



Notice is hereby given in terms of Section 29 of the Local Government: Municipal Structures Act, Act 117 of 1998, that a **SPECIAL COUNCIL MEETING** of the 2016/2021 term of the Garden Route District Municipality will be held in the **CA Robertson Council Chambers, 54 York Street, George**, on **THURSDAY, 13 DECEMBER 2018** at **09:00** to consider the items as set out in the agenda.

*Kennis geskied hiermee dat ingevolge Artikel 29 van die Wet op Plaaslike Regering: Munisipale Strukturewet, Wet 117 van 1998, 'n **SPESIALE RAADSVERGADERING** van die 2016/2021 termyn van die Tuinroete Distriksmunisipaliteit gehou sal word in die **C A Robertson Raadsaal, Yorkstraat 54, George** op **DONDERDAG, 13 DESEMBER 2018** om **09:00** ten einde sake soos uiteengesit in die aangehegte agenda te oorweeg.*

Kukhutshwe isaziso ngokoMhlathi 29 woRhulumente Basekhaya: Umgaqo Wesimo soMasipala, uMgaqo 117 wango 1998, sokuba **INTLANGANISO EKHETHEKILEYO YEBHUNGA** ka 2016/2021 yoMasipala Wesithili se Garden Route izakubanjwa **kwiGumbi leBhunga I CA Robertson, 54 York Street, e George NGOLWESINE, 13 KWEYEMNGA 2018** ngo **09:00** ukuqwalasela imiba ekwi agenda.


CLLR BHJ GROENEWALD
 Acting Speaker
 Wnde Speaker
 iBambela Somlomo


C AFRICA
 Acting Municipal Manager
 Munisipale Bestuurder
 Mphathi Masipala

Date: 07 December 2018

A G E N D A

1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO

- 1.1 INAUGURATION OF DA PROPORTIONAL REPRESENTATIVE COUNCILLOR: GARDEN ROUTE DISTRICT COUNCIL: CLLR ERJ SPIES / INHULDIGING VAN DA RAADSLID: RDL ERJ SPIES: GARDEN ROUTE DISTRIKSRAAD / UKUFUNGISWA KOCEBA OZAKUMELA I DA: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEBA ERJ SPIES (691323)
Refer: Report (4/2/9) dated 15 November 2018 from the Municipal Manager (MG Stratu)(p 8 – 14)

2. SILENT PRAYER / STILLE GEBED / UMTHANDAZO OTHULEYO

3. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO
 - 3.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OCEBA ABAKHOYO
 - 3.2 COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OCEBA ABAKWIKHEFU
 - 3.3 COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO KWIKHEFU

4. NOTING THE PROVISIONS OF SCHEDULE 1 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 2000 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 1 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE STELSELSWET, 2000 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 1 (INDLELA YOKUZIPHATHA KOCEBA) LOMTHETHO WENKQUBO ZORHULUMENTE BASEKHAYA, 2000

5. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOOCEBA KUNYE NAMAGOSA

6	COMMUNICATIONS BY THE ACTING SPEAKER / MEDEDELINGS DEUR DIE WAARNEMENDE SPEAKER / UNXIBELELWANO LUKASOMLOMO	
7	COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU	
8	COMMUNICATIONS BY THE ACTING MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE WAARNEMENDE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA	
9	APPROVAL OF MINUTES OF COUNCIL MEETINGS / GOEDKEURING VAN NOTULES VAN RAADSVERGADERINGS / UKWAMKELWA KWEMIZUZU YENTLANGANO ZEBHUNGA	
	None / Geen / Azikho	
10	MINUTES OF MAYORAL COMMITTEE MEETINGS AND SECTION 79 COMMITTEES (FOR NOTIFICATION) / NOTULES VAN BURGEMEESTERSKOMITEEVERGADERINGS EN ARTIKEL 79 KOMITEES (VIR KENNISNAME) / IMIZUZU YEKOMITI KASODOLOPHU NEZINYE IKOMITI ZOMHLATHI 79 (ITHATHELWE INGQALELO)	
	None / Geen / Ayikho	
11	STANDING ITEMS / STAANDE ITEMS / IMIBA EMISIWEYO	
	None / Geen / Ayikho	

SECTION A REPORTS FROM THE SPEAKER		
	None / Geen / Ayikho	
SECTION B ITEMS FROM THE EXECUTIVE MAYOR AND SECTION 79 COMMITTEES / ITEMS VOORGELÊ VANAF DIE UITVOERENDE BURGEMEESTER EN ARTIKEL 79 KOMITEES / IINGXELO EZIVELA KUSODOLOPHU NAKWEZINYE IIKOMITI ZOMHLATHI 79		
B.1	ANNUAL REPORT FOR 2017/18 FINANCIAL YEAR /JAARVERSLAG VIR 2017/18 FINANSIËLE JAAR / INGXELO YONYAKA KUNYAKA MALI KA 2017/18 (698191) <i>Refer: Report (10/1/1) dated 10 December 2018 from the Chairperson of MPAC (Cllr M Booyesen)</i>	14 – 17 link to downloaod Annual Report distributed seperately
B.2	REPORT ON THE OVERSIGHT REPORT FOR THE 2017/2018 FINANCIAL YEAR / VERSLAG RAKENDE DIE OORSIGVERSLAG VIR DIE 2017/2018 FINANSIËLE JAAR / INGXELO YONYAKA KA KUNYAKA MALI KA 2017/2018 <i>Refer: Report (10/1/1) dated 10 December 2018 from the Chairperson of MPAC (Cllr CN Lichaba)</i>	18 – 25
SECTION C ITEMS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA		
	None / Geen / Ayikho	
SECTION D ITEMS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI		
	None / Geen / Ayikho	

