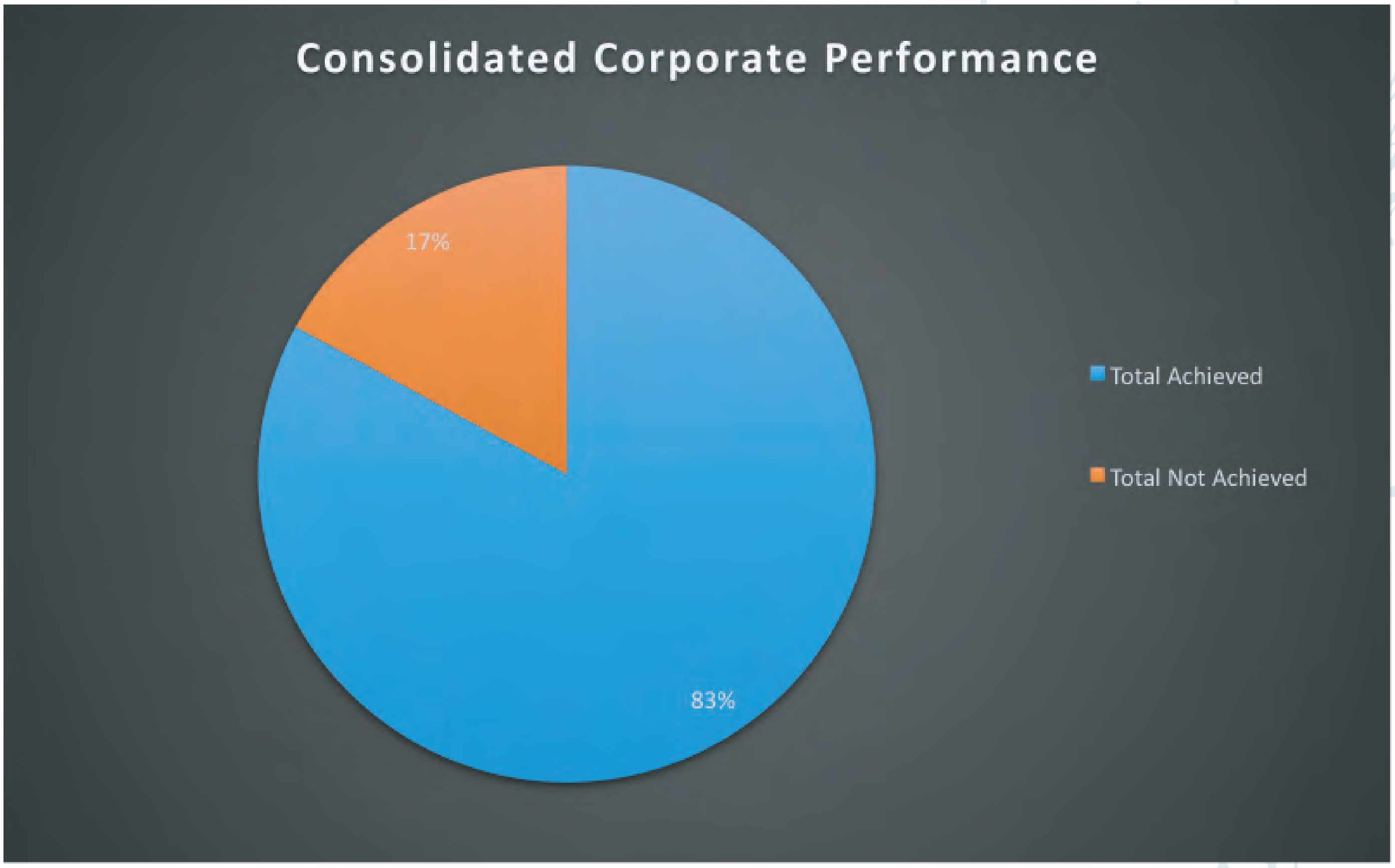
- The performance on the METT-SA score at 68 which exceeds the target set for the 2013/2014 financial year
- Revenue generated exceeding the target by R4m
- 80% of strategic risks being within acceptable levels
- 75% overall satisfaction of the Agency's tourism stakeholders
- Total funds leveraged from partners at R49.3m against a targeted R33m





Consolidated corporate performance reflects an overall achievement of 83%, this includes annual and operational targets, with performance on the operational plan at 90%. The ECPTA will, going forward focus on benefits management to ensure a more effective translation of outputs to intended outcomes.





At a high level, the areas of non-performance, are being assessed to ensure the validity of the means of measurement for effectiveness and efficiency

Quarterly Programme Performance Overview

ADVENTURE PROVINCE Eastern Cape PARKS & TOURISM AGENCY

ECPTA

Sparkline Trends

Destination Tourism	Actual vs Target Q1 to Q4
2012/2013 - UM000019	
2012/2013 - UM000020	
2012/2013 - UM000021	
2012/2013 - UM000022	
2012/2013 - UM000023	
2012/2013 - UM000024	
2012/2013 - UM000025	
2012/2013 - UM000026	
2012/2013 - UM000027	
2012/2013 - UM000028	
2012/2013 - UM000029	
2012/2013 - UM000030	
2012/2013 - UM000031	
2012/2013 - UM000032	
2012/2013 - UM000033	
2012/2013 - UM000034	
2012/2013 - UM000035	
2012/2013 - UM000036	
2012/2013 - UM000037	
2012/2013 - UM000038	
2012/2013 - UM000042	
2012/2013 - UM000043	
2012/2013 - UM000044	
2012/2013 - UM000045	

Administration	Actual vs Target Q1 to Q4
2012/2013 - UM000047	
2012/2013 - UM000048	
2012/2013 - UM000049	
2012/2013 - UM000050	
2012/2013 - UM000051	
2012/2013 - UM000052	
2012/2013 - UM000053	
2012/2013 - UM000054	
2012/2013 - UM000055	
2012/2013 - UM000056	
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2012/2013 - UM000064	
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2012/2013 - UM000072	
2012/2013 - UM000073	
2012/2013 - UM000074	
2012/2013 - UM000075	
2012/2013 - UM000076	
2012/2013 - UM000078	
2012/2013 - UM000079	

Biodiversity Conservation	Actual vs Target Q1 to Q4
2012/2013 - UM000010	
2012/2013 - UM000011	
2012/2013 - UM000012	
2012/2013 - UM000013	
2012/2013 - UM000014	
2012/2013 - UM000015	
2012/2013 - UM000016	
2012/2013 - UM000018	
2012/2013 - UM00004	
2012/2013 - UM00005	
2012/2013 - UM00006	
2012/2013 - UM000060	
2012/2013 - UM00007	
2012/2013 - UM00008	
2012/2013 - UM00009	

Operations	Actual vs Target Q1 to Q4
2012/2013 - UM00001	
2012/2013 - UM000017	
2012/2013 - UM00002	
2012/2013 - UM00003	
2012/2013 - UM000039	
2012/2013 - UM000040	
2012/2013 - UM000041	
2012/2013 - UM000046	
2012/2013 - UM000067	
2012/2013 - UM000068	
2012/2013 - UM000069	
2012/2013 - UM000070	
2012/2013 - UM000071	
2012/2013 - UM000077	

5.1. Biodiversity Conservation

The Biodiversity Conservation Department is responsible for professional decision support to ensure that appropriate biodiversity management is effected in the Protected Areas managed by the Eastern Cape Parks and Tourism Agency (ECPTA). The responsibilities include review and formulation of biodiversity policy and coordination of biodiversity planning as well as coordinating research, inventory and monitoring programmes. The department is also responsible for developing and managing biodiversity conservation support projects.

Units:

- Stewardship Management
- Biodiversity Science and Advisory Services
- Conservation Planning
- Biodiversity Projects

Strategic objectives

The Biodiversity Conservation department is required to address Strategic Goal 1: "To secure key biodiversity in the province" through the achievement of 3 strategic objectives:

1.1: Improve management effectiveness of protected areas

1.2: Develop and implement a provincial protected area system

1.3: Grow revenue from biodiversity goods and services

Towards the end of the 2012-13 financial year, the department was delegated the responsibility of contributing to monitoring the reduction of the carbon footprint of the head office of the Agency - a strategic objective linked to Strategic Goal 3: "To establish and maintain an efficient and effective institution", namely: ensure effective corporate governance within ECPTA

The Biodiversity Conservation Department is responsible for the efficient and effective management of a system of protected areas in the Eastern Cape with the emphasis being on growing the protected area estate under private ownership through the biodiversity stewardship programme. The department has a strong decision support role in providing specialist information, advice and perspectives to this end. In the year under review the Department achieved the following:

Ecological process - subsidiary plans

Subsidiary management plans were developed for two valuable and high profile species of which one is the critically endangered black rhino for the Baviaanskloof World Heritage Site. These plans will promote both the security and the wise use of the species in this reserve. This is a significant conservation success story as both species had been driven to local extinction in the reserve earlier in the 20th century and they have now been re-established to a level where they require active management to ensure their on-going survival. These plans will guide management decision making for the next five years.

Many of the reserves managed by the ECPTA have been degraded through past land use practices and are in need of rehabilitation. One area of focus in this regard is the compliment of large mammals. In order to assist with decision making at an operational level a 5 year large mammal re-introduction plan which indicates priorities and target species for identified reserves was developed and approved by Board.

Reserve Tax on Inventories and monitoring reports

You cannot manage what you don't measure. To this end the ECPTA has embarked on a multi-year programme of both describing and measuring trends (monitoring) biodiversity in reserves it manages. In 2012/13, inventories of small mammals and of amphibians and reptiles were established for the Great Fish River Nature Reserve and Silaka Nature Reserve for the first time. These inventory lists and distribution data become part of the reserve State of Knowledge Reports and the Agency databases. In addition to this monitoring programmes were conducted for two endangered species populations (Cape mountain zebra in the Baviaanskloof Nature Reserve and black rhino in the Great Fish River Nature Reserve) as well as for the "line fish" in the Dwesa/Cwebe Marine Protected Area. The current trajectories of the two large mammal tax is satisfactory with the populations performing well. The same is true of the line fish where the trends indicate a recovery but this needs to be understood in a context where some key species remain at critically low levels following over exploitation and they remain vulnerable to over harvesting.

Environmental and Development Plans

Two environmental plans were under active development in the 2012/13 year. One plan is a zonation plan for development and conservation in the Dwesa/Cwebe Nature Reserve. This plan has had considerable public participation but has not been finally signed off on as there remain discussions around the matter of the levels of fishing in the Marine Protected Area and of how best to create the balance between stock recovery and meeting human resource harvesting needs. The second plan is a strategic environmental assessment of the opportunities for tourism development in the Baviaanskloof which is under development by the CSIR with considerable input from the ECPTA staff and other local experts.

Strategies and Policies

A number of biodiversity conservation strategies and policies were developed by the Biodiversity Conservation Department and approved by the Board. These include the development of a new strategic approach to the matter of generating revenue (payment) for the provision of ecosystem services. This strategy required the re-thinking of the initial approach developed in 2010 where expectations were set too high based on insufficient knowledge of the details involved in implementing a "payment for ecosystem services" programme. The new strategy has adopted a more measured approach that is strongly tempered by operational realities and will focus on using the notion of benefitting from ecosystem services generally to bolster the biodiversity stewardship programme and not to directly raise a revenue stream for the Agency. This new approach will be initiated through high level political intervention in 2013/14.

In addition two biodiversity policies, one guiding decisions around the placement of artificial water in nature reserves and the other related to the establishment of new populations of large mammals through donation or custodianship programmes were approved by Board.

In so far as expanding the protected area estate is concerned, nationally a strategy has been developed for this purpose. This strategy requires a provincial level role out and the ECPTA took on the responsibility of producing an Eastern Cape Protected Area Expansion Strategy in 2012/13. Because this strategy has implications beyond the borders of the reserves, the strategy development involved considerable public participation and it has now been submitted to the MEC for Economic Development, Environmental Affairs and Tourism for higher level political endorsement within the province. The intention is to influence future spatial planning in ways that are not detrimental to biodiversity conservation.

Capacity development is a key area of activity in the agency and to this end two MOUs were signed with Universities (Nelson Mandela Bay Municipal University and Rhodes University) to facilitate access to training and research opportunities.

Research

The ECPTA currently does not have funding available to dictate what research it needs to be done. Thus a strategy has been developed of establishing priority research areas for Biodiversity Conservation and Conservation Management and then facilitating researchers, commonly post graduate students,access to reserves to conduct research (within these themes) at their cost. This has proved to be a very productive approach and has resulted in considerable training of students as well as research results being available to the agency. In the 2012/13 year a total of 17 research projects were registered using this approach.

Protected Area Expansion (including Stewardship)

As part of implementing a protected area expansion programme, prior to the development of the targeted strategy, the ECPTA set a target of expanding land under formal conservation by 13000ha in the 2012/13 year. The breakdown was that 10000 should be on privately owned land and 3000 on communal land. Both targets were met with the privately owned land being formally gazetted to be managed under an approved management plan under the biodiversity conservation stewardship programme and the communal land being incorporated in to the Mkhambathi Nature Reserve through a contractual agreement.

Innovation

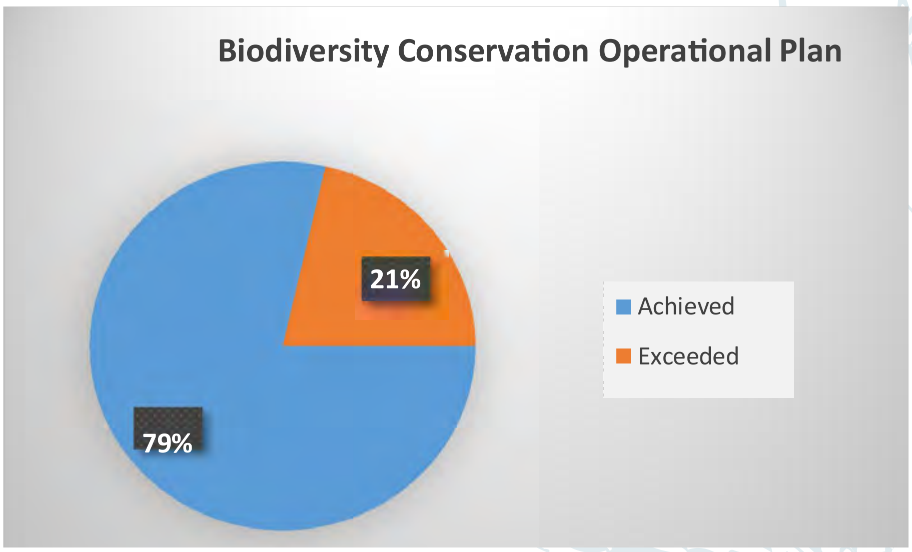
As part of the innovation of the ECPTA and in the spirit of engaging in the green economy the ECPTA established a baseline for the carbon footprint of the head office of the Agency. This allows the agency to set a target for reduction in the footprint in 2013/14.

Performance indicators

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2012/2013	Actual Achieved 2012/2013	Reason for Variance
To secure key biodiversity in the Province	Improve management effectiveness of protected areas	METT-SA score achieved in Protected Areas according to defined categories	55	68	The endorsement of the protected area expansion strategy has significantly strengthened the score in terms of protected area design. Visible and quantifiable improvements from alien clearing and veld management demonstrate improvements in biodiversity and ecological values.
To secure key biodiversity in the Province	Develop and implement a provincial protected area system	Provincial NPAES target ('000ha) per annum	24.4	42.84	The target has been exceeded in this financial year and the Agency is on track to achieve 486 000ha by the end of the 2013/14 financial year. The variance is due to the establishment and management contract of the Amathole Marine Protected Area (24 400 ha) in the 2011/12 financial year.
To secure key biodiversity in the Province	Grow revenue from biodiversity goods and services	Revenue generated from ecological services	R0	R0	When this indicator was introduced in 2010, a significant period of research and preparation was anticipated. Revenue targets were set on initial assumptions without the benefit of clear information. The work done in the interim has revealed that the revenue targets were unrealistic and inappropriate, as both National and Provincial processes are not yet ready to enable the collection of revenue for ecological services by the ECPTA.

Strategy to overcome areas of under performance

Performance at both the annual plan and operational plan has been within target.



Annual Operational Plan Targets

Unit of Measure Products	Target Annual	Actual Annual	Reason for Variance
Buffalo Management Plan for Baviaanskloof	1	1	N/A
Black Rhino Management Plan for Baviaanskloof	1	1	N/A
Large Mammal Reintroduction Plan for ECPTA	1	1	N/A
Number of MOUs signed	2	2	N/A
Number of new taxon inventories	2	2	N/A
Number of new priority research projects registered	8	17	This target represents external requests for research work to be carried out in the protected areas. The actual achievement is based on the research requirements for external stakeholders.
Number of priority taxon monitoring reports	3	3	N/A
Large Mammal Management Recommendations for 2013/14	1	1	N/A
Number of new biodiversity policies approved	2	2	N/A
Hectares of privately owned land under conservation management contract	10000	10640	The robust and enhanced stakeholder engagement and management of communities adjacent to the protected areas has yielded positive results in terms of achievement of this particular indicator.
Hectares of communal land under conservation management	3000	7800	
Provincial Protected Area Expansion Strategy	1	1	N/A
Institutional Approach	1	1	N/A
# of baseline carbon footprint reports	1	1	N/A

Performance Indicator 3.2.6: Carbon Footprint

The indicator was initially the responsibility of the Office of the CEO. In December 2012, it was formally relocated to the Biodiversity Conservation Department, at which time adjustments to the project brief were undertaken. Significant milestone delays were approved. Whereas the original target referred to a reduction in the carbon footprint in 2012-13, this was changed to reflect the realistic deliverable of a baseline carbon footprint report. Reductions against this baseline are planned for 2013-14.

5.2. Destination Tourism

The Destination Tourism Programme comprises the functions of marketing and business development for the Eastern Cape tourism sector.

The Marketing and Communications Department is responsible for promoting the Province as a tourism destination. Marketing and promotion take a variety of forms and include providing user-friendly visitor information as well as credible statistical information on tourism in the Province to the tourism sector and government, to assist in assessing the contribution that tourism makes to the Provincial economy and identifying areas for potential growth and development.

