KNYSNA LOCAL MUNICIPALITY

Notice is hereby given of a

GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

which will be held on

Thursday, 1 August 2019

at

09:00

in the Council Chamber

to consider the following items

MUNICIPAL OFFICES

KNYSNA

Chairperson:

Cllr P Myers (MMC)

Members:

vacant

Cllr L Tyokolo

Cllr C Croutz

Cllr T Matika
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<th>765</th>
</tr>
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<td>773</td>
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<td>6.20</td>
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<td>778</td>
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<tr>
<td>6.21</td>
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<td>6.22</td>
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<td>817</td>
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</tbody>
</table>
AGENDA

1. Opening and Welcome

2. Attendance (as per attendance register)
   2.1 Members: Present
   2.2 Members: Absent with Leave
   2.3 Members: Absent Without Leave
   2.4 Other Councillors Present
   2.5 Officials Present
   2.6 Members of the Audit Committee Present
   2.7 Members of the Public Present

3. Noting of the Provisions of Code of Conduct for Councillors and Declaration of Interest
4. CONFIRMATION OF MINUTES

4.1 GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING : 3 APRIL 2019

RESOLVED

That the minutes of the Governance and Economic Development Committee meeting held on 3 April 2019, be accepted.
KNYSNA LOCAL MUNICIPALITY

MINUTES

of a meeting of the

GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

held in the Council Chamber on

Wednesday, 3 April 2019

at

9:00
1. Opening and Welcoming

The Chairperson welcomed Councillors, Directors, officials and members of the public to the meeting.

2. In Attendance:

2.1 Members Present

Cllr P Myers (MMC) Chairperson
Cllr E Bouw-Spies
Cllr L Tyokolo
Cllr C Croutz
Cllr T Matika

2.2 Members Absent with leave

None

2.3 Members Absent without leave

None

2.4. Other Councillors Present

Cllr M Matiwane
Cllr M Naki
Cllr S Ngqesu
Cllr D Pofadder
Cllr M Salaze
Cllr M Skosana
Cllr N Tsengwa
Cllr E van Aswegen

2.5 Officials Present

Vatala, S Municipal Manager
Makoma, P Director: Corporate Services
Memani, M Director: Financial Services
Boyce, M Director: Planning and Development
Hariparsad, P Director: Technical Services
Phillips, E Acting Director: Community Services and Manager: IDP
Bezuidenhout, C Manager: Communications and Customer Relations
Kalani, J Manager: Public Participation
Phillips, L Manager: Human Resources
Van Niekerk, P Manager: LED
McCartney, W Manager: Performance, Internal Audit and Risk Management
Vumazonke, S Coordinator: Public Participation
Kalawe, C Communication Officer
Botha, M Legal Services Advisor
Hobson, B Executive Assistant
2.6. Members of the Audit Committee Present:

Barrell, R

2.7. Members of the Public Present

As per attendance register.

3. Noting of the Provisions of Code of Conduct for Councillors and Declaration of Interest

RESOLVED

That the provisions of the Code of Conduct for Councillors, be noted.

4. CONFIRMATION OF MINUTES

4.1 GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING : 6 FEBRUARY 2019

RESOLVED

That the minutes of the Governance and Economic Development Committee meeting held on 6 February 2019, be noted.

Body break from 09:35 until 09:50

Body break from 09:55 until 10:01

That it be noted that Cllr P Myers accepted the request to add Cllr E van Aswegen as a member of the committee.

Cllr Tyokolo stepped out at 10:28

Cllr Tyokolo returned at 10:30

ANC Caucus from 10:35 until 10:43

Cllr P Myers rescinded his decision to add Cllr E van Aswegen as Committee Member and requested the meeting to continue (Rule 18).

After consulting with the Committee Members it was decided to recommend all items to the Mayoral Committee Meeting to be held on 16 May 2019.
5. **MATTERS ARISING FROM THE MINUTES (EXECUTION LIST)**

**RECOMMENDED**

That the matters arising from the minutes of scheduled meetings held on 20 November 2017, 8 February 2018, 9 October 2018 and 6 February 2019, be noted.

File Number : 9/1/2/9  
Execution : Director : Corporate Services  
Acting Manager : Administration

6. **MATTERS SUBMITTED BY THE MUNICIPAL MANAGER**

**G01/04/19 WESGRO PROGRESS REPORT ON TOURISM FUNCTION DELIVERY WITHIN THE GREATER KNYSNA MUNICIPAL AREA**

**UNANIMOUSLY RECOMMENDED**

[a] That WESGRO’s progress report and presentation on achievement of deliverables aligned to the scope of services in the SLA, be noted; and

[b] That the submission of WESGRO’s business plan, implementation plan and performance agreement as required by the SLA, be noted and approved.

File Number : 9/1/2/13  
Execution : Director : Planning and Development  
Manager : Economic Development

**G02/04/19 REPORT ON HUMAN RESOURCES MATTERS FOR QUARTER 3 OF 2018/2019 FINANCIAL YEAR**

**UNANIMOUSLY RECOMMENDED**


File Number : 9/1/2/9  
Execution : Acting Municipal Manager  
Director : Corporate Services  
Manager : Human Resources

**G03/04/19 QUARTERLY REPORT ON LEGAL MATTERS : QUARTER 3 OF 2018/2019**

**UNANIMOUSLY RECOMMENDED**

That the Quarterly Report on the Status of Legal Matters for the period January to March 2019, be noted.

File Number : 9/1/2/9  
Execution : Director : Corporate Services  
Manager : Legal Services
UNANIMOUSLY RECOMMENDED

That the report on the Community Development Workers for January and February 2019, be accepted.

File Number : 9/1/2/14
Execution : Acting Municipal Manager
            Director : Corporate Services
            Manager : Public Participation

G05/04/19   PUBLIC PARTICIPATION BI-MONTHLY REPORT : COMMUNITY WORKS PROGRAMME – QUARTER 3 OF 2018/19

UNANIMOUSLY RECOMMENDED

That the Public Participation Report on the Community Works Programme for Quarter 3 of 2018/19, be accepted.

File Number : 9/1/2/14
Execution : Acting Municipal Manager
            Director : Corporate Services
            Manager : Public Participation

G06/04/19   CUSTOMER RELATIONS REPORT

UNANIMOUSLY RECOMMENDED

That the report with regard to Customer Relations for the period 1 to 28 February 2019, be noted.

File Number: 9/1/2/14
Execution: Acting Municipal Manager
         Manager : Communications and Customer Relations

G07/04/19   ECONOMIC DEVELOPMENT DEPARTMENT MONTHLY REPORT

UNANIMOUSLY RECOMMENDED

That the monthly reports of the Economic Development Department for January and February 2019, be noted.

File Number: 9/1/2/13
Execution: Director : Planning and Development
           Manager : Economic Development
G08/04/19 RISK MANAGEMENT REPORT: QUARTER 3 OF 2018/19

UNANIMOUSLY RECOMMENDED

That the Risk Management Report for the period January to March 2019, be noted.

File Number: 9/1/2/14
Execution: Acting Municipal Manager
Manager: Performance, Internal Audit and Risk Management

G09/04/19 PROGRESS REPORT OF THE SOUTH CAPE ECONOMIC PARTNERSHIP (SCEP)

UNANIMOUSLY RECOMMENDED

That the Progress Report of the South Cape Economic Partnership (SCEP), be noted.

File Number: 9/1/2/13
Execution: Director: Planning and Development
Manager: Economic Development

G10/04/19 REPORT ON INFORMAL TRADING

UNANIMOUSLY RECOMMENDED

[a] That the report on informal trading and proposed interventions to address challenges related to law enforcement and facility management, be noted; and

[b] That the inputs made in relation to the future use of the African Craft market property, be noted.

File Number: 9/1/2/13
Execution: Director: Planning and Development
Manager: Economic Development

G11/04/19 REPORT ON CONTAINER PARK

UNANIMOUSLY RECOMMENDED

[a] That the report on the Container Park, be noted; and

[b] That a request for proposals (RFP) process has been initiated to solicit bids from the private sector to test the market feasibility and site selection options based on proposals submitted, be noted.

File Number: 9/1/2/13
Execution: Director: Planning and Development
Manager: Economic Development
REPORT BACK ON THE APPLICATION FOR A LEASE AGREEMENT OF
ERF 1342 CORNER OF LONG STREET AND WATERFRONT DRIVE,
KNYSNA

UNANIMOUSLY RECOMMENDED

[a] That the report and annexures regarding the report back on the request for a lease agreement for Erf 1342 Corner of Long Street and Waterfront be noted;

[b] That in terms of Section 34(1)(b) of the Asset Transfer Regulations the Municipal Council approve, in principle that the right to use, control or manage the relevant portion of Erf 1342, Knysna may be granted;

[c] That in terms of sub-regulation 34(3)(b) of the Asset Transfer Regulations, 2008, the following must be noted;
   I) The reason for a long term lease (9 years) is that the prospect bidders need to recapitalize on any improvements intended and needed to perform their duties to the best of their ability;
   II) The expected benefits to the municipality is that Council’s assets would be maintained and improved and a market related rental would be received;
   III) The expected proceeds to be received by the municipality, is the payment of monthly rental, services and rates charges;
   IV) There is no expected loss that will be incurred by the municipality arising from the long term letting of the building situated on a portion of Erf 1342, Knysna.

[d] That in terms of Section 36 of the Asset Transfer Regulations 2008, the following is noted:
   • The Building situated on a portion of Erf 1342, Knysna will not be required for the municipality’s own use during the period for which the right is to be granted;
   • The monthly rental should be a rental not less than the market related rental to be determined by the Municipal Valuer. It is the intention that the successful bidder be responsible for the improvement to the capital asset after which, at the end of the lease period, such improvements will become the sole property of the Knysna Municipality;
   • All the risks and rewards associated with the use, control or management of the capital asset, will be for the successful bidder with whom a lease agreement must be entered into in terms of regulation 45 of the Asset Transfer Regulations;
   • No public participation process needs to be done regarding the proposed granting of the right as the value of the capital asset, in respect of which the proposed right is to be granted is not in excess of R10 million. Hence no comments or representations, written views and recommendations on the proposed granting of the right received from the local community and other interested person’s needs to be considered;
   • The proposed granting of the right is not affecting any organ of state, the municipality’s own strategic, legal and economic
interests and the interests of the local community in a negative way; and

- The application is tabled before the Municipal Council for compliance with the legislative regime applicable to the proposed granting of the right. The leasing of the building situated on a portion of Erf 1342, Knysna should be advertised for request for proposal for the lease and development for a period of 9 years in terms of the Municipal Supply Chain Management Regulations and Knysna Municipal Supply Chain Management Policy.

[e] That a Call for Proposals for the granting of rights to use, control or manage the building, for a period of 9 years, be advertised;

[f] That the Municipal Manager be authorised to enter into a long-term lease agreement with the successful bidder, for the letting of the building situated on a portion of Erf 1342, Knysna for the period of 9 years.

File Number: 7/2/1/2
Execution: Acting Municipal Manager
Director: Corporate Services
Manager: Administration

G13/04/19 SDBIP 18/19 : QUARTERLY PERFORMANCE REPORT – JANUARY TO MARCH 2019 : CORPORATE SERVICES DIRECTORATE

UNANIMOUSLY RECOMMENDED

That the Directorate: Corporate Services SDBIP 18/19: Quarterly Performance Report for January to March 2019, be noted.

File Number: 9/1/2/9
Execution: Director: Corporate Services
Manager: PIARM

7. In committee Items (See separate agenda)

8. Closure

The Chairperson thanked everyone and the meeting concluded at 10:50.

Approved

Chairperson : Cllr P Myers

Date

-oOo-
5. **EXECUTION LISTS**

**EXECUTION LIST : 6 FEBRUARY 2019 UNTIL 3 APRIL 2019**

6 FEBRUARY 2019

**G06/02/19  RISK MANAGEMENT STATUS REPORT**

<table>
<thead>
<tr>
<th>RESOLUTIONS TO BE ACTIONED</th>
<th>OFFICIAL(S)</th>
<th>STATUS OF EXECUTION</th>
<th>DUE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>[b] That in future the Risk Management Status Report be submitted to each Portfolio Committee with the relevant information per Directorate.</td>
<td>MM M : PIARM</td>
<td>The report is sent to each Directorate.</td>
<td></td>
</tr>
</tbody>
</table>

**RECOMMENDED**

That the matters arising from the minutes of scheduled meeting held on 6 February 2019, be accepted.
6. **MATTERS SUBMITTED BY THE MUNICIPAL MANAGER**

6.1

| G01/08/19 | WESGRO PROGRESS REPORT ON TOURISM FUNCTION DELIVERY WITHIN THE GREATER KNYSNA MUNICIPAL AREA |

**REPORT FROM THE DIRECTOR : PLANNING AND DEVELOPMENT**

**PURPOSE OF THE REPORT**

The purpose of this item is to introduce WESGRO to present their progress report, business plan and implementation plan as required by the Service Level Agreement that was entered into on 23 October 2018 between Knysna Municipality and WESGRO, in accordance with Council Resolution C09/08/18.

**Previous resolutions**

Ordinary Council meeting 13 August 2018:

| C09/08/18 | TOURISM MANDATE AND FUNCTIONS |

**RESOLVED BY MAJORITY**

[e] That an intergovernmental contract in terms of the Local Tourism responsibilities as per Schedule 4 Part B of the South African Constitution be negotiated and entered into with WESGRO to carry out the functions of Local Tourism on behalf of the municipality, while the Sections 76 and 78 investigations as per the Local Government: Municipal Systems Act, 2000 and the current organisation reviews take place;

File Number : 8/1  
Execution : Acting Municipal Manager

**BACKGROUND**

Council resolved to enter into a Service Level Agreement with Wesgro to carry out the functions of local tourism on behalf of the Municipality. An agreement was entered into between Wesgro and the Knysna Municipality on 23rd October 2018. A copy of the SLA was included in the Finance and Governance Section 80 Committee meeting agenda of 6th February 2019.

**DISCUSSION**

In accordance with the provisions of the SLA, the WESGRO report on the deliverables that are due in the third quarter are hereby submitted. The report is attached hereto as **Annexure A**. In addition the business plan, implementation plan and performance agreement are attached as **Annexure B** and **Annexure C** for approval.
FINANCIAL IMPLICATIONS

The estimated expenditure for delivery of the function for the contract period is:

Year 1: R4 million incl. VAT paid as R1 million per quarter;
Year 2: R4.4 million incl. VAT paid as R1.1 million per quarter;
Year 3: R4.84 million incl. VAT paid as R1.21 million per quarter.

RELEVANT LEGISLATION

Constitution of the Republic of South Africa Section 155 (6) (a) and (7) Schedule 4 Part B.

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That WESGRO’s progress report and presentation on achievement of deliverables aligned to the scope of services in the SLA, be noted; and

[b] That the submission of WESGRO’s business plan, implementation plan and performance agreement as required by the SLA be noted and approved.

APPENDIX / ADDENDUM

Annexure A: WESGRO Progress Report
Annexure B: Business Plan
Annexure C: Implementation Plan and Performance Agreement

File Number: 9/1/2/13
Execution: Director: Planning and Development
Manager: Economic Development
## STRATEGY & MARKETING IMPLEMENTATION & PERFORMANCE AGREEMENT

### STRATEGY 1: PROMOTE THE GREATER KNYSNA AREA

<table>
<thead>
<tr>
<th>Agency</th>
<th>In place by August 2019, then ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Creative Agency</td>
<td></td>
</tr>
<tr>
<td>Select Agency</td>
<td></td>
</tr>
<tr>
<td>Marketing Campaign</td>
<td></td>
</tr>
<tr>
<td>Campaign Buy In</td>
<td></td>
</tr>
<tr>
<td>Development of White Label for industry to use</td>
<td></td>
</tr>
<tr>
<td>Look and Feel for Greater Knysna area</td>
<td></td>
</tr>
</tbody>
</table>

**Social Media:**
- Development of content calendar (esp focusing on niches)
- Ongoing
- Development of content:
  - When applicable

**Editorials:**
- Leverage of content creator for articles:
  - Ongoing

**Media Releases:**
- Alternative weekly media releases (with Wesgro)
  - Ffortnightly

**Printed Collateral:**
- Local maps
  - Ongoing supply
- Promotional maps, including electronic version
  - Ongoing supply
- Pull up banners (double sided, experiential base)
  - Ongoing

**Radio Campaigns:**
- Radio Advertising (re-positioning & niche focussed)
  - Seasonal
- Live events (event awareness & competitions)
  - Ongoing

### STRATEGY 2: IMPROVE THE ATTRACTIVENESS OF THE GREATER KNYSNA AREA

<table>
<thead>
<tr>
<th>TSI</th>
<th>3 year contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSI Information collection &amp; reports</td>
<td></td>
</tr>
</tbody>
</table>

**Information Centre(s):**
- Managed Visitor Information Centre
  - Ongoing
- Living Local trails - Contract Renewal
  - Signed: until 39 Feb 2020
  - With KM LED & Parks
  - Non compliant
  - In place: May 2019
- Parking safety for visitors
  - Ongoing
- Better signage to direct visitors to offices
  - Ongoing
- RFP Sedgefield, including appointment
  - Ongoing
- Sedgefield Signage costing
  - Ongoing, from May 2019
- Sedgefield Tourism Office
  - Ongoing
- Bookings and referrals
  - Ongoing
- Research
  - Ongoing

### STRATEGY 3: TRADE & CONSUMER PARTNERHIPS

**Media and trade hostings**
- Ongoing: min 2/year

**Quarterly stakeholder engagements**
- Mar / June / Oct / Feb

**Stakeholder Committee meeting**
- Mar / June / Oct / Feb

**Newsletters**
- Ongoing: Fortnightly

**Trade shows - options:**
- *Meetings Africa*
  - February 2019
- *WTM Africa*
  - April 2019
- *Intuza Durban*
  - May 2019
- *Pre- and post-show hosting: familiarisation trips*
  - Opportunity: min 6 p/a
- *ITB Germany*
  - 2020
- *WTM London & SAT UK & Ireland roadshow*
  - Minimum 1 per year
- *Nordic Road Show*
### Governance and Economic Development Committee Meeting Agenda

1 August 2019

#### Consumer Shows - Options:
- * Vaal bikini (including day 1 - trade)*
- * Getaway Johannesburg*
- * Getaway Cape Town or alternative*  
  2020

#### Memberships:
- * SATSA Garden Route*  
  Annual
- * Knysna Business Forum (NPC)*  
  Ongoing engagement
- * Knysna Accommodation Association (KAA)*  
  Ongoing engagement
- * Regional & Local Tourism Organisations*  
  Ongoing engagement
- * SKAL*  
  To be considered

#### Strategy 4: Event Marketing

<table>
<thead>
<tr>
<th>Town / Community Events</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calendar</td>
<td></td>
</tr>
<tr>
<td>Signage boards: rotational</td>
<td></td>
</tr>
<tr>
<td>Radio advertising (Event awareness)</td>
<td></td>
</tr>
</tbody>
</table>

- **Knysna Oyster Festival: 2019**
  - Concept
  - Marketing proposal to Exec Mayor for funding
  - Community engagement
  - Committee: co-ordinating role only
  - Role out of marketing plan (Funding dependant) Promotions & funding via Wesgro

#### Strategy 5: Business Tourism

<table>
<thead>
<tr>
<th>Meeting planners guide (digital)</th>
<th>May 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit of facilities / venues: collect</td>
<td></td>
</tr>
<tr>
<td>Pre- and post-show hosting: familiarisation trips</td>
<td>1 per year, incentive focus</td>
</tr>
<tr>
<td>Encourage local business forum (NPC): networking</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Advocacy / Networking / Lobbying</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

#### Strategy 6: Social & Digital Media

<table>
<thead>
<tr>
<th>Website:</th>
<th>Functional from October 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP for new website</td>
<td></td>
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<tr>
<td>Award RFP</td>
<td></td>
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<tr>
<td>New website development &amp; content population</td>
<td></td>
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<tr>
<td>Content calendar</td>
<td></td>
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<tr>
<td>Digital marketing plan</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Media:</th>
<th>Ongoing, from June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop social media campaign</td>
<td></td>
</tr>
<tr>
<td>Implement</td>
<td></td>
</tr>
<tr>
<td>Influencer invitations &amp; hosting opportunities</td>
<td>Opportunity, min 6 p.a.</td>
</tr>
</tbody>
</table>
VISIT KNYNSA
A division of Wesgro

As per Service Level Agreement with Knysna Municipality
1 November 2018 – 31 October 2021

STRATEGIC FRAMEWORK / BUSINESS PLAN

Incorporating
- Stakeholder Engagement & Research inputs
  - Marketing Strategies:
    including tactics, metrics & implementation plans
- Implementation Timelines
  - Budget
EXECUTIVE SUMMARY

Due to the lack of information available on tourism in general for the Greater Knysna area, both the Local Economic Development Department and Grant Thornton (on behalf of Knysna Tourism Association) undertook foundational consumer and industry research in the form of questionnaires during 2017 and 2018.

The outcome of these two reports is that the Greater Knysna area has a stronger appeal to the international market (top markets are United Kingdom, Germany, Netherlands) compared to the domestic market over the high season. The international market is only staying about 2 – 3 nights (short stays) and are predominately first time visitors, travelling with a tour group.

Domestic numbers are higher in the winter season around July, driven by attendance to the collection of events held during the Knysna Oyster Festival. The majority of visitors are from the Western Cape, stay approximately 6 nights and view the Greater Knysna area as their regular holiday spot.

Challenges highlighted by both markets are the high cost of flights to George Airport, driving distance from Cape Town and Gauteng to the area is far for short stays / weekend getaways, and the perception of it being an expensive destination with little to do.

The Greater Knysna area also suffered a heavy blow in June 2017 with the fires that ripped through Knysna and Plettenberg Bay. The fires resulted in the loss of seven lives, over 1 000 homes destroyed, with insurance companies estimating damages were between R3 billion and R4 billion.

Although much has been done to rebuild Knysna and ensure visitors know that we are open for business, there are still some concerns regarding the state of the Greater Knysna area after the fires from international visitors.

Our challenge is clear, we need to refocus our marketing spend and invest more in marketing opportunities, in partnership with the tourism industry, towards showcasing the great natural beauty and vast array of unique experiences across the Greater Knysna area.

This approach ensures geographic spread across the area, attracts more visitors during the shoulder season, helps increase the independent traveller market and find new domestic tourism opportunities.

On organised and inclusive tourism industry at a local level that is supportive and collaborative will be the quickest route to ensuring return on investment. An increase in tourism arrivals, spend and geographic spread across the area will benefit businesses, create jobs and create opportunities for all.

The big shift for Visit Knysna will be the conversion into an organisation that understands and is adaptable to being a demand led organisation. This means each person in the organisation understands who their audience is, what their consumer journey is and how to assist trade in converting them.

Due to the lack of existing facilities to host large international conferences, our focus for the three years of this SLA will be on to grow incentive travel and corporate meetings.
WHAT DO WE WISH TO ACHIEVE?

THE BIG PICTURE SUCCESS

The big-picture success for tourism has been sketched out in the Knysna Municipality Destination Report, they are:

- Improve the attractiveness of the Greater Knysna area
- Improve arrival numbers

RESEARCH HIGHLIGHTS

The following documents were reviewed and used for input into the research. Highlights are listed below.

Skift 2019 Megatrends

Knysna Municipality Destination Report Tourism Infographics – international visitors

Knysna Municipality Destination Report Tourism Infographics – domestic visitors

Knysna and Partners Marketing Plan 1718

Steering Committee Branding Workshop – December 2018

SKIFT 2019 MEGATREND REPORT

The annual Skift Megatrend report is one of the most referenced and used trend reports in the tourism industry. Built by a highly skilled and relevant team of researchers and writers, it gives us as Destination Marketing Organisations (DMOs) a good insight into the future of travel and assists us in finding the opportunities. Below are the highlights that are most applicable to this strategy.

Trend 1: Giving travellers more control over their experience

- Travellers are weary of commodity travel and want a more active role in curating their experiences
- Digital platforms (e.g. Airbnb Experiences, TripAdvisor and Google) are seamlessly integrating into this consumer need
- Emergence of co-creation and collaboration between the travel company and the traveller has become the most impactful change the industry has seen
- Enabling travellers to choose, instead of pushing them offers and deals they don’t want will soon become the new norm for smart travel brands
- Build a platform that serves by locals and travellers, locals also eat at restaurants and crave unique local experiences to do
- This change will also flatten the ecosystem, allowing smaller service providers of experiences to compete against larger businesses
- Consumers value convenience and affordability above all else
Trend 2: Under tourism

- As under tourism enters the industry’s collective consciousness, offbeat destinations or those with new stories to tell are marketing immersive experiences that build relationships with people, places, culture, and community over Instagram-worthy photos ops and mass touring.
- More destinations are cultivating their “orange economy” (the orange economy includes all creative industries such as arts and culture) in neighbourhoods beyond the fabled tourist districts.

Trend 3: Wellness is the new hook in travel marketing

- It used to be food that created the buzz that lured travellers to all sorts of destinations. Now, wellness is taking over as travellers seek out healthier, more active vacations. Food is still the draw, of course, but it better satisfy a wellness craving as well.
- To take advantage of this momentum, smart destinations have begun prioritising wellness in their messaging, luring tourists who want to escape otherwise stressful lives or further their quest toward inner peace.
- If marketed in a strategic way, wellness can draw people away from beyond-crowed cities and into more tranquil, less-touristy locals that could use the economic boost.

Knysna Municipality Destination Report – international visitors

- When researching a destination, TripAdvisor, Bookings.com and the travel agent were the top three sources of information.
- Reasons for travelling included to appreciate natural resources, sight see, relax physically and spend time with family.
- When in destination, main activities were scenic drives, nature activities, adventure and going to the beach (please note that shopping and restaurants also featured but they form part of everyday usual activities).
- Top source markets are: United Kingdom, Germany and Netherlands.
- Age: 35 – 44 and travel predominately in pairs.

Knysna Municipality Destination Report – Domestic visitors

- When researching a destination, TripAdvisor and Booking.com were the top two sources of information.
- Reasons for travelling included getting away, to relax physically, sight see and spend time with family.
- When in destination, going to the beach, nature activities, adventure and scenic drives where the main activities (please note that shopping and restaurants also featured but they from part of everyday usual activities).
- Top source markets are: Western Cape, Gauteng and the Eastern Cape.
- Age ranges from 16 – 55 and travel either in pairs or tours predominately.

In summary, there are many similarities with regard to the international and domestic market, allowing us the opportunity to be more focused in terms of budget spend and messaging.
Knysna & Partners Marketing Plan 2017-18

- Tourism business is best from October – April
- Most international visitors come en-route to somewhere, resulting in short stays, around 2 days
- Domestic focus is in Easter, July and other school holidays
- 62% of visitors to Knysna are international with key source markets being the UK, Germany, Holland, Scandinavia and France
- 36% of domestic visitors came from Gauteng, 25% from Cape Town, 9% from the Eastern Cape and 8% from the Free State.

With Wesgro – Stakeholders & Steering Committee Branding Workshop – and of 2018

- The Greater Knysna area is not a cheap, bright lights town for the masses
- The Greater Knysna is about nature and protecting it, it’s about the community and uplifting it, It’s about adventure and family time all year round
- The Greater Knysna area is mysterious, seductive yet charming

BARRIER TO CONVERSION - DISCUSSIONS WITH STAKEHOLDERS, TRADE AND DOMESTIC CONSUMERS

Tourism trade feedback revealed that marketing to date had not highlighted the unique selling points of the Greater Knysna area. The experiential offering felt vanilla and the same was being offered by the majority of tour operators selling the Greater Knysna area.

To re-ignite interest and a reason to convert, domestic consumers felt that the area should run an attention grabbing campaign with a compelling and strong reason to buy. To date consumers felt that there had been very little marketing aimed at them.

Local stakeholders agreed that there had been a breakdown in the relationship between private and public sector and even various private sector players. There is a desperate need and appetite by many to start again and build a new relationship. This has resulted in external trade being confused and frustrated in working at a local level and certain parts of the Greater Knysna area feeling excluded. A new collaborative and inclusive approach would be beneficial to all parties and help grow local tourism.

Leveraging the urgency and excitement of events to help drive arrivals outside the traditional periods has not been exploited enough.
TARGET AUDIENCE

Places mean different things to different people. What a local might find charming about their hometown may be different to what a potential visitor finds an exciting reason to visit. This is a challenge that all DMOs face, regardless of what size their budget is. How does one create a marketing campaign that appeals to a diverse set of people?

One way is to find a common interest between a diverse set of people, an experience and the positive emotions that come from it, is the common ground. Visit Britain is an example of a destination that has done this very effectively with a single campaign that resonates both with potential visitors and citizens. It places the experience first, supported by the beautiful imagery of the environment.

To ensure our budget is not stretched too thinly by trying to target everyone in a large number of markets (internationally and domestically) we need to focus on travellers in markets with the highest opportunity to convert.

OUR TRAVEL PERSONAS

We have created three travel personas of the type of people who would find the Greater Knysna area attractive.

The Memory Makers

<table>
<thead>
<tr>
<th>Memory Makers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Families and couples</td>
</tr>
<tr>
<td>2 years old to 52 years old (travelling party)</td>
</tr>
<tr>
<td>Booking and planning primarily done by the mother</td>
</tr>
<tr>
<td>Domestic and international market</td>
</tr>
</tbody>
</table>
Holidays are about making memories with family and friends. It's about filling the days with a balance of sun, fun and relaxation. Memory Makers like to be in familiar surroundings and if they love their holiday, they'll keep coming back to the same destination. They want a trip that is easy to plan, with anchor, yearly experiences such as hike up to the heads or lunch of fresh fish at the quay plus something new. Social media sharing is done by the kids mainly, the parents or older travellers are not hunting for the perfect Insta-post. Life is too much fun to worry about that. Word of mouth is one of the strongest influencers in terms of choosing a destination.