SECTION E ITEMS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO		
	None / Geen / Ayikho	
SECTION F ITEMS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU		
	None / Geen / Ayikho	
SECTION G ITEMS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO		
	None / Geen / Ayikho	
SECTION H ITEMS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA YESEBE LEZOCWANGCISO KUNYE NOPHUHLISO LOQOQOSHO		
H.1	REPORT REGARDING THE SEASONAL PREPARATIONS FOR ALL THE RESORTS OF THE GARDEN ROUTE DISTRICT MUNICIPALITY FOR DECEMBER 2018 AND JANARY 2019 / <i>VERSLAG RAKENDE DIE SEISOENVOORBEREIDINGS VIR ALLE OORDE VAN DIE GARDEN ROUTE DISTRIKSMUNISIPALITEIT VIR DESEMBER 2018 EN JANUARIE 2019</i> / INGXELO YENDAWO ZOKUPHOLA YE GARDEN ROUTE NGEXESHA LENYANGA YOMNGA 2018 KUNYE NEYOMQUNGU 2019 SWARTVLEI CARAVAN PARK VICTORIA BAY CARAVAN PARK CALITZDORP SPA DE HOEK MOUNTAIN RESORT (693848) <i>Refer: Report (18/4/R) dated 20 November 2018 from the Executive Manager Planning & Economic Development (L Menze) / Manager Resorts (W Fourie)</i>	26 - 31
H.2	REPORT ON THE N12 TREASURE ROUTE ASSOCIATION / <i>VERSLAG TEN OPSIGTE VAN DIE "N12 TREASURE ROUTE" VERENIGING</i> / INGXELO MALUNGA NOKUZIBANDAKANYA NE N12 TREASURE ROUTE (681176) <i>Refer: Report (19/1/3) dated 20 November 2018 from the Executive Manager Planning & Economic Development (L Menze) / Manager Economic Development and Tourism (M Wilson)</i>	32 – 46

SECTION I NOTICE OF MOTIONS / <i>KENNISGEWING VAN MOSIES</i> / ISAZISO SEZIPHAKAMISO		
	None / <i>Geen</i> / Ayikho	
SECTION J MOTIONS OF EXIGENCY / <i>DRINGENDE MOSIES</i> / IMIBA ENGXAMISEKILEYO		
	None / <i>Geen</i> / Ayikho	
CLOSURE / <i>SLUITING</i> / UQUKUNJELO		

Rdl / Cllr CN Lichaba
Rdl / Cllr D Xego
Rdl / Cllr S De Vries
Rdl / Cllr NF Kamte
Rdl / Cllr MP Mapitiza
Rdl / Cllr SF May
Rdl / Cllr D Saayman
Rdl / Cllr BN Van Wyk
Rdl / Cllr RE Spies
Rdl / Cllr JL Hartnick
Rdl / Cllr M Booysen
Rdl / Cllr AJ Rossouw
Rdl / Cllr KS Lose
Rdl / Cllr T Fortuin
Rdl / Cllr JP Johnson
Rdl / Cllr IT Mangaliso
Rdl / Cllr SM Odendaal
Rdl / Cllr SS Mbandezi
Rdl / Cllr BHJ Groenewald
Rdl / Cllr E Meyer
Rdl / Cllr RH Ruiters
Rdl / Cllr I Stemela
Rdl / Cllr EH Stroebel
Rdl / Cllr RS Figland
Rdl / Cllr PJ Van der Hoven
Rdl / Cllr T Teyisi
Rdl / Cllr V Gericke
Rdl / Cllr K Windvogel
Rdl / Cllr JC Lambaatjeen
Rdl / Cllr RR Wildschut
Rdl / Cllr NC Jacob
Rdl / Cllr ASM Windvogel
Rdl / Cllr ERJ Spies
Rdl / Cllr NA Tsengwa
Rdl / Cllr L Tyokolo

SPECIAL DISTRICT COUNCIL

13 DECEMBER 2018

**INAUGURATION OF DA COUNCILLOR: GARDEN ROUTE DISTRICT
COUNCIL: CLLR ERJ SPIES / INHULDIGING DA RAADSLID: RDL ERJ
SPIES: GARDEN ROUTE DISTRIKSRAAD / UKUFUNGISWA KOCEBA WE
DA: IBHUNGA LESITHILI SE GARDEN ROUTE: UCEB ERJ SPIES
(691323)**

(4/2/9)

15 November 2018

REPORT FROM THE MUNICIPAL MANAGER (MG STRATU)**PURPOSE OF THE REPORT**

To inform Council of the replacement of Councillor MS Willemse who ceased to hold office as a councillor of the Garden Route District Council on 30 October 2018.

BACKGROUND

Councillor MS Willemse was representing the Knysna Municipal Council on the Garden Route District Municipality. Cllr Willemse resigned as the DA indirectly elected Councillor to the Garden Route District Council as at 30 October 2018. Letter attached as **Annexure A**.

Item 11(1)(a) of Schedule 2 of the Municipal Structures Act, 1998 Act 117 of 1998, the Electoral Commission determines as follows:

“11 Filling of vacancies

(1)(a) If a councillor elected from a party list ceases to hold office, the chief electoral officer, must subject to item 13, declare in writing the person whose name is on top of the applicable party list to be elected in the vacancy.”

Item 13 of the said Act reads as follows;

“13 Filling of vacancies and changing the order

(1) A party may supplement, change or increase its list at any time, provided that if a councillor elected according to a party list, ceases to hold office, the party concerned may supplement, change or increase its list by not later than 21 days after the councillor has ceased to hold office. The vacancy must be filled as soon as the party in question has supplemented, changed or increased its list, but not later than 14 days expiry of the 21-day period.”