The Business Development and Tourism Department is responsible for stimulating Provincial tourism product development and facilitating infrastructure development for tourism growth. It is also responsible for assisting in growing the revenue of the Agency through facilitating revenue-generating activities and securing investment for tourism development initiatives.

The Department is also responsible for facilitating transformation in the tourism sector. This means facilitating increases in the number of HDI tourism operators, SMMEs and co-operatives in the industry, as well as increasing the number of black visitors to the Province as a whole and to Provincial Parks in particular. Transformation includes attracting investments into rural tourism and providing access to economic growth opportunities for previously marginalised communities and individuals.

Units:

- Destination Marketing
- Destination Development
- Tourism Information and Research
- Registrar: Tourism

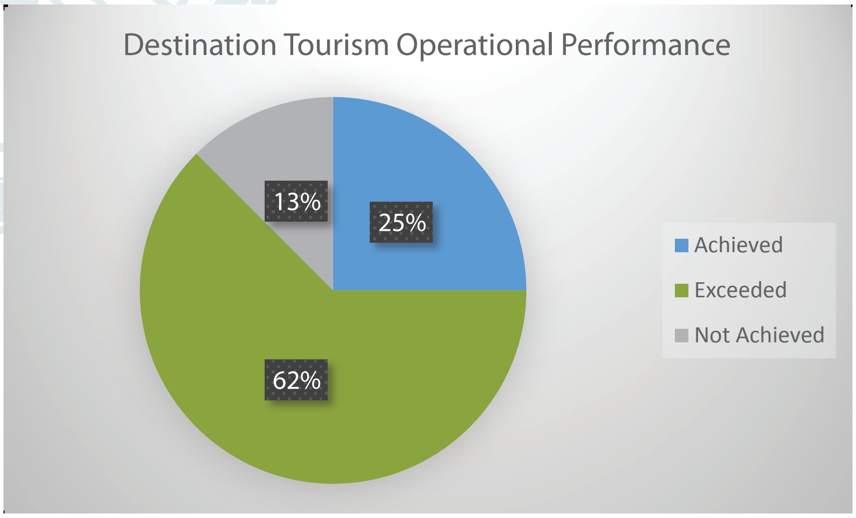
Strategic Objectives: The Destination Tourism programme is required to address Strategic Goal 2: “To serve as a catalyst for all dimensions of tourism in the province”.

Performance indicators

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2012/2013	Actual Achieved 2012/2013	Reason for Variance
To serve as a catalyst for all dimensions of tourism in the Province	Marketing and promotion of provincial tourism	Number of visitors attending event partnership initiatives	12,000	306, 602	The overall target of 12000 was exceeded due to additional funding from DEDEAT to the value of R10.1million for event partnerships.
To serve as a catalyst for all dimensions of tourism in the Province	Marketing and promotion of provincial tourism	Number of brochures circulated by tour operators promoting EC itineraries	4, 000	137, 075	The annual target of 4000 was set with no baseline information. It must also be noted four instead of three joint marketing agreements were concluded in the financial year. The agreements are with international operators with a very high circulation run
To serve as a catalyst for all dimensions of tourism in the Province	Marketing and promotion of provincial tourism	% increase of the ECPTA advertising brand value	3%	205.14%	Inconsistency in calculation is the reason for variance. Media value was the basis for calculation this financial year. A stakeholder survey was the basis of calculation in the 11/12 financial year. Media value will be the standard measure going forward.
To serve as a catalyst for all dimensions of tourism in the Province	Marketing and promotion of provincial tourism	% increase in reserve occupancy levels	30%	2.2%	Due to critical operational needs within the Destination Tourism Department such as Joint Marketing Agreements partnerships and Event partnerships, the budget was prioritised for these instead of the promotion of the nature reserves. This is due to a determination that sufficient cross-selling from previous year and current year overall destination marketing would yield positive results for the reserves. This approach has been further confirmed by the exceeding the annual revenue target for reserves even though occupation had not increased.
To serve as a catalyst for all dimensions of tourism in the Province	Enhance provincial tourism transformation	% of registered tourism products which are BBBEE compliant	20%	58%	BBBEE compliance is not compulsory; tourism products are encouraged, but not required, to provide the ECPTA with proof of their B-BBEE status. Awareness of the benefits of compliance yielded excellent performance
To serve as a catalyst for all dimensions of tourism in the Province	Enhance provincial tourism transformation	% change in demographic profile of visitors to ECPTA reserve	50%	39%	The annual target of 50% has not been met as this target was set on the assumption that accessibility to our nature reserves and internal infrastructure within our nature reserves will be developed as well as an allocated budget to specifically market the nature reserves. The lack of budget as well as no improvement to access and internal infrastructure has resulted in the achievement of this target very challenging.
To serve as a catalyst for all dimensions of tourism in the Province	Enhance provincial tourism product development	Number of registered tourism products in the Province	3,000	3,080	N/A

Strategy To Overcome Areas Of Under Performance

A dedicated budget has been set aside for the targets geared towards ensuring a more diverse and increased clientele base for the reserves. Areas of underperformance in the operational plan relate to media value and registration of tour guides. The after-effects of the economic slump are still felt in the industry and there isn't an influx of tour guides entering the industry. The ECPTA has resolved to buffet the media value generated from the hosting of events by developing a simultaneous plan to drive market reach, especially through the use of digital media.



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Annual Operational Plan Targets

Unit of Measure Products	Target Annual	Actual Annual	Reason for Variance
# of Events	5	9	The overall target of 5 was exceeded due to additional funding from DEDEAT to the value of R10.1million for event partnerships.
# of New Conferences	2	2	N/A
# of Joint Marketing Agreements	3	3	N/A
# of Country Representatives	3	3	N/A
# of guides distributed	6000	6337	The variance represents guides which had been developed in the previous financial year.
Value of exposure from media engagements	140, 000, 000	134, 325, 783	The media value is dependent on the event partners in delivering on stated estimates. The underachievement is negligible.
# of product owners supporting the Adventure Province Brand	40	50	Work done in the brand roll-out through stakeholder engagement and event partnerships has resulted in products valuing association and alignment with the destination brand.
Destination and tariff guide approved and distributed	1	1	N/A
Reservation system up-time (fully operational)	90	100	Higher performance is desirable for this indicator.
% of tourist accommodation establishments Graded on ECPTA reserves	60	68	A concerted effort to generate revenue from tourism in the reserves resulted in higher achievement.

Unit of Measure Products	Target Annual	Actual Annual	Reason for Variance
Number of tourism routes supported	10	13	Partnership with initiatives driven by other tourism bodies ensured more reach in route support.
Number of registered tourism products supported	120	482	Partnership with initiatives driven by other tourism bodies ensured more reach in route support.
Number of youth exposed to the tourism industry	50	7140	ECPTA intended to expose 50 youth to the tourism industry and due to hosting of National Tourism Career Expo in partnership with the National Department of Tourism, Department of Economic Development, Environmental Affairs and Tourism, CATHSSETA and Buffalo City Metropolitan Council 7380 learners from the Eastern Cape were exposed to the industry
# of spot checks to ensure that Tourist Guides comply with EC Tourism Act 2000	8	16	There was a concerted effort to drive regulatory compliance of tour guides to ensure that tourists to the province receive a higher quality of services.
# of Tourist Guides registered in the Province	1200	1096	Registration of tourism products is a demand driven output dependent on new guides entering the industry or conversely, exiting the industry.
# of tourist products Graded in the Province	120	140	Awareness campaigns on the benefits of grading yielded excellent performance.

Changes to planned targets

Performance Indicators 2.3.4: Geographical Growth, 2.3.5: Graded ECPTA Reserves, and 2.3.6: New Tourist Products Graded

During the process of preparing the first draft of the APP for 2013-14, it was necessary to revert to the published APP for 2012-13 to ensure that any changes to the subsequent APP are brought to the attention of the relevant authorities. It was thus determined that, although the APP for 2012-13 lists a number of required changes, some additional changes have subsequently been effected to improve the quality of the plan.The changes listed above were among those approved by the Board on the 31st of August 2012, and subsequently communicated to the DEDEAT and Portfolio Committee

5.3 Operations

The Operations Department is responsible for managing the tourism and reserves regional operations and effectively managing and safe guarding the Reserves (protected areas). These responsibilities are executed in association with the Biodiversity Conservation and Destination Tourism departments in accordance with Sections 12 and 13 of Act 2 of 2010.

Units:

- People and Parks
- Regional Routes and Services
- Commercialisation and Hospitality
- Special investigations and Resource Security & Large Mammal Operations
- Infrastructure Projects
- Information Management and Communication Technology
- Social Responsibility Projects

Strategic Objectives:

The Operations department is required to address all three Strategic Goals through the achievement of seven strategic objectives:

1.1: Improve management effectiveness of protected areas

1.3: Grow revenue from biodiversity goods and services

2.2: Enhance provincial tourism transformation

2.3: Enhance provincial tourism product development

2.4: Develop provincial tourism infrastructure

3.3: Develop an ECPTA organisational architecture that supports transformation

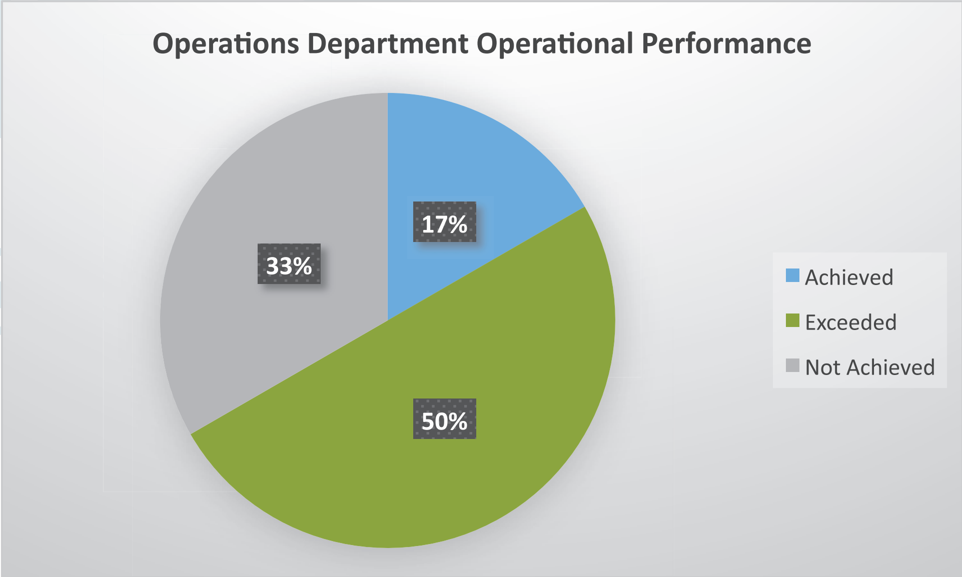
3.4: To maintain efficient financial management systems that will support the growth of own revenue

Performance indicators

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2012/2013	Actual Achieved 2012/2013	Reason for Variance
To secure key biodiversity in the Province	Improve management effectiveness of protected areas	METT-SA score achieved in Protected Areas according to defined categories	55	68	The deliberate management approach to avail operational budget to effectively manage the flagship reserves has yielded this positive result. The overall METT score was heavily influenced by the excellent scores the flagship reserves garnered during the assessment.
To secure key biodiversity in the Province	Grow revenue from biodiversity goods and services	Revenue generated from large animal management plan	R9m	R12.4m	Results from the auction vary according to prevailing economic conditions and appetite of the industry at the specific period that it is being conducted. Actuals may vary significantly from the target based on these.
To serve as a catalyst for all dimensions of tourism in the Province	Enhance provincial tourism transformation	% change in demographic profile of professional hunters	20%	0%	The target was set without baseline information or institutional arrangements with organisations in the space. Data access limitations due to external source of information, the Professional Hunters Association of South Africa. Alternative means of attracting a more diverse demographic for hunting in the province have been identified for the next financial year.
To serve as a catalyst for all dimensions of tourism in the Province	Enhance provincial tourism product development	Revenue generated from on-reserve hospitality	R3.5m	R3.8m	The majority of patrons to the reserves are repeat visitors who extend the visits to extended family members. The achievement is as a result of previous year's marketing efforts in ensuring cross-selling of amenities in the reserves.
To serve as a catalyst for all dimensions of tourism in the Province	Enhance provincial tourism product development	% improvement in Customer Satisfaction Index	50%	50%	N/A
To serve as a catalyst for all dimensions of tourism in the Province	Provincial tourism infrastructure development	% progress against infrastructure improvement plan	90%	90%	N/A
Establish and maintain an efficient and effective institution	Develop an ECPTA organisational architecture that supports strategy	% of organisational operations efficiently and effectively supported by ICT systems	40%	67.5%	Resources were leveraged from partnerships from mobile communications companies allowing for delivery beyond planned targets for wireless payment facilitation and reserve connectivity survey.
Establish and maintain an efficient and effective institution	To maintain efficient financial management systems that will support the growth of own revenue	Increase monetary value of concession from commercialisation initiatives	R15m	R65m	The investor initially interested in the concession displayed a higher appetite to extract as much value from the area during the area exploration phase of the concession negotiation. This resulted in the increased investment

Strategy to overcome areas of under performance

Alternative means of both influencing and measuring the demographic profile of hunters are being explored and will be finalized in the planning of the 2014/2015 financial year. Underachievement in the operational plan can be attributed to the delay in securing one building for the Agency and marginal underperformance in implementing reserve operational plans.



Annual Operational Plan Targets

Unit of Measure Products	Target Annual	Actual Annual	Reason for Variance
Number of approved Reserve Annual Operational Plans for 2013/14	15	15	N/A
Percentage Progress against Reserve Annual Operational Plans (12-13)	100	96	The underachievement is negligible.
% of Real time payment in place and signed off	62.5	100	Resources were leveraged from partnerships from mobile communications companies allowing for delivery beyond planned targets for wireless payment facilitation.
Number of Reserve with wireless credit/debit card system	4	5	Resources were leveraged from partnerships from mobile communications companies allowing for delivery beyond planned targets for wireless payment facilitation.
% of Telecommunication cost saved on budget available for telephones	10	0	The IP telephony project that could not implemented in this current financial year due to the planned reallocation of offices.
No. of reserve surveyed on connectivity	10	15	Resources were leveraged from partnerships from mobile communications companies allowing for delivery beyond planned targets reserve connectivity survey.

Changes To Planned Targets

Performance Indicators 3.4.3: Concession Value

The annual target for 2011/12 was R6 million. The audited annual performance report (approved in July 2012) shows that the department did not achieve this target. Actual performance was R200.000. The target for 2012/13 was adjusted downward to R15 million. This change was among those approved by the Board on the 31st of August 2012, and subsequently communicated to the Department and Portfolio Committee.

PROVINCIAL PARKS INFRASTRUCTURE PROGRAMME HIGHLIGHTS

Thatch roofing of chalets at Silaka Nature Reserve

Baviaanskloof Staff Accomodation

Mkhambathi Nature Reserve Road Upgrade

5.4. Corporate Management Support

The Corporate Management Support Programme consists of three sub-programmes, namely Executive Office, Finance, and Human Capital Management.

Strategic objectives:

- To ensure that the organisational architecture supports Agency strategy
- To ensure effective corporate governance
- To ensure that the organisational architecture supports Agency strategy

UNITS	PURPOSE
Office of the Chief Executive Officer	The Office of the Chief Executive Officer (CEO) ensures that effective planning and reporting systems are established, and that external partnership networks are developed and managed to expand the revenue base for the ECPTA and providing strategic leadership to executive management; corporate positioning of the Agency, risk management and corporate legal compliance.
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 Agency. It ensures the provision of systematic financial management systems and information to co-ordinate the organisation's budget and resource requirements
Human Capital Management	HCM is responsible for ensuring the delivery of professional excellence in the disciplines of human capital management, training and development, organisational transformation, employee wellness and employee relations.

Performance indicators

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2012/2013	Actual Achieved 2012/2013	Reason for Variance
To establish and maintain an efficient and effective institution	Establish partnerships to achieve biodiversity and tourism outputs	Funds leveraged from partners for biodiversity management and protected areas development initiatives	R28m	R26.7m	The focus on events as a key driver of domestic tourism resulted in additional effort exerted in supporting tourism initiatives.
To establish and maintain an efficient and effective institution	Establish partnerships to achieve biodiversity and tourism outputs	Funds leveraged from partners for tourism initiatives	R5m	R22.6m	The focus on events as a key driver of domestic tourism resulted in additional funding from current provincial and national partners.
To establish and maintain an efficient and effective institution	Ensure effective corporate governance within ECPTA	% compliance with key pieces of identified legislation	100%	91.45%	The unsecured legal status of reserves and current gaps in the ECPTA Act has negatively impacted achievement of this indicator.
To establish and maintain an efficient and effective institution	Ensure effective corporate governance within ECPTA	Average performance score for the organisation	3.5	3.16	Timely completion of performance assessments impact comprehensive calculation of the indicator
To establish and maintain an efficient and effective institution	Ensure effective corporate governance within ECPTA	% of strategic risks reduced to an acceptable level	60%	80%	Systematic improvement of control measures over the past two financial years have ensured the level of performance for the indicator. A new risk identification and assessment process will be concluded in the first quarter of the new financial year.
To establish and maintain an efficient and effective institution	Ensure effective corporate governance within ECPTA	% reduced carbon footprint of ECPTA	50%	0%	The focus was to establish a baseline as one had not been established since the indicator was first introduced in 2011/2012. This has been completed. Carbon Footprint reduction targets have been revised downward from the original MTEF estimates to more realistic levels based on the baseline report.
To establish and maintain an efficient and effective institution	Ensure effective corporate governance within ECPTA	% stakeholder satisfaction	40%	75%	The target was set without any baseline information. Only tourism stakeholders were assessed due to resource and time constraints.
To establish and maintain an efficient and effective institution	To maintain efficient financial management systems that will support the growth of own revenue	% increase of own revenue generated to grant allocation	25%	30%	The figure published in the 2012-13 APP is inconsistent with the budget allocated. The 2012-13 relationship between grant and revenue should see the own revenue value amounting to 9% of the grant allocated. Targets for the remainder of the MTEF are adjusted according to the published budget.
To establish and maintain an efficient and effective institution	Increase jobs created through ECPTA projects	Number of jobs created per annum	423	816	The initial delay in project start-up due to excessive rainfall resulted in extra human resources being brought in in order to achieve targets in project delivery. The resultant job opportunities created far exceeded the initial target.