**The Ebullient Explorers**

The Ebullient Explorer is joyously unrestrained. Financially and time-wise they have the ability to change plans and explore last minute experiences. They enjoy affordable luxury and immersing themselves into the destination. They enjoy a mix of good food, active outdoor experiences and long lazy drinks at sunset. They don’t want to be with the masses or late nights in clubs. They like to plan and manage all the aspects of their trips. Magazines, online, word of mouth, social media and online are where they go for inspiration.

**The Road Trippers**

The Road Trippers are all about immersing themselves into as much as possible on their journey. The journey is the holiday, not the destination. They seek out anchor unique experiences along the route they go, searching social media and online to
find something unique and extraordinary. They don’t stay long, but they love to share incredible experiences with their friends all over the world. Planning is loose and last minute – but it will include as much as possible.

MARKETS

From all the data provided, it is clear that the following markets are the most favourable in terms of marketing:

United Kingdom

This market is historically the biggest international source market for the Western Cape, the Garden Route and the Greater Knysna area. The similarity in language, lifestyle and history makes it an easy market to convert. Target personas are the Ebullient Explorer and the Road Tripper. Due to certain economic conditions it has shown slow growth over the past year. There is a direct flight between Cape Town and Gatwick / Heathrow and there lies an opportunity to drive arrivals during the shoulder season. In terms of online searching and viewing on TripAdvisor for the Western Cape, the United Kingdom ranks highest. Our biggest short haul competitor is Spain and long haul is the United States.

Germany

This market is also a large source market for the Western Cape, Garden Route and Greater Knysna area. Target personas are the Ebullient Explorer and the Road Tripper. According to South African Tourism, this is a large market that is showing fast growth. There is a direct flight between Cape Town and Frankfurt / Munich. There is an opportunity to drive arrivals during the shoulder season. In terms of online searching and viewing on TripAdvisor for the Western Cape, Germany ranks second. The Germans, by nature, are very outdoorsy people and enjoy activities. Our biggest short haul competitor is Italy and long haul competitor is the United States.

The Netherlands

Although the Netherlands is only the 6th largest market for the Western Cape, it is the third largest market for the Garden Route and Greater Knysna area. Target personas are the Ebullient Explorer and the Road Tripper. There is a direct flight between Cape Town and Amsterdam. There is an opportunity to drive arrivals during our shoulder season. The Netherlands ranked 5th in terms of markets searching for the Western Cape on TripAdvisor. Our biggest short haul competitors is France and long haul is the United States.

South Africa

The biggest source of domestic tourists for the Greater Knysna area is the Western Cape, Gauteng and the Eastern Cape. The target personas are the Memory Makers and potentially the Ebullient Explorer who are choosing to rather do a staycation than travel overseas. Durban offers our market an alternative for a staycation.
SCHOOL HOLIDAYS, DRIVE TIMES AND AIR ACCESS PER MARKET

- Winter
- Summer
- Autumn
- Spring
- Summer

Scandinavia, France, Italy and the UAE also show great potential, but due to limited budget we are unable to put financial resources into these markets at present. We are however able to assist trade non-financially that go into these markets.

BARRIERS TO CONVERSION

The Greater Knysna area’s marketing starts to play an important role in the purchase funnel at the plan to seek info stage. The key barriers at this stage are the appeal of another destination or the cost to get there. The opportunity is to communicate a compelling message that resonates with the travel persona, articulates the convenience to get here (direct flights to Cape Town) and affordability (value and depth & breadth of experiences), all year round.
The challenge we do face with affordability is the high cost of flights from Cape Town International Airport and OR Tambo International Airport to George Airport.

THE DESTINATION – THE GREATER KNYSNA AREA

The Greater Knysna area is one of great natural beauty, with the estuary, known as the Knysna Lagoon to the locals, at its heart.

During the branding Steering Committee workshop, the Greater Knysna area was described as:

- Natural
- Premium
- Community-driven
- Connected to its marine life through the estuary and unique marine life
- A place for families
- A place for outdoor adventures
- Romantic
- Diverse in experiences and communities
- Full of history
- A year round destination with our Mediterranean climate

The area is made up of Karatara, Barrington, Buffelsbaai, Brenton, Rheenedal, Sedgefield, Noetzie and Knysna. Each of these towns have their own unique proposition, their own unique experience, their own tourism industry. To build the attractiveness of these areas, we need to help the potential visitor make sense of the geographic area, not by municipal borders but by other factors such as unique offering, primary attraction and potential travel patterns of visitor – as this is what will impact the purchase decision.
MAP OF THE GREATER KNYSNA AREA

Helping the potential visitor understand the geographic area of Greater Knysna

The following set of criteria has been developed by Destination Think! to help towns define what they stand for and what they offer. This methodology has worked successfully in other regional and local towns globally.

This approach helps DMOs define their area by experiences and assists potential visitors in understanding the geographic area not by borders but by experiences – the objective: getting them to stay longer, explore more and spend more.

UNPACKING THE TOWNS

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Definition</th>
<th>Value</th>
<th>Source of data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique identity</td>
<td>What makes this town unique compared to the other towns in the Greater Knysna area?</td>
<td>To create an experiential USP to help tell the story</td>
<td>industry workshops and surveys</td>
</tr>
<tr>
<td>Access point</td>
<td>How do people get there?</td>
<td>Marketing route development and signage</td>
<td>Google maps</td>
</tr>
<tr>
<td>Primary reason to visit / attraction</td>
<td>Each town should have an icon attraction or experience</td>
<td>Adds to the story been told</td>
<td>industry workshops and surveys</td>
</tr>
</tbody>
</table>
### Governance and Economic Development Committee Meeting

**AGENDA**

| Date       | 1 August 2019 |

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<table>
<thead>
<tr>
<th><strong>Main geographic feature</strong></th>
<th><strong>What makes the area unique geographically</strong></th>
<th><strong>Natural environment is key in the messaging</strong></th>
<th><strong>Industry workshops and surveys</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seasons to visit</strong></td>
<td><strong>Outside the high season, where do opportunities lie</strong></td>
<td><strong>Improve arrivals by offering out of high season options</strong></td>
<td><strong>Industry workshops and surveys</strong></td>
</tr>
<tr>
<td><strong>3 - 5 hour's drive</strong></td>
<td><strong>3 - 5 hours can equate to 4 night's stay</strong></td>
<td><strong>Create collaborations with towns 3 - 5 hour's drive away (growing the pie)</strong></td>
<td><strong>Google maps</strong></td>
</tr>
</tbody>
</table>

*Source: Destination Think!*

### What We Stand For

<table>
<thead>
<tr>
<th>Unique Identity</th>
<th>Access point</th>
<th>Primary attraction or experience</th>
<th>Main geographic feature</th>
<th>Season to visit (outside high season)</th>
<th>3 - 5 hour drive</th>
<th>Positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karatara &amp; Barrington</td>
<td>Forestry land</td>
<td>Seven Passes Road</td>
<td>Bike Park</td>
<td>Forestry</td>
<td>Shoulder and winter</td>
<td>Cape Town to Port Elizabeth</td>
</tr>
<tr>
<td>Buffelsbaai</td>
<td>Beach</td>
<td>N2</td>
<td>Blue Flag Family Beach</td>
<td>Walker Point</td>
<td>Shoulder and winter</td>
<td>Cape Town to Port Elizabeth</td>
</tr>
<tr>
<td>Brenton</td>
<td>Hiking</td>
<td>N2</td>
<td>Brenton Blue Butterfly Nature Reserve</td>
<td>Unique vegetation</td>
<td>Shoulder and winter</td>
<td>Cape Town to Port Elizabeth</td>
</tr>
<tr>
<td>Rheenendal</td>
<td>Outdoor hiking</td>
<td>Seven Passes Road</td>
<td>Krystna Elephants</td>
<td>Jubilee Creek</td>
<td>Shoulder and winter season</td>
<td>Cape Town to Port Elizabeth</td>
</tr>
<tr>
<td>Sedgefield</td>
<td>Slow town</td>
<td>N2</td>
<td>Organic market</td>
<td>Wild Oats Community Market</td>
<td>Shoulder and winter season</td>
<td>Cape Town to Port Elizabeth</td>
</tr>
<tr>
<td>Knysna</td>
<td>Estuary</td>
<td>N2</td>
<td>Estuary</td>
<td>Krystna Heads</td>
<td>Shoulder season and winter</td>
<td>Cape Town to Port Elizabeth</td>
</tr>
<tr>
<td>Noetzie</td>
<td>Castles</td>
<td>N2</td>
<td>Castles</td>
<td>Castles</td>
<td>Shoulder season and winter</td>
<td>Cape Town to Port Elizabeth</td>
</tr>
</tbody>
</table>

*Source: Visit Knysna Steering Committee Workshop, 2018*
EXPERIENTIAL POSITIONING MAP

By allowing the visitor to see the Greater Knysna area, not by town names but by experiences, it allows them to truly appreciate the experience one can have when you visit. From high octane outdoor adventures to the simple pleasure of sitting with locals sharing a drink in a local township or market. It happens naturally in Knysna.

Source: Wesgro, 2019

CREATIVE PLATFORM – WHAT MAKES US STAND OUT?

The value proposition below is not the consumer-facing message that will be put on collateral, but rather the creative platform upon which marketing will be developed.

Simple pleasures. Big adventures.
Naturally, in the Greater Knysna area

From this platform, the messaging will be “come to the Greater Knysna area and do something specific, be adventurous and make memories”.
MARKETING STRATEGIES AND IMPLEMENTATION TACTICS
(See also schedule of Implementation Timelines)

Strategy 1 : Project the Greater Knysna area

Purpose
To promote interest, consideration and preference to visit the Greater Knysna area

Tactics
Digital and social media marketing campaign aimed at travel personas
Message amplification through partnership with South African Tourism country offices
Message amplification through partnerships with local industry

Metrics
Direct & indirect (online surveys) engagement
Social Media "Shares"
Social Media "Likes"

Marketing Implementation Plan

- Put out an RFP for creative agencies to submit proposals: in order to develop a "look and feel" for the greater Knysna area
- Select creative agency
- Agency to conceptualise marketing campaign
- Campaign to be presented to municipality and industry for buy in
- Develop white label content and collateral for industry to use
- Run campaign via earned, paid and owned media
  - Include radio and social media campaigns: focusing on niches as listed below.

Request for Proposals / Quotations for creative agency

An RFQ will be put out in May 2019 for a contract with a creative agency. The requirement of the agency will be to develop brand look and feel, message and content. The content will need to be updated regularly and managed through a content calendar.

White label content and collateral

Visit Knysna will develop content (videos, imagery, copy) quarterly without any logos on it. The industry has the opportunity to use this content and collateral free of charge with their own logos, websites and contact details. Space will be created for businesses to add images of their establishments and special offers. The concept is the power of a single voice – we will make a bigger impact if we all go out with the same destination message.
Earned, paid and owned media

Website, Facebook and Instagram will be our primary channels of owned media. However to have an degree of effectiveness in terms of reach and engagement, financially resources will need to be allocated around boosting posts and running campaigns (refer to Strategy 6).

The writing and issuing of media releases will be done by the Wesgro Communications team, this shared resource approach takes pressure off the Visit Knysna budget and allow the team in office to focus on destination marketing.

Due to the high cost of traditional advertising and the change in model from outbound to inbound marketing, Visit Knysna will not look at placing traditional media unless joint marketing or media hosting opportunities are presented that show high return on investment and meet the metrics.

In time, do an updated video incorporating the Greater Knysna area.

Radio & Social Media Campaigns: an internal Content Calendar to be developed:

- Radio Campaigns:
  - KFM (reach: travellers, as well as Western Cape = largest domestic market: early morning and afternoon drive slots)
  - Algoa FM (reach: Local information, as well as “weekend away” visitors: general daily slots.)
    - Encourage opportunities for mobi-van/live crossings with radio station/business.
  1. Generic advert of activities, each “area” mentioned
    a. Take a Sunday drive on the Rheenanel Ramble: watch model aeroplane flying or a local game of cricket
    b. Head down to the beach in Sedgefield, Buffalo Bay / Buffelsbaai, Brenton on Sea or Noetzie
    c. Walk the streets of Knysna and Sedgefield and discover the local offerings, nooks & crannies. There’s something for everyone...
    d. Take a township tour and discover the hidden gems / treasures of the Greater Knysna region.
  2. Event happenings advert (i.e. what to do in Greater Knysna area during a specific time): Live reads’ ***

- ALL ending with www.VisitKnysna.co.za and refer people to our Events page on our website for further details.

- Seasonal Campaigns: e.g. Winter specials, directing visitors to our website for promotions on offer by our products (accommodation, activities, campaigns – e.g Bottomless Bubbles & Gnocchi evenings - and events)

- Competitions – products / radio station (could be time-specific e.g. Tourism Month, around an Event incl event entry, Mother’s / Father’s Day, etc).

Regular PR / Social media updates:

  - Educational / Hosting
    - Influencer weekends
  - Editorial: development of content, alternate weeks (also with Wesgro)
  - Blogs
  - Photographs & Videos
    - Experiences first (including labelling to all photos, etc), town names after: to be incorporated to all photographic material.
  - General content sharing / dissemination
GOVERNANCE AND ECONOMIC DEVELOPMENT

COMMITTEE MEETING

AGENDA

1 AUGUST 2019

- Stakeholders engagement: newsletters and meetings

Niche marketing: as per concept “Simple Pleasures, Big Adventures”

- Beach tourism
  - Sedgefield
    - Fishing, water sports,
  - Buffelsbaai
    - Blue Flag Beach - swimming, beach walk to Brenton-on-Sea
  - Brenton-on-Sea
    - Blue Flag Beach during Dec / Jan, beach walk to Buffelsbaai, Fishing
  - Noetzie

- Auto enthusiasts
  - Simola Hill Climb
  - Pezula “owner’s collection”
  - Car museum - on Main Road, Knysna
  - Sedgefield – owner’s collection
  - Motorbikers Mecca for getaways / breakfast runs

- Weddings
  - Honeymoons (packages)

- Self-drives / amble / discover the nooks & crannies
  - 7 Passes
  - The church in Belvidere

- Local engagement
  - Rotary Clubs
  - Model aeroplane club in Rheenendal (Sunday 08h00 – 13h00)
  - Club cricket on Sundays in Rheenendal, then lunch at “Totties”
  - Township tour
  - Buy Local, from the Local Loving shop within the Visit Knysna office
  - Sedgefield Saturday Market
  - Friday Market next to the Knysna Montessori School, Welbedacht
  - Lions Club of Sedgefield

- Active / Adventure
  - Paragliding (?) in Sedgefield
  - Hiking in the various forests
  - Mountain Biking: short trips or multi-day outings
  - Fishing (deep see ???)

- Golf
  - Pezula
  - Knysna Golf Club
  - Simola

- Unique tours: include list of local tourist guides.
  - Turbine Hotel’s power station plant
  - Oyster Tour
  - Rastafarian tour
  - Timber Tourism
- Brenton Butterfly (????)
  - 7 Passes
- Family
  - Mashie Golf at Blackwaters Lodge
  - Sandboarding or Kayaking in Brenton-on-Sea
  - Regular fairs & festivals: check the Visit Knysna’s calendar of events
  - Fishing spots (note: ensure relevant licences are in place)
  - Sedgefield Links – Mashie Golf
- Rainy Days
  - Maritime Museum at the Old Gaol, and other museums
  - Art Galleries
  - Township Tours
  - Knysna Elephant Park
- Cultural Tourism:
  - Township Tours
  - Rastafarian Village
  - Local experiences: Friday food market, Wild Oats Market,
  - Masithandane Mosaics
  - Schools visits - through K.I.L.T.
- Health & Wellness
  - Yoga Retreats
  - Hospitals: top quality
  - Specialists
  - Holistic wellbeing
- Cruise Tourism: Apparently the guests on the Cruise Liners just want to come to Knysna – bus trip (this from Mossel Bay at LTO meeting of 2019-02-28).

Office initiatives
- 24 hours in Knysna
- 24 hours in Sedgefield
- Walks / Hikes / Cycle routes
- Rainy days
- Unique Knysna
- Seasonal promotions / campaigns
Strategy 2: Improve the attractiveness of the Greater Knysna area

Purpose
To measure and manage online sentiment of the destination using big data. By tracking online sentiment we gain knowledge and understanding of how potential and existing travellers view the area through the online discussions, we can track issues especially relating to experiences (e.g. accommodation, activities, restaurants) and help diffuse negativity, we can track if our marketing is changing the narrative and other strategic issues that can be measured in real-time and managed.

Tactics
Tourism Sentiment Index (https://destinationthink.com/about-tsi/): with
Management of the Visit Information Centre and feedback from visitors
Visitor Experience Audit
Business & Tourism Forum / Chamber with the former Tourism NPC
Promotional material: maps, banners, etc

Metrics
KPIs
Benchmarking against competitors
Tourism asset performance
Visit Experience review and feedback to industry
Survey Monkey (t.b.d)

Implementation Plan
- Host event with Destination Think! to take industry through tool
- Set up KPIs for TSI
- Local surveys on Visitor Experience to present to Municipality and Industry with corrective measures and opportunities to improve visitor experience

Tourism Sentiment Index

In partnership with Wesgro and Destination Think! (also with Stellenbosch and Cape Town) we will be running a three year study (2018, 2019 and 2020). The study has three parts to it:

Category: Scan all online conversations happening around the world related to our area. The system looks at thousands of words and images, then classify them into tourism categories and experiences that are relevant to our strategy.
Quantity: The data is then classified into the content according to whether the sentiment is positive, neutral or negative. The Tourism Sentiment Score formula is applied to assess the area’s performance and compare it to a competitive set of destinations we as the DMO with our funding partners has selected. (Wesgro is funding 50% of this cost)

\[
\text{Formula} \quad [\text{+ %}] - [\text{+ %}] \times 100 = \text{Tourism Sentiment Score}\text{™}
\]

Report: The completed analysis results reveal how people feel about 50 different experiences and services. Wesgro and Visit Kynsna will then receive a turnkey report that summarizes all the data and builds on it with key insights and next steps. These reports will be shared with the industry in workshops and feedback sessions.

Visitor Experience Audit

By controlling the experience, you control the message. Visitors today are quick to jump onto social media to complain about an experience, and this impact's the sentiment and attractiveness of destinations.

By working with the industry to understanding how first time visitor perceive their experience, we can help willing businesses find low-cost effective ways to upgrade (if necessary) and improve market performance. These great experiences will also help manage the narrative that people are putting onto their social media platforms.

Visitor Information office, services to include

- Tourist engagement / interaction
  - Community service
  - Research / Surveys / Visitor experiences feedback and comment (incl stats from Sedgefield)
• Signage
• Loving Local – crafts
• Safety & Security
  o Office location (and rental)
• Reservations
• Centralised database

Business “Forum” Engagement

Engage with the business sector to assist with / drive a continued improvement and management of the Greater Knysna area, whilst with them, identifying partnerships for strategic opportunity / interventions (e.g. walking / cycling tour signage around the towns, directing the walking / cycling tourist to attractions : these could be assisted-funded by private partnership e.g. Discovery Heath = Vitality or an Energy Drink brand, etc)

Promotional materials :

• Local Map / brochure (dated)
  o What to see / do when you’re in the Greater Knysna area
• Promotional Map / brochures (dated)
  o Activity driven, to attract visitors to the Greater Knysna area.
• Pull-up banners : focussing on the main “locations of the greater Knysna area”

Research : Survey Monkey

• Improved statistics
  •
Strategy 3  :  Trade partnerships

Purpose
To develop a trusting and effectively partnership with the local industry and assist in creating marketing opportunities for them.

Tactics
- Produce set of white label marketing tools that they can brand and use.
- Do joint media and trade hosting, using a common "thread" to promote (e.g. Visit Knysna ‘flag’ to each stand, uniform shirt, etc).
- Hold quarterly stakeholder engagements and workshops.
- Provide maps.
- Provide market and data insights.
- Create platforms at trade and road shows.
- Assist with the Tourism Ambassador Training Programme in partnership with SKAL.
- Update stakeholder database.
- Visit Knysna Partnership Services Programme / Opportunities.
  (We will not have a Membership programme as, because we are funded by the KM for the promotion of the Greater Knysna area, we can exclude: we have to be all inclusive in our promotional actions)

Networking & Lobbying

Metrics
- Uptake of white label marketing collateral.
- Support of trade and media hosting.
- Attendance to engagements and workshops.
- Partnership sign up: operators and DMC’s.

Implementation Plan
- Trade & Consumer Show attendance / participation: promote to tour operators, industry representatives, etc.
  Possible options to be considered, with our stakeholders:
  - WTM Africa
  - Indaba
    - On the above, it needs to be taken into consideration that the District Municipality do book stand space to which product can apply. Their stand space is offered cheaper than that has been offered by Wesgro to our products. Greater Knysna area products will thus invariably choose to go on the District stand rather than on the Wesgro: this needs to be considered.....
  - From LTO Meeting of 2019-02-28, Mossel Bay says “stand not successful for them. Only do Speed Marketing workshop presentation, through SATSA application. Direct presentation to operators: works best. Product should be on stand.”
  - We do not believe Meetings Africa is a necessary platform at which to be represented by Visit Knysna: Post Meetings Africa 2019: Internationals incentives are only 6 days in/out SA, therefore too far. Possibly only Domestic Association or Corporate Incentives only.
  - International Shows: with South African Tourism (- proposed below is based on comment from our product owners of where their guests are coming from):
    - German = ITB (possibly with Wesgro)
    - Nordic Road Show
- Vakantiebeurs (Netherlands): Day 1 = trade, Days 2 – 5 = consumer.
  - This is / can possibly be linked to the SAT Dutch Road Show, post event.
  - For consideration:
    - South America
    - America – “On Show Solutions” = trade road show
    - China and or India (road) shows

- Consumer Shows: including the promotion of the niche markets, as referred to in Strategy 1.
  - Getaway Shows x 2: Johannesburg & Cape Town (Somerset West)
  - Round Robin Workshops e.g. Travel Marketing Experts – Michelle, Travel People – Louise
  - Bridal Fairs (especially honeymoon packages)
  - The above all need to be in conjunction with product: encouraged to all be in a similar location within the promotional area.

- Mall Shows: At LTC meeting of 2019-02-28, suggestion was to do a collective Mall Expo, with radio ads & competitions.

- Develop itineraries that support the marketing campaign and share with inbound operators

- Partner at exhibitions and shows, utilising a “common thread” to identify all relevant Greater Knysna role-players (e.g. flag to each stand, uniform shirts, etc)

- Partner with SATSA Garden Route to host a Mega Fam to launch marketing campaign and new positioning (based off the 2018 MegaFam held)

- Set up stakeholder engagement and workshop calendar and share with industry
  - Quarterly stakeholder engagements

- Host stakeholder engagements and workshops

- Develop baseline research and build onto annually to track visitor value to the Greater Knysna area

- Update stakeholder database

- Develop and implement a Visit Knysna Services Programme, utilising opportunities whenever they arise

- Supply marketing materials: maps, brochures, etc
Strategy 4 : Event Marketing

Purpose
To leverage the urgency and experience of local events to help drive awareness and attractiveness of the Greater Knysna area.

Tactics
Knysna Oyster Festival
Other local festivals
  • Events Calendar : Priority
New infrastructure for the event boards at the entrance to the town
Management of printing, application and removal of event signage on event board
Social media marketing
Due to high cost of new infrastructure, Visit Knysna will not be able to provide financial event support during Year 1

Metrics
Visitor numbers through survey / event participation
Feedback from accommodation establishment : reservations

Implementation Plan
Knysna Oyster Festival :
  ▪ Host small industry workshops to discuss Knysna Oyster Festival
  ▪ Present strategic and creative approach to stakeholders for buy in
    • Invite activity proposals from the greater community : A Community Affair (not Corporate Fair !!!!)
    • Collate offerings
    • Promote offerings : Website & Social media
      o To community
      o To visitors (i.e. those coming to do the Cycle and / or Marathon)
      o Downloadable calendar of the offerings

Put out an RFP for new signage board
Erect new signage boards
Manage signage boards
Set up content calendar and run social media around events in the Greater Knysna area :
  IMPORTANT : Focus will not only be on the Knysna Oyster Festival week, but ALL events coming to town : as Visit Knysna, we need to (be seen to) promote them all !!!
  The calendar must be expanded to incorporate all events being hosted in the Greater Knysna area, including regular local activities. This will encourage "movement" of people to "check out what's on offer, locally" / a local experience.
  Identify potential opportunity to link local sporting events to international sporting events in CT - and promote these through these events and to tour operators (ambush marketing ;-) !!) : e.g.
    • Host a shorter distance road race (10 / 15 km) the weekend after the 2 Oceans Marathon
    • Host a shorter cycle race after the CT Cycle Tour
  Radio station : Mcbi-van @ events : live engagement and crossings.

Events may apply to Wesgro for financial support.
Strategy 5 : Business Tourism

Purpose
To leverage the high spend of the meetings, incentive, conferences and exhibitions market. Due to limitations of venue facilities, focus will be on the incentive (including wellness) and corporate markets.

Tactics
- Development and marketing of a digital Meeting Planners guide to showcase venues and facilities
- Dedicated web page on Visit Knysna website
- Development and marketing of a digital Incentive Planners guide with itinerary ideas to showcase accommodation and experiences
- Pre and post show hosting
- Advocacy and networking to promote the Greater Knysna area as a business tourism destination
- Attendance at Meetings Africa

Metrics
- Feedback from facilities on demand / reservations

Implementation Plan
- Audit of all venues in the Greater Knysna area
- Content development of all venues in the Greater Knysna area
- Leverage the Visitor Experience audit for Incentive Guide, develop content: incentive focus / “free activity” options, need to be our focus (see the Niche offerings in Strategy 1)
- Attend Meetings Africa: 2019
- Organise two trips per year to Port Elizabeth, East London and Gauteng for possible corporate meetings

Meetings Africa

Meetings Africa is the premium Business Tourism Trade Show in Africa, hosted by South African Tourism in Johannesburg (https://www.meetingsafrica.co.za) on the 26th and 27th February 2019. Visit Knysna has the opportunity to join Wesgro as a roaming exhibitor to meet local corporative executives who are booking business travel and travel agents that specialise in incentive, business and conference travel, in-house event co-ordinators and incentive houses.

Post Meetings Africa 2019: “Incentives” offering – focusing on domestic corporate & associations (medical industry, Retail, etc)

Digital Meeting Planners and Incentive Guide

Will feature all products relevant and market ready for corporate meetings and incentives on a dedicated website page on Visit Knysna. This will also be shared with the Cape Town & Western Cape Convention Bureau team (unit within Wesgro) and the National Convention Bureau (unit within South African Tourism).
Strategy 6 : Social media and digital

Purpose
To rebuild and stack all digital and social media platforms for the Greater Knysna area into a single platform ensuring consistent brand message and visual identity.

Metrics
Social Media “Likes”
Social Media “Followers”
Social Media Engagement / Interaction
Social Media “Shares”

Implementation Plan
- Put out a RFP to rebuild Website and align with social media platforms
- Rebuild website
  - Website address to every form of collateral
  - Drive traffic to website
  - Events calendar / links
  - Electronic map (downloadable)
  - “Expedia Specials” offering: possible partnerships.
  - Sponsored advertising
  - Commissions for reservations
- Develop CRM email capabilities aimed at trade and consumer, including disclaimer, unsubscribe
- Weekly news reports / press releases, through Wesgro Media Manager (content by Wednesdays)
- Newsletter to products / regular communication.
  - Template (including pictures of the Greater Knysna area, listing experience + location)
- Run a blog using influencers and ambassadors of the region
- Promote through social media and customer engagement
- Develop and implement content calendar for all social media platforms
- Develop and implement digital marketing plan
- Ensure Search Engine Optimisation
Strategy 7: Crisis management plan

Purpose
Through Knysna Municipality’s Disaster Management office, set up a crisis management communication plan in the event of a disaster.