The IEC has informed Council that Mrs. **Eleanore Rochelle Jacqueline Spies** (ID No 710709 021905) being the councillor for the Democratic Alliance (DA) in Knysna Local Municipality, has been declared elected to the Garden Route District Council on 07 November 201. A Copy of the notice from the IEC is attached as **Annexure B**.

Knysna Municipal Council has confirmed the IEC's notice at a meeting held on 29 October 201 that Cllr ERJ Spies, ID No 710709 0219 05, being the Councillor for the Democratic Alliance (DA) in Knysna Municipality, be appointed to represent Knysna Municipal Council on Garden Route District Council.

A copy of the extract from the minutes of the Council Meeting of Knysna Municipality is attached as **Annexure C**.

RELEVANT LEGISLATION

Schedule 2 of the Local Government Municipal Structures Act, 199 (Act 117 of 199).

UITVOERENDE OPSOMMING

Raadslid ERJ Spies is aangewys as die DA verteenwoordiger van Knysna Munisipaliteit op die Garden Route Distriksraad tydens 'n raadsvergadering gehou op 29 Oktober 2018.

*Ondersteunende dokumente ontvang vanaf Knysna Munisipaliteit en die OVK is aangeheg as **Aanhangsels A en B** onderskeidelik.*

RECOMMENDATION

1. That cognisance be taken of the letters from Knysna Municipality dated 30 October 2018 and from the IEC dated 07 November 2018.
2. That Cllr ERJ Spies be inaugurated as Councillor of Garden Route District Council with effect from 07 November 2018.
3. That Cllr ERJ Spies be requested to take the Oath of Office, as required in terms the Municipal Structures Act, 1998.

AANBEVELING

1. *Dat die Raad kennis neem van die skrywes ontvang vanaf Knysna Munisipaliteit gedateer 30 Oktober 2018 en die OVK gedateer 07 November 2018.*
2. *Dat Raadslid ERJ Spies ingehuldig word as raadslid van Tuinroete Distiksmunisipaliteit met ingang van 07 November 2018.*
3. *Dat Raadslid ERJ Spies die Eed aflê soos bepaal deur die Munisipale Strukturewet, 1998.*

ISINDULULO

1. Sesokuba kunikwe ingqwalasela incwadi esuka kuMasipala wase Knysna yangomhla 30 kweyeDwarha 2018 nesuka kwi IEC yangomhla 07 kweyeNkanga 2018.

2. Sesokubau Ceba ERJ Spies afungiswe njengo Ceba Webhunga loMasipala Wesithili se Garden Route ukususela 07 kweyeNkanga 2018.
3. uCeba ERJ Spies acelwe ukuba athathe Isifungo Sokuba Nguceba ngokwemiqathango yoMthetho Wolawulo loMasipala, 1998.

ANNEXURES

RESIGNATION LETTER FROM CLLR MS WILLEMSE

LETTER FROM IEC

CORRESPONDENCE FROM KNYSNA MUNICIPALITY

Mark Willemse

Suite 65, Private Bag X013, Knysna, 6570
Cell No 079 379 4095

30 October 2018

Municipal Manager: Garden Route District Municipality

cc:

Office of the Speaker: Garden Route District Municipality

Dear Sir

RESIGNATION

I hereby tender my resignation as the Democratic Alliance indirectly elected councillor to the Garden Route District Municipality, effective immediately.

Yours sincerely



Mark Willemse



SOUTH AFRICA

Memorandum

To: The Municipal Manager: Garden Route District Municipality

From: B Heuvel

CC: G Abrahams; C Sampson; D Marco; B Mbeleni; K Simelane
The Municipal Manager: WC048 - Knysna Local Municipality

Date: 07 November 2018

Re: **Replacement of Democratic Alliance (DA) Councillor to District Council:
WC048 – Knysna Local Municipality to DC4 – Garden Route District Council**

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Please note as prescribed in item 23 of Schedule 2 of the Municipal Structures Act, 1998 (Act No. 117 of 1998), that **Eleanore Rochelle Jacqueline Spies, ID No. 710709 0219 086**, being the councillor for the **Democratic Alliance (DA)** in **Knysna Local Municipality**, has been declared elected to the **Garden Route District Council**.

Sincerely

B Heuvel
Manager: Voter Registration and Party Liaison

Electoral Commission

Ensuring Free and Fair Elections

Commissioners: Mr V.G. Mashinini (Chairperson) | Mr I.T. Tselane (Vice-Chairperson) | Rev. B.B. Fircia | Ms J.Y. Love
National Office: Election House, Riverside Office Park, 1303 Heuvel Avenue, Centurion, 0157 | P/Bag X112, Centurion, 0046
info@elections.org.za | www.elections.org.za
Tel (+27) 12 622 5700 | Fax (+27) 622 5784



KNYSNA
Municipality Munisipaliteit uMasipala

Collab. Ref.:

File Ref.:

J Douglas

2018-10-30

Municipal Manager
Garden Route District Municipality
E-mail Address: mm@gardenroute.gov.za

Dear Mr M Stratu

REPLACEMENT AT GARDEN ROUTE DISTRICT MUNICIPALITY

I refer to the above and to the Special Council meeting held on 29 October 2018.

Please find attached the signed minutes where it was resolved that Cllr E Bouw-Spies replaces Cllr M Willemse as the representative of the Democratic Alliance on the Garden Route District Municipal Council.

I trust you find the above in order.

Yours faithfully


JB DOUGLAS
ACTING MUNICIPAL MANAGER
/jsl


SPECIAL COUNCIL MEETING
MINUTES
29 OCTOBER 2018

SC02/10/18 REPLACEMENT AT GARDEN ROUTE DISTRICT MUNICIPALITY

UNANIMOUSLY RESOLVED

That it be noted that Cllr E Bouw-Spies replaces Cllr M Willemse as the representative of the Democratic Alliance on the Garden Route District Municipal Council.