FINANCE

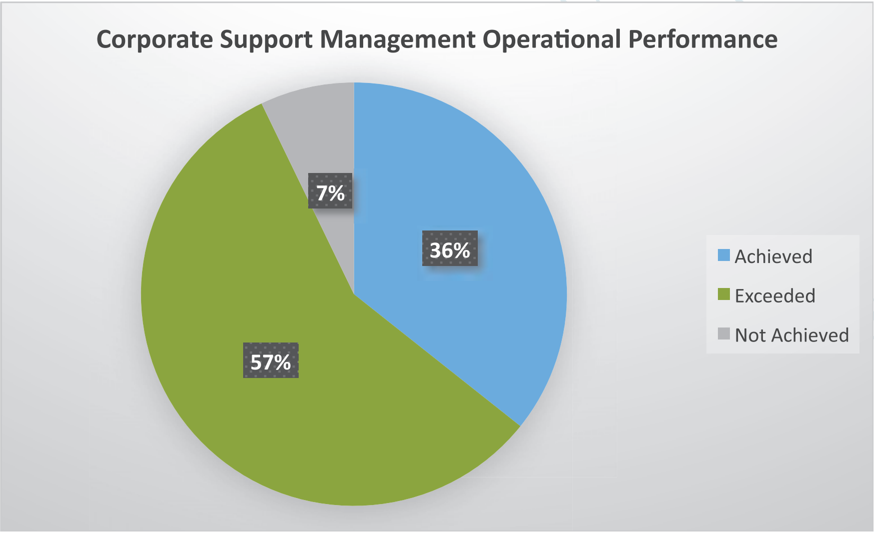
Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2012/2013	Actual Achieved 2012/2013	Reason for Variance
To establish and maintain an efficient and effective institution	Ensure effective corporate governance within ECPTA	Unqualified audit report	100%	100%	N/A
To establish and maintain an efficient and effective institution	Ensure effective corporate governance within ECPTA	Number of matters of emphasis	No more than 3	0	Lower actual is desirable
To establish and maintain an efficient and effective institution	To maintain efficient financial management systems that will support the growth of own revenue	% efficiencies gained on expenditure of operational budget	3%	3%	N/A
To establish and maintain an efficient and effective institution	To maintain efficient financial management systems that will support the growth of own revenue	% budget variance maintained	5%	3.26%	Variance within target

HUMAN CAPITAL MANAGEMENT

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2012/2013	Actual Achieved 2012/2013	Reason for Variance
To establish and maintain an efficient and effective institution	Develop an ECPTA organisational architecture that supports strategy	% transformation of the organisational structure	60%	65%	Additional training, capacitation and awareness interventions were carried out based on crucial identified needs within the organisation.
To establish and maintain an efficient and effective institution	Develop an ECPTA organisational architecture that supports strategy	% improved staff satisfaction	70%	69%	An area of dissatisfaction was around communication channels broadly within the organisation and intra-departmentally. This will be an area of focus in the 2013/2014 financial year.

Strategy to overcome areas of under performance

Rigorous testing of hypotheses is to be the norm in setting targets for annual plans going forward. Systems will be put in place to ensure adherence to organisational timeframes where these have a significant impact on annual performance plan targets.



Annual Operational Plan Targets

Unit of Measure Products	Target Annual	Actual Annual	Reason for Variance
% Current legal matters managed	100	100	N/A
% Compliance with Approved Board Charter	100	100	N/A
Percentage of EE targets monitored	100	100	N/A
Percentage of compliance monitored	100	100	N/A
% Implementation (ERP)	100	110	Additional training, capacitation and awareness sessions conducted in respect to Employee Relations issues
% Implementation (HCM Programme)	100	100	N/A
% Implementation (EWP)	100	113	Additional Employee Wellness interventions undertaken than originally planned
% Implementation (HCD Programme)	100	110	Additional training was carried out based on crucial identified needs within the organisation. Due to limited budget in house training sessions were developed and undertaken
% Compliance	97.66	97.68	The overachievement is negligible.
Maximum number of external audit MoE (2011-12)	5	0	Lower actual is desirable
Number of Internal Audits Completed	4	4	N/A
Maximum number of internal audit significant matters	20	16	Lower actual is desirable
% (overall financial variance within range)	4	2.95	Variance within target
% (cash flow variance within range)	4	2.93	Variance within target

Changes to planned targets

No in-year changes were made to indicators or targets.

6. SUMMARY OF FINANCIAL INFORMATION

The 2012/13 financial year is the second year subsequent to the merger between the Eastern Cape Parks Board and the Eastern Cape Tourism Board to form the Eastern Cape Parks and Tourism Agency. We are proud to have achieved an unqualified audit opinion in the 2012/13 financial year. This is a result of dedication and hard work by all staff to maintain the status of an unqualified opinion.

The team made great strides in ensuring that the entity continues to obtain an unqualified audit opinion despite the capacity challenges within the division. Action plans were successfully implemented to address the Auditor General and internal audit findings raised in prior years. The continued support of the Board of Directors, Audit Committee and Executive Management is greatly appreciated. We acknowledge the findings raised by the Auditor General in the 2012/13 audit report and believe that appropriate measures will be put in place to address the weaknesses identified.

6.1 Voted funds:

The budget allocation for the 2012/13 financial year was R190.4 million. Comparable actuals for revenue are detailed in the statement of comparison between budget and actual spending. Other grants received from sources other than the DEDEAT allocation wherein the ECPTA acts as an implementing agent for various projects as detailed below:

- National Department of Tourism: R5,3 million (funding to host destination tourism initiatives)
- Department Environmental Affairs: R3,5 million (for the administration of Marine Protected Areas)
- Department of Environmental Affairs : R2,7 million (to administer the Working for Water projects)
- Buffalo City Municipality: R450 thousand (contribution towards the National Tourism Expo)

6.2 Own revenue:

Own revenue collection far exceeded projections as it stood at R20.4 million against the budgeted figure of R16,3 million for the year. The positive variance of R4 million is attributed to greater than anticipated revenue from camping, gate entrance fees, culling and live game sales.Of the total funding received R31 million was committed at year end. The roll over application of the said amount was made to Provincial Treasury, awaiting approval.

6.3 Expenditure:

Spending took place in line with the approved annual operational plan. Comparable actuals for expenditure are detailed in the statement of comparison between budget and actual spending.

Development of a tourism and recreational facility in Luchaba Nature Reserve:

The ECPTA is proud of the development of a Tourism and Recreational facility in Luchaba Nature Reserve. The project was implemented in two phases, the first phase was completed as at 31 March 2013 and the second phase is underway due for completion by 31 October 2013. Management and control of all the work still resides with the implementing agent EPW. The implementer was appointed by the Department of Environmental Affairs (DEA).

Focus for the new financial year will be on the following areas:

- Maintain the standard of an unqualified audit opinion
- Review of critical policies and procedures and streamlining of processes where possible
- Finalise the fair valuation exercise on ECPTA assets.
- Review of the Finance department's structure

SECTION C.

GOVERNANCE

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

The Board is composed of nine non-executive members with the Chief Executive Officer serving in an ex officio capacity with no voting powers. The Board meets at least quarterly. The Board monitors the performance of the Executive Management by ensuring that all material matters are subject to Board approval and that the mandate of the ECPTA is carried out in an efficient and effective manner. The Executive Management attends Board meetings by invitation.

The roles of the Chairperson and Chief Executive Officer do not vest in the same person and the Chairperson is a non-executive member of the Board. The Chairperson provides leadership and guidance to the Board and encourage proper deliberation of all matters requiring the Board's attention, and obtain optimum input from the other members. All committees of the Board are chaired by non-executive members of the Board with the exception of the Audit Committee which is chaired by an independent person.

2. PORTFOLIO COMMITTEES

The SCOPA and Portfolio Committee engaged with the agency through four meetings in the year under review. Key issues raised and attended to include:

- Ensuring that a strong internal control environment is in place
- Detailed planning and implementation of projects in the Baviaanskloof World Heritage Site.
- Initiatives to ensure meaningful and cordial engagements with the communities adjacent to the protected areas under the management of the ECPTA, to ensure that these communities also benefit from economic development programmes of the reserves.
- Filling of the then vacant post of Chief Executive Officer

3. EXECUTIVE AUTHORITY

Oversight by the Executive Authority is performed through the Public Entity Oversight (PEO) Unit at Department of Economic Development, Environmental Affairs and Tourism. Quarterly reports are submitted as per the Treasury Regulations. Reports are submitted based on the Department's template. Initial reports from the PEO unit highlighted inconsistencies between the quarterlyreports and the annual performance plan. These were rectified and there were no further issues raised.

4. THE ACCOUNTING AUTHORITY

Board Meetings and board teleconferences

NAMES	PLANNED	ATTENDED
Ms Zitumane	9	9
Mr Muir	9	6
Mr Sotshana	9	8
Ms Tsengiwe	9	5
Mr Makiwane	9	8
Mr Mgxaji	9	5
Ms Mama	9	3
Ms Madikiza - Term expired	9	1
Ms Putzier - Term expired	9	1
Mr Els - Term expired	9	1
Queen Sigcau - Term expired	9	1
Mr Bergins - Term expired	9	1

Special Board Meetings

NAMES	SCHEDULED	ATTENDED
Total number of meetings	6	6
Ms Zitumane	6	6
Mr Muir	6	2
Mr Sotshana	6	6
Ms Tsengiwe	6	3
Mr Makiwane	6	6
Mr Mgxaji	6	2
Ms Mama	6	5

Executive Management

The members of the executive Management are appointed by the Board Directors. Executive Management are involved in the operational activities of the organization and are responsible for ensuring that decisions, strategies and objectives of the reporting department, DEDEAT and the Board are implemented. Executive Management retains full financial and operational control over the organization under the leadership of the Chief Executive Officer.

Human Resources & Remuneration Committee

This Committee was established by the Board with three Non-Executive Directors namely Mr Mgxaji as Chairperson and Messrs Tsengiwe and Mama as members serving in this committee together with relevant members of Executive Management and operates under terms of reference approved by the Board. This committee attends to matters concerning the Human Resource policies and practices of the ECPTA, performance management and remuneration to the Board for approval.

Human Resources & Remuneration Meetings

NAMES	PLANNED	ATTENDED
Mr Mgxaji	3	2
Ms Mama	3	2
Ms Tsengiwe	3	2

Finance And Investment Committee

This committee was established by the Board with three Non-Executive Directors namely Mr Makiwane as Chairperson and Mr Sotshana and Mr Muir as members of this committee together with relevant members of the Executive Management. This Committee operates under terms of reference approved by the Board. In addition to providing an important deliberative forum for the Board and Executive Management, it advises the Board on all material and significant financial matters presented by the Executive Management, either as directed by the Board or on the Executive Management's initiative.

Finance & Investment Meetings and Teleconferences

NAMES	PLANNED	ATTENDED
Mr Makiwane	5	5
Mr Muir	5	3
Mr Sotshana	5	5

Audit Committee

In compliance with section 27 of the National Treasury Regulations, the Board has established an Audit Committee comprising of three independent members namely; Ms T Mahlati, as Chairperson and Mr Z Fihlani and Mr D Coovadia.

The Audit Committee operates under a charter which has been approved by the Board. The primary responsibility of the Audit Committee is to report and make recommendations to the Board on the effectiveness of corporate governance, internal controls, risk management within the ECPTA, oversee the internal Audit function and to review the annual financial statements of the ECPTA. The Chairperson of the Audit Committee attends Board Meetings by invitation

NAMES	PLANNED	ATTENDED
Ms Mahlati	5	5
Mr Fihlani	5	4
Mr Coovadia	5	3

Biodiversity Conservation Committee

This committee comprises of two non-executive Directors, namely Mr A Muir as Chairperson and Mr Makiwane and Mr Sotshana as members together with relevant members of the Executive Management. This committee operates under the terms of reference approved by the Board. In addition to providing important deliberative forum for the Board and Executive Management on matters relating to the management of the Nature Reserves assigned to the ECPTA, it advises and makes recommendations to the Board on the application of both science and ethics of conservation and environmental management policies within the Nature Reserves, and also has some input into the commercialisation and marketing strategies of the Board as a whole.

Biodiversity Conservation Meetings

NAMES	PLANNED	ATTENDED
Mr Muir	2	2
Mr Makiwane	2	2
Mr Sotshana	2	2

Destination Tourism Committee

This committee is established by the Board and comprises of three Non-Executive Directors namely Ms T Tsengiwe, as Chairperson and Ms M Mama and Mr Mgxaji as members as well as relevant members of the Executive Management. This committee was established to strengthen the revenue generating capacity of the ECPTA by focusing on maximizing the use of its eco-tourism facilities. The key focus areas of the committee for the year under review were the implementation of the approved marketing strategies, identifying additional funding streams and maximizing the utilisation and returns from eco-tourism facilities.

Destination Tourism Committee Meetings

NAMES	PLANNED	ATTENDED
Ms Tsengiwe	3	2
Ms Mama	3	2
Mr Mgxaji	3	2

Executive Committee

The EXCO Committee is a standing committee of the Board, with the responsibility to ensure that strategic maters including corporate governance and risk management principles are implemented by the Executive Management of the ECPTA. EXCO is comprised of Ms V Zitumane as Chairperson and Mr Sotshana as a member.

Executive Committee Meetings And Teleconferences

NAME	PLANNED	ATTENDED
Ms Zitumane	6	6
Mr Sotshana	6	6

Meetings Held And Attended For The Period Under Review

A meeting and attendance register for Board members and members of the Audit Committee is kept and maintained by the Board Secretary with a summary of the meetings held and attendance.

Board Secretary

The secretary and legal advisor of the entity is Ms X. Mapoma.

Auditors

The entity is audited by the Auditor General South Africa

Materiality And Significance Framework

For purposes of materiality in terms of section 55 (2) and 54 (2) of the Public Finance Management Act (PFMA), materiality has been determined at R1.5 million and significance is set at R3 million.

Events Subsequent To Year End

There were no events identified subsequent to year end, other than as disclosed in the annual financial statements.

Going Concern

The Accounting Authority confirms the ECPTA's ability to continue operating in the near future . It is on this basis that the annual financial statements are prepared on the going concern basis.

5. RISK MANAGEMENT

The risk management policy outlines the Institution's commitment to protecting the Institution against adverse outcomes, which may impact negatively on service delivery. It also confirms the Institution's commitment to legal and regulatory compliance. The management of risk has been operationalised and embedded within operational planning to ensure and integrated system of risk management.

Risk identification is viewed as a continuous process, which should be embedded in day-to-day operations. ECPTA has formally adopted two primary risk assessment processes namely, annual high-level risk assessment and a continuous process or departmental-level risk assessment.

The operationalisation of risk management has yielded the achievement of 80% of strategic risks being at an acceptable level, which exceeds the target for the financial year by 20%.

6. FRAUD AND CORRUPTION

The ECPTA believes its fraud prevention plans are an integral part of its ongoing risk management activities and plans. While prevention detection and management of fraud should be a natural part of the organisation's internal control, governance and human resources systems, ECPTA has formalise its fraud prevention, detection and response activities into an approved "Fraud Policy and Prevention Plan". A fraud hotline has been established and communicated throughout the organization.

7. MINIMISING CONFLICT OF INTEREST

All Board of Directors and employees on level 8 and above are requested to a complete annual declarations of interest and any other employees on lower levels who have interests to declare. At all Board Sub Committee and Board of Director meetings as well as Bid Evaluation and Bid Adjudication meetings a declaration of interest register is completed. Should a Board Director or employee declare an interest that individual would be recused from participating in that process.

8. CODE OF CONDUCT

ECPTA was established under the ECPTA Act no.2 of 2010 and does not adhere to the Public Service Code of Conduct. However the ECPTA has an approved Code of Ethics which highlights the expected code of conduct that each employee should abide by. Any breach of this Code would be investigated in accordance with the approved Disciplinary and Grievance Policy processes.

9. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The ECPTA has established an accident prevention program within its operations thereby ensuring compliance to the requirements of the OHS Act 85 of 1993 and other related legislation.

Reflected below are initiatives undertaken in the year under review:

- Legal appointments have been done.
- OHS committees are in place
- OHS standards are in place
- Safe operating procedures are in place.
- Corperate policies including OHS policy developed.
- Risk assessments done and controls in place.
- Injury on duty investigation and prevention measures followed.

10. INTERNAL CONTROL UNIT

During the year the following work was performed as per the approved Internal Audit Plan:

PROJECT	STATUS
Audit of performance information (first, second and third quarter)	Report finalised and presented to the Audit Committee
Revenue Management Audit	Report finalised and presented to the Audit Committee
Supply Chain Management Audit	Report finalised and presented to the Audit Committee
Auditor General findings follow up review	Report finalised and presented to the Audit Committee
Dashboard Status Review	Report finalised and presented to the Audit Committee
IT Review	Report finalised and presented to the Audit Committee
Risk Assessment Workshop Facilitation	Report finalised and presented to the Audit Committee
Audit of performance Information (fourth quarter)	Report finalised and presented to the Audit Committee
Annual Financial Statements Review	Report finalised and presented to the Audit Committee

The following projects as per the Internal Audit Plan could not be executed:

PROJECT	REASONS
Interim Financial Statements Review	Report finalised and presented to the Audit Committee
Property Plant and Equipment (PPE)	Asset valuation project to be finalised

Other activities

- Ensured there is a developed and Audit Committee approved audit readiness action plan for audit for period ending 31 March 2013.
- Managed the request for information process and assist in developing action plans for matters raised during the audit of the ECPTA for period ending 31 March 2013
- Monitored implementation of action plans for the ECPTA Management Letter for period ending 31 March 2012.
- Reviewed critical Finance policies and procedures
- Monitored compliance with relevant Finance legislation and prescripts namely PFMA & NTRs
- Monitored the implementation of finance risk management process including adequate completion of risk registers for the Finance department
- Monitored progress on the action plans relating to Fixed Assets

11. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2013.

Audit Committee Responsibility

The Audit Committee is pleased to report that it is properly constituted and has complied with its responsibilities arising from section 38(1)(a) of the PFMA and paragraph 3.1.13 of the Treasury Regulations. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and has regulated its affairs in compliance with this charter. As mandated, we hereby report on the functions of the Audit Committee for the year ended 31 March 2013.