Tactics
Communication plan

Tactics
- Crisis communication plan
  Include, a disclaimer excluding Visit Knysna from any claims associated to recommendations / suggestions for activities, reservations made on behalf of the tourist, etc. (Possibly also, a sign inside the Visit Knysna tourism office)
# IMPLEMENTATION TIMELINES

## STRATEGY & MARKETING IMPLEMENTATION & PERFORMANCE AGREEMENT

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<tr>
<td>* WTM London &amp; SATUK Ireland roadshow</td>
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<tr>
<td>* Nordic Travel Show</td>
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<td><strong>May 2019</strong></td>
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</tr>
</tbody>
</table>
| **OPPORTUNITY: MINIMUM 1 PER YEAR**

*Updated 31 May 2019*
## STRATEGY & MARKETING IMPLEMENTATION & PERFORMANCE AGREEMENT

**IMPLEMENTATION & PERFORMANCE**

<table>
<thead>
<tr>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>PERFORMANCE</th>
</tr>
</thead>
</table>

### Consumer shows - options:
- * Valianta Beers (including day 1 trades)
- * Getaway Johannesburg
- * Getaway Cape Town or alternative

### Memberships:
- SATSA Garden Route
- Greater Khayna Business Forum (NFC)
- Khayna Accommodation Association (KAA)
- Regional & Local Tourism Organisations
- SKAL

### STRATEGY 4: EVENT MARKETING

#### Town / Community Events:
- Ongoing
- Calendar
- Signage boards: rotational
- Radio advertising: Event awareness

#### Khayna Oyster Festival: 2019
- Concept: for End June 2019
- Marketing proposal to Exec Mayor for funding: Funding via Wesgro / S'A
- Community engagement: Ongoing
- Committee co-ordinating role only: Ongoing
- Role out of marketing plan (funding dependent): Ongoing

### STRATEGY 5: BUSINESS TOURISM

#### Meeting planners’ guide [digital]
- Audit of facilities / venues / cultures: May 2019
- Pre- and post-show hosting: familiarisation trips: Ongoing
- Encourage local business forums (LBF): networking: Ongoing
- Advocacy / Networking / Lobbying: Ongoing

### STRATEGY 6: SOCIAL & DIGITAL MEDIA

#### Website:
- Website: Functional from October 2019
- Award RFP
- New website development & content population
- Content calendar
- Digital marketing plan

#### Social Media:
- Develop social media campaign: Ongoing, from June 2019
- Implement
- Influencer invitations & hosting opportunities: opportunity, min 6 p.a.
At present the only funding received by Visit Knysna is the R4m grant funding from Knysna Municipality. As part of the strategy, the agency considered membership, but it was agreed that primary function of Visit Knysna is the promotion of the Greater Knysna area and should be inclusive of all beneficiaries of tourism. Therefore a decision was taken at the initial stakeholders engagement that no membership fee would be charged. However, in time, commissions would be charged for reservations made. Also, collaborative marketing opportunities and/or potential corporate sponsorships would be investigated to assist in raising additional funding for marketing purposes only. No additional funding raised will be used to cover staff and opex costs.

In our first year, we are required to invest spend into a new website, new brand and marketing collateral, new event signage outdoor billboard, new computers and new office equipment. This will impact funding available for event marketing in the first year. As part of Wesgro, certain costs relating to HR, finance and administration can be carried by the agency on behalf of Visit Knysna.

The budgets for years 1 and 2 have been adjusted (as at May 2019) from the initial budgeting (that was initially discussed with stakeholders) as per the table below and the anticipated allocations are as follows, allowing for a much greater spend on marketing functions:

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>TOTAL PER SLA PAYMENTS :</td>
<td>R 2 000 000,00</td>
<td>R 4 200 000,00</td>
<td>R 4 020 000,00</td>
<td>R 4 200 000,00</td>
</tr>
<tr>
<td>EXPENSES :</td>
<td>SLA Yt 1</td>
<td>SLA Yt 1/2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational - Staff Costs</td>
<td>50% R 1 000 000,00</td>
<td>R 2 145 000,00</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Operational Expenditure - other incl. capital</td>
<td></td>
<td>R 211 016,15</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Strat 1: Promote the Greater Knysna Area</td>
<td>3.5% R 70 000,00</td>
<td>R 718 000,00</td>
<td>17.5%</td>
<td></td>
</tr>
<tr>
<td>Strat 2: Attractiveness of Greater Knysna</td>
<td>4% R 80 000,00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strat 3: Trade &amp; Consumer partners</td>
<td>2.5% R 50 000,00</td>
<td>R 502 000,00</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Strat 4: Event Marketing, incl 2019 only KOF</td>
<td>15% R 760 000,00</td>
<td>R 333 980,85</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Strat 5: Business Tourism Marketing</td>
<td>2.5% R 50 000,00</td>
<td>R 50 000,00</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Strat 6: Social Media &amp; Digital Marketing</td>
<td>2.5% R 50 000,00</td>
<td>R 520 000,00</td>
<td>12.7% incl website</td>
<td></td>
</tr>
<tr>
<td>Strat 7: Crisis Management Plan</td>
<td>0 R</td>
<td></td>
<td>R</td>
<td></td>
</tr>
<tr>
<td>TOTAL Proposed Operational &amp; Marketing</td>
<td>R 2 000 000,00</td>
<td>R 4 200 000,00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Knysna Municipality Section 80 Report

Governance & Economic Development

Meeting date: 5 June 2019

Reporting period:
13 March – 10 May 2019

(Report submitted to KM Economic Development: 13 May 2019)
ADMINISTRATION:

OFFICE:

Safety & Security:

There have been a number of tourist vehicle break-ins in the car park on Tourism Lane, behind the Tourism Office. This has been brought to the attention of the KM LED department manager who has advised that he will address the issue with the KM Law Enforcement directorate.

A number of the windows and all the exterior doors do not have security barriers. It was agreed with the LED Manager that the Visit Knysna GM is to communicate in writing to the KM properties division to request their attention thereto.

The other issue of concern is the impact of situations of unrest that happened recently within the municipal area, most specifically affecting the N2: this impacts the travel of tourists and adds to their already high concern of their safety.

Municipal Account:

There has been a query of the municipal services account of 40 Main Road. Visit Knysna has been engaging with the relevant municipal services department: this issue is still ongoing.

Sedgefield Office / RFP:

Two submissions were received as per the Request for Proposals (RFP) for the Sedgefield Office. On initial closure, neither of these applications had complied with their documentation. A request to both parties, requesting the outstanding documentation. By the said date, neither could supply the requested outstanding documentation. Therefore, the RFP was unsuccessful.

Wesgro head office is currently investigating further options to provide a feasible service offering that could be beneficial to the Greater Knysna area, as well as Sedgefield.

STAFF:

Visit Knysna’s temporary staff contracts which were scheduled to end on 30 April were extended until 31 May 2019 to allow sufficient advertising and appointment time for the long-term recruiting process, as per the SLA, “positions required based on the functional areas required, having the necessary skills and experience as required by their respective professions, trades and callings and taking into account their roles and responsibilities in relation to the services”. Subsequently 4 positions were advertised by Wesgro and due process by their HR department was followed:

1. Tourism Information Officer
2. Administration (office), HR and Bookkeeper Coordinator
3. Website & Social Media Coordinator, Marketing and Information Assistant
4. Media, Content Writing, Design and Social Media Specialist

The first three positions have been filled, positions 1 and 3 being new staff members to Visit Knysna. The new contracts, valid until the end of the SLA period (dependent on a probation period), will commence at the beginning of June 2019. Position 4 was not filled as we did not find a suitable candidate/within the affordable salary range. In the meantime, we will contract this portfolio until the end of August 2019, giving us time to re-advertise the position to find the right person for the job.
FRENCH INTERN / EXPERIENTIAL LEARNING STUDENT

On 10 April, we welcomed Margaux Dichtel to our office. She is an experiential training student of the “Business & Marketing” Department at the IUT of Nice Sophia Antipolis, a French university that hosts up to 26 000 students. She will assist in our office until the 5th June 2019. She, and other colleagues who are currently placed at Pam Golding Properties, Knysna Log Inn, the Protea Hotel Knysna Quays, Knysna Fine Art and the Sports Centre, will be great ambassadors for us when they return home.

STAKEHOLDERS

Business Forum (former Tourism) Non Profit Company (NPC) :

We are working closely with the community as they strive to set up the proposed Greater Knysna Business Forum. This is an initiative that has received much support to establish from the Visit Knysna office as we believe that, in conjunction with the existing Knysna Accommodation Association (KAA), the 3 entities can be a strong force in the promotion of the Greater Knysna area, both from a marketing and destination management perspective.

Knysna Accommodation Association (KAA) :

Attended the KAA Special General Meeting. We will continue to work closely with this organization who continues to do good work with the smaller tourism accommodation establishments and associated products.

Visit Knysna - Newsletters :

Bimonthly newsletters have been shared with our stakeholders. These incorporate update on industry and Visit Knysna happenings.

We have also shared newsworthy items on behalf of our stakeholders, including :

- PLIM - Netherlands Senior Experts presentation at and on behalf of Belvidere Manor
- Knysna Accommodation Association Newsletter
- Garden Route Career Exhibition – Port of Mossel Bay – 26 July 2019
- Memorial service of tourist guide, Peggy Dlephu : to be held at Visit Knysna information and promotion office.

Engagements (meetings) :

The next stakeholder’s engagement is scheduled to take place on Monday, 3 June 2019. Our guest speaker will be Hannell Slabber, South African Tourism’s Regional General Manager for the Middle East, Asia and Oceania.

ADVISORY BOARD

As reported at the March stakeholders meeting, positions to the Visit Knysna Advisory Board (Steering Committee) would be allocated as follows :

- 1 x Knysna Municipality (Manager, LED)
- 1 x Wesgro (CMO)
- 1 x Visit Knysna (GM)
• 2 x (KT) NPC Appointed: Martin Hansson & Elmay Bouwer
• 2 x Community members Requests for nominations to be advertised
  o An Call for Nominations advert was placed on 4 April 2019 in the Knysna Plett Herald as well as shared with the stakeholders for their distribution.
  o On closure, no nominations had been received from the community.
  o Considerations will be further discussed at the first official Advisory Board meeting which is scheduled to take place in June, before the next Stakeholders Engagement.

MARKETING STRATEGIES:

1. Promote the Greater Knysna area

Marketing Creative

Due to the current budget being realigned to be spent on the collation and promotion of the Knysna Oyster Festival (as per details later in this report), a request for quotations will commence after the first Advisory Committee meeting, when ideas that have been proposed are discussed.

Digital & Social Media Campaign

Following the receipt of a marketing creative campaign, a media, social- and digital-media will be drafted and rolled out.

Radio Campaigns

Live read radio campaigns will roll out from May 2019 on AlgoaFM and KFM, our two major target audiences. The main focus of these campaigns will be on the promotion of local events: there are things to do in the Greater Knysna area.

These will, in time, be backed-up by Seasonal and Niche promotion campaigns.

2. Improve the Attractiveness of the Greater Knysna area

Tourism Sentiment Index

We have supplied our target details and inputs into this programme. This is a 3-year study programme to garner input into the travelers perspective of the Greater Knysna area.

Information office:

<table>
<thead>
<tr>
<th>MARCH 2019 Walk-in no's</th>
<th>Country of origin (as per signed book)</th>
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<tbody>
<tr>
<td>45</td>
<td>Germany</td>
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<tr>
<td>7</td>
<td>England</td>
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<tr>
<td>4</td>
<td>British</td>
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<tr>
<td>41</td>
<td>South Africa</td>
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<td>4</td>
<td>Holland</td>
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<td>7</td>
<td>France</td>
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<td>2</td>
<td>Luxembourg</td>
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<td>2</td>
<td>Brazil</td>
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<tr>
<td>Walk-in no's</td>
<td>Country of origin</td>
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<tr>
<td>12</td>
<td>Australia</td>
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<tr>
<td>5</td>
<td>Belgium</td>
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<td>3</td>
<td>China</td>
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<td>2</td>
<td>Denmark</td>
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<tr>
<td>14</td>
<td>France</td>
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<tr>
<td>44</td>
<td>Germany</td>
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<td>4</td>
<td>Holland / Netherlands</td>
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<td>4</td>
<td>India</td>
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<td>2</td>
<td>Indonesia</td>
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<td>23</td>
<td>Italy</td>
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<td>9</td>
<td>Spain</td>
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<td>Sweden</td>
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<td>6</td>
<td>Switzerland</td>
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<td>45</td>
<td>UK</td>
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<tr>
<td>2</td>
<td>SA Free State</td>
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<tr>
<td>17</td>
<td>SA Gauteng</td>
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<tr>
<td>2</td>
<td>SA Northern Cape</td>
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<tr>
<td>24</td>
<td>SA Western Cape</td>
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<tr>
<td>6</td>
<td>SA Eastern Cape</td>
</tr>
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<td>234</td>
<td>TOTAL</td>
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Promotional Material:

We are in the process of reprinting new maps as stocks are nearing depletion. These are continuously updated and improved at each re-run. All collateral from our office will, in future, include an “edition date” in order to be able to identify the latest edition of these reprints.

Furthermore, we are currently in the process of securing light-board maps to the sign outside the Visit Knysna information office. This will be lit at night for ease of location reference.

3. Trade Partnerships

World Travel Market (WTM) Africa:

We had a wonderful representation of the Greater Knysna area products at this year’s WTM Africa hosted from 10\textsuperscript{th} – 12\textsuperscript{th} April at the CT ICC in Cape Town, at least 24 of us present. All our exhibitors reported great interest in our offerings and in the Garden Route as a whole.

What made it more exciting is that, through Wesgro, we had booked a media presentation session. Pre-WTM we called a meeting of all our attendees to brainstorm ideas of collaboration. It was agreed to make a combined generic video presentation, with footage freely supplied by our committed
products. The response to the supply thereof was phenomenal and a special word of thanks must go to Alfred Lor, Evelyn Pepler and Jorika Brink who gave of their time and sat behind the scenes to assist in the collation of it all into a wonderful video.

Unfortunately, we did not have a good turnout at the presentation, but the most exciting outcome is that we now have a 12 minute presentation, by our people, to market our destination to operators: a tool that is going to be so worth it in the end. As one of the operators commented on seeing the footage “Oh, we did not know that the Greater Knysna area had so many activities to offer!”

All our exhibitors proudly wore our show-specifically made “Visit Knysna” wooden brooch badges and also displayed our “Visit Knysna” table display stands at each booth, even though we were all scattered around the exhibition venue. The attitude was positive and the collaborative team effort exciting. Visit Knysna exhibited on Wesgro’s “Cape Town and Western Cape” stand, in conjunction with other LTO’s and RTO’s.

Africa Travel Indaba:

This annual trade show took place from 2 - 4 May 2019 (- the dates being changed this year due to the national and provincial election date being set for 8 May, which would have fallen over the originally scheduled dates). Although we only had a small representation of Greater Knysna products exhibiting at this show, there was still as much interest in our region. Visit Knysna, again on Wesgro’s Western Cape stand, was afforded many opportunities to collaborate with the Wesgro Trade & Leisure marketing staff, including (when meeting schedules allowed) being introduced to most of the South African Tourism (SAT) international offices representatives: this due to the SLA between the Knysna Municipality and Wesgro.

Post-Indaba, we hosted 5 travel agents to an educational trip to the Greater Knysna area:

<table>
<thead>
<tr>
<th>Name</th>
<th>Surname</th>
<th>Job Title</th>
<th>Company</th>
<th>Country</th>
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</thead>
<tbody>
<tr>
<td>Rosie</td>
<td>Parsons</td>
<td>Sales Consultant</td>
<td>2by2holidays</td>
<td>UK</td>
</tr>
<tr>
<td>Paul</td>
<td>Cohen</td>
<td>Partner</td>
<td>International Experiences</td>
<td>USA</td>
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<tr>
<td>Keith</td>
<td>Francis</td>
<td>CEC &amp; Event Coordinator</td>
<td>Arete Events Services</td>
<td>USA</td>
</tr>
<tr>
<td>Morten</td>
<td>Andersen</td>
<td>Managing Director</td>
<td>Production Travel</td>
<td>Denmark</td>
</tr>
<tr>
<td>Murat</td>
<td>Samir</td>
<td>Senior Product Manager</td>
<td>Suntrips</td>
<td>Germany</td>
</tr>
</tbody>
</table>

Educational / Familiarisation (Fam) Trips:

We are already in discussion with Wesgro and a number of the LTO’s to host tour operator and travel agency staff ‘familiarisation trips’ to the Greater Knysna area. By hosting these activities, it gives great opportunity for exposure to our area which in turn leads to our destination being included in tour and travel packages.

We have identified these, with media educational / hostings, to be a major part of our anticipated destination marketing strategy.

Regional Tourism Organisation (RTO) Meeting:

A very successful RTO meeting, organized by Wesgro’s Trade & Leisure Department, was held in Knysna. In total, 44 attendees were present, these included representatives of the various Western Cape Local Tourism Organisations (LTO’s), DEDAT, SATSA, SAT, etc. The event included a dinner at Bazala at the Waterfront where Cllr Myers, the new Municipal Manager, Dr Vatala and the Manager
LED, Petrus van Niekerk, joined us for the evening: their presence and the opportunity to introduce them to other staff members of the Wesgro team was much appreciated.

**LTO Meetings:**

Due to a clash of dates with the Indi-Atlantic Coastal Route presentation, the GM could not attend the last meeting that took place on 30 April 2019.

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**4. Event Marketing**

As a major component of the marketing strategy is the promotion of all local events: promotion through various mediums:

**Events Calendar:**

We are endeavouring to ensure that our awareness of event offerings and then collation onto the office’s events calendar is a priority. Events play an important role in our awareness and offerings campaigns. The website calendar is continuously updated.

It is the intention that, once we have developed the much-needed new website for Visit Knysna, that we will be able to tie in our “events calendar” with the template of the Knysna Municipality’s platform that was developed. For now, this will be an ongoing intention.

**Signage:**

The event boards at both entrances to Knysna are undergoing a revamp and will have clip-frame signage installed. Events will be continuously updated. The intention is to copy this system in Sedgefield.

**Radio Campaigns:**

Live read radio campaigns will roll out from May 2019 on AlgoaFM and KFM, our two major target audiences. The main focus of these campaigns will be on the promotion of local events to our neighbouring regions, encouraging interest and offerings in our area.

**Social Media:**

As we develop our social media, our local event promotion will play a huge role in our push. This will be an ongoing promotional process.

**Knysna Oyster Festival (KOF) - 2019**

See “Finance: KOF promotion”, at the end of the report, for details as to the budget allocation.

Further to discussions with the Knysna community and Municipality, Wesgro committed the Visit Knysna office to free up budget in this financial year in order to facilitate the promotion of the festival and to act as collators of the KOF activities. The KOF is scheduled to take place between 21 and 30 June 2019: the date being early this year due to the earlier school holidays. Visit Knysna office communicated with the community and local event organisers, encouraging them to coordinate the offerings. This is an ongoing action until the event. Visit Knysna, with design assistance from Wesgro Head Office, will design the offerings into a programme form - electronic and print. The anticipated promotion platforms are as follows:

- New logo concept and design
• Sourcing and ownership of the website URL’s: www.KnysnaOysterFestival.co.za and www.OysterFestival.co.za, including social media platforms.
• Updating of the above
• Media, Social and Digital media promotion
  o Sarie
  o True Love
  o Weg!
  o Men’s Health
  o Women’s Health
  o AlgoaFM
• Radio promotions:
  o AlgoaFM
  o KFM
• Billboards: which will display the calendar
  o Knysna
  o Sedgefield
• Street pole posters
• Programme*
  o Digital
  o Print (including distribution)

5. **Business Tourism**

**Adventure Research Conference 2021**

With Wesgro’s Convention Bureau Division, and again due to our SLA with the Knysna Municipality, Visit Knysna recently had opportunity to submit content on the Greater Knysna area for their bid to host the above conference. We submitted 6 pages of content to assist in collating the bid document: this included information on options for conference venues, accommodation, activities – with a major focus on adventure, eateries, transport services as well as supporting services (e.g. medical, airport accessibility, additional infrastructure, etc).

A decision on the winning venue is anticipated in June 2019.

**CT ICC Client Open Day**

The Cape Town & Western Cape Convention Bureau was requested by the Cape Town International Convention Centre (CTICC) to present the destination as part of a client open day event on the 7th May 2019. The attendees for this event included local professional conference organizers and corporate meeting planners and provided an excellent opportunity to showcase the destination to these clients.

Again, due to the SLA between Wesgro and the Knysna Municipality, we were given opportunity to promote our destination through the provision of product vouchers. These were supplied by Emzini Tours, the Knysna Elephant Park, Knysna Charters and Scootours.

6. **Social & Digital Media**

As per the Creative Campaign report above, due to the current budget being realigned to be spent on the collation and promotion of the Knysna Oyster Festival (as per detail in this report), a request for quotations will commence once the creative concept proposals have been received and a decision on the “look and feel” have been agreed upon.
We will then initiate the development of a much-needed new website structure for Visit Knysna. Platforms for promotion will be built into this, including database management, calendar promotion, reservations and commissions, etc.

**FINANCE:**

Invoicing schedule: Wesgro to Knysna Municipality

<table>
<thead>
<tr>
<th>SLA Contract Period / Yr</th>
<th>Nov-Dec-Jan</th>
<th>Feb-Mar-Apr</th>
<th>May-Jun-Jul</th>
<th>Aug-Sep-Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Nov 2018 – 31 Oct 2019</td>
<td>R1 000 000</td>
<td>R1 000 000</td>
<td>R1 000 000</td>
<td>R1 000 000</td>
</tr>
<tr>
<td>1 Nov 2019 – 31 Oct 2020</td>
<td>R1 100 000</td>
<td>R1 100 000</td>
<td>R1 100 000</td>
<td>R1 100 000</td>
</tr>
<tr>
<td>1 Nov 2020 – 31 Oct 2021</td>
<td>R1 210 000</td>
<td>R1 1210 000</td>
<td>R1 210 000</td>
<td>R1 210 000</td>
</tr>
</tbody>
</table>

This has been communicated to all affected personnel within the Knysna Municipality and Wesgro.

**Knysna Oyster Festival (KOF) budget**

In meetings with representatives of the Knysna Municipality, Visit Knysna was requested to identify and release funding to collate, market and promote the Knysna Oyster Festival, scheduled to take place from 21 to 30 June 2019. As the KOF had previously been a contracted function funded by sponsorship monies, it was left wanting. Due to initiating the start and set up of the Visit Knysna office under Wesgro and then documentation to be drafted in order to conform to the SLA, marketing and promotion (the core functions of the office as per the SLA) had been delayed. This allowed for the release of budget of an amount of up to R700 000.00 (that had been flagged for the creative platform and new website structure development) has been allocated towards this function.

*See “Strategy 4: Event Marketing” for additional details*

**SCM : Registration of Local Service Providers**

We are trying to educate our stakeholders on registering on the National and Western Cape Supplier Databases in order for us to procure services locally. Further challenge is the lack of registration of SMME’s to the SCM database, hence our option to procure such services. Wesgro CEO, Tim Harris, has set up a meeting with the Department of the Premier’s finance/supply chain team for the first week of June to see how they are streamlining their procurement processes to try and assist us.

**Budget:**

See documentation below. This budget shown in based on the initial documentation supplied to the Knysna Stakeholders and Knysna Municipality in the Draft Brand, Marketing & Budgeting Strategies that were submitted.

The budget allocations will in all probability adjust once we have had an Advisory Board meeting; this will take place in early June 2019.
## VISIT KNYSNA - Budgeting

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1: 6 months</th>
<th>YEAR 1 / 2:</th>
<th>YEAR 2 / 3: 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Nov 18 - 30 Apr 19</strong></td>
<td><strong>R 2 000 000,00</strong></td>
<td><strong>R 4 200 000,00</strong></td>
<td><strong>R 4 620 000,00</strong></td>
</tr>
<tr>
<td><strong>TOTAL PER SLA PAYMENTS / PROPOSED BUDGET:</strong></td>
<td><strong>R 2 000 000,00</strong></td>
<td><strong>R 4 200 000,00</strong></td>
<td><strong>R 4 620 000,00</strong></td>
</tr>
</tbody>
</table>

### EXPENSES:

- **Operational Expenditure, 2018/19 incl capital**
  - 50% **R 1 000 000,00**
  - 52.28% **R 2 195 760,00**
  - 50%

- **Strat 1: Awareness marketing**
  - 3.5% **R 70 000,00**
  - 27.65% **R 1 136 100,00**
  - 27.5%

- **Strat 2: Attractiveness**
  - 4% **R 80 000,00**
  - 0.43% **R 18 900,00**
  - 0.42%

- **Strat 3: Trade & Consumer partners**
  - 2.5% **R 50 000,00**
  - 4.77% **R 200 340,00**
  - 5.21%

- **Strat 4: Event Marketing, incl 2019 only KOF**
  - 35% **R 700 000,00**
  - 4.77% **R 260 340,00**
  - 5.2%

- **Strat 5: Business Tourism Marketing**
  - 2.5% **R 50 000,00**
  - 2.5% **R 105 000,00**
  - 4.17%

- **Strat 6: Social Media & Digital Marketing**
  - 2.5% **R 50 000,00**
  - 8.18% **R 343 560,00**
  - 7.5%

- **Strat 7: Crisis Management Plan**
  - 0 **R -**
  - 0 **R -**
  - 0

### TOTAL Proposed Operational & Marketing

- **R 2 000 000,00**
- **R 4 200 000,00**

As at 13 May 2019
6.2

REPORT FROM THE DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To report to the Committee on the Corporate Services SDBIP Quarterly Performance Report for April to June 2019.

FINANCIAL IMPLICATIONS

MTREF Operational budget – 2018\2019

RECOMMENDATION OF THE MUNICIPAL MANAGER

That the Corporate Services SDBIP Quarterly Performance Report for the period April 2019 to June 2019, be noted.

APPENDIX / ADDENDUM


File Number : 9/1/2/8
Execution : Director : Corporate Services
Manager : Human Resources
## Corporate Services SDBIP – Quarterly Performance Report:

**Period: April to June 2019**

<table>
<thead>
<tr>
<th>INDICATOR CODE</th>
<th>OBJECTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>D34</td>
<td>To structure and manage the municipal administration to ensure efficient service delivery</td>
</tr>
<tr>
<td>D35</td>
<td>Effective implementation of disciplinary procedures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI</th>
<th>Unit of Measurement</th>
<th>ANNUAL TARGET</th>
<th>QUARTER 4 TARGET</th>
<th>ACHIEVED</th>
<th>NOT ACHIEVED</th>
<th>EXPLANATION</th>
<th>REASONS FOR NON-ACHIEVEMENT</th>
<th>REMEDIAL ACTION</th>
<th>CUSTODIAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Employment Equity and/or Section 80 Meetings held (agenda and/or minutes of the relevant committee)</td>
<td>4 Employment Equity and/or Section 80 Meetings held</td>
<td>1 Employment Equity and/or Section 80 Meeting held</td>
<td>Not Achieved</td>
<td>Reporting format to Section 80 Committee was amended. Employment Equity Monitoring Committee was scheduled but there was no quorum to proceed with the meeting.</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: HR</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of the Section 80 meetings where the disciplinary procedures were tabled</td>
<td>4 Section 80 meetings where the disciplinary procedures were tabled</td>
<td>1 Section 80 meeting where the disciplinary procedures were tabled</td>
<td>Not achieved</td>
<td>The report of Disciplinary procedures will be tabled at the next Section 80 Committee</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: HR</td>
<td></td>
</tr>
</tbody>
</table>
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
1 AUGUST 2019

CORPORATE SERVICES SDIP – QUARTERLY PERFORMANCE REPORT:

PERIOD: APRIL TO JUNE 2019

<table>
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<tr>
<th>INDICATOR CODE</th>
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<th>KPI</th>
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<th>ANNUAL TARGET</th>
<th>QUARTER-4 TARGET</th>
<th>ACHIEVED/NOT ACHIEVED</th>
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<th>REASONS FOR NON ACHIEVEMENT</th>
<th>REMEDIAL ACTION</th>
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<tbody>
<tr>
<td>D36</td>
<td>Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan (EEP)</td>
<td>System approved EEP versus actual employment figures at 30 June</td>
<td>1 EE Plan</td>
<td>Not applicable in Quarter 4</td>
<td>Achieved</td>
<td>Copy of email was sent to Top Management Team that includes Employment Equity report on the 14 June 2019.</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: HR</td>
<td></td>
</tr>
</tbody>
</table>

were tabbed
scheduled for August 2019.
### CORPORATE SERVICES SDIP – QUARTERLY PERFORMANCE REPORT:

**PERIOD: APRIL TO JUNE 2019**

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<tr>
<td>D37</td>
<td>To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication</td>
<td>Percentage budget spent on implementation of Workplace Skill Plan (WSP)</td>
<td>Percentage of budget spent on training in support of the WSP</td>
<td>80%</td>
<td>Not applicable in Quarter 4</td>
<td>71% Not Achieved</td>
<td>[71% of the Training budget was spent for the financial year. Total expenditure: R 1 518 782.61 / Total budget: R 2 144 000 * 100% = 71%]</td>
<td>The Supply Chain Management process hampered the advertisement for training interventions.</td>
<td>During the new financial year, we will ensure that the SCM process is done well in advance, to mitigate the delay</td>
<td>Manager: HR</td>
</tr>
<tr>
<td>D38</td>
<td></td>
<td>Local Labour Forum (LLF)</td>
<td>Hold a minimum of four Local Labour Forum (LLF) meetings</td>
<td>4 LLF meetings held</td>
<td>1 LLF meeting held</td>
<td>Achieved</td>
<td>3 LLF Meetings held in April, May and June 2019.</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: HR</td>
</tr>
</tbody>
</table>
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
1 AUGUST 2019

CORPORATE SERVICES SDBIP – QUARTERLY PERFORMANCE REPORT:
PERIOD: APRIL TO JUNE 2019

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Achieved</th>
<th>Written, verbal, electronic mail and in meetings of Council and its committees</th>
<th>N/A</th>
<th>N/A</th>
<th>Manager: Legal Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>D39</td>
<td>To structure and manage the municipal administration to ensure efficient service delivery</td>
<td>Provide legal opinion in respect of inputs on:</td>
<td>Percentage of legal opinions finalised within 7 working days</td>
<td>90% of legal opinions finalised within 7 working days</td>
<td>90% of legal opinions finalised within 7 working days</td>
<td>Achieved</td>
<td>17 contracts drafted, edited or perused for the period April to 30 June 2019</td>
<td>N/A</td>
</tr>
<tr>
<td>D40</td>
<td>Draft, peruse, edit and provide input on all contracts</td>
<td>Percentage of contracts reviewed or drafted within 7 working days</td>
<td>100% of contracts reviewed or drafted within 7 days</td>
<td>100% of contracts reviewed or drafted within 7 days</td>
<td>Achieved</td>
<td>17 contracts drafted, edited or perused for the period April to 30 June 2019</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>D41</td>
<td>Administer all appeals and objections received against the Tender Awarding process</td>
<td>Percentage of appeals and objections dealt with within 7 working days</td>
<td>90% of appeals and objections dealt with within 7 working days</td>
<td>90% of appeals and objections dealt with within 7 working days</td>
<td>Achieved</td>
<td>A total of 4 appeals received and reports submitted to AAM for final decision making</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Manager: Legal Services
## GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