Certified a true copy of the Minutes of the Special Council Meeting held on 29 October 2018.


Acting Municipal Manager
J B Douglas
Speaker
G R Wolmarans

BACK TO AGENDA

**REPORT ON THE ANNUAL REPORT FOR THE 2017/18 FINANCIAL YEAR
/ *VERSLAG RAKENDE DIE JAARVERSLAG VIR DIE 2017/18 FINANSIËLE
JAAR / INGXELO YONYAKA KUNYAKA MALI KA 2017/18 (698191)***

(16/8/2)

13 December 2018

**REPORT FROM THE EXECUTIVE MAYOR (CLLR M BOOYSEN) / ACTING
EXECUTIVE MANAGER PLANNING & ECONOMIC DEVELOPMENT (M CEKISO)****PURPOSE OF THE REPORT**

The purpose of this report is to submit the audited 2017/18 Annual Report to Council for approval.

BACKGROUND / DISCUSSION

The tabling of the audited 2017/2018 Annual Report is informed by Circular 63 of the Local Government: Municipal Finance Management Act 56 of 2003, which requires the Executive Mayor to table the audited Annual Report to Council for approval in December of every year. The following are the road map activities towards the final tabling of the annual report to council.

- The 2017/2018 annual report and process plan in terms of circular 63 of the MFMA was workshopped to councilors and management on the 27th August 2018.
- It was tabled to council on the 28th August 2018 and immediately after that, it was submitted to Auditor General SA, Provincial Treasury, National Treasury and Department of Local Government in the Western Cape Province.
- The 2017/2018 annual report was made public for public comments, within 10 days after its adoption by council and the public was given 21 days to comment on the 2017/2018 annual report.
- It served at the MPAC on the 9th November 2018 and also on the 5th December 2018.

The outline of the Annual Report as per Circular 63 of the MFMA is as stated below:

- Chapter 1: Mayor's Foreword and Executive Summary
- Chapter 2: Governance
- Chapter 3: Service Delivery Performance
- Chapter 4: Organizational Development Performance

- Chapter 5: Financial Performance
- Chapter 6: Auditor General's Findings
- Volume II: AFS

FINANCIAL IMPLICATIONS

None

RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act 56 of 2003.

Circular 63 of the Local Government: Municipal Finance Management Act 56 of 2003.

COMMENTS: EXECUTIVE MANAGER CORPORATE SERVICES

Support the content and recommendation.

COMMENTS: EXECUTIVE MANAGER COMMUNITY SERVICES

The recommendation is supported.

COMMENTS: EXECUTIVE MANAGER ROADS & TRANSPORT PLANNING SERVICES

Noted.

COMMENTS: MANAGER LEGAL SERVICES

Recommendation supported.

UITVOERENDE OPSOMMING

Die ter tafellegging van die 2017/2018 Jaarverslag soos saamgevat in die Omsendskrywe 63 van die MFMA Wet 56 van 2003 vereis dat die Uitvoerende Burgemeester die geouditeerde Jaarverslag teen Desember elke jaar in die Raad ter tafel lê om goedgekeur te word. Die volgende aktiwiteite het gelei tot die ter tafellegging van die 2017/2018 Jaarverslag:

- *Die 2017/2018 Jaarverslag en prosesplan in terme van Omsendskrywe 63 was met raadslede en bestuur gewerkswinkel op 27 Augustus 2018.*
- *Die 2017/2018 Jaarverslag was op 28 Augustus by die Raad ter tafel gelê en was daarna ingedien by die Ouditeur Generaal van Suid Afrika, Provinsiale Tesourie, Nasionale Tesourie en Departement van Plaaslike Regering van die Wes- Kaap Provinsie.*
- *Die 2017/2018 Jaarverslag was binne 10 dae na ter tafellegging in die Raad openbaar gemaak vir insette van die publiek. Die publiek het 21 dae gehad om insette rakende die 2017/2018 Jaarverslag in te dien.*

- *Die 2017/2018 Jaarverslag het op 9 November 2018 en 5 Desember 2018 by MPRK gedien.*

Die raamwerk van die Jaarverslag soos saamgevat in die Omsendskrywe 63 van die MFMA is as volg:

*Hoofstuk 1 : Burgemeester se Voorwoord en Uitvoerende Opsomming
Hoofstuk 2 : Bestuur
Hoofstuk 3 : Dienslewering Prestasie
Hoofstuk 4 : Organisasie Ontwikkelingsprestasie
Hoofstuk 5 : Finansiële Prestasie
Hoofstuk 6 : Ouditeursgeneraal Bevindinge
Aanghangsels
Volume II : Jaarlikse Finansiële State*

RECOMMENDATION

That Council approves the audited 2017/2018 Annual Report.

AANBEVELING

Dat die Raad die geouditeerde 2017/2018 Jaarverslag goedkeur.

ISINDULULO

Sesokuba iBhunga liphumeze Ingxelo Yonyaka 2017/2018 ephicothiweyo.

ANNEXURES

Annexure: Audited 2017/2018 Annual Report has been send separately for downloading.

BACK TO AGENDA

MPAC

13 DECEMBER 2018

SPECIAL DISTRICT COUNCIL

13 DECEMBER 2018

**REPORT ON THE OVERSIGHT REPORT FOR THE 2017/18 FINANCIAL
YEAR / *VERSLAG RAKENDE DIE OORSIGVERSLAG VIR DIE 2017/18
FINANSIËLE JAAR / INGXELO MALUNGE NENGXELO BANZI
KUNYAKAMALI KA 2017/2018***

(10/1/1)

13 December 2018

REPORT FROM THE CHAIRPERSON OF MPAC (CLLR CN LICHABA)

PURPOSE OF THE REPORT

To present the Oversight Report of MPAC on the Annual Report, as required by legislation, and submit recommendation to Council for consideration.