Audit Committee Meetings and Attendance

The Audit Committee consists of the members listed below. The Committee meets at least four (4) times per annum in line with its approved terms of reference. Five (5) meetings were held during the year under review, four (4) scheduled and one (1) special. The attendance record of the different members is detailed below.

AUDIT COMMITTEE MEMBER	ATTENDANCE		
	Scheduled Meetings	Special Meetings	Total Number of Meetings Attended
Ms T Mahlati Chairperson - Independent Member	4	1	5
Mr Z Fihlani - Independent Member	4	1	4
Mr D Coovadia - Independent Member	4	1	3

Effectiveness of internal control

In carrying out its mandate which is conferred by its terms of reference and section 27.1.8 of the Treasury Regulations, the Committee confirms that taking into consideration the reports by both internal and external auditors, it has reviewed and assessed the following:

- the effectiveness of the internal control systems;
- the effectiveness of internal audit;
- the effectiveness of the risk management processes;
- the risk areas of the entity's operations to be covered in the scope of internal and external audits;
- the adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- any accounting and auditing concerns identified as a result of internal and external audits;
- the entity's compliance with legal and regulatory provisions;
- the activities of the internal audit function, including its annual work programme, coordination with the external auditors;
- the reports of significant investigations and the responses of management to specific recommendations; and where relevant, the independence and objectivity of the external auditors.

The Audit Committee concludes that the internal accounting controls are partially adequate and partially effective.

Quality Of In Year Management, Monitoring and Reporting

The Audit Committee has reviewed the quarterly reports tabled for submission in terms of PFMA. Systems and processes also in place for monitoring and reporting on monthly budgetary performance and against service delivery plans.

The Audit Committee is satisfied that the mechanisms for in-year management of resources are effective.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor General and Management;
- Reviewed the AGSA's management letter and management's response thereto; and
- Reviewed adjustments resulting from the audit.

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

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has covered all the significant risks pertinent to the Agency in its audit.

Auditor General

We have met with the AGSA, and there are no unresolved issues.

Ms T Mahlati
Chairperson

Date 31 May 2013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SECTION D.

HUMAN RESOURCE MANAGEMENT

1. LEGISLATION THAT GOVERNS HUMAN RESOURCES MANAGEMENT

Since ECPTA is a Public Entity (schedule 3c) it is governed in accordance with the ECPTA Act no. 2 of 2010 and not in accordance with the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

2. INTRODUCTION

The Human Capital Management (HCM) department is required to address Strategic Goal 3 “To establish and maintain an efficient and effective institution”

STRATEGIC GOAL 3		STRATEGIC OBJECTIVE	STRATEGIC STATEMENT
To establish and maintain an efficient and effective institution.	3.3	Supportive Architecture	To ensure that the organisatial architecture supports Agency strategy

During the 2012/13 performance year, the HCM department has managed to deliver its set targets and exceed some in certain instances as follows:

STRATEGIC GOAL 3	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	TARGET ANNUAL	ACTUAL ANNUAL
To establish and maintain an efficient and effective institution	Develop an ECPTA organisational architecture that supports strategy	% transformation of the organisational architecture (APP)	60%	65%
		% of employment equity targets monitored (AOP)	100%	100%
		% of individual performance management monitored (AOP)	100%	100%
		% Implementation of 2012/13 Employee Relations (ERP) Programme (AOP)	100%	110%
		% Implementation of 2012/13 Human Capital Management (HCM) Programme (AOP)	100%	100%
		% Implementation of 2012/13 Employee Wellness (EWP) Programme (AOP)	100%	113%
		% Implementation of 2012/13 Human Capital Development (HCD) Programme (AOP)	100%	110%
		% Improved staff satisfaction (APP)	70%	69%

The key areas of priority for the year under review was to ensure that all matters pertaining to HCM were consolidated and stabilised. Focus was on ensuring that there was a continued emphasis on employee roles and responsibilities in terms of the merged entity's (ECPTA) organisational structure. Efficiency and effectiveness interventions around hospitality services were introduced whereby standard operating procedures were developed and implemented in four identified hospitality reserves. Employees on these reserves were capacitated around these and were also taken through training targeting service standards.

A total number of 99 (20%) employees were appointed to the ECPTA during this year – majority of who were employed from the local communities bordering our reserves. Forty one percent (41%) of which are females. A further 26 (5%) employees were appointed into higher level positions within the ECPTA whilst 75 (15%) field rangers moved from the untrained level 4 to fully trained level 5 after undergoing successful competency assessments. This recruitment drive together with the major VSP process of the preceding year has resulted in the average age of the ECPTA employees improving from 49 years to 44 years.

Four hundred and fifty six (456) employees underwent training during this period which was in excess of the targeted two hundred and ten (210) employees largely due to in house training capacity that was developed and utilised with a focus of being more efficient and effective with available resources. Eleven (11) students were placed on an experiential training programme during the year under review with eight (8) graduates appointed on an internship programme. HCM successfully initiated the process of migrating three hundred and thirty four (334) employees from the two existing pre-merger retirement funds to one consolidated post-merger retirement fund which involved consultation with Organised Labour and all affected employees.

A staff satisfaction survey was concluded in September 2012 and the satisfaction level of employees improved from 55% in March 2012 to 69% in September 2012 – this can be largely attributed to the stability of employees after the placement process and the capacitation programmes that were put in place thereafter. Challenges emanating from this were largely around communication and the lack of adequate uniforms for the reserve employees. A tender for the procurement of uniforms has since been finalised and approved and processes are in place to procure accordingly. The issue of communication is ongoing and is being addressed.

Staff turnover was at 7% excluding the ten (10) voluntary severance packages which is considered within an acceptable level. The current vacancy rate is 12% with 6% being funded vacancies which are filled as they become vacant. Employment equity (EE) ratio of females vs. males has increased by 0.4 % overall from 2011/12. Females in Senior Management increased by 0.6% overall to 43.1% from 2011/12. Figures for persons with disability remained unchanged with 1 (0.2%). The ECPTA is largely EE compliant in respect of designated groups aligned to the Provincial demographics with no major anomaly.

Forty six (46) employees underwent disciplinary hearing processes (formal and informal) during the year under review for various disciplinary transgressions which resulted in eight (8) dismissals. Numerous employee wellness interventions were undertaken throughout the ECPTA as per needs identified largely related to finance and health related wellness as well as alcoholism.

During the year under review the HCM Department also encouraged employees to embark on social responsibility drives donating Christmas gifts and school stationery to two children's homes.

3. HUMAN RESOURCE OVERSIGHT STATISTICS

3.1. Personnel Related Expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime and medical aid.

Table 3.1.1 Personnel expenditure by programme

PROGRAMME	TOTAL EXPENDITURE	PERSONNEL EXPENDITURE	TRAINING EXPENDITURE	PROFESSIONAL AND SPECIAL SERVICES EXPENDITURE	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE
Biodiversity Conservation	8 624 111	6 012 312	-	344 166	3%	261 405 (23)
Destination Tourism	45 863 790	12 364 912	-	906	6%	494 596 (25)
Operations	84 575 663	62 448 491	-	3 090 192	33%	159 307 (392)
Executive Office	8 320 228	4 009 007	-	1 095 592	2%	668 168 (6)
Finance	40 168 807	10 411 503	-	2 123 253	5%	452 674 (23)
Human Capital Management	8 531 694	6 117 220	-	117 750	3%	436 944 (14)
TOTAL	**196 084 293**	**101 363 445**	**1 095 045**	**6 771 859**	**52%**	**209 862 (483)**

Table 3.1.2 Personnel costs by salary band

SALARY BAND	PERSONNEL EX-PENDITURE	% OF TOTAL PER-SONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
Unskilled (Levels 2-3)	15 839 408	15.7%	147	107 751
Semi-skilled (Levels 4-6)	29 016 903	28.6%	215	134 962
Skilled (Levels 7-8)	12 579 773	12.4%	51	246 662
Professional/ Supervi-sory (Levels 9-10)	10 686 358	10.5%	27	395 791
Senior Management (Levels 11-13)	25 615 127	25.3%	37	692 301
Top Management (Levels 14-15)	7 625 876	7.5%	6	1 270 979
TOTAL	**101 363 445**	**100%**	**483**	**209 862**

Table 3.1.3 Salaries, Overtime and Medical Aid by programme

Note: Since ECPTA is on cost to company home owners allowance is not applicable

PROGRAMME	SALARIES		OVERTIME		MEDICAL AID	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	Medical aid as a % of person-nel costs
Biodiversity Conservation	5 940 383	5.9%	1443	0.1%	70 486	0.1%
Destination Tourism	12 213 425	12.0%	3 927	0.1%	147 560	0.1%
Operations	58 575 689	57.8%	2 368 893	2.1%	1 503 909	1.5%
Executive Office	3 982 347	3.9%	-	-	26 660	0.1%
Finance	10 131 936	10%	-	-	279 567	0.2%
Human Capital Management	6 035 380	6.0%	-	-	81 840	0.1
TOTAL	**96 879 160**	**95.6%**	**2 374 263**	**2.3%**	**2 110 022**	**2.1%**

3.2. Employment And Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.
This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

Table 3.2.1 Employment and vacancies by department

PROGRAMME	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Biodiversity Conservation	35	23	34%	-
Destination Tourism	30	25	17%	-
Operations	423	392	10%	12
Executive Office	7	6	14%	-
Finance	22	23	9%	3
Human Capital Management	15	14	7%	-
TOTAL	**532**	**483**	**12%**	**15**

Table 3.2.2 Employment and vacancies by salary band

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Unskilled (Levels 2-3)	150	147	12%	15
Semi-skilled (Levels 4-6)	233	215	8%	-
Skilled (Levels 7-8)	66	51	23%	-
Professional/ Supervisory (Levels 9-10)	35	27	23%	-
Senior Management (Levels 11-13)	42	37	12%	-
Top Management (Levels 14-15)	6	6	0%	-
TOTAL	**532**	**483**	**12%**	**15**

Table 3.2.3 Employment and vacancies by critical occupations

CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Tourism Info & Research Manager	1	-	100%	-
Reserve Manager	15	14	7%	-
Field Ranger	158	147	7%	-
TOTAL	**174**	**161**	**7%**	**-**

3.3. Job Evaluation

Note: ECPTA does not fall under the Public Service Regulations but rather the ECPTA Act No. 2 of 2010.

No job evaluation processes were undertaken in the year under review

3.4. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the ECPTA. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 3.4.1 Annual turnover rates by salary band

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2012	APPOINTMENTS AND TRANSFERS INTO THE ECPTA	TERMINATIONS AND TRANSFERS OUT OF THE ECPTA	TURNOVER RATE
Unskilled (Levels 2-3)	143	25	16	11%
Semi-skilled (Levels 4-6)	171	55	10	6%
Skilled (Levels 7-8)	49	7	5	10%
Professional/ Supervisory (Levels 9-10)	20	7	6	30%
Senior Management (Levels 11-13)	35	4	2	6%
Top Management (Levels 14-15)	6	1	1	17%
TOTAL	**424**	**99**	**40**	**9%**

Note: This turnover rate is inclusive of 10 Voluntary Severance Packages (VSP) which were approved.

Table 3.4.2 Annual turnover rates by critical occupation

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2012	APPOINTMENTS AND TRANSFERS INTO THE ECPTA	TERMINATIONS AND TRANSFERS OUT OF THE ECPTA	TURNOVER RATE
Reserve Manager	12	4	2	17%
Field Ranger	114	42	9	8%
TOTAL	**126**	**46**	**11**	**9%**

Table 3.4.3 Reasons why staff left the ECPTA.

TERMINATION TYPE	NUMBER	% OF TOTAL TERMINATIONS
Death	2	5%
Resignation	11	27.5%
Expiry of contract	1	2.5%
Dismissal – operational changes	-	0%
Dismissal – misconduct	8	20%
Dismissal – inefficiency	1	2.5%
Retirement due to ill-health	1	2.5%
Retirement	6	15%
Transfer to other Public Service Departments	-	0%
Other (VSP)	10	25%
Total	**40**	**100%**
Total number of employees who left as a % of total employment	**8%**	

3.4.4 Promotions

There were no direct promotions.

3.5. Employment Equity

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2013

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	-	-	1	1	-	-	1	6
Senior Management	14	-	-	6	14	-	1	2	37
Professionally qualified and experienced specialists and mid-management	8	1	-	2	13	-	-	3	27
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	18	1	-	3	24	4	-	1	51
Semi-skilled and discretionary decision making	125	16	-	1	62	9	-	2	215
Unskilled and defined decision making	63	19	-	-	60	5	-	-	147
Total	**231**	**37**	**-**	**13**	**174**	**18**	**1**	**9**	**483**
Employees with disabilities	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**1**

Table 3.5.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2013

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management(L14-L15)	3	-	-	1	1	-	-	1	6
Senior Management(L11-L13)	14	-	-	6	14	-	1	2	37
Professionally qualified and experienced specialists and mid-management (9-10)	8	1	-	2	13	-	-	3	27
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (7-8)	18	1	-	3	24	4	-	1	51
Semi-skilled and discretionary decision making (4-6)	125	16	-	1	62	9	-	2	215
Unskilled and defined decision making (2-3)	63	19	-	-	60	5	-	0	147
TOTAL	**231**	**37**	**-**	**13**	**174**	**18**	**1**	**9**	**483**

Table 3.5.3 Recruitment

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management(L14-L15)	1	-	-	-	-	-	-	-	1
Senior Management(L11-L13)	2	-	-	-	2	-	-	-	4
Professionally qualified and experienced specialists and mid-management (9-10)	3	1	-	-	-	1	-	2	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (7-8)	1	1	-	1	2	2	-	-	7
Semi-skilled and discretionary decision making (4-6)	27	7	-	-	20	6	-	1	61
Unskilled and defined decision making (2-3)	13	1	-	-	4	1	-	-	19
Total	**47**	**10**	**-**	**1**	**28**	**10**	**-**	**3**	**99**
Employees With Disabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Table 3.5.4 Promotions (Internal Appointments)

OCCUPATIONAL BAND	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management(L14-L15)	-	-	-	-	-	-	-	-	-
Senior Management(L11-L13)	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (9-10)	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (7-8)	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making (4-6)	83	7	-	-	8	-	-	-	98
Unskilled and defined decision making (2-3)	2	1	-	-	-	-	-	-	3
Total	**85**	**8**	**-**	**-**	**8**	**-**	**-**	**-**	**101**
Employees With Disabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Table 3.5.5 Terminations

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management(L14-L15)	-	-	-	1	-	-	-	-	1
Senior Management (L11-L13)	1	-	-	-	1	-	-	-	2
Professionally qualified and experienced specialists and mid-management (9-10)	2	-	-	2	-	1	-	1	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (7-8)	-	-	-	1	3	-	-	1	5
Semi-skilled and discretionary decision making (4-6)	8	-	-	-	1	1	-	-	10
Unskilled and defined decision making (2-3)	10	-	-	-	5	1	-	-	16
Total	**21**	**-**	**-**	**4**	**10**	**3**	**-**	**2**	**40**
Employees With Disabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Table 3.5.6 Disciplinary action

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	31	1	0	1	11	2	0	0	46

Table 3.5.7 Skills development

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	-	-	3	3	-	-	4	13
Senior Management	39	-	-	7	29	-	3	3	81
Professionally qualified and experienced specialists and mid-management	22	-	-	2	22	3	-	4	52
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	19	-	-	1	51	2	-	1	74
Semi-skilled and discretionary decision making	101	4	-	1	60	12	-	-	178
Unskilled and defined decision making	22	-	-	-	36	-	-	-	58
Total	**206**	**4**	**-**	**13**	**201**	**16**	**3**	**13**	**456**
Employees With Disabilities	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**

3.6. Performance Rewards

To encourage good performance, the ECPTA has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability, salary bands and critical occupations.

Table 3.6.1 Performance rewards by race, gender and disability

Race and Gender	Beneficiary Profile				
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
African, Male	28	53	53%	781 932	27 926
Asian, Male	-	-	0%	-	-
Coloured Male	-	2	0%	-	-
White Male	14	16	88%	899 077	64 220
African Female	55	79	70%	1 537 551	27 955
Asian Female	1	1	100%	122 272	122 272
Coloured Female	7	9	78%	141 974	20 282
White Female	8	9	89%	372 645	46 581
TOTAL	**113**	**169**	**67%**	**3 855 451**	**34 119**

Table 3.6.2 Performance rewards by salary band for personnel Level 5 -15 as per Performance Management Policy,

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	Total cost as a % of the total personnel expenditure
Top Management(L14-L15)	5	6	83	733 741	146 748	0.7%
Senior Management(L11-L13)	28	36	78	2 056 590	73 450	2.0%
Professionally qualified and experienced specialists and mid-management (9-10)	19	28	68	571 536	30 081	0.6%
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (7-8)	31	48	65	313 342	10 108	0.3%
Semi-skilled and discretionary decision making (5-6)	30	51	59	180 242	6 008	0.2%
TOTAL	**113**	**169**	**67%**	**3 855 451**	**34 119**	**3.8%**

Table 3.6.3 Performance rewards by critical occupation

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost	Average cost per employee
Reserve Manager	6	13	46%	157 751	26 292
Field Rangers	7	11	64%	44 341	6 334
TOTAL	**13**	**24**	**54%**	**202 092**	**15 546**

3.7. Foreign Workers

There are no foreign workers.

3.8. Leave Utilisation

The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.8.1 Sick leave

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost
Unskilled (Levels 2-3)	699	85%	99	67.3%	7	289 684
Semi-skilled (Levels 4-6)	964	88%	136	63.3%	7	500 398
Skilled (Levels 7-8)	271	88%	34	66.7%	7	257 098
Professional/ Supervisory (Levels 9-10)	88	78%	19	70.4%	5	133 975
Senior Management (Levels 11-13)	159	88%	26	70.3%	6	423 342
Top Management (Levels 14-15)	46	93%	4	66.7%	12	224 836
TOTAL	**2 227**	**87%**	**318**	**65.8%**	**7**	**1 797 549**

Table 3.8.2 Disability leave (temporary and permanent)

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost
Unskilled (Levels 2-3)	120	120	2	1.36%	60	49 727
Semi-skilled (Levels 4-6)	140	140	4	1.86%	35	72 677
Skilled (Levels 7-8)	-	-	-	-	-	-
Professional/ Supervisory (Levels 9-10)	-	-	-	-	-	-
Senior Management (Levels 11-13)	-	-	-	-	-	-
Top Management (Levels 14-15)	30	30	1	16.66%	30	146 670
TOTAL	**290**	**290**	**7**	**1.45%**	**41**	**234 076**

The table below summarises the utilisation of annual leave.