### AGENDA

1 AUGUST 2019

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### CORPORATE SERVICES SDBIP – QUARTERLY PERFORMANCE REPORT:

**PERIOD:** APRIL TO JUNE 2019

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<tbody>
<tr>
<td>D42</td>
<td>Submit signed sales agreements to Conveyancers to effect transfers</td>
<td>Percentage of signed sales agreements submitted</td>
<td>50% of signed sales agreements submitted</td>
<td>50% of signed sales agreements submitted</td>
<td>Achieved</td>
<td>68 reviewed sale agreements and all were forwarded to conveyancer. 140 Title Deeds received</td>
<td>N/A</td>
<td>N/A</td>
<td>Manager: Legal Services</td>
<td></td>
</tr>
<tr>
<td>D43</td>
<td>To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication</td>
<td>By-laws</td>
<td>Review and submit three By-laws to Council for consideration</td>
<td>Three (3) By-laws to Council for consideration</td>
<td>No target set for Q4 but Achieved</td>
<td>There was no target for this quarter. Although three by-laws were reviewed and promulgated</td>
<td>N/A</td>
<td>N/A</td>
<td>Manager: Legal Services</td>
<td></td>
</tr>
</tbody>
</table>
### CORPORATE SERVICES SDBIP – QUARTERLY PERFORMANCE REPORT:

**PERIOD:** APRIL TO JUNE 2019

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<th>EXPLANATION</th>
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</tr>
</thead>
<tbody>
<tr>
<td>D44</td>
<td>Ensure the Committee support service functions effectively in terms of the distribution of the approved minutes of the MPAC Committee meetings held</td>
<td>Percentage of minutes distributed with 10 working days after the meeting</td>
<td>90% of minutes distributed with 10 working days after the meeting</td>
<td>Achieved</td>
<td>All minutes distributed.</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Administration</td>
</tr>
</tbody>
</table>
## Corporate Services SDHPP – Quarterly Performance Report:

**Period:** April to June 2019

<table>
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<tr>
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<th>Annual Target</th>
<th>Quarter 4 Target</th>
<th>Achieved/Not Achieved</th>
<th>Explanation</th>
<th>Reasons for Non-Achievement</th>
<th>Remedial Action</th>
<th>Custodian</th>
</tr>
</thead>
<tbody>
<tr>
<td>D45</td>
<td>Submit the Draft Annual Report (AR) to Council for Community involvement feedback</td>
<td>Draft AR submitted to Council by January 2019</td>
<td>Draft AR submitted to Council by January 2019</td>
<td>Completed in Quarter 3</td>
<td>Achieved in Quarter 3</td>
<td>The AR draft 17/18 was submitted to the Municipal Council on the 30 January 2019</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Administrator</td>
<td></td>
</tr>
<tr>
<td>D46</td>
<td>Annual Report 2017/2018</td>
<td>Submit final Annual Report (AR) to Council for consideration</td>
<td>Completed in Quarter 3</td>
<td>Achieved in Quarter 3</td>
<td>The final AR 17/18 was submitted to the Municipal Council on the 28 March 2019</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
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**CORPORATE SERVICES SDBIP – QUARTERLY PERFORMANCE REPORT:**

**PERIOD: APRIL TO JUNE 2019**

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<tbody>
<tr>
<td>D47</td>
<td>To structure and manage the municipal administration to ensure efficient service delivery</td>
<td>Percentage of requests attended to within required date</td>
<td>100% of requests attended to within required date</td>
<td>Achieved</td>
<td>Requests have been attended to.</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D48</td>
<td>Facilitate swift implementation of Council resolutions</td>
<td>Percentage of resolutions distributed to the accountable official within 3 calendar days after the meeting</td>
<td>90% of resolutions distributed to the accountable official within 3 calendar days after the meeting</td>
<td>Not Achieved</td>
<td>The resolutions (execution list) can only be circulated once the minutes have been perused by the Director Corporate Services and Municipal Manager and then signed by the Speaker.</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Administration</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Corporate Services SDBP – Quarterly Performance Report:

#### Period: April to June 2019

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>D49</td>
<td>To obtain annual approval in terms of Archive legislation and regulations for the disposal of official documents</td>
<td>Annual submission to the Department: Cultural Affairs and Sports, Western Cape Archives and Records Service by end August 2018</td>
<td>100% submission by end August 2018</td>
<td>Not applicable in Quarter 4 2018</td>
<td>Already achieved in August 2018.</td>
<td>The Provincial Archivist approved our application for disposal of the relevant files.</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Administration</td>
<td></td>
</tr>
</tbody>
</table>
## CORPORATE SERVICES SDBIP – QUARTERLY PERFORMANCE REPORT:

**PERIOD: APRIL TO JUNE 2019**

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<tbody>
<tr>
<td>D50</td>
<td>Ensure effective administration of information requests in terms of the Access to Information Act</td>
<td>Percentage of requests responded to within 30 days</td>
<td>100% of requests responded to within 30 days</td>
<td>100% of requests responded to within 30 days</td>
<td>Achieved only for requests to Administration department</td>
<td>All requests have been attended to.</td>
<td>n/a</td>
<td>r/a</td>
<td>Manager: Administration</td>
<td></td>
</tr>
<tr>
<td>D51</td>
<td>Consideration of applications in terms of the Gathers Act</td>
<td>Percentage of requests responded to within relevant deadline</td>
<td>100% of requests responded to within relevant deadline</td>
<td>100% of requests responded to within relevant deadline</td>
<td>Achieved, all applications have been dealt with</td>
<td>All approvals granted.</td>
<td>n/a</td>
<td>r/a</td>
<td>Manager: Administration</td>
<td></td>
</tr>
</tbody>
</table>
## CORPORATE SERVICES SDBIP – QUARTERLY PERFORMANCE REPORT:

**PERIOD: APRIL TO JUNE 2019**

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<tbody>
<tr>
<td>D52</td>
<td>To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication</td>
<td>Council meetings</td>
<td>Number of quarterly meetings arranged for the financial year</td>
<td>4 quarterly meetings arranged for the financial year</td>
<td>1 quarterly meeting arranged</td>
<td>Achieved</td>
<td>An Ordinary Council meeting was held on 30 May 2019. Special Council meetings held in April, May and June 2019.</td>
<td>n/a</td>
<td>n/a</td>
<td>Manager: Administration</td>
</tr>
<tr>
<td>D53</td>
<td>To structure and manage the municipal administration to ensure efficient service delivery</td>
<td>Consideration of applications for events and festivals</td>
<td>Percentage of requests responded to within relevant deadline</td>
<td>90% of requests responded to within relevant deadline</td>
<td>90% of requests responded to within relevant deadline</td>
<td>Achieved</td>
<td>Approval ensures that all events fall within the Municipal By-Laws and Disaster Management and Safety Plans.</td>
<td>n/a</td>
<td>YES</td>
<td>Manager: Public Participation</td>
</tr>
</tbody>
</table>
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
1 AUGUST 2019

CORPORATE SERVICES SDBIP – QUARTERLY PERFORMANCE REPORT:
PERIOD: APRIL TO JUNE 2019

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<tr>
<td>D54</td>
<td>To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication</td>
<td></td>
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<tr>
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</table>

18 Event Applications received. 18 Events Approved
<p>| DS5 | Distribution of minutes for the ward committee within 2 working days | Percentage of minutes distributed within the prescribed timeframe, after the meeting | 95% of minutes distributed within the prescribed timeframe, after the meeting | Achieved 95% of minutes distributed within the prescribed timeframe, after the meeting | Minutes of the ward committee meetings are distributed within 2 working days: 4 Ward Committee Meetings and took place: Ward 10: 21 May 2019 Ward 9: 28 May 2019 Ward 1: 11 June 2019 Ward 8: 25 June 2019 | N/A | N/A | Manager: Public Participation |</p>
<table>
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<tbody>
<tr>
<td>D56</td>
<td>Facilitation of public engagements per quarter</td>
<td>Number of engagements held per quarter</td>
<td>40 engagements held per quarter</td>
<td>5 engagements held in Quarter 4</td>
<td>Achieved</td>
<td>5 Public meetings were held during this quarter: Meetings held in May 2019: Ward5: 13/05/2019 Ward9: 15/05/2019 Ward4: 16/05/2019 Ward6: 20/05/2019 Meeting held in June 2019: Ward6: 01/06/2019</td>
<td>n/a</td>
<td>N/A</td>
<td>Manager: Public Participation</td>
<td></td>
</tr>
<tr>
<td>D57</td>
<td>Facilitation of one training session for Ward Committees</td>
<td>Number of training sessions held for Ward Committee</td>
<td>training session held for Ward Committee</td>
<td>N/A</td>
<td>N/A</td>
<td>n/a</td>
<td>r/a</td>
<td>Manager: Public Participation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.3

G03/08/19  REPORT ON HUMAN RESOURCES MATTERS FOR
QUARTER 4 OF 2018/2019 FINANCIAL YEAR

REPORT FROM THE DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To report to the Committee on the Human Resources matters and activities for the fourth quarter of 2018/2019.

DISCUSSION

The tables below give an account of HR activities for the fourth quarter, starting from April to June 2019 and will address the following:

<table>
<thead>
<tr>
<th></th>
<th>NAME</th>
<th>JOB DESIGNATION</th>
<th>DIRECTORATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dr SW Vatala</td>
<td>Municipal: Manager</td>
<td>Municipal Manager</td>
</tr>
<tr>
<td>2</td>
<td>Mr M Michaels</td>
<td>Manager: Expenditure</td>
<td>Finance</td>
</tr>
<tr>
<td>3</td>
<td>Mrs M Van Wyk</td>
<td>Manager: Financial Statements</td>
<td>Finance</td>
</tr>
<tr>
<td>4</td>
<td>Mr B Goeda</td>
<td>Senior Clerk: Payroll</td>
<td>Finance</td>
</tr>
<tr>
<td>5</td>
<td>Ms S Dala</td>
<td>Caretaker: Halls</td>
<td>Community Services</td>
</tr>
<tr>
<td>6</td>
<td>Mr M Lawrence</td>
<td>Truck Driver</td>
<td>Community Services</td>
</tr>
<tr>
<td>7</td>
<td>Mr B Jaftha</td>
<td>Supervisor: Solid Waste</td>
<td>Community Services</td>
</tr>
<tr>
<td></td>
<td>Ms W Mathatho</td>
<td>Senior Clerk: Housing</td>
<td>Planning &amp; Development</td>
</tr>
<tr>
<td>2</td>
<td>Mr GS Pretorius</td>
<td>Field Worker: Housing</td>
<td>Planning &amp; Development</td>
</tr>
<tr>
<td>3</td>
<td>Mr N Boko</td>
<td>Field Worker : Housing</td>
<td>Planning &amp; Development</td>
</tr>
</tbody>
</table>
# 2. Terminations

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB DESIGNATION</th>
<th>DIRECTORATE</th>
<th>REASON FOR TERMINATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mrs L Magson</td>
<td>Chief Clerk: Records</td>
<td>Corporate Services</td>
<td>Early Retirement</td>
</tr>
<tr>
<td>2. Mr H Prins</td>
<td>Small Plant: Operator</td>
<td>Community Services</td>
<td>Resignation</td>
</tr>
<tr>
<td>1. Mrs JJ Marshall</td>
<td>Senior: Environmental Officer</td>
<td>Planning &amp; Development</td>
<td>Resignation</td>
</tr>
<tr>
<td>2. Mr D Uithaalder</td>
<td>General: Assistant</td>
<td>Community Services</td>
<td>Resignation</td>
</tr>
</tbody>
</table>

# 4. Training and Development

<table>
<thead>
<tr>
<th>NAME OF TRAINING PROGRAMME AND TRAINING PROVIDER</th>
<th>NUMBER OF PARTICIPANTS</th>
<th>DIRECTORATE AFFECTED</th>
<th>AMOUNT PAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. NC Water and Waste Water Reticulation Process NQF 2</td>
<td>10</td>
<td>Technical</td>
<td>Discretionary Grant</td>
</tr>
<tr>
<td>2. HR for Non HR Managers</td>
<td>2</td>
<td>Planning &amp; Development</td>
<td>R13505.60</td>
</tr>
<tr>
<td>3. Stress Management</td>
<td>2</td>
<td>Planning &amp; Development</td>
<td>R9165.50</td>
</tr>
<tr>
<td>1. NC Water and Waste Water Reticulation process</td>
<td>10</td>
<td>Technical Services</td>
<td>Discretionary Grant</td>
</tr>
<tr>
<td>2. NC: Water &amp; Waste Water Process Control Supervision</td>
<td>10</td>
<td>Technical Services</td>
<td>Discretionary Grant</td>
</tr>
<tr>
<td>3. Skills Facilitation</td>
<td>8</td>
<td>Finance</td>
<td>R16488.00</td>
</tr>
<tr>
<td>4. Creditors Training</td>
<td>5</td>
<td>Finance</td>
<td>R54625.00</td>
</tr>
<tr>
<td>5. Financial Modelling</td>
<td>12</td>
<td>Finance</td>
<td>R21200.00</td>
</tr>
<tr>
<td>6. Cash Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td>68</td>
<td></td>
<td>R139 241.10</td>
</tr>
</tbody>
</table>
### DISCIPLINARY HEARINGS, CONCILIATIONS AND ARBITRATIONS

<table>
<thead>
<tr>
<th>No. of Employees</th>
<th>Directorate</th>
<th>Nature of Charge</th>
<th>Details of Disciplinary Hearing / Appeal</th>
<th>Disciplinary Hearing held within time limit</th>
<th>April Outcome</th>
<th>May Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Absenteeism; Not informing your employer timeously of your absence; Late coming.</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Date for commencement to be confirmed.</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Dishonesty and not performing duties i.t.o desired procedures and policies</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Date for commencement to be confirmed.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Community Services</td>
<td>Theft</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Date for commencement to be confirmed.</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Planning &amp; Development</td>
<td>Failure to perform duties in a fair and transparent manner and according to desired procedures and legislation</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Date for commencement to be confirmed.</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Community Services</td>
<td>Unlawful personal gain and / or improperly benefit another person / entity</td>
<td>Disciplinary Hearing</td>
<td>Within three (3) months period</td>
<td>Date for commencement to be confirmed.</td>
<td></td>
</tr>
</tbody>
</table>

### 5. CCMA, CONCILIATION AND ARBITRATIONS

<table>
<thead>
<tr>
<th>No. of Empl.</th>
<th>Directorate</th>
<th>Nature of Charge / Dispute</th>
<th>Details of Con / Arb</th>
<th>April Outcome</th>
<th>May 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Finance</td>
<td>Alleged Unfair Dismissal</td>
<td>Arbitration</td>
<td>Arbitration continued on 3 &amp; 4 April 2019</td>
<td>Arbitration to continue on 12, 13 and 14 June 2019</td>
</tr>
</tbody>
</table>
### FINANCIAL IMPLICATIONS

MTREF Operational budget – 2018/2019

### RELEVANT LEGISLATION

Local Government: Municipal Systems Act, as amended  
Labour Relations Act, as amended;  
Skills Development Act

### RECOMMENDATION OF THE MUNICIPAL MANAGER

That the quarterly report on the Human Resources activities for the period April 2019 to June 2019, be noted.

File Number : 9/1/2/8  
Execution : Director : Corporate Services  
Manager : Human Resources
G04/08/19 REPORT ON OHS AND EMPLOYEE MATTERS FOR QUARTER 4 OF 2018/2019 FINANCIAL YEAR

REPORT FROM DIRECTOR : CORPORATE SERVICES

PURPOSE OF THE REPORT

To report to the Committee on the OHS and Employee Wellness matters and activities for the fourth quarter of 2018/2019.

DISCUSSION

The tables below give an account of activities for the fourth quarter, starting from April to June 2019 and will address the following:

<table>
<thead>
<tr>
<th>2. Injury On Duty Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB DESIGNATION</th>
<th>DIRECTORATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Martin Mathyse</td>
<td>General Assistant</td>
<td>Community Services</td>
</tr>
<tr>
<td>2. Henry George Avontuur</td>
<td>Driver: Technical</td>
<td>Technical Services</td>
</tr>
<tr>
<td>3. Nathan Wilfred Bruiners</td>
<td>Traffic Officer</td>
<td>Community Services</td>
</tr>
<tr>
<td>4. Mzwandile Steven Mzondi</td>
<td>Traffic Officer</td>
<td>Community Services</td>
</tr>
<tr>
<td>5. Jacques Liebenberg</td>
<td>Traffic Officer</td>
<td>Community Services</td>
</tr>
<tr>
<td>6. Protesta Jaqueline Made</td>
<td>Senior Creditors Clerk</td>
<td>Finance Department</td>
</tr>
</tbody>
</table>

| 6. Mkhululi Theodore Matha | General Assistant | Community Services |
| 7. Desmon Dyani | General Assistant: Refuse | Community Services |
| 8. Hilton Elroy Manuel | Meter Reader | Finance Department |
| 9. Peter Mathew Muller | Field Worker: Credit Control | Finance Department |
| 10. Peter Benjamin Jonkerman | General Assistant: Parks | Community Services |
| 11. Siseko Lennox Mdingana | General Assistant: Water Reticulation | Technical Services |
| 12. Robert Julius Mackley | Meter Reader | Finance Department |
| 13. William De Kock | Meter Reader | Finance Department |
| 14. Emile Stephen Petersen | General Assistant | Community Services |
## June 2019

<table>
<thead>
<tr>
<th>Name</th>
<th>Job Designation</th>
<th>Directorate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edwin Wayne Epnaar</td>
<td>Special Workman</td>
<td>Technical Services</td>
</tr>
<tr>
<td>Bronwell Demetri Hannie</td>
<td>Point Duty Traffic</td>
<td>Community Services</td>
</tr>
<tr>
<td>Anton Ruben Gouws</td>
<td>Superintendent : Electrical</td>
<td>Electrical</td>
</tr>
<tr>
<td>Jongile Sidwell Ngciwu</td>
<td>General Worker : Cleansing</td>
<td>Community Services</td>
</tr>
<tr>
<td>Robert Julius Mac Kleyn</td>
<td>Meter Reader</td>
<td>Finance Department</td>
</tr>
<tr>
<td>Andre Gavin Stemmert</td>
<td>Traffic Officer</td>
<td>Community Services</td>
</tr>
<tr>
<td>Mathilda Louise Maritz</td>
<td>GIS Technician</td>
<td>Finance Department</td>
</tr>
</tbody>
</table>

## 3. Ill-Health/Incapacity Cases

### April 2019

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB DESIGNATION</th>
<th>DIRECTORATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 April 2019: Heinrick Snyders</td>
<td>Meter Reader</td>
<td>Finance</td>
</tr>
<tr>
<td>The process for Disability claim commenced. Disability Claim forms were not submitted yet.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 April 2019: Eva Gesels</td>
<td>Community Services</td>
<td></td>
</tr>
<tr>
<td>The process for Disability claim commenced. Disability Claim forms were not submitted yet.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### June 2019

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB DESIGNATION</th>
<th>DIRECTORATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 June 2019: Patrick Sefali</td>
<td>Community Services</td>
<td></td>
</tr>
<tr>
<td>The process for Disability claim commenced. Claim Forms submitted to support@crf,</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 4. Light Duty Cases

### April –June 2019

<table>
<thead>
<tr>
<th>NAME</th>
<th>JOB DESIGNATION</th>
<th>DIRECTORATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>None Reported</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 5. Medical Examinations

### April 2019

<table>
<thead>
<tr>
<th>Date</th>
<th>Surname &amp; Initials</th>
<th>Directorate</th>
<th>Financial Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 April 2019</td>
<td>John Williams J Siyona Dalí M</td>
<td>Technical: Roads &amp; Storm Water</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Name(s)</td>
<td>Department</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------------</td>
<td>-------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>18 April 2019</td>
<td>Motha N Christiaans Russel Petersen Banisi P</td>
<td>Technical: Roads &amp; Storm Water</td>
<td></td>
</tr>
<tr>
<td>25 April 2019</td>
<td>Myalato MH Brinkhuys MB Van Vuuren A</td>
<td>Community Services Traffic Section (Road Markers)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mlamleli M Dyantyi T Harker CS Dyani ZL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26 June 2019</td>
<td>Mahafu E Solomons J Peterse WB Makhala LT Dirk RAE Hannies SA Mhlaba BT</td>
<td>Technical Services</td>
<td></td>
</tr>
</tbody>
</table>
8. OHS Meetings: April-June 2019

No Departmental OHS meeting held for Quarter 4

9. OHS Induction: April 2019

8 April 2019: OHS Induction conducted for 2 Newly Appointed Employees at Finance Department:

10. OHS Inspections: April 2019

16 April 2019

OHS Inspection was conducted at the Road Marker’s Work Station. Meeting was arranged with Traffic Manager and Road Marker Supervisor to discuss issues that need immediate attention.

OHS Report was compiled and sent to Traffic Department.

11. Employee Wellness: May 2019

8-9 May 2019

Employee Wellness Event was scheduled but postponed, reason being Service Providers sent notifications for short notice.

Service Providers
Medical Aid Consultants
The Royal Hotel Gym

RELEVANT LEGISLATION

Occupational Health & Safety Act 85 of 1993
Compensation of Occupational Injuries & Diseases Act

FINANCIAL IMPLICATIONS

MTREF Operational budget – 2018/2019

RECOMMENDATION OF THE MUNICIPAL MANAGER

That the quarterly report on the OHS and Employee Wellness activities for the period April 2019 to June 2019, be noted.

File Number : 9/1/2/8
Execution : Director : Corporate Services
Manager : Human Resources
6.5

G05/08/19 QUARTERLY REPORT ON LEGAL MATTERS: QUARTER 4 OF 2018/2019

REPORT FROM THE DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To report to the Committee on the status of legal matters for the fourth quarter of 2018/2019.

DISCUSSION

The tables below give an account of the legal activities for the fourth quarter, starting from 20 March 2019 – 20 May 2019.

<table>
<thead>
<tr>
<th>1. COURT PLEADINGS / ORDERS ROUTED INTERNALLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department</td>
</tr>
<tr>
<td>Routed to: Accountant: Credit Control, Manager: Income &amp; CFO</td>
</tr>
<tr>
<td>Routed to: Accountant: Credit Control, Manager: Income &amp; CFO</td>
</tr>
<tr>
<td>All new litigation matters routed to relevant officials and the MM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. LITIGATION MATTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a. ERF 4, KNYSNA – ILLEGAL BUILDING WORKS</strong></td>
</tr>
<tr>
<td>Commencement Date</td>
</tr>
<tr>
<td>Mosdell, Pama &amp; Cox</td>
</tr>
<tr>
<td>June 2011</td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

The status quo remains. A memorandum on the possible waiver of the Land Use application fees was routed for consideration by the Municipal Manager. We await the outcome thereof after which the settlement discussions will be finalised.
b. KNYSNA MUNICIPALITY & ROAD ACCIDENT FUND // PHILLIPUS BRUWER

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harker Attorneys</td>
<td>R 466,219.28</td>
</tr>
<tr>
<td>October 2013</td>
<td></td>
</tr>
</tbody>
</table>

Status update – Where we are in the process & the way forward

We await confirmation of the new pre-trial date. The second defendant has set down the Bill of Costs for taxation on 29 July 2019.

c. KNYSNA MUNICIPALITY // CORNUTI’S RISTORANTE

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logan Martin Inc.</td>
<td>R 669 878.86 of which R 207 697.99 was in respect of advocate fees. (No new invoices)</td>
</tr>
<tr>
<td>June 2013</td>
<td></td>
</tr>
</tbody>
</table>

Status update – Where we are in the process & the way forward

An item served at the Mayoral Committee held on 6 March 2019, with a recommendation to Council that the money due and owing be written off as irrecoverable. The Municipal Council on 29 March 2019 considered the item and were advised that Council resolved as follows:

a) That the content of the report on the lease of Cornuti Ristorante, be noted; and
b) That a comprehensive investigative report regarding the recovery of service charges and subsequent legal expenditure due to possible negligence, be submitted by the internal auditors to the Finance Committee in April 2019.

The signed minutes on above has unfortunately not been provided yet.

d. GARTH BOCK // KNYSNA MUNICIPALITY

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CJ Ballan</td>
<td>R 69 010,49. (No new invoices)</td>
</tr>
<tr>
<td>April 2014</td>
<td></td>
</tr>
</tbody>
</table>

Status update – Where we are in the process & the way forward

Status Quo remains – Plaintiff to arrange a trial date and set the matter down for hearing. To date, no further action taken.

e. GREVE // MUELLER // KM (REVIEW)

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mosdell, Pama &amp; Cox</td>
<td>R 108 416.55</td>
</tr>
<tr>
<td>November 2014</td>
<td></td>
</tr>
</tbody>
</table>

Status update – Where we are in the process & the way forward

Status Quo remains as per last update - Our attorneys of record have been in regular contact with the applicant’s attorney in order to agree on a date to hear this matter. No date was ever confirmed. On 7 September 2018, the applicant’s attorney informed us that Mr Mueller has passed away. Adv. Senior counsel
believes that this is the end of this matter. We await further correspondence from the applicant’s attorney. We have also been informed that Dr Greve also passed away.

Our file is currently pending.

### f. REINHARD ROTTER // KNYSNA MUNICIPALITY

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs for Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>CJ Ballan March 2016</td>
<td>R 18 850.00 No new invoices</td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

*Status Quo* as per the last update remains - to date no further action taken by the plaintiff. Should plaintiff proceed further particulars will be provided. We have appointed a new attorney of record on this matter and correspondence will be drafted to the attorney for the plaintiff on whether they still wish to proceed with this matter.

### 2.8 YO ART // KNYSNA MUNICIPALITY

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stadler &amp; Swart Attorneys October 2016</td>
<td>R 149 908.55 No new invoices</td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

The plaintiff herein still has to apply for a trial date. Our attorneys of record are monitoring the situation and we were informed that some of the attorneys representing the other parties have withdrawn from this matter. Our attorneys are not proceeding with any further work hereunder in order to manage the costs involved but will continue to monitor the situation.

### i. THABO MABULA // KNYSNA MUNICIPALITY (VARIOUS MATTERS)

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harker Attorneys November 2016</td>
<td>R 374 516 (on all 6 Mabula matters) No new invoices received</td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

**Case No: 21933/16**

The file is pending since the defendant did not attend to the necessary to proceed to obtain a trial date.

**Case No: 21934/16**

We await feedback from the Sheriff regarding the upliftment of previous attachment effected pending the instruction to the Sheriff to proceed with the said upliftment, if we fail to reach settlement herein.

**Case No: 21935/16**

We await feedback from the Sheriff regarding the upliftment of previous attachment effected pending the instruction to the Sheriff to proceed with the said upliftment, if we fail to reach settlement herein.

**Case No: 21936/16**

We await feedback from the Sheriff regarding the upliftment of previous attachment effected pending the instruction to the Sheriff to proceed with the said upliftment, if we fail to reach settlement herein.
Case No: 21937/16
The file is pending since the defendant did not attend to the necessary to proceed to obtain a trial date.

| **j. THABO MABULA // KNYSNA MUNICIPALITY - LABOUR COURT** |
|---------------------------------|---------------------------------|
| Commencement Date               | Legal Cost Spent to date |
| Harker Attorneys                | June 2016                     | See above. Awaiting amended invoices. |

**Status update – Where we are in the process & the way forward**

_STATUS QUO remains - We await feedback from the Labour Court regarding a set down date._

| **k. LEISURE ISLAND RESIDENTS ASSOCIATION // KNYSNA MUNICIPALITY // SANPARKS** |
|---------------------------------|---------------------------------|
| Commencement Date               | Legal Costs Spent to date |
| Stadler & Swart Attorneys       | August 2017                     | R 169 590, 50 |

**Status update – Where we are in the process & the way forward**

We were advised that the applicants’ leave to appeal were withdrawn.

| **I. KM // NEW LINE INVESTMENTS & OTHERS (SEDGEFIELD CEMETERY):** |
|---------------------------------|---------------------------------|
| Commencement Date               | Legal Costs Spent to date |
| Raubenheimers Attorneys         | November 2017                   | R 407 662.04 |

**Status update – Where we are in the process & the way forward**

This matter has been settled by agreement between the parties. In terms of the court order:

- The first defendant confirms the expropriation of the immovable property;
- The first defendant confirms the loss of dominium of the property;
- The first defendant shall sign all necessary documentation to effect transfer of the property into the name of the municipality; and
- The municipality shall pay all necessary transfer costs in respect of the property; and
- Each party shall bear its own legal costs.

| **m. KM // D HARKER & OTHERS – EVICTION APPLICATION** |
|---------------------------------|---------------------------------|
| Commencement Date               | Legal Costs Spent to date |
| CJ Ballan/Lulama Prince Attorneys | November 2017                   | R 38 704,35 |

**Status update – Where we are in the process & the way forward**

This matter was referred to another firm due to our previous attorney of record not being on Council’s panel of attorneys anymore. Senior counsel was briefed and we await amended papers for the signature of the Municipal Manager.
### n. ADONIS & OTHERS // KM

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Le Roux Inc.</td>
<td>R 22 000</td>
</tr>
<tr>
<td>October 2017</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

Senior counsel was briefed in this matter and an opinion was provided herein. The opinion was forwarded to all relevant stakeholders and a consultation has been scheduled for Tuesday, 21 May 2019. Also note that a Notice of Amend to the Statement of Claims by the applicants were filed with the Labour Court and our Plea is due on the 28th of My 2019.