BACKGROUND

The Annual Report for the 2017/18 financial year was tabled to Council on 28 August 2018 in compliance with Circular 63 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 ("MFMA") which states the following:

"The mayor of the municipality must in August each year table to council the unaudited annual report of the municipality"

The MFMA requires in section 127 that:

"The council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

- a) has approved the annual report with or without reservations;*
- b) has rejected the annual report; or*
- c) has referred the annual report back for revision of those components that can be revised.*

It further states in section 130 that:

"(1) The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state, and a reasonable time must be allowed—

- a) for the discussion of any written submissions received from the local community or organs of state on the annual report; and*

- b) for members of the local community or any organs of state to address the council.*
- (2) Representatives of the Auditor-General are entitled to attend, and to speak at, any council meeting referred to in subsection (1).*
- (3) The accounting officer must in accordance with section 21A of the Municipal Systems Act make public an oversight report within seven days of its adoption.”*

• **Purpose of an annual report**

The purpose of the annual report is:

- to provide a record of the activities of the municipality;
- to provide a report on performance against the budget; and
- to promote accountability to the local community for decisions made.

The annual report of a municipality must include—

- (a) the annual financial statements of the municipality as submitted to the Auditor-General for audit;
- (b) the audit report of the Auditor-General in terms of both section 126(3) of the MFMA and section 45(b) of the MSA;
- (c) municipality's annual performance report as per section 46 of the MSA;
- (d) assessment of any arrears on municipal taxes and service charges;
- (e) assessment of municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the municipality's approved budget;
- (f) particulars of corrective action taken or to be taken on issues raised in audit reports;
- (g) explanations to clarify issues on financial statements;
- (h) any other information determined by the municipality including recommendations made by the APAC and any other information as may be prescribed.

Municipal Public Accounts Committee (MPAC)

MPAC is responsible according to their Terms of Reference in Section 3.28 to consider and evaluate the Annual Report as tabled to Council, and thereafter make recommendations to Council in this regard.

For purposes of complying with the requirements listed above, MPAC met on 06 December 2018. The following councillors and officials attended the meeting:

Members of MPAC

Cllr CN Lichaba - Chairperson
Cllr BN Van Wyk
Cllr Mangaliso
Cllr Rossouw
Cllr Stroebel

Audit and Performance Audit Committee (APAC)

Dr A Potgieter attended in her capacity as chairperson.

Officials in attendance

Ms B Holtzhausen	:	Executive Manager: Corporate Services
Mr C Africa	:	Executive Manager: Community Services
Mr M Cekiso	:	District IDP Manager
Mr J Stander	:	Acting Executive Manager: Financial Services
Mr T Loliwe	:	Strategic Manager
Mr JW de Jager	:	Chief Audit Executive
Ms IG Saaiman	:	Performance Management Manager
Ms T Gauzela	:	Committee Services

Executive Summary by MPAC on the 2017/18 Annual Report

The 2017/2018 annual report was advertised and no comments were received from the public/communities.

MPAC noted the financial outcome and information presented in the AFS section of the Annual Report. The committee acknowledged the improvement on the financial position of the Municipality as compared to the previous financial year. The financial viability improved from a Concerned to Good status in the current year. The concern is the increased impairment provision which will be discussed in more details below.

MPAC noted that the Municipality maintained its unqualified audit outcome. The MPAC congratulated the GRDM on the improvement in the audit outcome from the previous year. The report shows that there is only one material finding as compared to quite a few in the previous year. This means that there was only one material finding that stood between the unqualified with findings and the clean audit.

In drafting its audit action plan for the financial year under review, management should among other issues focus on the following issues raised;

- Impairments (debtors impairments to be prioritized)
- Irregular expenditure
- Disaster Management. E.g. fires. It is evident that GRDM is more exposed to disaster as compared to other areas of the country in general and Western Cape Province in particular.
- Supply chain management holistically.

We have also took note that there are other Municipalities within the region that are in a worse off position as compared to GRDM.

MPAC has noted the 2017/2018 audit and performance Audit Committee report, with issues raised. MPAC's view is not foreign in some of the issues raised by APAC.

MPAC has also noted one (1) material inconsistency and fourteen (14) other inconsistencies raised by AG in the annual report for the current year, furthermore

MPAC notes the effort by management to address all the inconsistencies as raised by AG.

However, MPAC is of the view that, the foreword by the Executive Mayor of the district must be clear on EPWP also talking to sustainable opportunities. A process plan on partnerships through MOU's signed must be provided and outputs thereof.

Discussion

During the meeting, MPAC requested that the AG report for the financial year under review be presented and the Strategic Manager in the Office of the Municipal Manger presented the report to the committee. The chairperson of APAC was invited to present the APAC report for the financial year. The committee takes note of the report and its recommendations.

The inconsistencies in the 2017/2018 annual report as raised by AG were also presented by the IDP Manager, and these were corrected by management.

AGSA AUDIT REPORT

The AG report for the financial year under review raised one material finding which the management of GRDM does not agree with. There is an ongoing process by management to deal with the dispute. Below are more details on the issue.

Non Compliance with SCM regulation 36 (c)

We have noted that, the AG reported that, in the case of deviations, suppliers were not requested to submit declarations of interest. The municipality was of the opinion that, since they used SCM Regulation 36 which is a deviation from normal procurement processes; they were not required to comply with SCM regulation 13(c).