Table 3.8.3 Annual Leave

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Unskilled (Levels 2-3)	2740	147	18.6
Semi-skilled (Levels 4-6)	3515	215	16.3
Skilled (Levels 7-8)	864	51	16.9
Professional/ Supervisory (Levels 9-10)	498	27	18.4
Senior Management (Levels 11-13)	742	37	20.1
Top Management (Levels 14-15)	97	6	16.2
TOTAL	**8456**	**483**	**17.5**

3.8.4 Capped leave

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.8.5 Leave payouts

Reason	Total Amount	Number of Employees	Average per employee
Current leave payout on termination of service for 2012/13	1 444 000	40	36 100
TOTAL	**1 444 000**	**40**	**36 100**

3.9. HIV/AIDS & Health Promotion Programmes

Table 3.9.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	N/A

Table 3.9.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

QUESTION	YES	NO	DETAILS, IF YES
1. Has the ECPTA designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	-	-	N/A – Regulations do not apply to the ECPTA
2. Does the ECPTA have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes	-	One employee – R 100 000 operational budget
3. Has the ECPTA introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes	-	Counselling and referral services
4. Has the ECPTA established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	-	-	N/A – Regulations do not apply to the ECPTA
5. Has the ECPTA reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes	-	Recruitment and Selection policy
6. Has the ECPTA introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes	-	Confidentiality
7. Does the ECPTA encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes	-	4% positive rate
8. Has the ECPTA developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes	-	Peer educators per workplace

3.10. Labour Relations

Table 3.10.1 Collective agreements

Subject Matter	Date
Annual Salary Increase	**July 2012**

The following table summarises the outcome of disciplinary hearings conducted within the ECPTA for the year under review.

Table 3.10.2 Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	3%
Verbal warning	13	28%
Written warning	13	28%
Final written warning	8	17%
Suspended without pay	-	0%
Fine	-	0%
Demotion	-	0%
Dismissal	8	17%
Not guilty	3	7%
Case withdrawn	-	0%
TOTAL	**46**	**100%**

Table 3.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Insubordination	2	4%
Theft	2	4%
Assault	1	2%
Fraud	1	2%
Dishonesty	2	4%
Negligence	3	7%
Failure to obey reasonable and lawful instruction	6	13%
Failure to obey employer rules/proce-dures	5	12%
Non-compliance with procedures	2	4%
Unauthorised/misuse of ECPTA property	2	4%
Absent without authority	10	22%
Failure to report whereabouts	2	4%
Late coming	7	15%
Poor Work Performance	1	2%
TOTAL	**46**	**100%**

Table 3.10.4 Grievances

Grievances	Number	% of Total
Number of grievances resolved	13	100%
Number of grievances not resolved	-	0%
Total Number Of Grievances Lodged	**13**	**100%**

Table 3.10.5 Disputes

Disputes	Number	% of Total
Number of disputes upheld	-	0%
Number of disputes dismissed	3	100%
Total Number Of Disputes Lodged	**3**	**100%**

Table 3.10.6 Precautionary suspensions

Number of people suspended	7
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	35
Cost of suspension	R 275 494

3.11. Skills Development

This section highlights the efforts of the ECPTA with regard to skills development.

Table 3.11.1 Training needs identified

Occupational Category	Gender	Number of employees as at 1 April 2012	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Top Management (14-15)	Female	2		2		2
	Male	4		1		1
Senior Management (11-13)	Female	15		8		8
	Male	19		9		9
Professionally qualified and experiences specialists and mid-management (9-10)	Female	15		8		8
	Male	12		7		7
Skilled technical and academically qualified workers, junior management, supervisors , foreman and superintendents (7-8)	Female	30		14		14
	Male	18		8		8
Semi-skilled and discretionary decision making (4-6)	Female	47		17		17
	Male	123		65		65
Unskilled and defined decision making (2-3)	Female	66		34		34
	Male	73		37		37
Sub Total	Female	175		83		83
	Male	249		127		127
TOTAL		**424**		**210**		**210**

Table 3.11.2 Training provided for the period 1 April2012 to 31 March 2013

Occupational Category	Gender	Number of employees as at 1 April 2012	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Top Management (14-15)	Female	2		7		7
	Male	4		6		6
Senior Management (11-13)	Female	15		46		46
	Male	19		35		35
Professionally qualified and experiences specialists and mid-management (9-10)	Female	15		24		24
	Male	12		28		28
Skilled technical and academically qualified workers, junior management, supervisors , foreman and superintendents (7-8)	Female	30		20		20
	Male	18		54		54
Semi-skilled and discretionary decision making (4-6)	Female	47		106		106
	Male	123		72		72
Unskilled and defined decision making (2-3)	Female	66		22		22
	Male	73		36		36
Sub Total	Female	175		225		225
	Male	249		231		231
TOTAL		**424**		**456**		**456**

3.12. Injury on Duty

The following tables provide basic information on injury on duty.

Table 3.12.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	100%
Temporary Total Disablement	-	0%
Permanent Disablement	-	0%
Fatal	-	0%
TOTAL	**5**	**100%**

3.13. Utilisation of Consultants

Table 3.13.1 Report on consultant appointments using appropriated funds

Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand
Finance Consultants (incl. Pastel, VIP Payroll, Debt Collection)	11	2012/13	1 464 016
Asset Management Verification	2	2012/13	559 732
Internal Audit	1	2012/13	99 505
Communication, Media & PR Services	6	2012/13	190 341
Legal Consulting Fees	1	2012/13	191 232
Organisational Performance Management System	1	2012/13	351 200
Operations Dept. Functional Handover	1	2012/13	362 819
Conservation & Environmental Management	3	2012/13	344 166
IMCT Outsourced Functions	2	2012/13	897 261
Infrastructure Management Consulting Fees	10	2012/13	2 192 931
Marketing Consultant	1	2012/13	906
Employee Competency Assessments	1	2012/13	35 000
Coaching Services	1	2012/13	8 640
Labour relations Consulting Services	1	2012/13	74 110

SECTION E.

FINANCIAL INFORMATION

1. STATEMENT OF RESPONSIBILITY
2. REPORT OF THE CHIEF EXECUTIVE OFFICER
3. REPORT OF THE AUDITOR GENERAL
4. ANNUAL FINANCIAL STATEMENTS

1. STATEMENT OF RESPONSIBILITY OF THE ACCOUNTING OFFICER

The accounting authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is 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 Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The 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 Accounting Authority acknowledges that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board of directors 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 Accounting Authority is 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 Accounting Authority have reviewed the entity's cash flow forecast for the year to 31 March 2013 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.
Although the Accounting Authority is primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 80.

The annual financial statements set out on pages 84 to 130, which have been prepared on the going concern basis, were approved by the Accounting Authority on 24 May 2013 and were signed on its behalf by:

Ms V Zitumane
Chairperson of the Board of Directors
31 May 2013

Mr Luxolo Rubushe
Chief Executive Officer
31 May 2013

2. REPORT OF THE CHIEF EXECUTIVE OFFICER

It is encouraging to note that the Eastern Cape Parks and Tourism Agency (ECPTA) has, once again, received an unqualified audit opinion with two matters of emphasis. This opinion is important as it testifies to the growing stability of the organisation, following the merger of the Eastern Cape Parks Board with the Eastern Cape Tourism Board to form the ECPTA. The Agency has three core programmes, namely Conservation and Biodiversity Management, Reserve Management, and Destination Tourism.

With regard to Conservation and Biodiversity Management, and Reserve Management, the focus of the organisation is on the improvement of infrastructure, particularly in the reserves under the management of the Agency. The grant of R90m from Provincial Treasury, to be spent equally over a 3 year period, has been very helpful in assisting the Agency to deal with legacy infrastructure backlogs. The financial year 2012/13 was the first year of the application of the first grant of R30m and, after bringing in project management capacity during the course of the year, this programme is gaining momentum and results and impact are visible in our reserves, assisting in the implementation of the organisational strategy of repositioning the reserves for tourism.

The Agency has also had to attend to increasing operational cost pressures such as fuel, maintenance, electricity and ongoing maintenance at reserves. These have had a negative effect on the responsiveness of the organisation, particularly on the hospitality aspects of our business, and these continue to be on our radar as we increase our focus on customer/visitor responsiveness in our reserves.

The Agency has sound Supply Chain Management processes, and this is one of the areas that continues to get special attention, particularly from a risk management perspective. Due to the nature of the work that the Agency does, particularly on the tourism events side, unsolicited bids are discouraged, as the entity runs procurement processes through open bids so as to provide a platform for all to participate in a transparent manner.

Stakeholder management has managed to establish noteworthy partnerships with the national Department of Environmental Affairs (DEA), UNDP, to support Agency programmes in implementing job creation opportunities, and engaging communities in the Wild Coast region.

Looking ahead, the Agency has placed the re-positioning of its reserves as tourism platforms at the centre of turning reserves from cost centres to profit centres. This is being done through a combination of developing new and compelling tourism products, partnerships with product owners, targeted commercialisation, and aggressive marketing. Engagement with Local Government institutions in the department are key to deepening appreciation of tourism and biodiversity management, noting how resources at their disposal can be leveraged to advance the broader tourism agenda.

We acknowledge the efforts of the Chief Financial Officer (CFO), executive leadership, finance and audit staff, as well as the rest of the organisation in their continuing efforts to raise financial and risk management in the organisation. The Board of the Agency, through their collective experience, has played a critical stewardship role in guiding the Agency, and the financial future of the organisation is positive.

Luxolo Rubushe
Chief Executive Officer
31 May 2013

3. REPORT OF THE AUDITOR GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Eastern Cape Parks and Tourism Agency set out on pages 84 to 130, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. 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 2013 and its financial performance and cash flows for the year then ended in accordance with GRAP and the requirements of the PFMA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Financial reporting framework

8. As disclosed in note 7 to the financial statements, the National Treasury has exempted the agency from measuring their pre-merger fixed assets by the two year measurement period as prescribed by GRAP 107, *Mergers*. This initial two year measurement period lapsed on 31 May 2013. The agency was granted full extension until 30 June 2013.

Material underspending of the budget

9. As disclosed in the Statement of Comparison of Budget and Actual Amounts, the agency has materially underspent the budget on Compensation of employees and Goods and services to the amount of R24 million. This may impact the service delivery of the agency and may result in the agency not achieving all its objectives.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 22 to 40 of the annual report.

12. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

    The reliability of the information in respect of the selected programme is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

13. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

14. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matters below.

Achievement of planned targets

15. Only 70% of the planned targets were achieved during the year under review.

    Of the total number of 33 targets planned for the year, 10 of the targets were not achieved. This represents 30% of total planned targets that were not achieved. This was mainly due to the agency's reliance on data from external sources when developing targets during the strategic planning process. The agency relied on external sources of information in achieving the targets, for which there was no baseline information or institutional arrangements made.

    The agency has indicated in their annual performance report that they have achieved 75% of their planned targets for the year. This is due to a reasonable variance of 5% being used by the agency when assessing achievement of targets.

Material adjustments to the annual performance report

16. Material misstatements in the annual performance report were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

17. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements, performance reports and annual reports

18. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (a) and (b) of the PFMA .

19. Material misstatements of liabilities, non-current assets and disclosures identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

20. Invitations for competitive bidding were not always advertised in at least the government tender bulletin, as required by Treasury Regulations 16A6.3(c).

21. Construction contracts were awarded to contractors that did not qualify for the contract in accordance with CIDB regulations 17 and 25(7A).

Expenditure management

22. The accounting authority did not take effective steps to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA.

Internal control

23. I considered internal control relevant to my audit of the financial statements, performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for the unqualified opinion, the findings on the performance report and the findings on compliance with laws and regulations included in this report.

Leadership

24. A lack of monthly monitoring and oversight was identified in some instances resulting in additional interventions taken after the financial year end to improve the audit outcome. The responsibility of the financial records and financial statements is that of the agency, but this is not always emphasised to the staff of the agency. The agency relies heavily on the allowance to make audit adjustments and the resubmission of financial statements. Oversight responsibility over the preparation of the financial statements and internal control was not adequately exercised by the accounting authority. As a result of the lack of review over reporting processes, significant audit adjustments identified during the audit had to be made.

25. The agency has not complied with their own policies and procedures in all respects and adherence to these are not strictly monitored by management.

Financial and performance management

26. The agency relies heavily on the software that is utilised in producing financial statements. This overreliance also contributed to numerous adjustments which had to be effected to the submitted financial statements. The agency also did not include the strategic objectives in their annual performance report as reliance was sought from a template. However, the Framework for Managing Programme Performance Information issued by National Treasury clearly sets out the criterion.

27. Management has not adequately prioritised the audit as indicated by the numerous deadlines missed in submitting proposed audit adjustments as well as documentation relating to a number of material audit findings. This resulted in extensive delays experienced on the audit as well as audit inefficiencies.

28. It was evident during the audit process that some information was not identified and captured in a form and time frame to support credible financial and performance reporting. This also resulted in delays in providing requested information in a timely manner and amendments to the financial statements and performance report resulting from the audit process. These shortcomings are further indicative that the financial statements and reports on performance were not adequately reviewed prior to their submission for audit purposes.

Governance

29. The internal audit function reviewed the financial statements prior to the audit committee review. However, the misstatements and omissions identified during the audit over GRAP disclosure matters shows that this review was not adequate.

30. The numerous findings identified during the audit indicate a need for enhancement of this internal audit function over projects conducted during the year.

31. The audit committee relies on the internal audit function and management whilst exercising oversight over financial and performance reporting. Misstatements and omissions identified during the audit show that adequate assurance was not given to the audit committee regarding credibility and reliability of reporting.

Auditor-General

East London
31 July 2013

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

4. ANNUAL FINANCIAL STATEMENTS

Eastern Cape Parks and Tourism Agency
Annual Financial Statements for the year ended 31 March 2013

Index

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

Accounting Authority's Responsibilities and Approval

The accounting authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is 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 Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The 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 Accounting Authority acknowledges that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board of directors 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 Accounting Authority is 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 Accounting Authority have reviewed the entity’s cash flow forecast for the year to 31 March 2013 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.

Although the Accounting Authority is primarily responsible for the financial affairs of the entity, they are supported by the entity’s external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity’s annual financial statements. The annual financial statements have been examined by the entity’s external auditors and their report is presented on page 80.

The annual financial statements set out on pages 84 to 130, which have been prepared on the going concern basis, were approved by the Accounting Authority on 24 May 2013 and were signed on its behalf by:

Ms V Zitumane
Chairperson of the Board of Directors
31 May 2013

Eastern Cape Parks and Tourism Agency
Annual Financial Statements for the year ended 31 March 2013

Statement of Financial Position as at 31 March 2013

Figures in Rand (thousand)	Note(s)	2013 R'000	2012 R'000
Assets			
Current Assets			
Inventories	2	30	29
Operating lease asset		81	-
Trade receivables	3	65	700
Other receivables from non-exchange transactions	4	1 197	2 233
Cash and cash equivalents	5	74 812	43 150
		76 185	**46 112**
Non-Current Assets			
Intangible assets	6	2 620	-
Property, plant and equipment	7	56 950	47 688
Heritage assets	8	22 991	22 991
Investment property	9	6 709	6 851
Infrastructure - work in progress	10	9 675	10 735
		98 945	**88 265**
Non-current assets classified as held for sale	11	9 070	12 210
Total Assets		**184 200**	**146 587**
Liabilities			
Current Liabilities			
Finance lease obligation	12	371	458
Operating lease liability		-	65
Trade payables	13	27 365	16 448
Other payables	14	1 514	979
Poverty alleviation projects	15	10 923	12 166
Surrenders to Provincial Revenue Fund	16	31 092	10 000
Wild Coast project	17	3 941	205
		75 206	**40 321**
Non-Current Liabilities			
Finance lease obligation	12	81	325
Operating lease liability		265	-
Deferred revenue - grants received	18	17 633	19 014
Deferred revenue - game held for sale	19	9 070	12 210
		27 049	**31 549**
Total Liabilities		**102 255**	**71 870**
Net Assets		**81 945**	**74 717**
Reserves			
Capitalisation reserve		39 304	39 304
Accumulated surplus		42 641	35 413
Total Net Assets		**81 945**	**74 717**

Statement of Financial Performance

Figures in Rand (thousand)	Note(s)	2013 R'000	2012 R'000
Revenue from exchange transactions			
Sale of goods		12 482	11 046
Rendering of services		1 109	826
Accommodation revenue	21	3 193	3 449
Rental income		819	761
Other income	22	1 620	1 371
Finance income	23	1 228	1 103
Revenue from non-exchange transactions:			
Grants and subsidies	24	182 793	162 899
Total Revenue	20	**203 244**	**181 455**
Expenditure			
Personnel related costs	25	(101 364)	(100 698)
Administrative expenditure	26	-	(13)
Depreciation and amortisation		(2 859)	(1 122)
Finance costs	27	(288)	(92)
Debt impairment		(128)	(178)
Repairs and maintenance		(5 256)	(3 575)
Operating expenses	28	(86 189)	(61 095)
Total Expenditure		**(196 084)**	**(166 773)**
Surplus (deficit) on disposal of assets		68	(12)
Surplus for the year		**7 228**	**14 670**

Statement of Changes in Net Assets

Figures in Rand (thousand)	Capitalisation reserve R'000	Accumulated surplus R'000	Total net assets R'000
Balance at 01 April 2011	**39 304**	**20 743**	**60 047**
Surplus for the year	-	14 670	14 670
Total changes	-	14 670	14 670
Opening balance as previously reported	39 304	33 754	73 058
Adjustments			
Prior period errors	-	1 659	1 659
Balance at 01 April 2012 as restated	**39 304**	**35 413**	**74 717**
Surplus for the year	-	7 228	7 228
Total changes	-	7 228	7 228
Balance at 31 March 2013	**39 304**	**42 641**	**81 945**