### o. 4 Falcon Street, Knysna – Eviction Proceedings

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harker Attorneys</td>
<td>R 20 427</td>
</tr>
<tr>
<td>Dec 2018</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

The unopposed eviction date is scheduled for 31 May 2019. We await the outcome of this matter.

### 2.16. Eskom Holdings SOC Limited // KM // Municipal Manager: KM

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bula Bula Inc.</td>
<td>R 243 701.00</td>
</tr>
<tr>
<td>January 2019</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

Attorneys for the applicant requested an extension to file supplementary papers of which extension was granted. We have in the meantime obtained a legal opinion on the prospects of success and a supplementary record has been filed.

### 2.17. Waxa // KM // Speaker of KM // KM's Disciplinary Committee // MEC for Local Government

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bula Bula Inc.</td>
<td>R 392 795.38</td>
</tr>
<tr>
<td>January 2019</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

Under Part A of this matter, judgment was granted in our favour and our Bill of Costs is with our tax consultant. With regards to Part B, which entails the decisions of the Council and the MEC to be reviewed and set aside, our attorneys of record addressed correspondence to the applicant’s attorney on which we have not received a response yet. This matter will be opposed.

### 2.18. Metlerkamp // KM Matter

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs Spent to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cliff Dekker Hofmeyer</td>
<td>R 63 359.25</td>
</tr>
<tr>
<td>January 2019</td>
<td></td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

*Status Quo remains:* We have filed a Notice to Oppose and received correspondence from the 2nd respondent’s attorney to engage with settlement discussions which is currently being considered. Should settlements discussions fail, we will be preparing our answering affidavits.
1. **Erf 3651 Sedgefield Matter – Illegal Land Use**

**KM // Wallace & Wallace**

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs</th>
<th>Legal Costs Spend to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2018</td>
<td></td>
<td>R 9 660.00</td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

The founding- and supporting affidavits were submitted for signature but after perusal thereof further amendments were required. We await the amended papers from our attorney of record.

2. **Hlalani Eviction: KM // M & N Pako**

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Legal Costs</th>
<th>Legal Costs Spend to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2019</td>
<td></td>
<td>No invoices yet</td>
</tr>
</tbody>
</table>

**Status update – Where we are in the process & the way forward**

This matter entails an eviction on council property. The respondents fail to move from a site on which development is supposed to happen. Due to the respondents’ failure to move into alternative accommodation provided, the project has been delayed for a period of 7 months. The contractor on site cannot continue with the works as there is no sufficient space. After various failed attempts and meetings between the officials, the respondents and the Chairperson: Planning & IHS, it was decided to proceed with a formal eviction application.

The founding affidavit with annexures has been submitted to the Municipal Manager for signature.

3. **LIQUOR BY-LAW APPLICATIONS:**

**EXTENSION OF LIQUOR TRADING DAYS & HOURS**

<table>
<thead>
<tr>
<th>Date Received</th>
<th>Application for Extension of Liquor Trading Days and Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>03 February 2019</td>
<td>TX Liquors (February, March &amp; April) - Denied</td>
</tr>
</tbody>
</table>

**APPLICATIONS FOR TEMPORARY / PERMANENT LIQUOR LICENSES**

<table>
<thead>
<tr>
<th>Routed for Comments Internally</th>
<th>Application Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Bafui’s Place</td>
</tr>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Knysna Motor Show</td>
</tr>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>The Liquor Shop</td>
</tr>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Houtkapper Trial Run</td>
</tr>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Knysna Wine Festival</td>
</tr>
<tr>
<td>Manager: Legal Services; Manager: Protection Services; Manager: TP &amp; Building Control; Ward Councillor</td>
<td>Sedgefield Slow Festival</td>
</tr>
</tbody>
</table>
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
AGENDA
1 AUGUST 2019

Manager: Legal Services; Manager: Protection Services; Manager: TP & Building Control; Ward Councillor
Get Up & Go Initiative

Manager: Legal Services; Manager: Protection Services; Manager: TP & Building Control; Ward Councillor
Jaguar Simola Hillclimb

4. MUNICIPAL COURT

MUNICIPAL COURT
STATUS UPDATE

The Municipal Manager advised that after consultation with the TMT and the consideration of a cost benefit analysis, it was decided that an item be drafted to Council to consider the discontinuation of the establishment of a municipal court and that the Administration be instructed to approach Bitou Municipality to enter into a Memorandum of Agreement with them to utilise their court.

5. TITLE RESTORATION PROJECT

TITLE RESTORATION PROJECT
STATUS UPDATE

The Title Restoration Project (TRP) is well underway. We are in the process of finalising the project for the Joodse Kamp Project and the department will soon embark on the Robololo and Flenter Project.

The department conducted beneficiary verification at the Masifunde Library on the 15th and 20th of May 2019. Beneficiaries were invited to attend in order to finalize all outstanding documentation.

FINANCIAL IMPLICATIONS

MTREF Operational budget – 2018/2019

RECOMMENDATION OF THE MUNICIPAL MANAGER

That the Quarterly Report on the Status of Legal Matters for the period 20 March 2019 to 20 May 2019, be noted.

File Number: 9/1/2/9
Execution: Director: Corporate Services
Manager: Legal Services
REPORT FROM THE OFFICE OF DIRECTOR : CORPORATE SERVICES (PUBLIC PARTICIPATION)

PURPOSE OF THE REPORT

To present a report on the activities of the Community Development Workers in the Knysna Municipal Area.

BACKGROUND/ DISCUSSION

Three Community Development Workers operate in the Knysna Municipal area, and their work cover various wards. This report is covering the activities of each Community Development Worker during the months of March and April 2019.

Below are the bi-monthly activities of which the Community Development Workers were involved in:

MARCH 2019

<table>
<thead>
<tr>
<th>WARD/VENUE</th>
<th>ACTIVITIES</th>
<th>DATE</th>
<th>SPHERE OF GOV</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Circulated SASSA internship application forms to unemployed.</td>
<td>06/03/2019</td>
<td>Provincial</td>
</tr>
<tr>
<td>2</td>
<td>Logistical arrangements for a sewing project in Karatara</td>
<td>13/03/2019</td>
<td>Local</td>
</tr>
<tr>
<td>1</td>
<td>Project Planning meeting with CWP supervisor and youth advisor about planned projects for the area.</td>
<td>18/03/2019</td>
<td>Local</td>
</tr>
<tr>
<td>5</td>
<td>Assisted the Suurflake NPO in getting their certificate.</td>
<td>19/03/2019</td>
<td>Local</td>
</tr>
<tr>
<td>5</td>
<td>Assisted an Ms Chantè Williams with NPO application for a soup kitchen.</td>
<td>25/03/2019</td>
<td>Local</td>
</tr>
</tbody>
</table>

NOMVULA FLEPISI

<table>
<thead>
<tr>
<th>WARD/VENUE</th>
<th>ACTIVITIES</th>
<th>DATE</th>
<th>SPHERE OF GOV</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Attended a ward committee meeting</td>
<td>05/03/2019</td>
<td>Local</td>
</tr>
<tr>
<td>4</td>
<td>Attended a public meeting</td>
<td>06/03/2019</td>
<td>Local</td>
</tr>
<tr>
<td>Town office</td>
<td>Assisted former mine workers with follow-up on their claims.</td>
<td>07/03/2019</td>
<td>Local</td>
</tr>
<tr>
<td>Town office</td>
<td>Assisted Checkers workers with labour related issues.</td>
<td>27/03/2019</td>
<td>Local</td>
</tr>
</tbody>
</table>
# Governance and Economic Development Committee Meeting

## Agenda

**1 August 2019**

### Welcome

**Kobi**

**Ward/Venue**

**Activities**

**Date**

**Sphere of Gov**

<table>
<thead>
<tr>
<th>Ward/Venue</th>
<th>Activities</th>
<th>Date</th>
<th>Sphere of Gov</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Assisted with mobilising community members to a meeting about the outcome of their applications for the water tanks.</td>
<td>26/03/2019</td>
<td>Provincial</td>
</tr>
</tbody>
</table>

### April 2019

**Devoline Koopman**

**Ward/Venue**

**Activities**

**Date**

**Sphere of Gov**

<table>
<thead>
<tr>
<th>Ward/Venue</th>
<th>Activities</th>
<th>Date</th>
<th>Sphere of Gov</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Assisted logistical arrangements for the Hurpp project.</td>
<td>03/04/2019</td>
<td>Local</td>
</tr>
<tr>
<td>2</td>
<td>Assisted with logistics for the Agriculture learnership.</td>
<td>08/04/2019</td>
<td>Provincial</td>
</tr>
<tr>
<td>5</td>
<td>Assisted the Ice cream container project with handing out stationary</td>
<td>09/04/2019</td>
<td>Local</td>
</tr>
<tr>
<td>8</td>
<td>Assisted with mobilisation for the visit by the National minister of Social Development.</td>
<td>10/04/2019</td>
<td>National</td>
</tr>
<tr>
<td>5</td>
<td>Assisted with arrangements for ‘hunting for jobs ’ workshop.</td>
<td>16/04/2019</td>
<td>Local</td>
</tr>
<tr>
<td>2</td>
<td>Assisted with logistical arrangements for a sewing project.</td>
<td>24/04/2019</td>
<td>Local</td>
</tr>
<tr>
<td>5</td>
<td>Assisted with logistics for the SMME information exhibitions.</td>
<td>30/04/2019</td>
<td>Local</td>
</tr>
</tbody>
</table>

**Nomvula Flepesi**

**Ward/Venue**

**Activities**

**Date**

**Sphere of Gov**

<table>
<thead>
<tr>
<th>Ward/Venue</th>
<th>Activities</th>
<th>Date</th>
<th>Sphere of Gov</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Chamber</td>
<td>Attended a stakeholders meeting with SASSA, Local Government, Labour and Municipality</td>
<td>05/04/2019</td>
<td>Provincial</td>
</tr>
<tr>
<td>8</td>
<td>Assisted with mobilisation for the visit by the minister Susan Shabangu from SASSA.</td>
<td>10/04/2019</td>
<td>Provincial</td>
</tr>
<tr>
<td>4 &amp; 8</td>
<td>Doing mobilisation for people to do ID applications.</td>
<td>17/04/2019</td>
<td>National</td>
</tr>
</tbody>
</table>

### Welcome

**Kobi**

**Ward/Venue**

**Activities**

**Date**

**Sphere of Gov**

<table>
<thead>
<tr>
<th>Ward/Venue</th>
<th>Activities</th>
<th>Date</th>
<th>Sphere of Gov</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Chamber</td>
<td>Attended a stakeholders meeting called by SASSA</td>
<td>05/04/2019</td>
<td>Provincial</td>
</tr>
<tr>
<td>1,2,3,4,7,8</td>
<td>Assisted with the distribution of learnership forms for the Department of Agriculture</td>
<td>08/04/2019</td>
<td>Provincial</td>
</tr>
<tr>
<td>7 &amp; 8</td>
<td>Assisted the Department of Agriculture in identifying food gardens.</td>
<td>09/04/2019</td>
<td>Provincial</td>
</tr>
<tr>
<td>7</td>
<td>Attended the IDP/BUDGET meeting.</td>
<td>16/04/2019</td>
<td>Local</td>
</tr>
</tbody>
</table>
Do a site visit to ascertain whether a water tank can be installed for the applicants by the Dep of Agriculture. 25/04/2019 Provincial

Attended a title deed handover ceremony at Concodia High School. 26/04/2019 Provincial

FINANCIAL IMPLICATIONS

The re-classification of the CDW grant is still a matter that the Provincial Local Government is sorting out with municipalities.

RELEVANT LEGISLATION

Memorandum of Agreement

RECOMMENDATION OF THE MUNICIPAL MANAGER

That the bi-monthly report on the Community Development Workers for March and April 2019 be accepted.

File Number : 9/1/1/1
Execution : Municipal Manager
Director : Corporate Services
Manager : Public Participation
6.7

REPORT FROM THE MUNICIPAL MANAGER

To update the Municipal Council on the status of the risk management and provide overview of the quarterly reviews that were conducted.

BACKGROUND

The Municipal Council is the primary accountable body within the municipality to give oversight in respect of all risk related issues.

DISCUSSION

Work done:

During the third quarter (January – March)

1. Risk Register Reviews:


Objective:

Updating of the risk register,
Updating the treatment of risks (including the implementation of control improvement)
Updating the monitoring fields (materialisation of risks, escalation of risks and top risks)

During the Quarterly Reviews, the following were addressed:

- Opportunity was provided to the Risk Owners to update the risk register with additional risks identified.
- The treatment of risks (including the implementation of control improvement) of the risks included in the risk register were reassessed and updated.
- The monitoring fields (materialisation of risks, escalation of risks and top risks) relating to Quarter 3 (Jan - March) were updated.
- The Risk Appetite were assessed and confirmed per risk line item.

RELEVANT LEGISLATION

MFMA

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That Council adopt the Risk Management Status Report and the minutes of Risk Management Committee meeting for quarter 3\1819 (Jan –March), be adopted; and

APPENDIX / ADDENDUM

Risk Management Status Report - Quarter#3
Minutes of Risk Management Committee Meeting - Qrt#3
Risk Management Strategy and Risk Management Policy
Risk Management Committee Charter
Integrity Management Framework.

File Number : 9/1/2/14
Execution : Municipal Manager
            Manager : Performance, Internal Audit and Risk Management
Knysna Municipality Risk Management Committee Charter
Risk Management Committee Charter

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Objectives ...................................................................................................................................... 4
Composition ..................................................................................................................................... 4
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Mandate .......................................................................................................................................... 5
Authority ....................................................................................................................................... 5
Roles and responsibilities ............................................................................................................. 5
Meetings ......................................................................................................................................... 7
Administrative duties .................................................................................................................... 7
Chief Risk Officer / Officer Tasked with Risk Management ......................................................... 8
Performance evaluation ............................................................................................................... 8
Review of the Charter ................................................................................................................... 8
Purpose

This is the Risk Management Committee charter for Knysna Municipality. The purpose of this charter is to govern the processes of the Risk Management Committee and outline its procedures and guidelines.

Background

Section 62 (1)(c) of the Municipal Finance Management Act states that the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems-

i. of financial and risk management and internal controls; and

ii. of internal auditing operating in accordance with any prescribed norms and standards.

Section 78 of the Municipal Finance Management Act implies that responsibility for risk management vest at all levels of management and that it is not limited to only the Accounting Officer.

The National Treasury has issued a number of guidelines aimed at assisting municipalities to drive risk management.

Principle 8 of the King IV report states that the governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties. It is also stated that the committee for risk governance should have executive and non-executive members, with the majority being non-executive members of the governing body. Principle 11 (The governing body should govern risk in a way that supports the municipality in setting and achieving its strategic objectives) of the King IV report addresses the manner in which risk governance should take place.

The Risk Management Committee has been established by the Knysna Municipality to assist the Municipal Manager to fulfil his / her management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

The structure of the Risk Management Committee was approved by Council during its meeting held on 22 June 2012 (Resolution 8.5).
Objectives

The primary objective of the Committee is to assist the Municipal Manager, the Council and the Audit Committee in discharging their accountability for risk management by reviewing the effectiveness of the Municipality’s risk management system, practices and procedures, and providing recommendation for improvement.

The Risk Management Committee is responsible for oversight of the quality, integrity and reliability of the municipality’s risk management processes and responses to risk. An important part of the Committee’s mandate is to provide recommendations to the Accounting Officer to continuously improve the management of specific risks as well as the overall process of risk management.

Composition\(^1\)

Risk Management Committee members are appointed by the Municipal Manager and should comprise executive management (managers reporting directly to the Municipal Manager) and non-executive members.

Members should have the necessary blend of skills, competencies and attributes, including the following critical aspects:
- an intimate understanding of the municipality’s mandate and operations;
- the ability to act independently and objectively in the interest of the municipality; and
- a thorough knowledge of risk management principles and their application.

The Committee must be chaired by an independent person. The committee should have a minimum of five (5) senior managers but with no limit to the total number of members. Reports to the committee should provide the members with sufficient information to effectively discharge their responsibility.

Standing Membership shall comprise of:
- Municipal Manager
- Independent/Non-executive Chairperson
- Executive Management Team (Section 57 appointees)
- Audit Committee member (As delegated by the Committee)

Standing invitees:
- Chief Risk Officer
- Chief Audit Executive
- Any other person who may be co-opted to provide specialist skills, advice and counsel

---

Knysna Municipality Risk Management Charter 2018
Council Approved: 21 August 2018 (Resolution no: FG18/08/18)
3rd Review as on 11 April 2019
The Chairperson may co-opt the Risk Champions and / or specialist to attend committee meetings to address any issues requiring their specialised input for example Insurance, Disaster Management, Legal, Human Resources, Generally Recognised Accounting Practice, Electro Technical, etc.

**Quorum**

The quorum for the meeting shall be four (4) executive and non-executive members.

**Mandate**

The Risk Management Committee is an oversight committee appointment by the Municipal Manager to review and assess the effectiveness and control processes of risk management within the municipality and present the findings to assurance providers such as the Audit Committee, Municipal Public Accounts Committees, Internal Audit and the Auditor General.

**Authority**

This Charter sets out the specific responsibilities delegated by the Accounting Officer and Council to the Committee and provides support for the manner in which the Committee will identify and treat risks.

**Roles and responsibilities**

In discharging its oversight responsibilities relating to risk management, the Risk Management Committee has the following high level responsibilities:

1) To promote
   a) managerial principles such as
      i) accountability;
      ii) governance;
      iii) ethical conduct;
      iv) prevention of fraud;
      v) efficiency and effectiveness;
      vi) sustainability;
      vii) change management;
viii) problem solving;
ix) analytical thinking;
x) customer focus;
xii) service delivery innovation; and
xii) communication.

b) the entrenchment of a risk aware environment.
c) responsibility for risk management at all levels of the municipality including the community.

2) To develop
   a) risk management committee charter;
b) goals and objectives for the committee;
c) key performance indicators for the committee as reflected in SDBIP;
d) system for the development and transfer of risk related skills and capacity; and
e) methods to review high level operational plans for risk-related issues as part of Senior Management (s57).

3) To determine
   a) the risk appetite of the municipality linked to the municipality's risk tolerance, ensuring that limits are supported by a rigorous analysis and judgement of:
      i) the municipality's ability to withstand significant shocks;
      ii) the municipality's ability to recover financially and operationally from significant shocks; and
      iii) the municipality's willingness to take on risk to achieve a desirable goal.

4) To review
   a) the risk appetite and make recommendations for approval by the Accounting Officer;
b) the risk management maturity of the municipality;
c) the risk management strategy and policy;
d) the fraud prevention policy;
e) the institution's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register; and
   f) any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses.

5) To evaluate
   a) mitigating strategies to address the material risks; and
   b) implementation of the fraud prevention strategy and policy.
6) To report
   a) on key risk management issues;
   b) on any material changes to the risk profile of the municipality; and
   c) to the municipal manager on the state of risk management, together with
      aspects requiring improvement accompanied by the committee's
      recommendations to address such issues.

Meetings

Only standing Committee members are automatically entitled to attend meetings. The Committee may invite such other persons to its meetings as it deems necessary.

The risk management committee should convene at least four (quarterly) times a year. The Chairperson of the Committee or a majority of the permanent members of the Committee may convene additional meetings as circumstances may dictate.

The Chief Risk Officer, or such person as appointed by the Accounting Officer, shall be the secretary of the Committee. The secretary shall forward the notice of each meeting of the Risk Management Committee to all members no later than five working days prior to the date of the meeting. The notice shall confirm the venue, time, date and agenda, and include the documents for discussion.

Minutes of proceedings and resolutions of Committee meetings will be kept by the Chief Risk Officer/Officer tasked with risk management or secretary. The minutes will be presented at the following meeting and approved by the Chairperson. The approved minutes will be distributed to all Committee members.

Administrative duties

The Chief Risk Officer, or such person appointed by the Committee, shall be the secretary of the Committee. The secretary shall forward the notice of each meeting of the Committee to all members no later than three working days prior to the date of the meeting. The notice shall confirm the venue, time, date and agenda, include the documents for discussion.

The minutes of the meetings shall be completed within ten working days after the Risk Management Committee meeting and be circulated to the chairperson and all relevant officials. The minutes shall be approved at the next Committee meeting.
Chief Risk Officer / Officer Tasked with Risk Management

The Chief Risk Officer will provide administrative support to the Committee and should therefore have a dotted reporting line to the Risk Management Committee. The functions of the Chief Risk Officer / Officer Tasked with Risk Management will include:

- facilitating orientation and training for the Risk Management Committee;
- reporting risk intelligence to the Accounting Officer / Authority, Management and the Risk Management Committee;

The Municipal Manager in consultation with the Risk Management Committee or Audit Committee should evaluate the performance of the Chief Risk Officer.

Performance evaluation

The Committee shall evaluate at least annually its performance in terms of this charter.

Review of the Charter

The Committee shall review the Charter annually and recommend to the Accounting Officer for approval any amendments that may be required.
"There is no achievement in walking on a thin rope if it lays on the ground because there is no risk in it"
Preamble

Risk Management

Risk management is as much about identifying opportunities as avoiding or mitigating losses. It is a logical and systematic process of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organisation to minimise losses and maximise opportunities.

Risk Trends

The drive for local government transformation with limited resources has tended to force municipalities into taking a less conservative approach to service delivery with a proportional increase in their risk exposure.

Ongoing local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

In this general environment of continual change and limited resources, the management of risk has become a critical issue. Decision-makers thus need to know about possible outcomes and take steps to control their possible impact.

Risk management is already widely recognised as an integral part of good management practice. To improve effectiveness risk management should also become part of a municipality’s culture, by being integrated into its philosophy, practices and Integrated Development Plan rather than viewed or practiced as a separate program. Risk should be viewed as a performer rather than an assessment or evaluation tool.

Risk management trends and components already overlap with those of internal auditing, performance management, programme and project management, financial management, change management, customer care, communication, etc. and require incremental inclusion in current and future plans of the entire organisation. When this is achieved, risk management will become the business of everyone in the organisation.

The management of risk by implication is a managerial function, even so individual sections, departments and directorates differ in their exposure and reaction to risks and thus departments, sections and individuals form a vital part of the overall risk management process within the municipality.

Knysna Municipality strives, so far, successfully to be amongst the leaders in local government. In our continuously changing governance environment it is imperative that Council remains updated on key changes and challenges and how these effect the operation of business in today’s environment. This will not be achieved without an effective, efficient, soundly funded and managed risk strategy that seeks to maximise its impact on the organisation with minimum resources at its disposal.

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National Treasury Public Sector Risk Management Framework affirms that “no organisation has a luxury of functioning in a risk-free environment and public institutions are especially vulnerable to risk associated with fulfilling their mandates”.

**King Reports**

The King reports applies to all entities regardless of the manner and form of incorporation or establishment. The principle, if adhered to, will result in any entity practicing good governance.

The practice of “apply or explain” in King III have moved to “apply and explain” in King IV and has reduced the 75 principles in King III to 17 principles in King IV.

The objectives of King IV are to:

- Promote corporate governance as integral to running an organisation and delivering governance outcomes such as an ethical culture, good performance, effective control and legitimacy.
- Broaden the acceptance of the King IV by making it accessible and fit for implementation across variety of sectors and organisational types.
- Reinforce corporate governance as a holistic and interrelated set of arrangements to be understood and implemented in an integrated manner.
- Encourage transparent and meaningful reporting to stakeholders.
- Present corporate governance as concerned with not only structure and process, but also with an ethical consciousness and conduct.

Principle 8 of the King IV report states that the governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties. It is also stated that the committee for risk governance should have executive and non-executive members, with the majority being non-executive members of the governing body.

Principle 11 (The governing body should govern risk in a way that supports the municipality in setting and achieving its strategic objectives) of the King IV report addresses the manner in which risk governance should take place.
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## Definitions

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<th>Term</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Accounting Officer</td>
<td>The Municipal Manager of a municipality is the Accounting Officer of the municipality.</td>
</tr>
<tr>
<td>Adjustments Budget</td>
<td>Prescribed in section 28 of the Municipal Finance Management Act. The formal means by which a municipality may revise its annual budget during the year.</td>
</tr>
<tr>
<td>Assurance Provider</td>
<td>Assurance providers express an independent opinion on issues such as the management of risk within the municipality which serves to enhance the degree of confidence in the organisation, such as the Auditor General.</td>
</tr>
<tr>
<td>Benchmarking</td>
<td>The process of comparing business processes and performance to industry bests and/or best practices from other industries.</td>
</tr>
<tr>
<td>Budget</td>
<td>The financial plan of the Municipality.</td>
</tr>
<tr>
<td>Chief Risk Officer</td>
<td>An employee with the designation of Chief Risk Officer or an employee with the delegated responsibilities of a Chief Risk Officer.</td>
</tr>
<tr>
<td>Consequence</td>
<td>The outcome of an event expresses qualitatively or quantitatively, being a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event.</td>
</tr>
<tr>
<td>Enterprise Risk Management</td>
<td>A structured and consistent approach across the Municipality that aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks that the Municipality faces to create stakeholder value.</td>
</tr>
<tr>
<td>Event</td>
<td>An incident or situation that occurs in a particular place during a particular interval of time.</td>
</tr>
<tr>
<td>Executive Management Team</td>
<td>The Executive Management Team consists of the Section 57 Local Government; Municipal Systems Act No 52 of 2000 managers made up of the Accounting Officer (Municipal Manager), Directors (Corporate, Finance, Planning, Community and Technical).</td>
</tr>
<tr>
<td>Generally Recognised Accounting Practice (GRA)</td>
<td>The standard for municipal accounting.</td>
</tr>
<tr>
<td>Integrated Development Plan</td>
<td>The main strategic planning document of the Municipality.</td>
</tr>
<tr>
<td>Impact</td>
<td>The extent of the effect on the Municipality should the risk actually materialise.</td>
</tr>
<tr>
<td>Incident</td>
<td>An undesired event as a result of a risk behaviour, or high-risk condition, without resulting in loss, but has the potential for losses.</td>
</tr>
<tr>
<td>Inherent risk</td>
<td>The risks to the Municipality in the absence of any actions management might take to alter either the risk’s impact or likelihood. In other words, the impact that the risk will have on the achievement of objectives if the current controls that are in place, are not considered.</td>
</tr>
<tr>
<td>Knysna 2020</td>
<td>Current long term development plan.</td>
</tr>
<tr>
<td>Likelihood Management</td>
<td>A qualitative description of probability of frequency.</td>
</tr>
<tr>
<td>Management</td>
<td>In all business and organisational activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organisation (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
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<td>----------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Medium Term Revenue and Expenditure Framework (MTREF)</td>
<td>A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years’ financial position.</td>
</tr>
<tr>
<td>Municipal Public Accounts Committee (MPAC)</td>
<td>Section 79 committee within Council and comprised of councilors, to provide oversight over executive and the administration.</td>
</tr>
<tr>
<td>Operating Expenditure</td>
<td>Spending on the day to day expenses of the Municipality such as salaries and wages.</td>
</tr>
<tr>
<td>Predetermined Objectives</td>
<td>Strategic objectives, programs, projects, and performance indicators identified during the Integrated Development Plan budget process.</td>
</tr>
<tr>
<td>Problem Statement</td>
<td>A clear description of the risk(s), including a risk statement, and method used to address the risk(s).</td>
</tr>
<tr>
<td>Process</td>
<td>Structured set of activities within an entity, designed to produce a specified output.</td>
</tr>
<tr>
<td>Quarterly</td>
<td>Period made up of three months July - September, October - December, January - March and April - June.</td>
</tr>
<tr>
<td>Rates</td>
<td>Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.</td>
</tr>
<tr>
<td>Reputational risk</td>
<td>Risk factors that could result in the tarnishing of the Municipality’s reputation, public perception and image. A type of risk related to the trustworthiness of an entity. Damage to the entity’s reputation can result in lost revenue or destruction of shareholder value, even if the municipality is not found guilty of a crime.</td>
</tr>
<tr>
<td>Residual risk</td>
<td>The remaining exposure after the controls/treatments has been taken into consideration.</td>
</tr>
<tr>
<td>Risk Management Implementation Plan</td>
<td>Is a management tool that defines how the various risk management strategies, policies and procedures are to be implemented to address risks faced by the municipality.</td>
</tr>
<tr>
<td>Risk Based Internal Audit Plan</td>
<td>A three-year internal audit plan developed by Internal Audit to address the key risks identified as part of risk management processes.</td>
</tr>
<tr>
<td>Risk</td>
<td>Any uncertain future events (threats and opportunities) that could influence the achievement of the goals and objectives of the municipality.</td>
</tr>
<tr>
<td>Risk Management Committee</td>
<td>A Risk Management Committee is defined as a committee appointed by the Accounting Officer / Authority to review the Institution’s system of risk management.</td>
</tr>
<tr>
<td>Risk Register</td>
<td>A Risk Register is a management tool commonly used in Project Management and organisational risk assessments. It acts as a central repository for all risks identified by the project or organisation and, for each risk, includes information such as risk probability, impact, counter-measures, risk owner and so on.</td>
</tr>
<tr>
<td>Risk Assessment</td>
<td>The overall process of identifying, analysing and evaluating risk. The risk assessment process should consider risks that are significant to the achievement of the Municipality’s objectives. This is a continuous process, requiring regular reviews, at least annually or as and when internal and external changes influence the Municipality’s strategies and objectives.</td>
</tr>
<tr>
<td>Risk Appetite</td>
<td>The amount of risk that the municipality is willing to accept in pursuit of value. It reflects the municipality’s risk management philosophy. Risk appetite guides resource allocation, assist the municipality in aligning the organization, people and processes.</td>
</tr>
<tr>
<td>Risk Categories</td>
<td>Grouping of risks with similar characteristics used in establishing the Municipality’s risk portfolio. Ultimately determined by the client, the characteristics used to define risk categories typically reflect the Municipality’s business model, industry or other factor that drives risk within the organisation.</td>
</tr>
<tr>
<td>Risk Champion</td>
<td>A person with the skills, knowledge and leadership required to champion the risk management cause.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Risk Management</td>
<td>Risk Management is a systematic approach to setting the best course of action under uncertainty by assessing, understanding, acting on and communicating risk issues and opportunities.</td>
</tr>
<tr>
<td>Risk Owner</td>
<td>The person responsible for managing a particular risk.</td>
</tr>
<tr>
<td>Risk Tolerance</td>
<td>The amount of risk the institution is capable of bearing (as opposed to the amount of risk it is willing to bear).</td>
</tr>
<tr>
<td>Risk Treatment</td>
<td>Selection and implementation of appropriate options for dealing with risk.</td>
</tr>
<tr>
<td>Strategic Objectives</td>
<td>The main priorities of the Municipality as set out in the Integrated Development Plan. Budgeted spending must contribute towards the achievement of the strategic objectives.</td>
</tr>
<tr>
<td>Strategy</td>
<td>A plan of action designed to achieve a particular goal is the direction and scope of an organisation over the long-term: which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations.</td>
</tr>
<tr>
<td>Risk Strategy/Risk Response</td>
<td>Strategies developed by management to reduce or eliminate the threats and events that create risks. The risk strategy/response could include avoidance, acceptance, reduction (treatment) and sharing (transference) of risks.</td>
</tr>
<tr>
<td>Transversal</td>
<td>Running or lying across; Crosscutting</td>
</tr>
<tr>
<td>Utilities</td>
<td>In context of the draft, are the categorised four main components of the inferred organisational workflow which are; Integrated Development Programme; Budget; Infrastructure; Systems; Services and Organisational Structure.</td>
</tr>
</tbody>
</table>
1. Enterprise Risk Management Environment

In order to ensure the inclusion of all the factors impacting on Risk Management within the Municipality it is important to identify the environment within which the municipality operates. As with most municipal disciplines the risk management environment has altered substantially and requires a complete review of current polices, practices and assumptions.