Regulations 13 (c) requires that the Municipality to request declaration of interest from suppliers during the written quotation and bidding process.

The above finding from AG resulted to irregular expenditure. MPAC finds it worrying that irregular expenditure to the amount of R56 million was reported in the annual financial statements – R17 million of which was identified by the AG.

It should be noted that R38 million of this irregular expenditure relates to two contracts that were identified in the previous financial year. This was as a result of two contracts that were advertised for a period of less than 30 days and this irregular expenditure will be reported incurred in 2081/19 as well, until the contract comes to an end.

The R17 million relates to deviations, where suppliers were not requested to submit declarations of interest. The municipality was of the opinion that, since they used SCM regulation 36, which is a deviation from normal procurement processes, they were not required to comply with SCM regulation 13(c).

Further to that the Municipality used the Central Supplier Data Base declarations to confirm that the directors of the suppliers in question were not in the service of state.

The office of the Auditor General maintained that the Central Supplier Database is not adequate. It was agreed that the Municipality should seek a technical opinion on this matter. The technical opinion was sourced from Provincial Treasury. The response from Provincial Treasury confirmed that the Municipality is correct in its interpretation of these two regulations. The opinion was forwarded to the office of the Auditor General; however the Office of the Auditor General still maintained its initial view.

As the Committee, we did not attempt to be technical experts on this matter and we are of the view that the Municipality should implement the recommendations of the AG, where it relates to sourcing of declaration of interest, during the application of section 36, as this will strengthen controls in the deviation process. This is not by anyway confirming whether we agree or disagree with the non-compliance raised by the Office of the Auditor General. In their response management were also not against this recommendation, rather the issue of non-compliance to legislation.

Other Matters Raised By AG

The office of the Auditor General also raised other matters in his report, which management need to address, although not material in nature.

Impairment of Debtors

The committee took note of the material amount provided for impairment of debtors. This is an indication that an amount on R19 million might not be received from our debtors, as compared to about R11 million last year. This is concerning, given our grant dependency.

The main portion of this impairment relates to accounts of the recent fires. The municipality should develop appropriate control mechanisms to ensure that these monies are recovered and that the right debtors are identified, as this mostly relate to fire accounts which are often disputed.

Property disputes with B Municipalities

With reference to note 55.5 in the financial statements, the municipality is reported to be in a possible dispute with B-Municipalities regarding a land-claim. The municipality intends to dispute these claims and is waiting on Provincial Treasury to arbitrate. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result, has been made in the financial statements.

The committee is aware of negotiations between the district and B Municipalities regarding certain pieces of land and properties. These negotiations should continue and the interest of the communities and the district should be ensured. Council should be informed on progress of these negotiations.

Performance Management

No material finding that were raised by the Office of the Auditor General.

Other Matters that were considered by the Committee

Action Plans to address AG Report

MPAC has then indicated that, at least by the end of January 2019, a detailed audit action plan to address the above issues by management, must be compiled.

Public Participation

MPAC requires serious community engagement on the annual report, so as to ensure that community members are involved in the business of the GRDM. To this end the committee should be equipped to engage communities via the public participation process.

mSCOA Regulations

Council has received regular reports stating that GRDM's experienced substantial problems with the implementation of the new financial system. Given all the challenges with implementation of mSCOA and the implementation of a new financial system, the municipality was able to submit Annual Financial Statements to the Auditor General, on time and there were no material misstatements, as the result of mSCOA that affected the audit opinion. This is commendable given that there are other municipalities who were faced with the same challenges, but could not submit their AFS's by the legislated deadline.

UITVOERENDE OPSOMMING

Artikel 129 van die MFSW bepaal dat 'n munisipaliteit 'n Jaarverslag oorweeg. Artikel 127 van die Wet bepaal verder dat 'n Oorsigverslag deur die Raad oorweeg moet word.

Die Jaarverslag het gedien by die MPRK vergadering gehou op 9 November 2018.

Die Oorsigverslag was bespreek tydens 'n vergadering gehou op 6 Desember 2018.

Die 2017/2018 Jaarverslag was openbaar gemaak vir publieke insette, maar geen insette was ingedien deur die publiek nie.

Die MPRK neem kennis van die oudit uitkoms en die inligting soos vervat in die Jaarlikse Finansiële seksie van die Jaarverslag. Die komitee neem kennis van die verbetering van die finansiële posisie van die munisipaliteit teenoor die vorige finansiële jaar. Die finansiële lewensvatbaarheid van die munisipaliteit het ook verbeter.

Die MPRK neem kennis dat die munisipaliteit het 'n ongekwalfiseerde status behou.

Die verslag toon dat daar slegs een wesenlike bevinding is wat die munisipaliteit verhoed om 'n skoon oudit status te behaal.

Ter voorbereiding van die konsep oudit aksieplan vir die huidige finansiële jaar, moet die bestuur die volgende aspekte in ag neem:

- *Debiteure Herstelplan (invorderings van debiteure moet verhoog word)*
- *Onreëlmatige uitgawes*
- *Rampbestuur*
- *Verkrygingsbestuur*

RECOMMENDATION

1. That Council, after having fully considered the Annual Report of the municipality and representations thereon, adopts the oversight report and the 2017/2018 Annual Report without reservations.
2. That the Accounting Officer, in accordance with Section 21 (a) of the Municipal Systems Act, make the Oversight Report public within seven days of its adoption.
3. That the Accounting Officer submits the Oversight Report to the Provincial Legislature within seven days.
4. That Council must develop a debtor's impairment recovery plan which is as the results of fires. A detailed action plan from the Vulcan Wildfire report needs to be tabled within three months from the date of this report.
5. That Council continue to lead the co-ordination of disaster management activities within the district and engagements with National Treasury be initiated on this front for funding purposes.
6. That Council ensures that the action plan to address issues raised by the Office of the Auditor General is developed which includes declaration on deviation processes as per AG recommendations.
7. That Council allocates a specific budget for MPAC public participation processes.