Cash Flow Statement

Figures in Rand (thousand)	Note(s)	2013 R'000	2012 R'000
Cash flows from operating activities			
Receipts			
Sale of goods and services		20 766	15 006
Grants		181 412	147 117
Interest income		1 228	1 103
		203 406	163 226
Payments			
Employee costs		(100 918)	(100 580)
Suppliers		(80 441)	(70 860)
Finance costs		(288)	(92)
		(181 647)	(171 532)
Net cash flows from operating activities	30	**21 759**	**(8 306)**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(11 571)	(4 282)
Proceeds from sale of property, plant and equipment	7	83	502
Purchase of other intangible assets	6	(3 042)	-
Decrease (increase) in work in progress		1 060	(2 327)
Net cash flows from investing activities		**(13 470)**	**(6 107)**
Cash flows from financing activities			
Movement in poverty alleviation projects		(1 243)	(2 172)
Movement in wild coast project		3 736	185
Finance lease liabilities		(331)	(419)
Grant income refundable		-	(6 540)
Surrenders to provincial revenue fund		21 092	10 000
Movement in operating lease		119	65
Net cash flows from financing activities		**23 373**	**1 119**
Net increase/(decrease) in cash and cash equivalents		**31 662**	**(13 294)**
Cash and cash equivalents at the beginning of the year		43 150	56 444
Cash and cash equivalents at the end of the year	5	**74 812**	**43 150**

Eastern Cape Parks and Tourism Agency

Annual Financial Statements for the year ended 31 March 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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	16 380	-	**16 380**	22 077	**5 697**	Note 43
Other grants	-	12 106	**12 106**	11 691	**(415)**	Note 43
Grants and subsides	184 426	6 000	**190 426**	169 721	**(20 705)**	Note 43
Total revenue	**200 806**	**18 106**	**218 912**	**203 489**	**(15 423)**	
Expenses						
Compensation of employees	(107 000)	-	**(107 000)**	(100 918)	**6 082**	Note 43
Goods and services	(93 806)	(18 106)	**(111 912)**	(94 000)	**17 912**	Note 43
Finance charges	-	-	**-**	(288)	**(288)**	
Total expenditure	**(200 806)**	**(18 106)**	**(218 912)**	**(195 206)**	**23 706**	
Surplus for the year	**-**	**-**	**-**	**8 283**	**8 283**	
Reconciliation						
Format and classification differences						
Revenue from exchange transactions				(1 558)		
Grants and subsides				1 381		
Compensation of employees				(446)		
Depreciation and amortisation				(2 859)		
General expenses				2 427		
Actual Amount in the Statement of Financial Performance				**7 228**		

Accounting Policies

1. Presentation of Annual Financial Statements

Basis of preparation

(a) **Statement of compliance**
The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the Public Finance Management Act, 1999 (Act No.1 of 1999) and specific regulations issued by National Treasury.

The Annual financial statements were authorised for issue by the Board of Directors on 31 May 2013.

(b) **Going concern assumption**
The Annual Financial Statements have been prepared on a going concern basis.

(c) **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.

(d) **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.

(e) **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 through profit or loss.

(f) **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.

(g) **Comparative information**
When the presentation or classification of items in the Annual Financial Statements is amended, prior period 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 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 municipality 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 arm's length transaction.

Measurement

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

Accounting Policies

1.1 Revenue from exchange transactions (continued)

Sale of goods

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

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

Rendering of services

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

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

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.

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.

Recognition

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

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

Accounting Policies

1.2 Revenue from non-exchange transactions (continued)

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 Game held for sale

Large mammals which are identified through our game census process as being excess game, are classified as "held for sale" and is reflected in the financial statements at its 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.

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.

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 eco system 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 blue duiker. Applying a uniform accounting approach to this range of species will not be practical.

In terms of 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 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 whether those rights are transferable or separate from the entity or from other rights and obligations.

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

Accounting Policies

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.

Assets that qualify for recognition as Heritage are initially measured at cost. Where fair values cannot be determined with reliability due to the absence of a market with willing buyers and sellers for the protected areas, heritage assets are recognised at R1. Heritage assets are not depreciated as they are considered to have an indefinite useful life due to their environmental significance.

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

An assessment of impairment is performed at each reporting date and impairment losses are recognised in profit or loss.

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 less accumulated depreciation and any impairment losses. Cost includes all costs directly attributable to bringing the assets to its working condition for its intended usage. Premerger assets are recognised at carrying amounts until such time that all information, facts and circumstances that existed at merger date are available. Assets acquired subsequent to the merger date are accounted for in terms of the requirements of GRAP 17.

All property, plant and equipment are initially recorded at cost less accumulated depreciation and any impairment losses. Cost includes all costs directly attributable to bringing the assets to its working condition for its intended usage. As a direct result of the merger between the ECPB and the ECTB, the ECPTA formulated an accounting policy in terms of GRAP 107: Mergers and recognised pre-merger assets at their carrying amounts. During the measurement period, the ECPTA shall retrospectively adjust the provisional amounts recognised as the merger date to reflect new information obtained about facts and circumstances that existed as of the merger date. The measurement period ends as soon as the ECPTA receives the information it was seeking about facts and circumstances that existed as of the merger date or learns that more information is not obtainable. The measurement period shall not exceed two years from the merger date. Assets acquired subsequent to the merger date are accounted for in terms of the requirements of GRAP 17.

Accounting Policies

1.7 Property, plant and equipment (continued)

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.

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 infinite useful life and is not depreciated.

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

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

Item	Average useful life
Land	Indefinite
Buildings	50 years
Plant and machinery	5 years
Furniture and fixtures	6 years
Commercial motor vehicles	4 years
Office equipment	5 years
IT equipment	3 years
Roads	10 years
Fencing	10 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 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. Infrastructure includes roads and fencing.

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

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

Accounting Policies

1.8 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').
- 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 arm's 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 unitised 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.

Accounting Policies

1.8 Financial instruments (continued)

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; or
- 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;
- combined 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
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern 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 and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

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

Class	Category
Trade and other 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.

The entity recognises financial assets using trade date accounting.

Accounting Policies

1.8 Financial instruments (continued)

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 measures a financial asset and financial liability initially at its fair value.

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 arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's 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

1.8 Financial instruments (continued)

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).

1.9 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 to the lessor is included in the statement of financial position as a finance 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 of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Leased assets are depreciated over the shorter of the lease term and it's useful life.

Operating leases - lessor

Operating lease revenue is recognised as revenue 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 for leases is disclosed under revenue in statement of financial performance.

Accounting Policies

1.9 Leases (continued)

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 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.

1.11 Impairment of cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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 asset's 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 held with the primary 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 arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Useful life is either:

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

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follow:

Accounting Policies

1.12 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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 asset's 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 held with the primary 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 arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.13 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 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

ECPTA staff contribute to the Momentum Umbrella Fund. Contributions to a defined contribution plan in respect of service in a particular period are recognised as an expense in that period. It is a condition of employment that any person who is permanently appointed in the service of the ECPTA will become a member of the fund. The ECPTA has no commitment, formal or otherwise, to meet unfunded benefits.

Accounting Policies

1.14 Provisions, contingent assets and contingent liabilities

Provisions

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.

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:

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

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 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.

1.15 Borrowing costs

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

1.16 Fruitless and wasteful and irregular expenditure

Fruitless 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.

1.17 Deferred revenue

Where grant income has been received and is ring fenced for specific projects or committed but the related commitment cannot be defined as an accrual, such related grant income is transferred to deferred revenue. When expenditure has been incurred on the ring fenced project or the commitment has been realised the related income is reflected as revenue.

Accounting Policies

1.18 Capital reserves

Capital reserves consist of:
a. Reserves raised upon the initial transfer of funds relating to infrastructure projects which were initially implemented by the ECTB.
b. Reserves created upon the initial valuation of game held for sale
c. Reserves raised upon the assignment of assets to the ECPTA on establishment.

1.19 Cash and cash equivalents

Cash and cash equivalents consist of:

a. 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),

b. Cash relating to the transfer of funds relating to infrastructure projects initially managed by the ECTB,

c. 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.

1.20 Related parties

The ECPTA operates in an economic sector whereby it interacts with other entities within the national or 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 of Directors, 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.

1.21 Mergers

The Eastern Cape Tourism Board (ECTB) and the Eastern Cape Parks Board (ECPB) were merged to form the Eastern Cape Parks and Tourism Agency (ECPTA). The effective date of the merger was 1 July 2010. The merger was approved on the basis that there would be synergies within the conservation and tourism mandate in relation to the responsibilities of the Eastern Cape Provincial Government mandate. The comprehensive business case also indicated long term cost saving opportunities and operational efficiencies.

As a direct result of the merger between the ECPB and the ECTB, the ECPTA formulated the policy to account for pre-merger assets based on the requirements of GRAP 107: Mergers where premerger assets are recognised at carrying amounts until such time that all information, facts and circumstances that existed at merger date are available.

During the measurement period, the ECPTA shall retrospectively adjust the provisional amounts recognised at the merger date to reflect new information that becomes available subsequent to merger. The ECPTA shall subsequently measure the assets acquired and any liabilities assumed as a result of the merger in accordance with the applicable Standard of GRAP.

1.22 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 the PFMA.

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 in the face of the statement of financial position under current liabilities retrospectively in accordance with GRAP 3 and IAS 8.

Accounting Policies

1.23 Infrastructure - work in progress

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.

1.24 Key management personnel

Key management is defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity whether directly or indirectly. This comprises of the Board of directors, Audit Committee, Executive directors as well as the Legal advisor of the entity. Transactions between the entity and key management personnel are disclosed in related party disclosures. Compensation paid to key management personnel is included in the disclosure notes.

1.25 Commitments

Commitments relate to outstanding capital and current purchase orders at year end. Commitments are not recognised as a liability in the statement of financial position or as expenditure in the statement of financial performance but are included in the disclosure notes.

1.26 Budget information

The annual financial statements and the budget are not prepared on the same basis of accounting. 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.

Accounting Policies

1.27 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 have also adopted the transitional provisions as applicable in terms of the standard and principles contained in directive two issued by the ASB in March 2009.

The GRAP standards approved and effective are listed below:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GRAP 4	The effects of changes in foreign exchange rates
GRAP 5	Borrowing costs
GRAP 6	Consolidation and separate financial statements
GRAP 7	Investment in associates
GRAP 8	Investment in joint ventures
GRAP 9	Revenue from exchange transactions
GRAP 10	Financial reporting in hyperinflationary economies
GRAP 11	Construction contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment property
GRAP 17	Property, plant and equipment
GRAP 19	Provisions, contingent liabilities and contingent assets
GRAP 21	Impairment of Non-cash generating assets
GRAP 23	Revenue from Non exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 26	Impairment of cash generating assets
GRAP 100	Non current assets held for sale and discontinued operations
GRAP 101	Agriculture
GRAP 102	Intangible assets
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
Other applicable standards	
IPSAS 20	Related party disclosure

Accounting Policies

1.27 Grap Standards (continued)

Currently the recognition and measurement principles in the above standards do not differ or result in material differences compared to previous financial statements.

The following prescribed standards of GRAP have been issued but are not yet effective as at 31 March 2013. It is not known when these standards will become effective nor what impact these standards will have on the Annual Financial Statements.

GRAP 18	Segment reporting
GRAP 20	Related party disclosure
GRAP 105	Transfers of Functions Between Entities Under Common Control
GRAP 106	Transfers of Functions Between Entities Not Under Common Control
GRAP 107	Mergers

The following prescribed standards of GRAP have been issued and will become effective in the 2013/14 annual financial year.

GRAP 25	Employee Benefits (effective from 1 April 2013)

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

2. Inventories

Fuel	30	29

Inventories are carried at lower of cost and net realisable value.

3. Trade receivables

Trade debtors	147	484
Rent receivable	208	662
Impairment allowance	(290)	(446)
	65	**700**

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

Rent receivable of R208 (2012: R662) was reclassified in the current year from Other receivables from non-exchange transactions to Trade debtors for better presentation (refer to note 4).

Reconciliation of provision for impairment of trade and other receivables

Opening balance	446	514
Provision for impairment	128	178
Amounts written off as uncollectible	-	(246)
	574	**446**

4. Other receivables from non-exchange transactions

UNDP loans receivable (Wild Coast Project)	427	1 107
Marine and coastal management	61	62
Debts receivables (staff debts)	416	346
Poverty relief projects	130	146
Deposits	446	572
Impairment allowance	(283)	-
	1 197	**2 233**

Rent receivable of R208 (2012: R662) was reclassified in the current year from Other receivables from non-exchange transactions to Trade debtors for better presentation (refer to note 3).

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	40	67
Bank balances	59 931	30 712
Other cash and cash equivalents	14 841	12 371
	74 812	**43 150**

Other cash and cash equivalents relates to the Wild Coast Project (R3 938) and Special Projects (R10 903). 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.

The entity's exposure to interest rate risk including risk to its financial assets and liabilities is disclosed in note 36.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

6. Intangible assets

	2013			2012		
	Cost / Valuation	Accumulated amortisation / impairment	Carrying value	Cost / Valuation	Accumulated amortisation / impairment	Carrying value
Computer Software licences	3 042	(422)	2 620	-	-	-

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Carrying value
Computer Software licences	-	3 042	(422)	2 620

7. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation / impairment	Carrying value	Cost / Valuation	Accumulated depreciation / impairment	Carrying value
Land	160	-	160	160	-	160
Buildings	24 688	(201)	24 487	16 778	(45)	16 733
Plant and machinery	4 714	(235)	4 479	4 614	(95)	4 519
Furniture and fixtures	3 689	(146)	3 543	3 450	(32)	3 418
Motor vehicles	7 845	(887)	6 958	6 331	(383)	5 948
Office equipment	1 258	(37)	1 221	677	-	677
IT equipment	5 039	(1 870)	3 169	4 546	(799)	3 747
Roads	2 496	-	2 496	2 496	-	2 496
Fencing	10 828	(391)	10 437	10 133	(143)	9 990
Total	**60 717**	**(3 767)**	**56 950**	**49 185**	**(1 497)**	**47 688**

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Depreciation	Total
Land	160	-	-	-	160
Buildings	16 733	7 910	-	(156)	24 487
Plant and machinery	4 519	100	-	(140)	4 479
Furniture and fixtures	3 418	239	-	(114)	3 543
Motor vehicles	5 948	1 514	-	(504)	6 958
Office equipment	677	603	-	(59)	1 221
IT equipment	3 747	510	(15)	(1 073)	3 169
Roads	2 496	-	-	-	2 496
Fencing	9 990	695	-	(248)	10 437
	47 688	**11 571**	**(15)**	**(2 294)**	**56 950**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Depreciation	Total
Land	160	-	-	-	160
Buildings	15 745	1 024	-	(36)	16 733
Plant and machinery	4 425	128	(16)	(18)	4 519
Furniture and fixtures	3 278	183	(25)	(18)	3 418
Motor vehicles	5 644	927	(457)	(166)	5 948
Office equipment	531	186	(16)	(24)	677
IT equipment	3 540	783	-	(576)	3 747
Roads	2 496	-	-	-	2 496
Fencing	8 403	1 729	-	(142)	9 990
	44 222	**4 960**	**(514)**	**(980)**	**47 688**

Reclassification of land to heritage assets

The entity adopted GRAP 103: Heritage assets for the first time in 2013. Land with a carrying value of R22 990 918 was reclassified from property, plant and equipment to heritage assets as a result of the adoption (refer to Change in accounting policy, note 42). The impact of the adoption is a transfer of R22 990 918 from property, plant and equipment to heritage assets.

Pre-merger assets

The Eastern Cape Parks and Tourism Agency (ECPTA) was established with effect from 1 July 2010. Various reserves and assets were inherited by the ECPTA from the ECPB and the ECTB to assist it in carrying out its mandate of biodiversity conservation and tourism.

The ECPTA accounted for pre-merger assets at carrying amount pending the finalisation of the fair valuation of assets. A measurement period of two years post-merger is the accepted norm by National Treasury after which the entity is expected to have collected all outstanding information for reporting purposes. The entity obtained approval from National Treasury to extend the measurement period to three years ending 30 June 2013.

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

8. Heritage assets

	2013			2012		
	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 2013

	Opening balance	Total
Land	22 991	22 991

Reconciliation of heritage assets 2012

	Opening balance	Transfers from property, plant and equipment	Total
Land	-	22 991	22 991

Notes to the Annual Financial Statements

Figures in Rand (thousand) 2013 2012

8. Heritage assets (continued)

Details of heritage assets

Included in the total Heritage assets value of R 22 990 945 are various parks that were assigned to the former Eastern Cape Parks Board, with estimated area in hectares as listed below. On assignment land at the various protected areas was not transferred onto the entity's name nor was the entity entitled to dispose of the assets without obtaining permission from the shareholder. There was also no accurate Parks register at the date of transfer. Based on the above information fair values could not be determined with reliability. Where the fair value of protected areas could not be determined, Land was recognised at a nominal value of R1.

Land purchased by the former Eastern Cape Parks Board to the value of R 22 990 925 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:

Reserve	Estimated area in hectares
Great Fish River Nature Reserve	45 022
- Comprising of Sam Knott and Double Drift Nature Reserves	
- Includes 1,605 hectares with fair value of R5 659 100	
Baviaanskloof Nature Reserve	211 171
- Comprising of Baviaanskloof Wilderness Area, Stinkhoutberg and Cockscomb Nature Reserves	
- Includes 18,160 hectares with fair value of R15 533 937	
Formosa Nature Reserve	25 490
Groendal Nature Reserve	44 877
The Island Nature Reserve	495
Thomas Baines Nature Reserve	2 588
Waters Meeting Nature Reserve	4 217
Tsolwana Nature Reserve	7 796
Mpofu Nature Reserve	10 931
- Includes 827 hectares with fair value of R1 797 888	
Fort Fordyce Nature Reserve	2 970
East London Coast Nature Reserve	3 827
Hamburg Nature Reserve	1 466
Dwesa – Cwebe Nature Reserve	5 529
Hluleka Nature Reserve	4 665
Silaka Nature Reserve	400
Nduli – Luchaba Nature Reserve	518
Mkhambathi Nature Reserve	7 736
Ongeluksnek Nature Reserve	11 540
Oviston Nature Reserve	1 455
Commando Drift Nature Reserve	5 746
	398 439

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

9. Investment property

	2013			2012		
	Cost / Valuation	Accumulated depreciation / impairment	Carrying value	Cost / Valuation	Accumulated depreciation / impairment	Carrying value
Investment property	7 100	(391)	6 709	7 100	(249)	6 851

Reconciliation of investment property - 2013

	Opening balance	Depreciation	Total
Investment property	6 851	(142)	6 709

Reconciliation of investment property - 2012

	Opening balance	Total
Investment property	6 851	6 851

Details of property

	2013	2012
Units 13 and 14 Bhisho business village		
- Transferred to the ECPTA as at 1 July 2010	1 061	1 061
Tourism House Phalo avenue Bhisho		
- Transferred to the ECPTA as at 1 July 2010	5 790	5 790

Unit 13 and 14 - Bhisho business village:

Property consists of an office block and is situated in the Bhisho business village. The building is currently vacant.