Factors within the municipal environment that impact directly on how the municipality will address risk management are:

- Legislation and guidelines
- Unfunded mandates
- The whole community including residents, businesses, farmers, government, visitors, ward committees, staff, etc.
- National Government, Western Cape Provincial Government and Eden District Municipality
- Garden Route National Park (Tsitsikamma, Knysna, Wilderness) South African National Parks
- Third party services providers such as Eskom

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• The local, national and international economy
• Natural disasters and natural assets (gifts)
• Assets (infrastructure, land, buildings, etc)
• Affordability (budget)
• Skill levels (internal and external)
• Systems (enterprise risk management architecture such as Information Technology, fleet management, debt collection, Procurement, etc)
• King (I, II, II, IV)

Some of these factors are compulsory, others meet good governance or best practice principles and some are inherent to Knysna Municipality. Although municipalities are of a similar nature and are responsible to deliver the same basic services they vary due to unique geographical, social and political nuances and cannot be addressed in the same manner across the whole of South Africa.

2. Enterprise Risk Management Architecture

Any successful implementation of Enterprise Risk Management is dependent on a structure that considers various interrelated and inter-dependent components. The National Treasury Public Sector Framework adopts the following architecture, consisting of:
• Process framework;
• Drivers;
• Enablers;
• Implementers;
• Support;
• Tools and technology;
• Assurance providers;
• Oversight framework.
The enterprise risk management architecture is depicted graphically below:

![Enterprise Risk Management Architecture Diagram](image)

3. Legislative Environment

The Municipal Finance Management Act 2003 (Act no. 56 of 2003) defines the municipal manager as the accounting officer of the municipality. Section of the Municipal Finance Management Act requires the accounting officer to take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control and of internal audit as well as the effective, efficient and economical use of the resources of the municipality. The purpose of the risk management policy is to enable the municipality to comply with the requirements as set out in the legislation.

**General financial management functions**

(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—

(c) that the municipality has and maintains effective, efficient and transparent systems—

(i) of financial and risk management and internal control;
4. Physical Environment

Knysna Municipality functions within a physical environment which covers a total surface area of 1,059 km². It stretches from Swartvlei in Sedgefield on the West to Harkerville in the East. The municipal area is bordered by the Outeniqua Mountains in the North and the Indian Ocean in the South. Knysna town is situated along the northern shores of the Knysna Lagoon.

During the past decade Knysna and the Southern Cape have experienced an increase in weather related disasters ranging from floods to one of the worst droughts in recorded history, and recently the fires that burnt approximately 15,062 HA of vegetation, which included vegetation types such as Southern Coastal Forest and critically endangered Knysna Sand Fynbos and vulnerable Garden Route Shale Fynbos.

Additional environmental risks that have been or are being faced include:
- Fires both in residential and rural areas.
- Landslides / mudslides due to erosion where vegetation had been burnt or removed.
- Prolonged droughts and shortage of water.
- Species extinction due to extreme fires of lack of fire (fynbos) and fragmentations within the landscape.
- Contamination of the estuaries and lagoons through waste pollution, high nutrient loads and sanitation.
- Contamination of water sources and degradation of wetlands.
- Climate change and coastal erosion due to extreme weather events and sea level rise.
- Alien vegetation and increased fuel loads.
- Air pollution.
- Chemical spills (N2), etc.

5. Internal and External Organisational Environment

Knysna Municipality does not operate in a vacuum and affects and in turn is affected by decisions made by itself and a multitude of external organisations such as:
- Council
- South African National Parks (Garden Route National Park)
- Garden Route District Municipality and municipalities within the Garden Route district
- National Treasury (legislation, regulations and guidelines)
- Eskom (tariff increases)
- Department of Water Affairs (green and blue drop)
- Western Cape Provincial Government (oversight)
- Rate Payer Associations
- Knysna Tourism
- The media
- Ward Committees
- Auditor General, Internal Audit and the Audit Committee, Municipal Public Accounts Committee etc.
6. Uncertainty of the Future

It is becoming increasingly difficult for the management of a municipality to accurately predict the future, to anticipate future threats and weaknesses and the negative impact these can have on the municipality and all of its stakeholders.

It has become necessary to adopt a firm position on how the uncertainty of the future and the adverse implication that it may hold can be managed in the most effective, efficient and proactive way possible and to protect the Municipality and its stakeholders against any possible future adverse and unforeseen occurrence.

Prevention, reducing, and avoidance are often simpler, less painful, less costly and more successful than cure.
Risk Management Strategy

1. Introduction

The management of risk is an essential part of corporate governance within the municipality. The Risk Management System utilised as an instrument to assist in strategic and operational planning, has many potential benefits in identifying opportunities and risks to the municipality achieving its strategic objectives as determined in the integrated development plan.

An effective Risk Management System will safeguard Councils interests and ensure the best use of limited municipal resources. By implementing and regularly reviewing the municipal Risk Management Strategy Council will not only achieve compliance with legislative requirements but also add value to its oversight and managerial processes.

2. Objectives of the Risk Management Strategy

- To address risk management for the whole municipality and to give effect to the implementation of the Risk Management Strategy, Risk Management Policy, establishment of the Risk Management Committee, Risk Management Implementation Plan and Risk Management Systems.

- To inform and assist the executive and personnel on their roles and responsibility and to ensure that the risks relating to their particular area of control are managed to ensure that the best outcome is achieved.

The Risk Management Strategy is required to inform the Risk Management Standard Operating Procedure (RMSOP).

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3. Why Risk Management?

3.1 Compliance and Corporate Governance

The Municipal Finance Management Act requires compliance in respect of risk management and this policy’s objective is to enable and secure compliance.

The King Reports require the governance of risk through a formal risk management processes. Principle 11 (The governing body (Council) should govern risk in a way that supports the municipality in setting and achieving its strategic objectives) of King IV sets out the recommended practices relating to risk governance.

To set the principles, deliverables and processes through which risk management needs to be performed at least at a compliance level.

3.2 Improved Management of the Future

In every single management planning and performance management activities provision needs to be made for the unpredictability of the future, for obstacles that need to be overcome and possible adverse impacts it can have on the municipality and its beneficiaries. The aim of the strategy is to guide management in the identification of risk and in the development of suitable responses to such risks.

3.3 Clarify, Empower and Enable

All levels of management have a responsibility to ensure that the unpredictability of the future is reduced and the municipality and its beneficiaries are protected against such unpredictability.

The aim of the strategy is to empower such levels of management, to enable it in accordance with its responsibility and to clarify the powers and functions of all levels of management.

3.4 Set Risk Management Standards

The strategy sets the standard at which the Council intends and expects risk to be managed and accordingly ensures that such a required standard is known and set for the organisation.

It is also important to monitor whether the risk management strategy is producing the desired outcomes.
4. Risk Management Process

The Risk Management Process Framework, as included in the Enterprise Risk Management Architecture comprise of the following, which are elaborated on below:

1. Internal Framework
2. Objective Setting
3. Risk Identification
4. Risk Assessment
5. Risk Response
6. Control Activities
7. Information and Communication
8. Monitoring

4.1 Internal Framework

4.1.1 Risk Management Philosophy

Knysna Municipality's risk management philosophy is stated in the Risk Management Policy. Risk is inherent in all functions undertaken by or on behalf of Knysna Municipality. All personnel are responsible for managing the risks that relate to their particular areas of work. Risks should be managed in a way that derives the best outcome for the municipality and its stakeholders.

4.1.2 Risk Appetite

It is the responsibility of Council to approve the risk appetite in its various areas of operation. The risk appetite should be clearly stated and articulated so that it informs management decisions.

As a principle, and in support of the Municipal Finance Management Act, the municipality shall have a low risk appetite for all forms of loss resulting from negligence and wasteful or fruitless expenditure. Senior management with the assistance of the Performance, Internal Audit and Risk Management department will endeavor to determine the risk appetite of each department.

4.1.3 Organisational Structure

This section of the strategy determines how the municipal structure will be utilised and amended in terms of roles and responsibilities of the various structures to give effect to the Risk Management Strategy.

The Municipality will implement the following structure to give effect to its Risk Management processes.
Executive Structure: Council is the primary accountable body within the municipality with regards to risk. Oversight in respect of all risk related issues will be performed by the Chair of the Finance, Economic Development and Governance Committee.

Municipal Public Accounts Committee: A committee modelled on the example of Standing Committee on Public Accounts (SCOPA) within Council and comprised of councilors, to provide oversight over executive and the administration.

The aim is to improve accountability, transparency, economical effective and efficient use of public resources in executing municipal functions giving effect to service delivery.

Audit Committee: The Audit Committee will act in terms of section 166 of the Municipal Finance Management Act in an advisory capacity.

Audit committees

166. (1) Each municipality and each municipal entity must have an audit committee, subject to subsection (6).

(2) An audit committee is an independent advisory body which must—
(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to—
(ii) risk management;

Accounting Structure: As per the Municipal Finance Management Act, the Accounting Officer will be the Municipal Manager.

Executive Management Team: The Executive Management Team (Section 56 appointees) is responsible for the complete spectrum of governance in the Municipality.

Management / Risk Owners: Management will be all other managers, departmental managers, process owners and section managers.

Action Owners and Other Officials (Employees): Action owners and other officials are accountable to line management and are responsible for incorporating risk management into their day-to-day activities. All employees within the Municipality have a role to play with regards to Risk Management.

Risk Management Committee Structure: The Risk Management Committee is defined as a committee appointed by the Accounting Officer to review the municipality’s system of risk...
management. The membership of the Risk Management Committee should have executive and non-executive members, with the necessary blend of skills, competencies and attributes.

**Chief Risk Officer:** The Chief Risk Officer will be appointed by the Accounting Officer, be it an employee with the designation of Chief Risk Officer or an employee with the delegated responsibilities of a Chief Risk Officer.

**Risk Champions:** The principle of Risk Champions as promoted by National Treasury is to be implemented throughout the municipality. A minimum of at least one manager from each directorate will be designated as a Risk Champion, to support the risk management process in specific allocated areas or functions.

**Internal Audit:** The Internal Audit service will be provided by the Municipality's Internal Audit Unit currently provided by an external service provider.

```
Internal audit unit

165. (1) Each municipality and each municipal entity must have an internal audit unit, subject to
    subsection (3).
    (2) The internal audit unit of a municipality or municipal entity must—
        (a) prepare a risk-based audit plan and an internal audit program for each financial year;
        (b) advise the accounting officer and report to the audit committee on the implementation
            of the internal audit plan and matters relating to—
            (i) risk and risk management.
```

**Administrative Support:** Administrative support with regards to risk management will be provided by the Performance, Internal Audit and Risk Management department.

**External Audit:** The Auditor-General, in addition to providing an opinion on the financial statements of the Municipality, also provide independent assurance on the effectiveness of the risk management activities of the Municipality during the process of highlighting weaknesses or deficiencies with regards to control weaknesses.

**National / Provincial Treasury:** The National / Provincial Treasury provides guidelines and oversight in respect of the effective functioning of Enterprise Risk Management within the Municipality.

**4.1.4 Accountability, Roles and Responsibilities**

This section determines the authority and delegation of responsibilities to give effect to the Risk Management Strategy.

**Executive Authority:** The Executive Authority as represented by the Mayor is accountable to Council in terms of the achievement of the goals and objectives of the Municipality and those advocated nationally. As risk management is an important tool to support the achievement of this goal, it is important that the Executive Authority provides leadership to governance and risk management. To derive optimal benefits, risk management ought to be conducted in a systematic manner, using proven methodologies, tools and techniques.
**Audit Committee:** The Audit Committee is responsible for providing the Accounting Officer with independent counsel, advice and direction in respect of risk management. The stakeholders rely on the Audit Committee for an independent and objective view of the institution’s risks and effectiveness of the risk management processes.

**Accounting Authority:** The Accounting Officer is accountable to the Council in terms of the achievement of the goals and objectives of the institution. In this context the Accounting Officer should take an interest in enterprise risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the institution. The Accounting Officer must ensure that the responsibility for risk management vests at all levels of management and that it is not only limited to the Accounting Authority. The Accounting Authority must also ensure that risk processes are regularly reviewed.

**Management:** Management is accountable to the Accounting Officer for designing, implementing and monitoring risk management; and integrating it into the day-to-day activities of the institution. This needs to be done in such a manner as to ensure that risk management becomes a valuable strategic management tool to enhance the achievement of the service delivery and value for money.

**Action Owners and Other Officials (Employees):** Employees are accountable to their management structures for implementing and monitoring the process of risk management and to integrate it into their day-to-day operational activities.

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**Senior Managers and Other Officials of Municipalities**

78. (1) Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure—

(a) that the system of financial management and internal control established for the municipality is carried out diligently;

(b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;

(c) that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;

(d) that all revenue due to the municipality is collected;

(e) that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary;

(f) that all information required by the accounting officer for compliance with the provisions of this Act is timeously submitted to the accounting officer; and

(g) that the provisions of this Act, to the extent applicable to that senior manager or official, including any delegations in terms of section 79, are complied with.

(2) A senior manager or such official must perform the functions referred to in subsection (1) subject to the directions of the accounting officer of the municipality.

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**Risk Management Committee:** The Risk Management Committee is responsible for oversight of the quality, integrity and reliability of the municipality’s risk management processes and responses to risk. An important part of the Committees mandate is to provide recommendations to the Accounting Officer to continuously improve the management of specific risks as well as the overall process of risk management.

Permanent members of the Committee shall be appointed by the Municipal Manager. The members as a collective possess the knowledge of the Institution including familiarity within the Council Approved: 21 August 2018 (Resolution no: FG18/08/18) 3rd Review as on 11 April 2019
concepts, principles and practice of risk management, such that they can contribute meaningfully to the advancement of risk management within the institution.

Membership shall comprise:
1. Municipal Manager
2. Chairperson Independent / Non-executive
3. Executive Management Team (Section 57 appointees)
4. Audit Committee member (As delegated by the Committee)
   Standing Invitees
5. Chief Risk Officer
6. Chief Audit Executive
7. Any other person who may be co-opted to provide specialist skills, advice and counsel.

**Chief Risk Officer:** The Chief Risk Officer is to provide expertise in providing a support service to ensure systematic, uniform and effective enterprise risk management. The Chief Risk Officer is to serve as a communication link between operational level management, senior management, the Risk Management Committee and other relevant committees. The Chief Risk Officer is to be the custodian of the enterprise risk management framework, the coordinator of risk management throughout the institution and the institutional advisor on all risk management matters.

**Risk Champions:** The Risk Champions will be Ward Councilors and at least one designated manager from each of the directorates of the municipality. Risk Champions are to act as change agents in the enterprise risk management process and should be individuals with the skills, knowledge and leadership required to champion the risk management cause. A key part of the Risk Champion's responsibility will involve escalating instances where the risk management efforts are stifled, such as when individuals try to block enterprise risk management initiatives.

**Internal Audit:** Internal Audit is responsible for reviewing the risk philosophy of the institution including the Risk Management Strategy, Risk Management Policy, Risk Management Implementation Plan, fraud prevention plan and the risk management reporting structure. In addition Internal Audit is the primary assurance provider regarding the design and functioning of the risk control environment and provides assurance over the institution’s risk identification and assessment processes.

**Administrative Support:** The Performance, Internal Audit and Risk Management department is responsible for the regular review and updating of all risk processes with the municipality such as risk workshops, the Risk Register, Risk Management Committee meetings, Information Technology risk systems, etc.

### 4.2 Objective Setting

An organization adopts a mission and vision, sets strategies, establishes objectives it wants to achieve, identify risks that might influence the achievement of the set objectives and formulates plans in order to mitigate the risks and achieve the objectives. Objective setting is therefore a precondition to event identification, risk assessment and risk response.

Objectives may be set for an entity as a whole, or be targeted to specific activities within the entity. Though many objectives are specific to a particular entity, some are widely shared.
The following five components of internal control support the municipality in its efforts to achieve its objectives:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

It is not practical to design and implement a system of internal control unless the municipality's objectives are established, set, and specified for the municipality. Ineffective objective-setting processes would challenge the municipality's ability to identify poorly specified, unrealistic, or unsuitable objectives. A system of internal control cannot encompass all activities undertaken by the municipality, and weaknesses in these areas may impede the municipality in having effective internal control.

4.3 Risk Identification

Risk identification needs to be comprehensive in order for the municipality to consider all significant interactions of goods, services, and information - internal to the municipality and between the municipality and its relevant business partners and outsourced service providers. Risks emanating from external factors such as new or amended laws and regulations, environmental issues, or potential natural events should also be considered.

The focus is on identifying all risks that potentially impact the achievement of objectives as well as on emerging risks - those risks that are increasingly relevant and important to the municipality and that may be addressed by scanning and analyzing relevant risk factors.

Management therefore considers risks in relation to both internal and external factors. As the risk environment is so varied and complex it is useful to group potential events into risk categories. By aggregating events horizontally across an institution and vertically within operational units, management develops an understanding of the interrelationship between events, gaining enhanced information as a basis for risk management.

The main risk categories to group individual risk exposures are as follows:

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Risk Category</th>
<th>Description</th>
</tr>
</thead>
</table>
| Internal    | Human resources                        | Risks that relate to human resources of the Municipality. These risks have an effect on the Municipality's human capital with regard to:  
  - Integrity and honesty;  
  - Recruitment;  
  - Skills and competence;  
  - Employee wellness;  
  - Employee relations;  
  - Retention; and  
  - Occupational health and safety. |
| Internal    | Knowledge and Information management   | Risks relating to the Municipality’s management of knowledge and information. In identifying the risks consider the following aspects related to knowledge management:  
  - Availability of information;  
  - Stability of information; |
<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Risk Category</th>
<th>Description</th>
</tr>
</thead>
</table>
| Internal            | Litigation                                 | Risks that the Municipality might suffer losses due to litigation and lawsuits against it. Losses from litigation can possibly emanate from:  
- Claims by employees, the public, service providers and other third party.  
- Failure by the Municipality to exercise certain rights that is to its advantage. |
| Internal            | Loss \ theft of assets                     | Risks that the Municipality might suffer losses due to either theft or loss of an asset of the Municipality.                                                                                                    |
| Internal            | Material resources (procurement risk)      | Risks relating to the Municipality’s material resources. Possible aspects to consider include:  
- Availability of material;  
- Costs and means of acquiring \ procuring resources; and  
- The wastage of material resources. |
| Internal            | Service delivery                           | Every Municipality exists to provide value for its stakeholders. The risk will arise if the appropriate quality of service is not delivered to the citizens.                                             |
| Internal            | Information Technology                     | The risks relating specifically to the Municipality’s IT objectives, infrastructure requirement, etc. Possible considerations could include the following when identifying applicable risks:  
- Security concerns;  
- Technology availability (uptime);  
- Applicability of IT infrastructure;  
- Integration / interface of the systems;  
- Effectiveness of technology; and  
- Obsolescence of technology. |
| Internal            | Third party performance                    | Risks related to the Municipality’s dependence on the performance of a third party. Risk in this regard could be that there is the likelihood that a service provider might not perform according to the service level agreement entered into with the Municipality. Non-performance could include:  
- Outright failure to perform;  
- Not rendering the required service in time;  
- Not rendering the correct service; and  
- Inadequate / poor quality of performance. |
| Internal            | Health & Safety                            | Risks from occupational health and safety issues e.g. injury on duty; outbreak of disease within the Municipality.                                                                                           |
| Internal            | Disaster recovery / business continuity     | Risks related to the Municipality’s preparedness or absence thereof to disasters that could impact the normal functioning of the Municipality e.g. natural disasters, act of terrorism, etc. This could lead to the disruption of processes and service delivery and could...
<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Risk Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>Compliance \ Regulatory</td>
<td>Risks related to the compliance requirements that the Municipality have to meet. Aspects to consider in this regard are:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Failure to monitor or enforce compliance;</td>
</tr>
<tr>
<td>Internal</td>
<td>Fraud and corruption</td>
<td>These risks relate to illegal or improper acts by employees resulting in a loss of the Municipality’s assets or resources.</td>
</tr>
<tr>
<td>Internal</td>
<td>Financial</td>
<td>Risks encompassing the entire scope of general financial management. Potential factors to consider include:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cash flow adequacy and management thereof;</td>
</tr>
<tr>
<td>Internal</td>
<td>Cultural</td>
<td>Risks relating to the Municipality’s overall culture and control environment. The various factors related to organisational culture include:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Communication channels and the effectiveness;</td>
</tr>
<tr>
<td>Internal</td>
<td>Reputaion</td>
<td>Factors that could result in the tarnishing of the Municipality’s reputation, public perception and image.</td>
</tr>
<tr>
<td>External</td>
<td>Economic environment</td>
<td>Risks related to the Municipality’s economic environment. Factors to consider include:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Inflation;                                                                续 counts in line 14</td>
</tr>
<tr>
<td>External</td>
<td>Political environment</td>
<td>Risks emanating from political factors and decisions that have an impact on the Municipality's mandate and operations. Possible factors to consider include:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Political unrest;                                                                续 counts in line 14</td>
</tr>
<tr>
<td>External</td>
<td>Social environment</td>
<td>Risks related to the Municipality’s social environment. Possible factors to consider include:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Unemployment; and</td>
</tr>
</tbody>
</table>

include the possible disruption of operations at the onset of a crisis to the resumption of critical activities. Factors to consider include:
- Disaster management procedures; and
- Contingency planning.

include the possible disruption of operations at the onset of a crisis to the resumption of critical activities. Factors to consider include:
- Disaster management procedures; and
- Contingency planning.
### 4.4 Risk Assessment

Risk assessment involves a dynamic process for identifying and analyzing risks to achieving the municipality’s objectives, forming a basis for determining how risks should be managed. Management considers the possible changes in the external environment and within its own business model that may impede its ability to achieve its objectives.

There are four principles relating to Risk Assessment:

- The municipality specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
- The municipality identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
- The municipality considers the potential for fraud in assessing risks to the achievement of objectives.
- The municipality identifies and assesses changes that could significantly impact the system of internal control.

The main purpose of a risk assessment is to assist the Municipality to prioritise the most important risks. Risks should be assessed on the basis of the **likelihood** of the risk occurring and the **impact** of its occurrence on the particular municipal objective(s) it is likely to affect.

Risk assessment should be performed through a three stage process:

- The **inherent risk** should be assessed to establish the level of exposure in the absence of deliberate management action to influence the risk;
- A **residual risk** assessment should follow the process to determine the actual remaining level of risk after the mitigating effects of management action to influence the risk; and
- The residual risk should be benchmarked against the Municipality’s **risk appetite** to determine the need for further management intervention.

**Impact and Likelihood:** The uncertainty of potential events are evaluated from two perspectives, namely impact and likelihood. Impact represents the effect of a given event occurring, while the likelihood represents the possibility that a given event will occur.

**Impact:** The following rating table should be utilized in assessing the potential impact of risks:
**Impact assessment**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Assessment</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Insignificant</td>
<td>Negative outcomes or missed opportunities that are likely to have a negligible impact on the ability to meet objectives. (No material impact on ongoing and on the achievement of business strategy and objectives)</td>
</tr>
<tr>
<td>2</td>
<td>Minor</td>
<td>Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives. (Limited impact on ongoing operations and on the achievement of business strategy and objectives)</td>
</tr>
<tr>
<td>3</td>
<td>Moderate</td>
<td>Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives. (Disruption to normal operations with the limited effect on achievements of business unit strategy and objectives.)</td>
</tr>
<tr>
<td>4</td>
<td>Major</td>
<td>Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives. (Reduced ability to achieve business objectives (i.e. loss of key operations, reduction in quality of delivery)</td>
</tr>
<tr>
<td>5</td>
<td>Extreme</td>
<td>Negative outcomes or missed opportunities that are of critical importance to the achievement of the objectives. (Loss of ability to sustain ongoing operations)</td>
</tr>
</tbody>
</table>

**Likelihood**: The following rating table should be utilized in assessing the likelihood of risks:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Assessment</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rare</td>
<td>The risk is conceivable but is only likely to occur in extreme circumstances.</td>
</tr>
<tr>
<td>2</td>
<td>Unlikely</td>
<td>The risk occurs infrequently and is unlikely to occur within the next 3 years.</td>
</tr>
<tr>
<td>3</td>
<td>Possible</td>
<td>There is an above average chance that the risk will occur at least once in the next 3 years.</td>
</tr>
<tr>
<td>4</td>
<td>Likely</td>
<td>The risk could easily occur, and is likely to occur at least once within the next 12 months.</td>
</tr>
<tr>
<td>5</td>
<td>Certain</td>
<td>The risk is already occurring, or is likely to occur more than once within the next 12 months.</td>
</tr>
</tbody>
</table>

**Inherent risk exposure (Impact x Likelihood)**

The following rating table should be utilized to categorise the various levels of inherent risks:

<table>
<thead>
<tr>
<th>Risk rating</th>
<th>Inherent risk magnitude</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Extreme</td>
<td></td>
</tr>
</tbody>
</table>

Council Approved: 21 August 2018 (Resolution no: FG18/08/18)
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These are serious risks and should receive the highest priority in the organisation, its efforts and in the way resources are deployed in order to minimise or resolve the impact of a risk or to avoid or prevent the risk. In these instances the likeliness and impact of the risk are both high i.e. 75 or above. (Minimum monitoring: weekly review)

High rated risks fall between 50 and 74.9. This means although the probability of the risk eventuating is high it not as likely to happen as a risk rated Serious. The risk needs to be monitored and managed accordingly. (Minimum monitoring: monthly review)

Medium risks are rated between 25 and 49.9. Although a risk could materialise the impact is low and effort and resources invested should be managed accordingly. (Minimum monitoring: quarterly review)

These risks have low impact and low likeliness i.e. both rated below 25 out of 100. It is a low risk that requires little if any attention, effort or resource investment. (Minimum monitoring: annual review)

### 4.5 Risk Response

In order to mitigate any risk it is imperative that the cause be determined. A cause underpinning a risk may be any of the following or a combination thereof:

- A legislative nature
- A political nature
- Management capacity, skill, structure, mechanism or lack thereof
- Employee capacity or skill or lack thereof
- Financial capacity or viability
- The communities expectation, perception, action or lack of action
- Social change
- Economic change or development
- Environmental factors
- A third parties action (such as Eskom tariff increases)
- A partners/entity/ public private partnership /shared service action or lack of action
- A competitors action
- A deteriorating relationship
- Changing technology or methodology
- A product or current service level
- Technological capacity of the municipality
- Ageing, inappropriate or insufficient infrastructure
- Outdated or absent process, policy or systems and methodology/approaches
- Material availability, quality or quantity
- Plant, fleet or equipment capacity of the organisation

Unless the real cause of the risk is understood, suitable action cannot be taken. Failing correct identification of the cause, the result would be of a symptomatic remedial approach and the actual cause of the risk will remain unattended.

A risk response must be developed to ensure that an appropriate strategy/action plan is developed for at least each of the identified critical (Serious and High) risks in order to reduce the impact and or likelihood of a potential risk event occurring.