AANBEVELING

1. *Dat die Raad, na voldoende oorweging van die Jaarverslag van die munisipaliteit en voorleggings daarvan, die Oorsigverslag sonder voorbehoud aanvaar.*
2. *Dat die Rekenpligtige Beampte, in gevolge die bepalings van Artikel 21 (a) van die Munisipale Stelselwet, die Oorsigverslag publiseer binne sewe dae na aanvaarding daarvan.*
3. *Dat die Rekenpligtige Beampte van die munisipaliteit die Oorsigverslag binne sewe dae aan die Provinsiale Wetgewer voorsien.*
4. *Dat die Raad 'n debiteure herstelplan saamstel met spesifieke verwysing na die gevolge van die vure. 'n Volledige aksieplan gebaseer op die Vulcan Wildfireverslag moet binne drie maande by die Raad ter tafel gelê word.*

5. *Dat die Raad voortgaan om rampbestuur aktiwiteite binne die distrik koördineer en Nasionale Tesourie te nader vir moontlike befondsing.*
6. *Dat die Raad verseker dat 'n aksieplan om die aangeleenthede soos uitgewys deur Kantoor van die Ouditeur-Generaal te ontwikkel wat insluit 'n verklarings op die afwykingsprosesse.*
7. *Dat die Raad 'n spesifieke begroting allokeer vir die MPRK deelname prosesse.*

ISINDULULO

1. Ukuba ibhunga emveni kokuba liqwalasele ingxelo yonyaka kamasipala, liphumeze ingxelo ye MPAC kunye nengxelo kamasipala kanyaka 2017/2018, ngaphandle kweminye imiba.
2. Ukuba umphathi kamasipala, ngokomthetho olawula umasipala, enze ingxelo ye MPAC ifumaneke kuluntu kungadlulanga intsuku ezisixhenxe emveni kokuba iphunyeziwe libhunga.
3. Ukuba umphathi kamasipala uthumele ingxelo ye MPAC kurhulumente wephondo, zingadlulanga intsuku ezisixhenxe.
4. Ukuba ibhunga lisulunge isicwangciso, sokubhataleka kwamatyala, enzekileyo ngenxa yemililo. Kubekho ingxelo yesicwangciso se Vulcan wildfire zingadlulanga inyanga ezintathu, ikhutshiwe lengxelo.
5. Ukuba ibhunga liqhubekeke likhokela imicimbi yezentlekelo, lifakane imilomo nesebe lezimali ephondweni ukuze lifumane imali.
6. Ukuba ibhunga liqinisekise ukuba kukho indlela ekuzakulungiswa nyayo izinto eziphakanyiswe ngumphicothi zincwadi.
7. Ukuba ibhunga lifake imali ukuncedisa kwinqubo zokuya ebantwini ze MPAC.

DECEMBER 2018 AND JANARY 2019 / *VERSLAG RAKENDE DIE SEISOENVOORBEREIDINGS VIR ALLE OORDE VAN DIE GARDEN ROUTE DISTRIKSMUNISIPALITEIT VIR DESEMBER 2018 EN JANUARIE 2019* / INGXELO YENDAWO ZOKUPHOLA YE GARDEN ROUTE NGEXESHA LENYANGA YOMNGA 2018 KUNYE NEYOMQUNGU 2019 SWARTVLEI CARAVAN PARK VICTORIA BAY CARAVAN PARK CALITZDORP SPA DE HOEK MOUNTAIN RESORT (693848)

(18/4/R)

20 November 2018

REPORT FROM THE EXECUTIVE MANAGER ECONOMIC DEVELOPMENT AND PLANNING (L MENZE) / MANAGER PROPERTY DEVELOPMENT, PLANNING AND RESORTS (WJ FOURIE)

PURPOSE OF THE REPORT

Inform Council about the seasonal preparations for December 2018 and January 2019 at the Garden Route resorts.

BACKGROUND

Preparations at the following resorts are in place to ensure readiness for the seasonal influx of visitors at Council's resorts:

- **Swartvlei Caravan Park**

- Additional contract personnel will be in place from 12 December 2019 to 12 January 2019.
- Resort personnel will **not** be on leave from 14 December 2018 to 7 January 2019.
- Lifesaving services will be supplied by Knysna LM.
- Security services in the Caravan park will be in place from 7 December 2018 to 4 January 2019.

- **Victoria Bay Caravan Park**

- Additional contract personnel will be in place from 12 December 2019 to 12 January 2019.
- Resort personnel will **not** be on leave from 14 December 2018 to 7 January 2019.
- Lifesaving services will be supplied by George LM.
- Law enforcement officers supplied by George LM is in place since 20 November 2018.
- Security services in the caravan will be in place from 7 December 2018 to 4 January 2019.

- **Calitzdorp Spa**

- Additional contract personnel will be in place from 12 December 2019 to 12 January 2019.
- Resort personnel will **not** be on leave from 14 December 2018 to 7 January 2019.
- Council will provide lifesaving services at all the pools from 7 December 2018 to 6 January 2019.
- Security services will be in place from 14 December 2018 to 2 January 2019.

- **De Hoek Mountain Resort**

- Additional contract personnel will be in place from 12 December 2019 to 12 January 2019.
- Resort personnel will **not** be on leave from 14 December 2018 to 7 January 2019.
- Council will provide lifesaving services at all the pools from 7 December 2018 to 6 January 2019.
- Security services will be in place from 14 December 2018 to 4 January 2019.