Fair value of the investment property as determined by an independent valuer, P J Lindstrom (Registration no 935/7 registered in terms of the Valuers Act No.47 of 2000) is R1,4 million (31 March 2012: R1,152 million).

Tourism House - Phalo avenue:

The property consists of an office block and is situated in Phalo avenue in Bhisho. It is currently being occupied by the National Prosecuting Authority (NPA) at a monthly rental of R62 825.

Fair value of the investment property as determined by an independent valuer, P J Lindstrom (Registration no 935/7 registered in terms of the Valuers Act No.47 of 2000) is R7,2 million (31 March 2012: R6,137 million).

10. Infrastructure - work in progress

Work in progress relates to capital projects in progress at year end, from ring fenced Infrastructure funding received by the entity.

	2013	2012
Opening balance	10 735	8 408
Additions	7 143	4 395
Transfers to property, plant and equipment	(8 203)	(2 068)
	9 675	**10 735**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

11. Non current assets classified as held for sale

Game held for sale	9 070	12 210

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 individuals are identified for harvesting in the following year and their fair value less estimated point of sale costs is anticipated to be R 9,070 million (2012: R 12,210 million).

12. Finance lease obligation

Minimum lease payments due		
- within one year	391	510
- in second to fifth year inclusive	86	336
	477	846
less: future finance charges	(25)	(63)
Present value of minimum lease payments	**452**	**783**
Present value of minimum lease payments due		
- within one year	371	458
- in second to fifth year inclusive	81	325
	452	**783**
Non-current liabilities	81	325
Current liabilities	371	458
	452	**783**

The entity has considered the following leases as significant:

Equipment located in the Mthatha and Queenstown offices is leased from Minolco for a period of three years, with thirty one (31) months remaining at year end. The lease rental for the equipment is R4 555 per month, with no escalation.

13. Trade payables

Trade payables	11 993	5 460
Payments received in advanced - contract in process	1 152	1 443
Accrued leave pay	6 335	5 876
Accrued bonus	601	614
Accrued expense trade	7 284	3 055
	27 365	**16 448**

ECPTA considers that the carrying amount of trade and other payables approximates their fair value. The entity's exposure to liquidity risk related to trade and other payables is disclosed in note 36.

14. Other payables

Other payables - trade	48	1
Other payables - salaries and wages	3	578
Other payables - SARS	965	-
Other payables - medical aid	498	400
	1 514	**979**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

15. Poverty alleviation projects

Poverty alleviation projects	10 923	12 166

Represents amounts available for poverty relief projects which are administered on behalf of the National Department of Environmental Affairs.

16. Surrenders to provincial revenue fund

Surrenders to provincial revenue fund	31 092	10 000

This represents monies due for surrender to provincial revenue funds.

17. Wild coast project

Wild Coast project	3 941	205

Represents amounts available for the Wild Coast Project which is administered by ECPTA from UNDP funding.

18. Deferred revenue - grants received

Opening balance	19 014	25 882
Expenditure for the year	(1 767)	(14 127)
Interest earned	397	663
Bank charges	(11)	-
Transfer to grants received	-	6 596
	17 633	**19 014**

19. Deferred revenue - game held for sale

Game held for sale	9 070	12 210

20. Revenue

Sale of game, venison and game by products	12 482	11 046
Day tours, entrance fees and hiking trails	1 109	826
Accommodation revenue	3 193	3 449
Rental income	819	761
Finance income	1 228	1 103
Government grants	182 793	162 899
Other income	1 620	1 371
	203 244	**181 455**

The amount included in revenue arising from exchanges of goods or services are as follows:		
Sale of game, venison and game by products	12 482	11 046
Day tours, entrance fees and hiking trails	1 109	826
Services rendered. mainly accommodation and camping	3 193	3 449
	16 784	**15 321**

The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue		
Government grants	182 793	162 899

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

21. Accommodation revenue

Accommodation - general	2 752	3 050
Camping	441	399
	3 193	**3 449**

22. Other income

Donations received	-	677
Sundry income	1 530	586
Sale of tender documents	69	38
Events income	21	70
	1 620	**1 371**

23. Finance income

Bank	1 204	1 023
Interest from staff debts	21	80
Interest from debtors	3	-
	1 228	**1 103**

24. Grants and subsidies

Transfer payment	172 869	152 857
National Department of Tourism	5 300	-
South African National Biodiversity Institute	224	-
The Department of Water Affairs and Forestry	3 592	1 112
Marine and Coastal Management (MCM)	2 575	1 371
Thetha	-	218
First National Bank	-	30
Transferred from / (to) deferred revenue	(1 767)	7 311
	182 793	**162 899**

25. Personnel related costs

Basic salary	71 862	62 439
Bonus	6 489	6 014
Medical aid - company contributions	2 110	2 067
UIF	580	520
SDL	4	77
Leave pay provision charge	1 444	12 480
Funeral benefits	-	27
Post-employment benefits - Pension - Defined contribution plan	10 083	9 304
Travel, motor car, accommodation, subsistence and other allowances	2 960	2 193
Overtime payments	2 374	2 141
Car allowance	1 455	1 649
Other allowances	676	1 787
Workmen's compensation	1 327	-
	101 364	**100 698**

26. Administrative expenditure

Administration and management fees - third party	-	13

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

27. Finance costs

Finance costs	288	92

28. Operating expenses

Accounting fees	-	71
Advertising	30 545	848
Animal Costs	662	210
Assessment rates & municipal charges	199	134
Auction expenses	1 798	1 095
Auditors remuneration	3 029	2 956
Bank charges	172	114
Board expenses	2 349	1 665
Chemicals	468	353
Cleaning	565	663
Compliance and law enforcement	498	329
Computer expenses	243	568
Conferences and seminars	1 161	433
Consulting and professional fees	6 772	5 152
Consumables	144	636
Donations	-	1
Electricity	3 316	2 553
Entertainment	-	2
Fleet	2 637	2 562
Fuel and oil	763	575
Game management	1 847	956
Insurance	2 155	1 156
Internal audit fees	604	408
Lease rentals on operating lease	6 089	4 314
Levies	95	122
Marketing	1 696	6 830
Medical expenses	3	22
Placement fees	168	276
Postage and courier	125	118
Printing and stationery	568	574
Profit & loss on foreign exchange	275	24
Protective clothing	92	30
Refuse	14	46
Research and development costs	132	781
Royalties and license fees	1 232	1 070
Security	289	82
Special projects	3 870	11 802
Staff welfare	454	489
Subscriptions and membership fees	123	820
Telephone and fax	4 126	3 629
Tourism development	393	505
Training	1 095	1 593
Travel - local	4 934	3 365
Travel - overseas	215	293
Uniforms	274	870
	86 189	**61 095**

29. Auditors' remuneration

Included in note 26 is External audit fees of:	3 029	2 956

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

30. Cash generated from (used in) operations

Surplus	7 228	14 670
Adjustments for:		
Depreciation and amortisation	2 859	1 122
Deficit (profit) on sale of assets	(68)	12
Donations received	-	(677)
Debt impairment	128	178
Movements in operating lease assets and accruals	-	(18)
Changes in working capital:		
Inventories	(1)	20
Trade receivables	507	(867)
Other receivables from non-exchange transactions	1 036	(903)
Trade payables	10 917	(3 514)
Other payables	536	(2 546)
Deferred revenue - grants received	(1 383)	(15 783)
	21 759	**(8 306)**

31. Poverty alleviation projects

The ECPTA has been appointed as implementing agents for certain poverty alleviation initiatives which are funded directly by DEA. The project was initiated in 2005 and to date, funding to the extent of R57 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 DEA and are not consolidated into the records of ECPTA.

32. Operating leases

Operating leases as the lessee:

Minimum lease payments due		
- not later than one year	3 262	741
- in second to fifth year inclusive	3 997	-
	7 259	**741**

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

Romac Properties CC in Port Elizabeth at number 20, 4th Avenue, Newton Park. The contract is a twenty four (24) months lease with one year remaining. The rental is R20 520 per month for unit 1 with an escalation to R21 135 for the next financial year. For unit 2, the rental per month is R5, 130 per month with an escalation to R5, 540 for the next financial year.

Palgrow Property Investments CC in Queenstown at number 28 Grey Street. The contract is for a period of twenty four (24) months with one (1) year five (5) month remaining. The rental per month is R26 619 with an escalation to R28 749 for the next financial year.

Kentia Palm Offices in East London, Erf 5988 in Beacon Bay. The contract is for a period of thirty six (36) months with twenty eight (28) months remaining at year end. The rental per month is R 203 685 with an escalation of ten percent (10 %) per annum.

Rough Diamond Industrial Properties in East London, at number 6, St Marks Road, Southernwood. The contract is on a month to month basis and the rental per month is R 172 908.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

33. Emoluments

Non-executive directors

2013

	Directors' fees	Other fees	Total
Ms V Zitumane - (Chairperson of the Board) - Appointed on 1 June 2012	257	8	265
Mr A Muir - (Deputy Chairperson of the Board) - Appointed on 1 June 2012	80	2	82
Ms L Sigcau - (Term expired on 31 May 2012)	12	8	20
Mr F Makiwane - (Board Member) - Appointed on 1 June 2012	138	2	140
Mr S Mgxaji - (Board Member) - Appointed on 1 June 2012	57	-	57
Ms T Putzier - (Term expired on 31 May 2012)	40	12	52
Mr M Sotshana - (Board Member) - Appointed on 1 June 2012	198	1	199
Mr E Bergins - (Term expired on 31 May 2012)	66	-	66
Ms T Tsengiwe - (Board Member) - Appointed on 1 June 2012	90	4	94
Mr P Madikiza - (Term expired on 31 May 2012)	52	2	54
Mr M Rayi - (Term expired on 31 May 2012)	10	-	10
	1 000	**39**	**1 039**

2012

	Directors' fees	Other fees	Total
Ms V Zitumane - (Chairperson of the Board) - Appointed on 1 June 2012	175	22	197
Mr A Muir - (Deputy Chairperson of the Board) - Appointed on 1 June 2012	81	-	81
Ms L Sigcau - (Term expired on 31 May 2012)	35	18	53
Ms T Putzier - (Term expired on 31 May 2012)	143	37	180
Mr E Bergins - (Term expired on 31 May 2012)	167	1	168
Ms T Tsengiwe - (Board Member) - Appointed on 1 June 2012	77	3	80
Mr P Madikiza - (Term expired on 31 May 2012)	156	8	164
Mr M Rayi - (Term expired on 31 May 2012)	96	-	96
	930	**89**	**1 019**

Audit Committee

2013

	Emoluments	Other fees	Total
Ms T Mahlati - (Chairperson) - Appointed on 1 April 2011	104	4	108
Mr D Coovadia (Member) - Appointed on 1 April 2011	32	3	35
Mr ZL Fihlani - (Member) - Appointed on April 2011	47	1	48
	183	**8**	**191**

2012

	Emoluments	Other fees	Total
Ms T Mahlati - (Chairperson) - Appointed on 1 April 2011	48	5	53
Prof F Prinsloo - (Term expired on 31 May 2012)	2	-	2
Mr D Coovadia (Member) - Appointed on 1 April 2011	7	1	8
Mr JT Mdeni - (Term expired on 30 June 2010)	3	-	3
Mr S Whitfield - (Term expired on 31 March 2011)	6	-	6
Mr ZL Fihlani - (Member) - Appointed on 1 April 2011	17	-	17
	83	**6**	**89**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

33. Emoluments (continued)

Executive directors

2013

	Salary	Retirement fund contributions	Other contributions	Performance incentive bonus	Total
Mr L Rubushe - (chief executive officer)	728	-	4	-	732
Mr S Liebenberg - term expired (interim chief executive officer)	691	-	-	189	880
Mr D Balfour - (biodiversity conservation)	1 028	-	7	137	1 172
Mr E Marafane - (destination tourism)	954	127	-	252	1 333
Ms L Gower - (human capital management)	1 035	-	-	146	1 181
Ms T Jama - (chief financial officer)	907	127	1	128	1 163
Mr V Dayimani - (operations)	1 204	-	8	-	1 212
Ms X Mapoma - (legal advisor and board secretary)	751	103	17	90	961
	7 298	**357**	**37**	**942**	**8 634**

2012

	Salary	Retirement fund contributions	Other contributions	Performance incentive bonus	Total
Mr S Liebenberg - term expired (interim chief executive officer)	1 302	-	-	195	1 497
Mr D Balfour - (biodiversity conservation)	794	100	7	66	967
Mr E Marafane - (destination tourism)	796	86	1	127	1 010
Ms L Gower - (human capital management)	936	-	-	128	1 064
Ms L Subboo - (acting) (destination tourism)	611	110	8	83	812
Mr N Ravgee - term expired (chief financial officer)	305	45	-	134	484
Ms T Jama - (chief financial officer)	585	98	1	81	765
Mr V Dayimani - (operations)	356	-	2	-	358
Ms X Mapoma - (legal advisor and board secretary)	667	120	8	84	879
	6 352	**559**	**27**	**898**	**7 836**

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

34. Contingencies

Contingent assets

1. Damage claims:

1.1 ECPTA vs Dompass CC:

This matter relates to a music festival which was due to take place in Port Elizabeth but was cancelled after the ECPTA had already contributed to the show a total amount of R400 000 of which R250 000 came from the 2010 Project and the balance from ECPTA. As previously stated the festival was cancelled but the money was not returned to ECPTA. The ECPTA is trying to recover its contribution. The matter is still pending in court. The estimation of legal costs amount to R250 000.

1.2 ECPTA vs G A Sport services International (Pty) Ltd, MH Mpahlwa and A Gutkin:

This matter relates to the 2010 Soccer Challenge Event that failed due to poor attendance. The ECPTA viewed the failure as breach of an agreement and accordingly cancelled it. The ECPTA is currently recovering its contribution which amounts to R2 million , the matter is pending in court. The estimation of legal costs amount to R250 000.

1.3. ECPTA v Medbury:

During the dry period of the summer of 2010/11, the water level in dam, which in part forms the boundary between Thomas Baines Nature Reserve (TBNR) and Medbury, dropped to such a level that it no longer served as a barrier between the two properties. Before the water level had risen and before sufficient remedial fencing had been put in place by either ECPTA or Mr Le Roux, animal from both properties crossed on to the neighbouring property. This included approximately 20 buffalo moving from the ECPTA to Medbury. The ECPTA issue a summons against Mr Le Roux demanding access to his premises to retrieve the animals alternatively payment of the sum of R4 080 000.00 being the reasonable market value of the animals. The matter is still pending in court.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

34. Contingencies (continued)

Contingent liabilities

1. Land claims:

A memorandum of agreement (MoA) exists between the Minister of Land Affairs and the Minister of Environmental Affairs which requires the land owners to continue managing the land within protected areas for the purposes of conservation. Although these claims have been raised with the former ECPB, there are no material financial implications to the ECPTA as any settlements will be done via the Land Claims Commission. In terms of the settlement agreements the ECPTA is required to enter into co-management agreements with the communities in terms of which the communities are expected to gain some kind of beneficiation. These agreements will have financial implications on the ECPTA once they have been concluded.

1.1 Ongeluksnek:

Claimant verification is underway.

1.2 Hluleka:

The claim has been settled partially.

1.3 Double Drift:

The claim was lodged by the Double Drift Community. The claimant verification process has been completed. Claimants have been paid financial compensation. This claim has been settled. Funding for investment mobilization has been secured. This funding comes with administrative support for the Communal Property Association (CPA). The issue of the co-management agreement will follow after the finalisation of the above programme.

1.4 Nduli/ Luchaba:

The matter is now before the Land Claims court as the King Sabatha Dalidyebo Municipality is disputing the validity of the claim. The claim is competing with the Zimbane community claim. The matter was taken to court and the parties are still awaiting the SCA judgment.

1.5 Sam Knott – (Andries Vosloo) Nature Reserve:

Further research conducted to establish the circumstances of dispossession. Claimant verification is underway.

1.6 Baviaanskloof Mega Reserve:

The claimants are not clear about the land they are claiming. Mapping of land is being undertaken. The claimant family has since chosen restoration. Claimant verification is underway.

1.7 Tsolwana Nature Reserve:

Research in respect of the claim for the Dots, Lilyfontein and Larendse farms was completed. Claimant verification still outstanding. The claims relating to portion of Lilyfontein, Magemans, Donnybrook and Vrisgewaard farms have been validated and the claim has been settled. Portion of the farm Lily Fountain No. 344, Remainder of portion Magemans Hoek No. 345, Remainder of the farm Magerrman's hoek No. 345, Portions 1 & 2 of Farm Donnybrook 349, Portion 1 of Farm Vrisgewaard No. 350.

1.8 Mpofu Nature Reserve:

This claim was researched and validated. Section 42D awaiting Minister's approval.

1.9 East London Coast Nature Reserve:

This claim for farm 1168 is at the claimant verification stage but community and boundary disputes are hampering progress. The claim for farm 274 is at the property valuation stage.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

34. Contingencies (continued)

1.10 Dwesa/Cwebe Reserve:

The Dwesa-Cwebe has been heavily affected by intra-community conflicts. It is only now that the Department of Rural Development and Land Reforms (DRDLR) has been able to facilitate for the re-establishment of a legitimate community structure on the Reserve.