Risk Management strategies should be SMART. When drafting action plans one should consider the following:
The strategies/risk responses can be categorised as follows:

- **Avoiding**: Risk avoidance involves deciding not to start or continue with the activity that gives rise to the risk (where this is practical). For example, choosing a different strategy or terminating the activity that produces the risk.

- **Accepting**: Risk retention involves accepting or retaining a certain level of risk. After risks have been reduced or shared, there will be residual risks that are retained. Risks can also be retained by default, e.g. when there is a failure to identify or appropriately share or otherwise treat risks. (Where the cost and strategy considerations rule out alternative strategies)

- **Reducing (Treating)**: Risk reduction involves changing the likelihood of the risk, to reduce the likelihood of the negative outcomes or changing the consequences, to reduce the extent of the losses. For example, implementing or improving the internal control system.

- **Sharing (Transferring)**: This involves another party or parties bearing or sharing some part of the risk, preferably by mutual consent. Mechanisms include the use of contracts, insurance arrangements and organisational structures such as partnerships and joint ventures to spread responsibility and liability. Generally there is some financial cost or benefit associated with sharing part of the risk with another organisation, such as the premium paid for insurance. Where risks are shared in whole or in part, the organization transferring the risk has acquired a new risk, in that the organization to which the risk has been transferred may not manage the risk effectively.

- **Exploiting**: Exploiting involves doing everything to make sure the risk event happens. In this risk response you will develop a strategy in order for an opportunity to realise.
4.6 Control Activities

Control activities are the actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity and at various stages within business processes, and over the technology environment.

Controls should be considered on the basis of:
- Design effectiveness – is the control “fit for purpose” in theory i.e. is the control designed appropriately for the function for which it is intended.
- Operational effectiveness - does the control work as practically intended.

Control types should include:
- Preventative controls to prevent errors or irregularities from occurring (e.g. physical security of assets to prevent theft);
- Detective controls to find error or irregularities after they have occurred (e.g. performance of reconciliations procedures to identify errors); and
- Corrective controls that operate together with detective controls to correct errors or irregularities.

Internal control “architecture” should include:
- Management controls to ensure that the Department’s structure and systems support its policies, plans and objectives, and that it operates within laws and regulations;
- Administrative controls to ensure that policies and objectives are implemented in an efficient and effective manner;
- Accounting controls to ensure that resources are accounted for fully and transparently and are properly documented; and
- Information technology controls to ensure security, integrity and availability of information.

The following table should be utilized to assess the effectiveness of controls:

<table>
<thead>
<tr>
<th>Effectiveness category</th>
<th>Factor</th>
<th>Category definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very good</td>
<td>20</td>
<td>Risk exposure is effectively controlled and managed. (Could not be more effectively implemented to mitigate the risk)</td>
</tr>
<tr>
<td>Good</td>
<td>40</td>
<td>Majority of risk exposure is effectively controlled and managed.</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>65</td>
<td>There is room for some improvement.</td>
</tr>
<tr>
<td>Weak</td>
<td>80</td>
<td>Some of the risk exposure appears to be controlled, but there are major deficiencies.</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>100</td>
<td>Control measures are ineffective.</td>
</tr>
</tbody>
</table>

The factor assigned to each rating indicates the extent to which the risk related to each control is not managed.
Residual risk exposure (Inherent risk x Control effectiveness)
The following rating table should be utilized to categorize the various levels of residual risks:

<table>
<thead>
<tr>
<th>Risk rating</th>
<th>Residual risk magnitude</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>75-100</td>
<td>Serious</td>
<td>Unacceptable level of residual risk - Implies that the controls are either fundamentally inadequate (poor design) or ineffective (poor implementation). Controls require substantial redesign, or a greater emphasis on proper implementation.</td>
</tr>
<tr>
<td>50-74</td>
<td>High</td>
<td>Unacceptable level of residual risk - Implies that the controls are either fundamentally inadequate (poor design) or ineffective (poor implementation). Controls require substantial redesign, or a greater emphasis on proper implementation.</td>
</tr>
<tr>
<td>25-49</td>
<td>Medium</td>
<td>Unacceptable level of residual risk - Implies that the controls are either inadequate (poor design) or ineffective (poor implementation). Controls require some redesign, or a more emphasis on proper implementation.</td>
</tr>
<tr>
<td>1-24</td>
<td>Low</td>
<td>Mostly acceptable level of residual risk - Requires minimal control improvements.</td>
</tr>
</tbody>
</table>

4.7 Information and Communication

Information is necessary for the entity to carry out risk management and internal control responsibilities to support the achievement of its objectives. Management obtains or generates and uses relevant and quality information from both internal and external sources to support the functioning of risk management and the internal control environment. Financial and non-financial information is identified and captured, relating to internal and external events and activities relevant to the management of the municipality.

Communication is the continual process of providing, sharing, and obtaining necessary information. Internal communication is the means by which information is disseminated throughout the municipality, flowing up, down, and across the municipality. It enables personnel to receive a clear message from senior management that risk management and internal control responsibilities must be taken seriously. External communication is twofold: it enables inbound communication of relevant external information and provides information to external parties in response to requirements and expectations.

It should be ensured that information is communicated to all responsible parties in a form and timeframe that will enable them to carry out their risk management responsibilities, in To manage risk properly, appropriate documentation is required. Risk registers assist in the communication of risk management information. Staff members conducting or accountable for the activity must, in the first instance, do a risk assessment and complete the necessary documentation. This will be reviewed and accepted by the manager or next in line supervisor of the area conducting, or accountable for, the activity.

Management is required to maintain risk registers insofar as risks impact on their respective responsibilities. Information from these registers is to be given to the Chief Risk Officer, who will develop and maintain an enterprise wide risk register. This process must be supplemented by an electronic Risk Management Tool.
A risk register also records treatment and action plans as well as documents the managerial controls to be adopted.
4.8 Monitoring, Reporting and Review

Risk management and the monitoring thereof should be applied continuously. Risks and the related controls should be revisited on an ongoing basis to ensure that they are still effective, that they are functioning as designed, and that they continue to provide relevant protection to the municipality.

A risk reporting template was designed to ensure a uniform approach to the monitoring and reporting of risk data.

The Performance, Internal Audit and Risk Management department in consultation with the Accounting Officer will coordinate an annual review of the effectiveness of the Risk Management Strategy, Risk Management Policy as well as all organisational risks, uninsured and uninsurable risks together with the Risk Management Committee. This annual review will take place immediately prior to the development and review of the Integrated Development Plan and Medium Term Revenue and Expenditure Framework so that it can have due regard to the current as well as the emerging risk profile of the business. This will assist management in its decisions upon which risks to focus and on the quantum of resources and effort to invest in the prevention, minimisation, avoidance and/or remedy of a particular risk. It will also assist with the prioritization of risks.

Internal Audit will monitor key controls identified in the risk management system as part of the Risk Based Internal Audit Plan developed in conjunction with the Accounting Officer, Chief Risk Officer and approved by the Audit Committee.

The Risk Management Committee will review the risk profile in developing their recommendations to the Council regarding the Municipality’s Risk Profile, Risk Management Policy and Risk Management Strategy.
5. Risk Policy

The Risk Management Strategy will serve to inform the Risk Management Policy.

5.1 Objective

The objective of the Risk Management Policy includes the following:
- To align risk-taking behavior with the strategic business objectives in the integrated development plan;
- To promote a risk management culture within the organisation and improve risk transparency to all stakeholders;
- To maximise value and net worth by managing risks that impact on the defined financial and performance drivers;
- To assist the municipality in enhancing and protecting those opportunities that represents the greatest service delivery benefits.

5.2 Structure

The Risk Management Policy will formally set out the municipality’s stance on Enterprise Risk Management. The Risk Management Policy generally addresses the risk management process and the implementation thereof.

5.3 Review and Approval

The Risk Management Strategy and Policy will be reviewed annually by the Chief Risk Officer and submitted to the Risk Management Committee for comments. The reviewed Risk Management Strategy and Policy will be submitted to council for approval.

6. Risk Management Implementation Plan

The primary objective of the risk management implementation plan is to facilitate the execution of risk management. The risk management implementation plan for the municipality will be prepared to give effect to the implementation of the risk management strategy and policy and sets out all risk management activities.

Council Approved: 21 August 2018 (Resolution no: FG18/08/18)
3rd Review as on 11 April 2019
Risk Management Policy

1. Introduction

The primary aim of this policy is to effectively entrench risk management at Knysna Municipality.

Risk is inherent in all functions undertaken by or on behalf of Knysna Municipality. All personnel are responsible for managing the risks that relate to their particular area of work. Risks should be managed in a way that derives the best outcomes for the municipality and its stakeholders.

Knysna Municipality functions in an open, high risk environment where not only its own actions but those of all role-players and stakeholders (e.g. the community, Knysna Tourism, Service Providers, Consultants, Eskom, Auditor General, media, etc) can negatively impact on the manner in which it operates. How this function is managed can significantly affect the community, district, provincial and national interests as well as the municipality's reputation.

Risk management must be an integral proactive component of the corporate management process comprising of, amongst others, risk identification, risk assessment, developing risk responses and implementing control activities to mitigate the risks.

Risk management is a systematic process to identify risks to the municipality in achieving its strategic objectives as determined in the integrated development plan. It is an integral part of the approach to decision making and accountability, comprising the organisational culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the municipal environment.

The intention of this policy cannot be to eliminate all risk to the municipality. It is to assist personnel to manage the risks involved in all activities to maximise opportunities and minimise adverse consequences. Effective risk management requires:

- A systematic process that should be used when making decisions to improve the effectiveness and efficiency of managing risks;
- Taking action to mitigate risks;
- Identifying and exploiting opportunities identified during risk management processes;
- Risk management planning;
- Effective communication;
- Balance between the cost of managing risks and the anticipated benefits; and
2. Objectives

The Risk Management Policy aims to address multiple objectives.

2.1 Inform and Facilitate

Effective risk management affects everyone in the Municipality. To ensure a widespread understanding, executive management and all departmental managers should be familiar with, and all staff and councillors aware of, the principles set out in this policy.

2.2 Strategic Alignment

Risk management activities will be aligned to the integrated development plan projects, plans, objectives and priorities. It will encompass all strategic and operational risks that may prevent the municipality from fulfilling its objectives.

2.3 Mitigate

The Council will anticipate and take preventative action to avoid risks rather than dealing with the consequences. A consistent approach to the identification, assessment and management of risks will be embedded throughout the Council. Risk control and mitigation measures will be effective, appropriate, proportionate, affordable and flexible. Risk controls will not be implemented where the cost and effort is disproportionate to the expected benefits. The Council will commit the necessary resources to implement risk management consistent with the above principles.

2.4 Sets Risk Management Standards

The policy sets the standard at which Council intends and expects risk to be managed and accordingly ensures that such a required standard is known and set for the organisation.

2.5 Monitor and Review

The policy sets standards, processes and responsibilities to make it is possible to monitor the extent that risk management responsibility is met. This includes assessment of whether the risk management strategy is producing the sustainable outcomes as originally envisaged.

2.6 Compliance

This policy aims to achieve compliance and to implement best practices in support of Section 52 (1)(c)(i) of the Municipal Finance Management Act. To avoid future audit findings risk management must be performed to at minimum a compliance level which includes the adoption and implementation of a Risk Management Policy.
3. Stakeholders: Powers and Accountability

Council

The role and function of Council is to ensure that appropriate risk strategies, policies and processes are adopted, that powers and functions are clearly defined, assigned and performed, and that those made responsible are empowered and enabled in accordance with their responsibilities. It also ensures that all other strategies and policies are aligned with risk management strategies, plans, requirements and standards. It oversees risk management progress and performance.

Finance, Economic Development and Governance Committee

Oversight with regards to all risk related issues will be performed by the Finance, Economic Development and Governance Committee. This includes workshopping, review, implementation, reporting and submission to Council for information, attention or approval of risk management and related issues.

Municipal Public Accounts Committee

The aim is to provide oversight over executive and the administration. This includes reporting to aid risk management, assign responsibility and to instill a pro risk management culture.

Audit Committee

The Corporate Risk Management Policy and Plan and/or any amendment thereof must be submitted for scrutiny and comments to the audit committee. King IV states that whether or not the governance of risk is delegated to the Audit Committee, the Audit Committee should oversee the management of financial and other risks that affect the integrity of external reports issued by the municipality.

Risk Management Committee

The committee is appointed by the Accounting Officer, and be chaired by an independent person. Its responsibility is to review and assess the effectiveness and control processes of risk management within the municipality and present its findings to the Audit Committee.

Management Team

The Management Team is responsible for the complete spectrum of governance in the Municipality. Management owns the risks, thus taking ownership for management of institutional risks. Management are accountable to the Accounting Authority/Officer to integrate the principles of risk management into their daily routines to enhance the achievement of their service delivery objectives.
Municipal Employees

This policy requires all employees to take responsibility for the cost effective management of risk in all aspects. Employees are accountable to management for implementing and monitoring the process of risk management and integrating it into their day-to-day activities.

Responsibilities include:
- Familiarity with the overall risk vision of the municipality, Risk Management Strategy, Risk Management Policy and the Anti-fraud and Corruption Strategy and Response Plan;
- Acting according to the above framework;
- Acting within the risk appetite and tolerance levels set by the risk management committee;
- Adhering to the code of conduct for the municipality (Code of Conduct for municipal staff members, Schedule 2 MSA No 32 of 2000);
- Maintaining the functioning of the control environment (risk register), information and communication as well as the monitoring systems within their delegated responsibility;
- Providing information and cooperation with other role players;
- Participation in risk identification and risk assessment within their section, department and directorate;
- Implementation of risk responses to address the identified risks.

Implementing Accountability

The powers and functions of each level of management, the accounting officer and those responsible for the implementation of and compliance with the Policy are to be clearly defined in the Risk Management Standard Operating Procedures to be developed in line with the Risk Management Policy.

Stakeholders Placing the Municipality at Risk

Stakeholders that could through their action or lack of action put the Council at risk should in every management plan and performance assessment be identified and defined and provided for in risk management assessments and strategies.

Specialised Support and Operational Coordination

The Performance, Internal Audit and Risk Management department shall act as the internal specialised support unit that will assist all levels of management during the risk management process.

It will also coordinate a structured approach in terms of the policy and monitor compliance with the policy by all levels of management and report on its finding to the Municipal Manager as the Accounting Officer, Risk Management Committee and to the Audit Committee.
4. **Risk Management Process**

4.1 **Internal Environment**

The internal environment encompasses the tone of Knysna Municipality, influencing the risk consciousness of its people. It is the foundation for all other components of risk management, providing discipline and structure.

4.2 **Objective Setting**

Objectives are set at the strategic level, establishing a basis for operations, reporting, and compliance objectives. Objectives are to be aligned with the municipality’s risk appetite.

4.3 **Risk Identification**

Risk identification is the process of identifying potential events affecting Knysna Municipality’s ability to successfully implement strategy and achieve objectives.

4.4 **Risk Assessment**

Risk assessments allow the municipality to consider the extent to which potential events might have an impact on the achievement of objectives. Management should assess events from two perspectives, impact and likelihood, and normally uses the quantitative method i.e. risk rating scales for both the inherent and residual basis.

4.5 **Risk Response**

Having assessed relevant risks, management determines how it will respond. Responses include risk avoidance, reduction, sharing and acceptance.

4.6 **Control Activities**

Control activities are the policies and procedures that help ensure that management’s risk responses are carried out. Control activities occur throughout the municipality, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

4.7 **Information and Communication**

Pertinent information is identified, captured and communicated in a form and timeframe that enable people to carry out their responsibilities. Effective communication also occurs, flowing down, across and up in the municipality. All personnel receive a clear message from top management that risk management responsibilities must be taken seriously. They understand their own role in risk management, as well as how individual activities relate to the work of others. They must have a means of communicating significant information upstream. There is also effective communication with external parties.
4.8 Monitoring

Monitoring risk management is a process that assesses the presence and functioning of its components over time. This is accomplished through on-going monitoring activities, separate evaluations or a combination of the two. On-going monitoring occurs in the normal course of management activities. The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of on-going monitoring procedures.

4.9 Reporting

The following minimum reports will be compiled and presented to the Risk Management Committee, Audit Committee and Council on a quarterly basis:

- Additional risks identified
- Deleted risks
- Risks to be escalated
- Risks that materialized
- Top risks per directorate
Risk Management Committee

Objective

The primary objective of the Committee is to assist the Municipal Manager, the Council and the Audit Committee in discharging their accountability for risk management by reviewing the effectiveness of the Municipality's risk management system, practices and procedures, and providing recommendation for improvement.

The Risk Management Committee is responsible for oversight of the quality, integrity and reliability of the municipality’s risk management processes and responses to risk. An important part of the Committee's mandate is to provide recommendations to the Accounting Officer to continuously improve the management of specific risks as well as the overall process of risk management.

Mandate

It is an oversight committee appointment by the Municipal Manager to review and assess the effectiveness and control processes of risk management within the municipality and present the findings to assurance providers such as the Audit Committee, Internal Audit and the Auditor General.

Composition

Risk Management Committee members are appointed by the municipal manager and should comprise executive management (managers reporting directly to the municipal manager) and non-executive members.

Members should have the necessary blend of skills, competencies and attributes, including the following critical aspects:

- an intimate understanding of the municipalities mandate and operations;
- the ability to act independently and objectively in the interest of the municipality; and
- a thorough knowledge of risk management principles and their application.

The Committee must be chaired by an independent person. The committee should have a minimum of five (5) senior managers but with no limit to the total number of members. Reports to the committee should provide the members with sufficient information to effectively discharge their responsibility.
Standing Membership shall comprise of:
8. Municipal Manager
10. Executive Management Team (Section 57)
11. Audit Committee member (As delegated by the Committee).

Standing Invitees:
12. Chief Risk Officer
13. Chief Audit Executive
14. Any other person who may be co-opted to provide specialist skills, advice and counsel

The Chairperson may co-opt the Risk Champions and/or specialists to attend committee meetings to address any issues requiring their specialised input for example Insurance, Disaster Management, Legal, Human Resources, Generally Recognised Accounting Practice, Electro technical, etc.

The quorum for the meeting shall be four (4) executive and non-executive members.

**Roles and Responsibilities**

In discharging its oversight responsibilities relating to risk management, the Risk Management Committee has the following high level responsibilities:

1) To promote
   a) Managerial principles such as:
      i) accountability,
      ii) governance,
      iii) ethical conduct,
      iv) prevention of fraud,
      v) efficiency and effectiveness,
      vi) sustainability,
      vii) change management,
      viii) problem solving,
      ix) analytical thinking,
      x) customer focus,
      xi) service delivery innovation, and
      xii) Communication.
   b) the entrenchment of a risk aware environment.
   c) responsibility for risk management at all levels of the municipality including the community.

2) To develop:
   a) Risk management committee charter;
   b) Goals and objectives for the committee;
   c) Key performance indicators for the committee;
   d) System for the development and transfer of risk related skills and capacity; and
   e) Methods to review high level operational plans for risk-related issues as part of Senior Management (s57).
3) Determine:
   a) The risk appetite of the municipality linked to the municipality’s risk tolerance, ensuring that limits are supported by a rigorous analysis and expert judgement of:
      (1) the municipality’s ability to withstand significant shocks;
      (2) the municipality’s ability to recover financially and operationally from significant shocks; and
      (3) the municipality’s willingness to take on risk to achieve a desirable goal.

4) To review:
   a) The risk appetite and make recommendations for approval by the Accounting Officer;
   b) The risk management maturity of the municipality;
   c) The risk management strategy and policy;
   d) The fraud prevention policy;
   e) The institution’s risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register; and
   f) Any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses.

5) To evaluate:
   a) mitigating strategies to address the material risks; and
   b) implementation of the fraud prevention strategy and policy.

6) To report:
   a) ‘n key risk management issues;
   b) On any material changes to the risk profile of the municipality; and
   c) To the municipal manager on the state of risk management, together with aspects requiring improvement accompanied by the committee’s recommendations to address such issues.

**Chief Risk Officer / Officer Tasked with Risk Management**

The Chief Risk Officer will provide administrative support to the Committee and should therefore have a dotted reporting line to the Risk Management Committee.

The functions of the Chief Risk Officer / Officer Tasked with Risk Management will include;
- Facilitating orientation and training for the Risk Management Committee;
- Reporting risk intelligence to the Accounting Officer / Authority, Management and the Risk Management Committee;

The Municipal Manager in consultation with the Risk Management Committee or Audit Committee should evaluate the performance of the Chief Risk Officer.
Minutes
of
Risk Management Committee Meeting
Quarter 3: 1819
Held on
Monday, 08 April 2019
At 14h00
In the
Committee Room

In Attendance:

Risk Management Committee Members:
S Vatala – Municipal Manager
P Makoma – Director Corporate
M Boyce – Director Planning & Development
P Pravir – Director Technical Services
M Memani – Director Financial Services (CFO)

Standing Invites:
Z Gutas – Officer: Performance & Risk Management (Performing Functions of the CRO)
W McCartney – Chief Auditor Executive
M Hennessy – Audit Committee Member
<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTIVITY</th>
<th>RESPONSIBLE PERSON</th>
<th>BY When</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Welcoming The Municipal Manager welcomed all present. The quorum was confirmed.</td>
<td>MM</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Attendance Register: Circulated. No apologies:</td>
<td>Risk Officer</td>
<td>Attached</td>
</tr>
<tr>
<td>3</td>
<td><strong>Minutes of the RMC: 09.11.18 &amp; 19.02.19</strong> The two (2) previous meetings were approved and adopted by the Committee and signed by the AMM for that period.</td>
<td>Director: Corporate Services</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td><strong>Matters Arising From Previous Minutes:</strong> No matters were raised from the previous meetings.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td><strong>New Items</strong> Matters For Discussion /Recommendation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 5.1  | **Risk Assessment:** Qrt. 3: Risk Management Status Report: The adopted the report and note the challenges that were highlighted on the report:  
  - **Challenges on Assessments** – The Risk Officer expressed the challenges during the process of risk assessment with the departments, such as lack ownership and commitment that result in delaying / no capturing of action plans to mitigate the residual risk to an acceptable level. The Committee took note of challenges and expressed capacity constraints.  
  **Recommendation:** The Committee adopted report, and that reports of the OHS meetings be submitted to Risk Management Unit. | Risk Owners / Management | On-going |
| 5.2  | **Draft Integrity Management Framework (Comaf 11) 16|17** Committee adopted the inputs received from the Audit Committee members and resolved that the Risk Officer to collaborate the inputs, submit the document to Council to be workshopped and approval.  
 **Risk Management Committee Charter, Risk Management Strategy and Risk Management Policy:** | Risk Officer | Next Audit Committee & Governance / Council meeting |
To review the Risk Management Committee Charter, in relation to the quorum of the meeting and the chairperson. The Top Management Team / Risk Management Committee members adopted the amendments and agreed that the reviewed Risk Management Charter, Risk Management Strategy and Risk Management Policy to be submitted to Audit Committee for noting, and Council for approval.

| 5.3 | **Risk Register**  
Matters for Reporting & Discussion:  
**EMERGING RISKS ACROSS THE MUNICIPALITY (Risk Profile)** = Risk Owners: Directors  
All the risks that are cutting across the organisation were compiled and stated at the RMC meeting, the Committee has scrutinised the risks and resolved that they are consolidated as Top Risks of the organisation. **Top Risk:** Also resolved that the Deviation risk to be escalated due to Local Government report. | CFO | 12 April 2019 |

> In the Knysna Municipality, Municipal Assessment September 2018 undertaken by Province on page 37 “During the period 1 June 2017 – 23 April 2018 a total of 245 deviations were processed amounting to a total of R 25 526 869.54 for the period under review. The challenges that the Municipality faced during the KLM wild fires are noted, however some of these deviations do not relate to the fires.”

| 6 | **Date of next meeting**  
The next meeting is scheduled for June 2019. | MM |

| 7 | **Closure**  
The Municipal Manager thanked everyone at the meeting. |

Signed by Chairperson: [Signature]  
Date: 02-05-2019
KNYSNA
MUNICIPALITY
Risk Management Status Report

Quarter 3: Jan - March 18|19
**Purpose of the Report**
To update the Council on the status of the risk management and provide overview of the quarterly reviews that were conducted.

**Background**
The Council is the primary accountable body within the municipality to give oversight in respect of all risk related issues.

**Work done:**
During the third quarter (January – March)

1. **Risk Register Reviews:**
   
   - **Objective:**
     Updating of the risk register,
     Updating the treatment of risks (including the implementation of control improvement)
     Updating the monitoring fields (materialisation of risks, escalation of risks and top risks)

   During the Quarterly Reviews, the following were addressed:
   
   - Opportunity was provided to the Risk Owners to update the risk register with additional risks identified.
   - The treatment of risks (including the implementation of control improvement) of the risks included in the risk register were reassessed and updated.
   - The monitoring fields (materialisation of risks, escalation of risks and top risks) relating to Quarter 3 (Jan - March) were updated.
   - The Risk Appetite were assessed and confirmed per risk line item.

2. **Challenges**
The following factors hinders the risk assessment processes.
   
   - Lack of commitments from the management.
   There were delays in submitting the action plans to the Risk Management unit / or electronic capturing the responses.
Certain divisions / departments did not submit action plans to mitigate the residual risk to as acceptable level.

- Closed communication.
  The Risk Management unit could not effectively assist management in developing action plans, as we do not have access to information.

3. Residual Risk Ratings
   Controls are identified based on management risk response strategy. These controls are being evaluated based on the perceived effectiveness of management to mitigate the risk to an acceptable level.

<table>
<thead>
<tr>
<th>Effectiveness Category</th>
<th>Category Definition</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very good</td>
<td>Risk exposure is effectively and managed.</td>
<td>20%</td>
</tr>
<tr>
<td>Good</td>
<td>Majority of risk exposure is effectively controlled and managed</td>
<td>40%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>There is room for improvement.</td>
<td>65%</td>
</tr>
<tr>
<td>Weak controls</td>
<td>Weak controls on major deficiencies.</td>
<td>80%</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>Control measures are inactive.</td>
<td>90%</td>
</tr>
</tbody>
</table>

4. Risk Appetite
   The risk appetite of the organisation is 40%, approve in 2012.
   Action plans are required from the management. The Risk Management Unit performs monthly reviews / monitoring to ensure that progress is made on these action plans.
5. Risk Profile

1. Emerging Risks

It was resolved in the last Risk Management Committee meeting (Qtr. 2) that the Risk Management Unit to compile all emerging risks that are cutting across the organisation, consolidate them as Top Risks of the organisation.

<table>
<thead>
<tr>
<th>Risk Register Ref:</th>
<th>Detailed Risk</th>
<th>Current Controls</th>
<th>Residual Ratings</th>
<th>Action Plans</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.25</td>
<td>Overtime paid for work not performed (abuse of overtime)/not in compliance with policy due to inadequate supervision and monitoring (leading to excessive overtime).</td>
<td>Management, implementation of policy.</td>
<td>High</td>
<td>Proactive planning of work to prevent after hour work. 2 Prior approval to be granted on basis on work needs to be done.</td>
<td>None</td>
</tr>
<tr>
<td>1.26</td>
<td>Non-compliance with legislation due to the payment of overtime to officials earning above the threshold.</td>
<td>Management, implementation of policy.</td>
<td>High</td>
<td>Proactive planning of work to prevent after hour work</td>
<td>None</td>
</tr>
<tr>
<td>5.34</td>
<td>Inconsistent application of leave with regards to various leave types (e.g. study leave approved for MMC exams) leading to non-compliance with policies and procedures.</td>
<td>Management, implementation of policy.</td>
<td>High</td>
<td>1. Management intervention. Improvement on supervision and regular reporting trend analysis.</td>
<td>None</td>
</tr>
<tr>
<td>6.26</td>
<td>Lack of adequate implementation and monitoring of policies and code of conduct due to inadequate communication channels.</td>
<td>1. Policy register on collab 2. Council &amp; AC overview. Participation. 2, Organization has improved through collab, memos.</td>
<td>Medium</td>
<td>Frequent extended management meetings, departmental management workshops.</td>
<td>None</td>
</tr>
</tbody>
</table>
### 2. Top Risks:

<table>
<thead>
<tr>
<th>Risk Ref</th>
<th>Risk Detail</th>
<th>Current Controls</th>
<th>Residual Rating</th>
<th>Mitigation Action Plans By: First Line Of Defence</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,12</td>
<td>Financial loss due to debt not being collected sufficiently and (timely) paid over to the municipality.</td>
<td>The external debt collection is managed by way of SLA with certain key deliverables included as well as a steering committee consisting of both the municipality and the debt collector (attorney)</td>
<td>Medium</td>
<td>1. To continuously implement ways to improve debt collection; 2. Outsource, Insource or Hybrid function to be investigated. Back office separation from pure debt control functions. Tender was awarded to the Debt Collectors in September 2018.</td>
<td>Appointed 3 Law firms dealing with debt collection and is done efficiently</td>
</tr>
<tr>
<td>2,93</td>
<td>Deviations from following SCM regulations may not be authorised, adequately motivated, properly documented and kept on record, resulting in non-compliance and possible fraudulent transactions.</td>
<td>Departments may not do order or appoint supplier if memo is not signed. Manager SCM will indicate on order that memo must be completely signed else payment should not be</td>
<td>Medium</td>
<td>MM and the Council should take a firm stance on deviations.</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Ref</th>
<th>Risk Detail</th>
<th>Current Controls</th>
<th>Residual Rating</th>
<th>Mitigation Action Plans By: First Line Of Defence</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,25</td>
<td>Lack of centralised / integrated contract management system leading (central control) leading to inadequate contract management (litigation).</td>
<td>Depending on the approval of the organogram.</td>
<td>Serious</td>
<td>Implement system and identify responsible persons.</td>
<td>None</td>
</tr>
<tr>
<td>4,1</td>
<td>Worn roads and potholes (infrastructure risk) due to lack of adequate maintenance and addressing backlog relating to roads infrastructure may lead to loss of human lives caused by condition of road.</td>
<td>Maintenance program- Allocation of time (two weeks fixing the roads) per ward to address maintenance needs.</td>
<td>High</td>
<td>Increase resources.</td>
<td>Road maintenance program to start in March 2019.</td>
</tr>
<tr>
<td>4,12</td>
<td>Unacceptable water loss percentage due to lack of inadequate internal staff.</td>
<td>Utilising current staff to reduce water loss. Dedicated to replace staff.</td>
<td>High</td>
<td>Staff on standby to reduce water losses, stated with</td>
<td>None</td>
</tr>
</tbody>
</table>
### Governance and Economic Development Committee Meeting Agenda

**1 August 2019**

<table>
<thead>
<tr>
<th>Risk Ref</th>
<th>Risk Detail</th>
<th>Current Controls</th>
<th>Residual Rating</th>
<th>Mitigation Action Plans By: First Line Of Defence</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,40</td>
<td>Financial loss, Abuse of council assets due to lack of internal controls resulted from no fleet management in place.</td>
<td>Employment of Fleet manager, advert out.</td>
<td>Serious</td>
<td>Management intervention. Implementation of tracking system under consideration. Budget required.</td>
<td>None</td>
</tr>
<tr>
<td>5,12</td>
<td>Lack of permanent disaster management center for Knysna Municipality leading to inadequate coordination and facilitation in the event of a disaster.</td>
<td>Fire Stations boardroom will be used as Joint Operation Centre (Small emergencies), Boardrooms (Finance) will serve as a joint operational control center during major / emergency.</td>
<td>Medium</td>
<td>Establishment of the Knysna disaster management center.</td>
<td>None</td>
</tr>
<tr>
<td>5,38</td>
<td>Waste Management Strategy not in place that will result of non-</td>
<td>Utilising the Integrated Waste Management Plan as a guideline.3rd</td>
<td>Serious</td>
<td>Develop Waste Management Maintenance Plan,</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>implementation of waste removal strategies.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6,5</td>
<td>Pollution can cause economic losses and degradation of fresh water and marine ecosystem.</td>
<td>Monitoring through sample analysis. Engaging with experts on mitigation measures. Implementation of waste removal projects and river house program. Reporting pollution incidents.</td>
<td>High</td>
<td>Received funding for River Health for removal of solid waste; Identify interventions for rehabilitation of key wetlands bordering the estuary; Identify erosion hotspots and implement mitigation measures.</td>
<td>Risk has materialised. WW/WW experienced intrusion of oil/grease that killed off all beneficial bacteria resulting in the discharge of raw sewerage into the estuary. E.coli counts in excess of 100 000 cfu, min should be &lt;400cfu</td>
</tr>
<tr>
<td>6,8</td>
<td>Extreme weather events: Drought can result in water shedding and economic losses, fire and</td>
<td>Education awareness, Climate change mitigation and adaptation projects: Sustainable urban</td>
<td>High</td>
<td>Implementing mitigation measures: Invasive plant control.</td>
<td>None</td>
</tr>
</tbody>
</table>
6. Risk Incidents
No risk incidents have been reported.

Recommendation
The Council to support the status report.

APPENDIX
Attendance register: Quarter 3 quarterly reviews
**REPORT FROM DIRECTOR: PLANNING AND DEVELOPMENT**

**PURPOSE OF THE REPORT**


**REPORT**

ECONOMIC DEVELOPMENT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (QUARTER 3):

<table>
<thead>
<tr>
<th>REF</th>
<th>STRATEGIC OBJECTIVE</th>
<th>KPI</th>
<th>UNIT OF MEASUREMENT</th>
<th>ANNUAL TARGET</th>
<th>QUARTERLY TARGET</th>
<th>ACHIEVED</th>
<th>EXPLANATION</th>
<th>REMEDIAL ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>D116</td>
<td>To create an enabling environment for social and economic development</td>
<td>LED Data &amp; Research Initiatives</td>
<td>Number of research &amp; data reports</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>N/A</td>
<td>None required</td>
</tr>
<tr>
<td>D117</td>
<td>To create an enabling environment for social and economic development</td>
<td>Business Development Support</td>
<td>Number of beneficiaries supported through economic development initiatives</td>
<td>420</td>
<td>105</td>
<td>288</td>
<td>There is no mechanism in place to capture ad hoc assistance provided to businesses. This target was set arbitrarily to include SMME training, incubators and trade permits approved or renewed. In Q 4 this amounted to a number of 78.</td>
<td>A business support registry/form will be developed to provide a better reporting mechanism to also capture ad hoc support provided.</td>
</tr>
<tr>
<td>D118</td>
<td>To create an enabling environment for social and economic development</td>
<td>Knysna CBD Revitalisation Project</td>
<td>Grey Street Urban Design Master Plan</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>Grey Street Urban Design Framework completed.</td>
<td>None required</td>
</tr>
<tr>
<td>D119</td>
<td>To create an enabling environment for social and economic development</td>
<td>Expanded Public Works Programme (EPWP)</td>
<td>Number of EPWP opportunities created.</td>
<td>1600</td>
<td>400</td>
<td>1200 to-date</td>
<td>N/A</td>
<td>None required</td>
</tr>
</tbody>
</table>
### GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING
#### AGENDA
1 AUGUST 2019

#### D121
- **To create an enabling environment for social and economic development**
  - **Business Process Mapping**
  - **Map 32 business processes.**
- Budget: 32
- Performance due in Q4.
- None required

#### D122
- **To create an enabling environment for social and economic development**
  - **Tourism Destination Plan**
  - **Publish Tourism Destination Plan**
- Budget: 1
- Performance due in Q4.
- None required

#### D123
- **To create an enabling environment for social and economic development**
  - **Economic Development Strategy**
  - **Submission of economic development strategy to Council.**
- Budget: 1
- Performance due in Q4.
- None required

---

### BUDGET ECONOMIC DEVELOPMENT DEPARTMENT (QUARTER 3) 2018/2019:

<table>
<thead>
<tr>
<th>MSCOA SHORT CODE</th>
<th>PROGRAMME/PROJECT</th>
<th>BUDGET ALLOCATION</th>
<th>REMAINING BUDGET</th>
<th>PROGRESS/COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/233-13-22</td>
<td>GRANT - EPWP</td>
<td>R1 187 000</td>
<td>R0</td>
<td>Achieved.</td>
</tr>
<tr>
<td>9/233-115-445</td>
<td>QUANTEC ANNUAL SUBSCRIPTION FEE</td>
<td>R100 000</td>
<td>R15 216</td>
<td>Achieved under budget.</td>
</tr>
<tr>
<td>9/233-115-816</td>
<td>SURVEY SOFTWARE</td>
<td>R6 000</td>
<td>R0</td>
<td>Achieved.</td>
</tr>
</tbody>
</table>
RECOMMENDATION OF THE MUNICIPAL MANAGER

That the economic development department departmental performance report for Quarter 3 of 2018/2019, be noted.

File Number : 9/1/2/13
Execution : Director : Planning and Development
Manager : LED
6.9

G09/08/19 QUARTER 4 DEPARTMENTAL REPORT : ECONOMIC DEVELOPMENT

REPORT FROM DIRECTOR : PLANNING AND DEVELOPMENT

PURPOSE OF THE REPORT


REPORT

ECONOMIC DEVELOPMENT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (QUARTER 4):

<table>
<thead>
<tr>
<th>REF</th>
<th>STRATEGIC OBJECTIVE</th>
<th>KPI</th>
<th>UNIT OF MEASUREMENT</th>
<th>ANNUAL TARGET</th>
<th>QUARTERLY TARGET</th>
<th>ACHIEVED</th>
<th>EXPLANATION</th>
<th>REMEDIAL ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>D116</td>
<td>To create an enabling environment for social and economic development</td>
<td>LED Data &amp; Research Initiatives</td>
<td>Number of research &amp; data reports</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>N/A</td>
<td>None required</td>
</tr>
<tr>
<td>D117</td>
<td>To create an enabling environment for social and economic development</td>
<td>Business Development Support</td>
<td>Number of beneficiaries supported through economic development initiatives</td>
<td>420</td>
<td>105</td>
<td>393</td>
<td>There is no mechanism in place to capture ad hoc assistance provided to businesses. This target was set arbitrarily to include SMME training, incubators and trade permits approved or renewed. In Q 4 this amounted to a number of 78.</td>
<td>A business support registry/form will be developed to provide a better reporting mechanism to also capture ad hoc support provided.</td>
</tr>
<tr>
<td>D118</td>
<td>To create an enabling environment for social and economic development</td>
<td>Knysna CBD Revitalisation Project</td>
<td>Grey Street Urban Design Master Plan</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>N/A</td>
<td>None required</td>
</tr>
<tr>
<td>D119</td>
<td>To create an enabling environment for social and economic development</td>
<td>Expanded Public Works Programme (EPWP)</td>
<td>Number of EPWP opportunities created.</td>
<td>1600</td>
<td>400</td>
<td>1600</td>
<td>Target of 1600 has been achieved but verification evidence can only be submitted in August due to the EPWP reporting system not being open yet.</td>
<td>None required</td>
</tr>
<tr>
<td>D121</td>
<td>To create an enabling environment for social and economic development</td>
<td>Business Process Mapping</td>
<td>Map 32 business processes.</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>Target achieved.</td>
<td>None required</td>
</tr>
<tr>
<td>D122</td>
<td>To create an enabling environment for social and economic development</td>
<td>Tourism Destination Plan</td>
<td>Publish Tourism Destination Plan</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>Target achieved.</td>
<td>None required</td>
</tr>
<tr>
<td>D123</td>
<td>To create an enabling environment for social and economic development</td>
<td>Economic Development Strategy</td>
<td>Submission of economic development strategy to Council.</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>Target achieved.</td>
<td>None required</td>
</tr>
</tbody>
</table>
# BUDGET ECONOMIC DEVELOPMENT DEPARTMENT (QUARTER 4) 2018/2019:

<table>
<thead>
<tr>
<th>MSCOA SHORT CODE</th>
<th>PROGRAMME/PROJECT</th>
<th>BUDGET ALLOCATION</th>
<th>REMAINING BUDGET</th>
<th>PROGRESS/COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/233-13-22</td>
<td>GRANT - EPWP</td>
<td>R1 187 000</td>
<td>R0</td>
<td>Achieved.</td>
</tr>
<tr>
<td>9/233-115-445</td>
<td>QUANTEC ANNUAL SUBSCRIPTION FEE</td>
<td>R100 000</td>
<td>R15 216</td>
<td>Achieved under budget.</td>
</tr>
<tr>
<td>9/233-115-816</td>
<td>SURVEY SOFTWARE</td>
<td>R6 000</td>
<td>R0</td>
<td>Achieved.</td>
</tr>
<tr>
<td>9/233-113-403;</td>
<td>SMME INCUBATOR PROGRAMME</td>
<td>R369 600</td>
<td>R 76 547.50</td>
<td>Achieved under budget.</td>
</tr>
<tr>
<td>9/233-116-817;</td>
<td>BUSINESS SUPPORT SERVICES</td>
<td>R135 540</td>
<td>R 110 531</td>
<td>Achieved.</td>
</tr>
<tr>
<td>9/233-113-400;</td>
<td>SMME CONNECT (NETWORKING)</td>
<td>R41 400</td>
<td>R30 207</td>
<td>Lack of beneficiary interest.</td>
</tr>
<tr>
<td>9/233-113-405</td>
<td>SMME TRAINING PROGRAMME</td>
<td>R278 400</td>
<td>R 66 183</td>
<td>Achieved under budget.</td>
</tr>
<tr>
<td>9/233-113-442;</td>
<td>EVENT INCUBATOR</td>
<td>R126 000</td>
<td>R3 527,70</td>
<td>Achieved under budget.</td>
</tr>
<tr>
<td>9/233-113-444</td>
<td>SURVEYS &amp; RESEARCH (SDBIP)</td>
<td>R33 000</td>
<td>R0</td>
<td>Achieved.</td>
</tr>
<tr>
<td>9/233-113-462;</td>
<td>ECONOMIC SPACES/CBD</td>
<td>R1 049 000</td>
<td>R 384 733</td>
<td>Achieved under budget.</td>
</tr>
<tr>
<td>9/233-113-508;</td>
<td>CRDP</td>
<td>R2 940</td>
<td>R0</td>
<td>Achieved.</td>
</tr>
<tr>
<td>9/233-113-427;</td>
<td>RESEARCH PROJECTS</td>
<td>R196 000</td>
<td>R 171 512</td>
<td>Achieved under budget.</td>
</tr>
<tr>
<td>9/233-113-47</td>
<td>SOUTH CAPE ECONOMIC PARTNERSHIP</td>
<td>R100 000</td>
<td>R 13 043.49</td>
<td>Achieved under budget.</td>
</tr>
<tr>
<td>9/233-113-511;</td>
<td>TIMBER SECTOR SUPPORT</td>
<td>R 23 000</td>
<td>R0</td>
<td>Achieved.</td>
</tr>
<tr>
<td>9/233-113-411</td>
<td>SECTOR SUPPORT - OTHER</td>
<td>R90 000</td>
<td>R 5070</td>
<td>Achieved under budget.</td>
</tr>
<tr>
<td>9/233-113-816;</td>
<td>INVESTMENT FACILITATION</td>
<td>R166 00</td>
<td>R 161 270</td>
<td>Achieved under budget.</td>
</tr>
</tbody>
</table>
RECOMMENDATION OF THE MUNICIPAL MANAGER

That the Economic Development Department Departmental Performance Report for Quarter 4 of 2018/2019, be noted.

File Number : 9/1/2/13
Execution : Director : Planning and Development
            Manager : LED
REPORT FROM THE DIRECTOR : PLANNING AND DEVELOPMENT

PURPOSE OF THE REPORT

The purpose of the report is to introduce the progress report and presentation by the project manager of the South Cape Economic Partnership of which Knysna Municipal is a member.

BACKGROUND

Knysna Municipality is a member of the South Cape Economic Partnership (SCEP), along with all 7 municipalities in the Garden Route District. Membership of SCEP is regulated through a Standard Service Level Agreement with the Western Cape Economic Development Partnership and as part of this agreement SCEP may be requested to provide feedback on its Regional and Local Economic Development Partnership Initiatives.

DISCUSSION

SCEP progress report is attached as Annexure A and will be presented by SCEP project manager Mr. Paul Hoffman.

FINANCIAL IMPLICATIONS

The expenditure for Knysna Municipality’s membership to SCEP is as follows:

2018/2019 : R 87 719.29

RECOMMENDATION OF THE MUNICIPAL MANAGER

That the progress report submitted and presentation made by SCEP, be noted.

APPENDIX / ADDENDUM

Annexure A : SCEP Progress Report

File Number : 9/1/2/13
Execution : Director : Planning and Development
Manager : Economic Development
This quarter was mostly dedicated to the arrangements, implementation and organising of the Garden Route Skills Summit as well as the Youth on the Move project in cooperation with the Garden Route DM and Western Cape Provincial Government. The Timber Economy is still receiving attention, but contact with DEA, VIA and SanParks as potential partners has been very limited, especially with the intended furniture training facility envisaged for George and Knysna.

The SEZ application for Mossel Bay is continually attended to, with discussions with DEDAT and other role-players continuing. The SCEP charter that was agreed on by the SCEP SteerCom and Garden Route DM and adopted into the financial year by all participating municipalities for the processes going forward is kept updated regularly and used as the base for interventions (see the high level summary below for the agreed task teams as part of the Charter and have been incorporated by individual municipalities under the existing and future SLA’s). The next presentation to the SCEP SteerCom members in May will be circulated separately.

It was also resolved to review the Charter for the new financial year and next three year cycle, with the municipalities considering a changed approach that are linked to the regional growth sectors identified, and that specific projects can be considered that will impact the region, even if it sometimes is more relevant to an individual municipal (the SEZ is a perfect example of such a project). SCEP have been and will visit each municipality over the next few months to discuss in more detail and to update the next SLA cycle.

SCEP appreciate the continued support from the Municipality - and based on discussions so far, the previous 3 year SLA is still active until the 2019/20 FY. once we have commenced with the 2019/20 financial year an invoice will be submitted to Knysna as per the usual process.
GROWTH SECTORS IN THE GARDEN ROUTE

Outputs were maintained over this period with a total of 57 engagements of various formats for Q3. As a partner SCEP was responsible for arranging and facilitating 20 of these engagements, including the Creative Industries, Smart City / ICT meetings, Timber Economy task team workshops and engagements, Oil and Gas engagements and the SCEP SteerCom meeting.

A high-level update of activities in these sectors includes:

- **Tourism:**
  - The Garden Route District Municipality in collaboration with SCEP and DEA&DP have brain-stormed the DMO approach in February, and the DM will continue the work and roll-out of the process.

- **Creative Industries:**
  - The Garden Route and Klein Karoo Film Office NPC had their AGM in November, and a new board has been formed, with SCEP and Garden Route DM acting as co-opted members. From the original 63 members that have signed up to the date of the AGM, the latest number exceeds 150, after a number of well-attended supplier days held in January. Garden Route and Mossel Bay have both contributed thus far, and a satellite office with an admin person was opened in Mossel Bay where Mossel Bay Municipality offered the free use of one of their offices in Hartenbos towards the
Film Office, but for now managing the overall process will remain virtual until enough funds have been secured to appoint a full time manager and staff.

- Since the beginning of October, four new requests for filming have been received, ranging from small groups to full-length films, followed by documentaries and series requests that were received in January. The team is planning to visit the Durban Film Mart in June as part of their marketing and outreach projects

- **Agri-processing:**
  - Honey Bush Tea remains the priority, and relevant interest groups have been merged to avoid duplication. This new merged entity – the Honeybush Community of Practise - has begun to demonstrate significant progress towards an integrated industry. It is co-hosted by Western Cape DEA&DP and Eastern Cape DEA, demonstrating cross boundary cooperation.
  - A Honeybush tea conference is planned for later in the year in Plettenberg Bay, which SCEP will co-organise with the Bitou Municipality on behalf of SAHTA and the CoP.

- **Timber economy:**
  - The Garden Route Incubator for Design (GRID) continues to progress funding applications, with support from the Knysna and George Municipalities, Deloitte, NMU, Industry cluster members from both towns, Garden Route Skills Mecca, Propella Incubator and SanParks.
  - A training facility for furniture manufacturing is also being investigated which is envisaged to be incorporated into the Eco Furniture Factory, and meetings were held between George Municipality, the Eco Furniture Factory and SCEP to plan for this. Further stakeholders will be incorporated once DEA has approved this proposal. Progress is slower than anticipated, and alternative opportunities are now being investigated.

- **ICT and Smart Cities**
  - Investigations into an ICT Incubator in George are continuing, and premises have been identified by George Municipality and inputs were given through a concept note by SCEP. The plan is to convert the Old Crocodile farm on the York Street / Old Airport Road circle into a one-stop tourism office, with conference facilities and the Incubator on the same premises. Propella was visited to gain insight into a Smart City Incubator concept.
- Terms of reference are being prepared to complete the feasibility study and a business plan to secure funding and buy-in from the industry.

- Waste management, energy and water:
  - The characterisation study on organic waste streams is complete, and the process of seeking solutions is ongoing. An Organic Waste workshop was held in February and followed by a Separation @ Source workshop in March 2019.
  - SCEP also attended a Waste 2 Wing project workshop in Cape Town, looking at Biomass used for Jet Fuel. Played an integral role in linking PetroSA with the project team (Fetola, WWF and Sky8nergy from the Netherlands).

- Integrated transport:
  - Positive meetings have been held with ACSA and TNPA on cargo, freight rail and harbour use. SCEP is assisting these entities with a survey on incoming and outgoing cargo opportunities.
  - An Intermodal workshop is planned towards mid-year, co-hosted by SCEP, Garden Route DM, TNPA and ACSA, to maximise the resources available to the region, the effective integration of all modes of transport, the increased air access opportunities for tourists and cargo alike, and additional flights to and from Cape Town, Johannesburg and other destinations.

Oil, Gas & Marine
- The SEZ concept note for Mossel Bay was completed by SCEP on behalf of Mossel Bay and Garden Route District Municipalities and distributed for comment. Amendments to the process note are now being implemented after feedback from Minister Winde and his team and after the Mossel Bay municipality visit to Indonesia. The DTI visited the Garden Route in March 2019 to discuss the concept note with positive effect and additional changes to be made going forward.
- The recent discovery of condensate and gas off-shore from Mossel Bay by Total will have a significant outcome for the region, and this workstream will have to work with all concerned to assist where possible. The possibility of converting the decommissioned ORCA Production platform into a training centre is also being investigated.
Other major events SCEP attended during this period included:

- Attended the WC Incubation Event Master Class engagements in George and presented on Partnering for successful events at a follow up session in Mossel Bay
- Attended an information session between Total and role players in Mossel Bay on the find at Brulpadda
- Attending the Film Office Board meeting as a co-opted member, responsible for the ratification of the new board and finances.
- Attending and partnering the GR Skills Mecca task team and meetings. Involved in the Skills summit of 7 February in Still Bay, where the EDP team assisted with the facilitation of the Business project identification section.
- Honeybush CoP in George
- Planning meetings with regards to the InterModal workshop
- Oudtshoorn and George Business Chamber meetings and networks
- SCEP is often requested to present at various workshops and meetings and attended and guided new investment opportunities in Mossel Bay and George.
- Attended the second follow-up Knysna SDF workshop in Knysna

Presentations were also made to various Municipalities. As part of the partnership SCEP has been involved during this period in several meetings with GR DM and George, Knysna, Oudtshoorn, Bitou and Mossel Bay officials and appreciate the confidence we have in each other, as well as the open relationships. Unfortunately, no engagements were possible with other municipalities such as Hessequa and Kannaland in this period, apart from the officials attending the various engagements and SCEP meetings. The Garden Route Skills Mecca remains an active partnership with the GR DM and the WC Game Changer leading the process.

Municipal requests and engagements attended to include (but are not exclusive to) the following:

- Garciern Route
  - Smart Cities Summit follow up meetings
  - GR Skills Mecca engagements
  - Timber Economy engagements.
  - SEZ Mossel Bay process
  - Export and investment readiness continuing
  - Intergovernmental Agri-workshop planning meetings with the actual workshop following in April 2019
- Knysna
  - Future assistance with the internal Investment Readiness workshop with officials from Knysna Municipality towards an Investment Prospectus for Knysna.
  - Continuation of the process of the Timber Economy Task team and outcomes for the region and more specifically for Knysna on selected interventions.
  - Assistance and potential facilitation of a Knysna Business Forum in collaboration with the Municipality and organised business. A template and process proposal was shared with Petrus.

- Others
  - Gasnetwork Task Team Member
  - DEA&DP – Environmental and Waste Management divisions
  - Wesgro
  - DEDAT

- Chambers
  - Oudtshoorn
  - George

A financial report outlining the funding and expenditure of the South Cape Economic Partnership to the end of Q3 2018 / 19 is attached as Annexure 1.

The following table provides a summary of the outputs completed that has been detailed in Annexure 2

<table>
<thead>
<tr>
<th></th>
<th>2017 / 18 All Quarters</th>
<th>2018 / 19 Q1 &amp; Q2</th>
<th>2018 / 19 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of SCEP events incl. task team meetings</td>
<td>89</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>Number of other stakeholder engagements</td>
<td>165</td>
<td>78</td>
<td>37</td>
</tr>
<tr>
<td>Number of people attending all engagements</td>
<td>&gt;3200</td>
<td>&gt;1600</td>
<td>680</td>
</tr>
<tr>
<td>Number of media exposures</td>
<td>11</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>SLAs with programme funds</td>
<td>5</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>
GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

AGENDA

1 AUGUST 2019

- Formula E engagement
- GR DM SODA
- Dti Engagement on SEZ
I look forward to following the future progress and development of the partnership in 2018/19 and appreciate your excellent support and interaction through specifically the LED team under Petrus van Niekerk and others. I truly feel like part of the team and appreciate that and look forward to the continuation of the partnership for the next three years.

Best wishes

Paul Hoffman
Project Manager: SCEP
# Annexure 1 – Financial summary

**South Cape Economic Partnership**

**Prepared by:** Western Cape Economic Development Partnership

**INCOME STATEMENT:** 31 March 2019

<table>
<thead>
<tr>
<th>Project: SCEP (Consolidated)</th>
<th><strong>INCOME</strong></th>
<th><strong>Year to Date</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Knysna Municipality</td>
<td>87719,29</td>
<td></td>
</tr>
<tr>
<td>George Municipality</td>
<td>87719,29</td>
<td></td>
</tr>
<tr>
<td>Hessequa Municipality</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td>Garden Route District Municipality</td>
<td>87719,29</td>
<td></td>
</tr>
<tr>
<td>Bitou Municipality</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td>Mossel Bay Municipality</td>
<td>43478,43</td>
<td></td>
</tr>
<tr>
<td>Oudtshoorn Municipality</td>
<td>0,00</td>
<td></td>
</tr>
<tr>
<td>WCEDP Contribution</td>
<td>365000,00</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER INCOME</strong></td>
<td>0,00</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th><strong>EXPENSES</strong></th>
<th><strong>410515,03</strong></th>
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</thead>
<tbody>
<tr>
<td>Project Manager costs</td>
<td>325953,00</td>
</tr>
<tr>
<td>Support &amp; Travel Costs</td>
<td>74679,14</td>
</tr>
<tr>
<td><strong>SCEP project expenditure &amp; event costs</strong></td>
<td>9882,89</td>
</tr>
</tbody>
</table>

**NET SURPLUS / (LOSS)**: 261121,10
Please note that additional detail can be found in the forthcoming summary report presented at the next SEP meeting in May 2019.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q3 Workplan &amp; Outputs</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas and Biomass</td>
<td>- SEZ concept plan updates</td>
<td>Meetings with DEDAT, GRDM, Mossel Bay - 10 attending 20 attending</td>
</tr>
<tr>
<td></td>
<td>- Meeting with Mr Fievet of Total on Brulpadda</td>
<td>4x Biomass to fuel Meetings with DEAD&amp;P, GreenCape, SCLI, DEA</td>
</tr>
<tr>
<td></td>
<td>- Meeting with PetroSA on acquisition and transformation of ORCA rig to a training centre</td>
<td>40 attending a workshop arranged by WWF on biomass to jet fuel</td>
</tr>
<tr>
<td></td>
<td>- Waste to Wing Workshop</td>
<td>8 attending</td>
</tr>
<tr>
<td>Agri-processing</td>
<td>- Intergovernmental District Agricultural workshop planning meeting</td>
<td>Meeting to brainstorm GR DMO</td>
</tr>
<tr>
<td>Tourism</td>
<td>- No new outputs for this period</td>
<td></td>
</tr>
<tr>
<td>Investment Readiness &amp; Business</td>
<td>- Continue with investment follow up and support to municipalities on their investment portfolios</td>
<td>Launch of George / Wesgro collaborated investment strategy 80 attending</td>
</tr>
<tr>
<td>Waste, Energy and Water</td>
<td>- Completion and publishing of study – no further progress</td>
<td>Attended organic waste workshop – 30 attending</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attended Separate @ Source workshop – 20 attending</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attending Waste to Wings seminar in CT 29 March</td>
</tr>
<tr>
<td>Creative strategies</td>
<td>- Board meeting attendance</td>
<td>Attended 4 separate meetings on finances and contracts with municipalities</td>
</tr>
<tr>
<td>Timber Economy</td>
<td>- Task team engagements</td>
<td>3x Timber Economy Skills workshop planning meetings</td>
</tr>
<tr>
<td>ICT &amp; Smart Cities</td>
<td>- Task team meetings</td>
<td>2x Meetings on Smart Cities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2x meetings on ICT Incubator</td>
</tr>
<tr>
<td>Garden Route Skills Mecca</td>
<td>- Task team meetings to organise Skills Summit in Feb</td>
<td>Summit in Still Bay with &gt;200 attending</td>
</tr>
<tr>
<td></td>
<td>- Task team meetings to plan Youth on the Move event</td>
<td>YotM workshops – 109 employers attending Day 1 and more than 300 youth Day 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6x GRSM task team meetings</td>
</tr>
<tr>
<td>Integrated transport</td>
<td>- Assist ACSA with export and import survey</td>
<td>3x meetings with relevant stakeholders</td>
</tr>
<tr>
<td>Other engagements</td>
<td>Municipalities</td>
<td>Governmental engagements</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>- Mossel Bay</td>
<td>- DEA&amp;DP</td>
</tr>
<tr>
<td></td>
<td>- George</td>
<td>- WC Incubation conference and event masterclasses</td>
</tr>
<tr>
<td></td>
<td>- Bitou</td>
<td>- attended conferences</td>
</tr>
<tr>
<td></td>
<td>- Knysna</td>
<td>- 50 in attendance on first event and 30 in attendance on second (presentation by SCEP)</td>
</tr>
<tr>
<td>Chambers</td>
<td>- Oudtshoorn</td>
<td>- attended conferences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- attended conferences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- attended conferences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- attended conferences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- attended conferences</td>
</tr>
</tbody>
</table>

- LED engagement
- LED engagement on investment prospectus
- Great Brak Sport Academy engagement 15 attending
- Section 80 meeting
- LED engagement
- LED engagement
- Knysna SDF inputs
- LED engagement
- 6x LED engagements on a variety of topics
- Intergovernmental engagement GR DM and Mossel Bay
- attended meetings