1.11 Mkhambathi Reserve:

ECPTA was challenged by the Trust as early as 2010 when we negotiated the Co-management Agreement to demonstrate benefit streams to the landowner communities on the basis of which we could justify entering into an agreement for co-management. The investment partnership deal has only been recently signed, providing a basis for this year to be the target year for the conclusion of the co-management agreement.

1.12 Silaka Reserve:

Although the land claim is said to be settled, there are contestations on the manner in which this was done. It has only been recently that the Department of Rural Development and Land Reforms (DRDLR) has been drawn to resolve problems in that area. Any agreements that would have been concluded here would have carried too high a risk given the community dissatisfaction.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

34. Contingencies (continued)

2. Damage claims:

2.1 Mr and Mrs Gallop (Farm Spree River No 170):

This claim arose out of veld fires that broke out in the Baviaanskloof area. It is alleged that the fires spread from the Baviaanskloof Nature Reserve to the claimant's property. The ECPTA has denied liability. The total damages allegedly suffered by the claimants amount to R651 669. The ECPTA is defending the matter through its insurers, therefore we are unable to estimate legal costs to be incurred.

2.2 Gearmax vs ECPTA:

This matter relates to a motor vehicle collision which took place in the Baviaanskloof Nature Reserve. The total damages allegedly suffered by the claimant amount to R75 367. The parties are currently trying to reach an out of court settlement.

2.3 Mbanzi v ECPTA:

This claim relates to the personal injuries suffered by the claimant. The claimant alleges that he was intentionally and unlawfully shot by ECPTA employees during the course and scope of their work with the ECPTA.

The claimant is accordingly claiming a sum of R656 000 for damages suffered as a result of the alleged incident. The claimant has not issued any summons against the ECPTA. A letter of demand was served on the ECPTA.

2.4 Alibiprops 1005 cc t/a Indlovu Thatch v ECPTA:

The Plaintiff in this matter instituted an action against the ECPTA for the recovery of the balance of the contract price for work done by at two ECPTA nature reserves. The total remaining balance amounts to R368 501.

The Plaintiff's claim is based on unjustified enrichment. The ECPTA is defending the matter as the Plaintiff has been unable to meet the general requirements of liability for an enrichment claim. The matter is still pending in court. The estimation of legal costs amount to R631 499.

2.5 Eurodrain Technology (PTY) Ltd v ECPTA:

The Plaintiff in this matter instituted an action against the ECPTA for the recovery of the balance of the contract price for services rendered and goods supplied. The ECPTA is defending the action due to non performance by the Plaintiff. The total remaining balance amounts to R326 017. The ECPTA also issued a counter – claim against the Plaintiff for damages suffered as a result of Plaintiff's non performance. Both matters are still pending in court. The estimation of legal costs amount to R120 000.

2.6 M Gogwana v ECPTA:

The Plaintiff instituted an action against the ECPTA for services rendered. The ECPTA is defending the action due to poor performance by the Plaintiff. The amount claimed stands at R39 750. The matter is still pending in court. The estimation of legal costs amount to R10 000.

2.7 ECPTA v Coleske Residents:

In 2001 DEDEA, purchased land the farm "Coleske" in the Western Baviaanskloof to consolidate and expand the conservation estate of the Baviaanskloof Nature Reserve in order to include lowland areas that are underrepresented in the conservation estate. The land owners received payment for the property but left their households on the property, leaving the farm dwellers and workers behind. At that time of sale, the farm dwellers and workers comprised 19 households totalling 125 people, who were residing on the said land; eight of those people had been permanently employed on the land and the spouses and children had been employed on a seasonal basis. Later on it transpired that the community was multiplying and their presence in the nature reserve became undesirable as it was against good conservation principles. The ECPTA appointed Goldberg and de Villiers to guide it on the preferred resettlement options. No litigation has been instituted. The legal costs are estimated to be in the amount of R200 000 should the matter go to court.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

34. Contingencies (continued)

2.8 ECPTA v J Ruiters and B Ruiters:

This relate to eviction applications instituted by the ECPTA against its former employees Messrs Ruiters who refused to vacate the ECPTA staff accommodation after their services were terminated. Both matters are still pending in court. Legal costs are estimated at R100 000.

2.9 Ryno Megson v ECPTA:

In this case the claimant has issued a letter of demand against the ECPTA for personal injuries suffered as a result of an attack by a Buffalo. He has not quantified his damages as he allegedly still receiving medical attention.

2.10 ECPTA v Maya:

This matter relates to an eviction of a former employee who refused to vacate staff. The indication is that this employee might have Extension of Security of Tenure Act (ESTA) rights over the property. Goldberg and de Villiers were instructed to investigate the issue of ESTA rights hence no litigation has been instituted as yet. The legal costs are estimated to be R5000.

2.11 The State v Tyabashe:

In 2011, four of ECPTA Field Rangers shot and fatally wounded a suspected poacher inside Cwebe Nature Reserve. They were charged with murder and the case is still pending before court. The matter was not disclosed because there is no third party involved except for the appointed attorneys that represent them in court. The costs incurred by the ECPTA thus far amount to R32 000.

3. Other contingencies:

3.1 Performance bonuses:

The entity has a contingent liability relating to possible performance payments in terms of the Performance management policy. The potential payment is estimated at R5 787 197. The payments of such bonuses is dependent on outcome of performance evaluations which are to be conducted after year end.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

35. Related party disclosures

Related parties:

The ECPTA operates in an economic sector whereby it interacts with other entities within the national or 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 of Directors, 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 Eastern Cape Parks and Tourism Agency (ECPTA) recorded various transactions with the following related parties:

- The National Department of Environmental Affairs (DEA),
- The Department of Economic Development and Environmental Affairs and Tourism (DEDEAT),
- The Dwesa / Cwebe Land Trust,
- The Mkhambathi Land Trust,
- Marine and Coastal Management (MCM),
- The Department of Water Affairs and Forestry (DWAF),
- Eastern Cape Development Corporation (ECDC)
- The National Department of Tourism (NDT),
- The Buffalo City Metropolitan Municipality (BCMM),
- Sector Education and Training Authority (CATHSSETA)
- South African National Biodiversity Institute (SANBI),

1. The National Department of Environmental Affairs (DEA):

The ECPTA is an implementing agent for various projects on behalf of the Department of Environmental Affairs. Funds received in the current year amount to R57 million.

2. The Department of Economic Development and Environmental Affairs and Tourism (DEDEAT):

The relationship that exists is that the ECPTA is a Schedule 3C Public entity in terms of the PFMA and reports directly to DEDEAT.

A transfer payment to the amount of R190, 426 million was received in the current year. Also an additional amount of R3 million was received for the National Tourism Career Expo (NTCE) in accordance with the agreed agreement with other NTCE partners. In the prior year's DEDEAT occupied a building which was assigned to the former ECPB. Rent to the value of R 207 615 was outstanding at year end.

3. The Dwesa / Cwebe Land Trust:

The Dwesa / Cwebe Land Trust is the owner of the land on which the Dwesa & Cwebe Nature Reserves has been proclaimed. They have acquired ownership through a land claims settlement agreement. In terms of this agreement and a community agreement the ECPTA and the Trust work together in the management of the reserve through a co management committee. In this sense the Trust and the ECPTA are partners. There have been no transactions during the period.The balance at year end is R nil.

4. The Mkhambathi Land Trust:

The Mkhambathi Land Trust is the owner of the land on which the Mkhambathi Nature Reserves has been proclaimed. They have acquired ownership through a land claim settlement agreement. In terms of this agreement and a community agreement the ECPTA and the Trust work together in the management of the reserve through a co management committee. In this sense the Trust and the ECPTA are partners and have also reached agreement on the sharing of income.

Transactions during the year relate mainly to the payment of revenue to the trust. An amount of R81 136 was paid during the year. The balance outstanding at year end is R48 421.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

35. Related party disclosures (continued)

5. Marine and Coastal Management (MCM):

The ECPTA has been assigned the responsibility of managing marine protected areas within ECPTA boundaries on behalf of the Integrated Ocean and Coastal Conservation Department of Environmental Affairs. A grant of R2,575 million was received.

6. The Department of Water Affairs and Forestry (DWAF):

The ECPTA is an implementing agent for the Working for Water projects on behalf of DWAF. The program is aimed at conserving water and bio diversity and to promote sustainable catchment management and land care, including fire management and job creation through the prevention and control of invasive alien vegetation in the Republic of South Africa. A grant of R3,592 million was received from DWAF.

7. Eastern Cape Development Corporation (ECDC):

The Eastern Cape Development Corporation (ECDC) is a schedule 3C entity under the DEDEAT family of public entities. The ECPTA owns a building in Aliwal North which is currently occupied by ECDC at a rental of R1 000 per month and an amount of R33 000 was outstanding at year end.

8. National Department of Tourism (NDT):

The ECPTA was appointed as an implementation agent of the national Tourism career Expo. An amount of R1 054 913 was received for the tourism month.

9. Buffalo City Metropolitan Municipality (BCMM):

BCMM as the local metropolitan municipality utilised funding from government to facilitate the growth, development and sustainability of communities within the Metro. The ECPTA, in collaboration with BCMM and other stakeholders hosted the National Tourism Career Expo (NTCE) to create a platform where learners from grade 9 to grade 12 studying and interested in tourism and hospitality from all provinces got together in East London to learn about careers and opportunities within the sector. An amount of R450 000 was committed by the Metro for the said event and there was no balance outstanding at year end.

10. Sector Education and Training Authority (CATHSSETA):

CATHSSETA, a sector education and training authority established in terms of section 9 of the Skills Development Act 1998 is mandated to implement the national skills development objectives that meet the requirements of the national skills development strategy as outlined by the National Department of Higher education and Training. During the year an amount of R1, 3 million was received for the National Tourism Expo and there was no balancing outstanding at year end.

11. South African National Biodiversity Institute (SANBI):

The SANBI is responsible for exploring, revealing, celebrating and championing biodiversity for benefit and enjoyment of all South Africans. During the year an amount of R224 130 was received for training of interns within the Biodiversity field which this initiative is in line with Government policy of employing young people and giving them the skills which they require to be employable in the market place.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

36. 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 policy, risk management framework 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 committee which in turn reports to the board of directors.

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 and invests funds 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.

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 meets is obligations. Liquidity risk is regarded as being low.

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 only 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.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the ECPTA has no significant interest bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates. All interest bearing assets are included under cash and cash equivalents. These are all short term as they relate to mainly to the transfer payments received from DEDEAT as part of our budgeted grants to be used for operational expenditure.

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 PGDP and we are thus assured of funding from DEDEAT for biodiversity conservation

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

37. Fruitless and wasteful expenditure

Opening balance	102	680
Add: Incurred in the current year	-	112
Less: Amounts condoned	-	(690)
	102	**102**

The expenditure related to interest and penalties incurred due to late Pay As You Earn (PAYE) payments to South African Revenue Services in the prior year. Disciplinary action was taken and the official concerned was given a warning.

38. Irregular expenditure

Opening balance	520	22 011
Add: Irregular Expenditure - current year	2 406	520
Less: Amounts condoned	-	(22 011)
	2 926	**520**

Details of irregular expenditure - current year

Non compliance with Construction industry development board regulations	317	520
Bids not advertised in government tender bulletin	2 089	-
No disciplinary action was taken against official concerned as the above incidents were not undertaken with the intention to defraud the entity nor through negligence. As a corrective measure key officials were trained on procurement processes to keep them abreast of latest developments.		
	2 406	**520**

39. Commitments

Commitments and orders	36 690	5 127

The committed expenditure relates to outstanding capital and current expenditure orders at year end and will be financed from available resources.

40. Subsequent events

Subsequent to the end of the financial year, the Board of Directors reviewed the circumstances around the fruitless and wasteful expenditure of R0,102 million as well as the Irregular expenditure of R2,926 million incurred by the entity. All prior and current year expenditure was condoned by the Board of directors in a meeting held on 19 July 2013.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

41. Prior period errors

a) Surrenders to Provincial Revenue Fund

During the 2012/13 annual financial year Provincial Planning and Treasury engaged in a process of collecting all unspent funds due for surrender by all Provincial entities in relation to the 2011/12 financial year. As defined in Treasury instruction note 3 of 2013/14, Unspent funds 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 the Public Finance Management Act. In the 2012/13 financial year, the ECPTA surrendered R10 000 000 relating to 2011/12 unspent funds to the Provincial Revenue fund.

The surrender was made up of unspent budget allocation for the Ntsikeni Nature Reserve which used to be under the jurisdiction of the former Eastern Cape Parks Board R1 086 286, as well as unspent funds amounting R8 913 714 These amounts were reclassified from current liabilities (other payables trade) and non current liabilities (deferred revenue) to Surrenders to Provincial Revenue Fund thus resulting in a total surrender of R10 million as restated in the current year annual financial statements.

b) Trade payables (revenue received in advance)

In the 2012 annual financial year revenue relating to services already rendered at year end was incorrectly recognised as Revenue received in advance. This resulted in an overstatement of trade and other payables by R1 187 587 and a corresponding understatement of Revenue by the same amount.

c) Infrastructure - Work in progress

At the end of 2012 capital expenditure amounting R209 539 was erroneously included in consulting fees, thus resulting in overstatement of expenditure and an understatement of Infrastructure work in progress by the said amount. An amount of R344 280 relating to capital projects in progress was erroneously recognised as property, plant and equipment. This resulted in an overstatement of property, plant and equipment and an understatement of work in progress at year end. The total effect on Infrastructure work in progress was an understatement of R553 820. Opening balances have been restated retrospectively to reflect the impact of the error

d) Property, plant and equipment

During the 2011/12 annual financial year assets to the value of R676 582 were donated to the ECPTA but were not capitalised as property, plant and equipment in the annual financial statements. The corresponding income was not raised. As a result there was an understatement of income by R676 582, property, plant and equipment by R542 124 and depreciation by R134 458.

e) Receivables

During the 2012 annual financial year there was an error to the smoothing of operating leases whereby the lease accrual amount of R 65 293 was incorrectly accounted for as a lease receivable. This resulted in the understatement of operating expenditure by R130 586, the overstatement of receivables and understatement of operating lease liabilities by R 65 293.

f) Operating expenditure

Expenditure relating to the 2011/2012 annual financial year was not accrued for at year end. This resulted in understatement of expenditure and liabilities by R150 708. This represents invoices received after the annual financial statements were submitted to the Auditor General. The impact of the error was an understatement of liabilities and expenditure by R150 708.

Notes to the Annual Financial Statements

Figures in Rand (thousand)	2013	2012

41. Prior period errors (continued)

Over all, the correction of the errors resulted in prior year adjustments as follows:

Statement of financial position	
- Surrenders to Provincial revenue fund	(10 000)
- Trade payables (revenue received in advance)	1 188
- Infrastructure work in progress	554
- Property, plant and equipment	198
- Trade receivables	(65)
- Operating lease liability	(65)
- Trade payables	(151)
- Other payables	1 086
- Deferred revenue (grants)	8 914
- Accumulated surplus	(1 659)
Statement of Financial Performance	
- Revenue (accommodation)	(1 188)
- Other income (donations received)	(677)
- Operating expenditure (consulting)	(70)
- Operating expenditure (depreciation)	135
- Operating expenditure (operating lease rentals)	130
- Operating expenditure (catering expenses)	11
Total impact of prior period errors	**(1 659)**

42. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new standard.

- GRAP 103: Heritage assets

The entity adopted GRAP 103: Heritage assets for the first time in 2013. Land acquired in the designated protected areas was recognised as Heritage assets and is measured at historical cost where cost can be reliably measured.

The policy has been applied retrospectively and the impact of the adoption on prior years is a decrease in the carrying value of property, plant and equipment by R22 990 925 and a corresponding increase in the carrying value of Heritage assets by the same amount.

Notes to the Annual Financial Statements

43. 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 recast 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 period ended 31 March 2013.

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:
Own revenue collection far exceeded projections as it stood at a comparable actual of R22,077 million against the budgeted figure of R16,380 million for the year. The positive variance of R5,697 million is attributed to greater than anticipated revenue from camping, gate entrance fees, culling and live game sales.

The ECPTA received a grant allocation of R184,426 million for the 2012/13 financial year, however an adjustment of R6 million was made through the adjustment budget process, thus increasing the allocation to R190,426 million. The impact of the cash flow movement between the 2011/12 (R10 million) and the current year surrenders of R31,092 million reduced a comparable actual of R169,721 million.

The ECPTA administers some projects on behalf of other government institutions. An adjustment of R12,106 million was made by the entity, this figure representing funding receivable from the various government institutions as follows:

- National Department of Tourism: R5,300 million (funding to host destination tourism initiatives)
- Department Environmental Affairs: R3,574 (for the administration of Marine Protected Areas)
- Department of Environmental Affairs : R2,782 million (to administer the Working for Water projects)
- Buffalo City Municipality: R0,450 million (contribution towards the National Tourism Expo)

The above brings the total adjustments on revenue to R18,106 million with corresponding increase in the goods and services allocation.

Expenditure:

Compensation of employees:
During 2011/12 financial year a new organogram was developed for the newly established Agency (ECPTA) and an employee placement programme was initiated accordingly on 1 November 2011. Added to this 130 employees took voluntary severance packages (VSP's) during this period resulting in certain positions being filled with new appointments during 2012/13. Furthermore since the majority of those who took VSP had long service and were paid more in the upper to maximum or above quartile for their respective levels. This resulted in savings when employing the new recruits since they were placed on salaries within the target range or lower depending on their experience. Some of the appointments occurred during the year and not all occurred and not at the beginning of the financial year which accounts for the savings.

It must also be noted that savings of R1,010 million were generated on performance bonus payments since only 83% of actual bonuses were paid based on performance results. Furthermore the Agency paid a fixed rand value increase calculated at 6% on the median per salary scale instead of a fixed percentage per individual employee this resulted in a saving of R 716 000 on the salary bill.

Goods and services:
The entity is showing under spending of R17,912 million on a comparable basis of actual against the budget of R111,912 million. This variance should be looked at in conjunction with the funds to be surrendered of R31,092 million. The surrenders represent amounts committed but not invoiced at year end. When taking commitments into account, the entity is actually overspent by 3% of total budget.

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