UITVOERENDE OPSOMMING

Voorbereidings by die volgende oorde is gedoen ten einde gereedheid te verseker vir Desember 2018 en Januarie 2019 ten opsigte van die invloed van besoekers aan die Raad se oorde

- **Swartvlei KaravaanPark**

- *Addisionele kontrak personeel sal in plek wees vanaf 12 Desember 2018 tot 12 Januarie 2019.*
- *Oord personeel sal **nie** op verlof wees vanaf 14 Desember 2018 tot 7 Januarie 2019.*
- *Lewensredders dienste sal deur Knysa Munisipaliteit voorsien word.*
- *Sekuriteits dienste sal in plek wees vanaf 7 Desember 2018 tot 4 Januarie 2019.*

- **Victoria Bay Karavaan Park**

- *Addisionele kontrak personeel sal in plek wees vanaf 12 Desember 2018 tot 12 Januarie.*
- *Oord personeel sal **nie** op verlof wees vanaf 14 Desember 2018 tot 7 Januarie 2019.*
- *Lewensredders dienste sal deur George Munisipaliteit voorsien word.*
- *Wetstoepassing beamptes word deur George Munisipaliteit voorsien en is in plek vanaf 19 November 2019.*
- *Sekuriteits dienste sal in plek wees vanaf 7 Desember 2018 tot 4 Januarie 2019.*

- **Calitzdorp Spa**

- *Addisionele kontrak personeel sal in plek wees vanaf 12 Desember 2018 tot 12 Januarie 2019.*
- *Oord personeel sal **nie** op verlof wees vanaf 14 Desember 2018 tot 7 Januarie 2019.*
- *Lewensredders dienste sal deur die raad voorsien word by al die swembaddens vanaf 7 Desember 2018 tot 4 Januarie 2019.*
- *Sekuriteits dienste sal in plek wees vanaf 7 Desember 2018 tot 4 Januarie 2019.*

- **De Hoek Bergoord**

- *Addisionele kontrak personeel sal in plek wees vanaf 12 Desember 2018 tot 12 Januarie 2019.*
- *Oord personeel sal **nie** op verlof wees vanaf 14 Desember 2018 tot 7 Januarie 2019.*
- *Lewensredders dienste sal deur die raad voorsien word by al die swembaddens vanaf 7 Desember 2018 tot 4 Januarie 2019.*
- *Sekuriteits dienste sal in plek wees vanaf 7 Desember 2018 tot 4 Januarie 2019.*

FINANCIAL IMPLICATIONS

2018/2019 Approved Resort Budgets

RELEVANT LEGISLATION

Occupational Health and Safety Act No.85 of 1993

- Local Government Municipal Structures Act, 1998 (Act 117 of 1998)
- Occupational Health and Safety Regulations 2007

RECOMMENDATION

That Council takes note of the seasonal preparations at the resorts for December 2018 and January 2019.

AANBEVELING

Dat die Raad kennis neem van die voorbereidings by die Raad se oorde vir Desember 2018 en Januarie 2019.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo amalungiselelo exesha lehlobo kwindawo zokuphola kwinyanga yoMnga 2018 kunye neyoMqungu 2019.

APPENDIX

Letter George Municipality dated 15 June 2018



**DIREKTORAAT: BEPLANNING EN ONTWIKKELING
DIRECTORATE: PLANNING AND DEVELOPMENT**

EMAIL/EPOS: dmgelderbloem@george.gov.za
REF/VERW: Farm 195, Kraaibosch
ENQUIRIES/NAVRAE: Mr. DM Gelderbloem
TEL: 044 – 801 9073
FAX: 086 529 9931
DATUM/DATE: 15 June 2018

**THE MUNICIPAL MANAGER
EDEN DISTRICT MUNICIPALITY
P.O. Box 12
GEORGE
6530**

Mrs. N. Davids

**TRANSFER OF VICTORIA BAY CARAVAN PARK & RESORT FROM EDEN
DISTRICT MUNICIPALITY TO GEORGE MUNICIPALITY**

The abovementioned matter refers.

At an Ordinary Council meeting held on 31 May 2018 the following was, inter alia, resolved:

"RESOLVED:

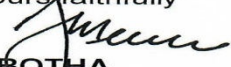
- (a) *that the request of Eden District Municipality, namely, that a property similar in size (73.2553 hectare) and value (R13 700 000.00), preferably property that is zoned for residential purposes be provided to them in exchange, **NOT BE APPROVED** because the municipality is not currently of any intent to dispose of property that is crucially needed for residential purposes due to the enormous housing need it must address;*
- (b) *that the agreements of lease with Riana Magdalena Parrang (the kiosk) and Daily Double Trading 680 CC (the flat) **BE CEDED** to EDM as from 1 July 2018.*

Attached please find copies of the respective lease agreements entered into between the George Municipality, Riana Magdalena Parrang and Daily Double Trading 680 CC for your record purposes.

The Agreement Cessions were sent to the lessees and the signed documents will be sent to you upon receipt.

We trust you find the aforementioned in order.

Yours faithfully



A T BOTHA
MUNICIPAL MANAGER
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BACK TO AGENDA

**REPORT ON THE N12 TREASURE ROUTE ASSOCIATION / *VERSLAG
TEN OPSIGTE VAN DIE “N12 TREASURE ROUTE” VERENIGING* /
INGXELO MALUNGA NKUHAMBISANA NE N12 TREASURE ROUTE
(694310)**

(19/1/3)

17 September 2018

**REPORT FROM THE EXECUTIVE MANAGER PLANNING AND ECONOMIC
DEVELOPMENT SERVICES (L MENZE) / MANAGER ECONOMIC DEVELOPMENT
AND TOURISM (M. WILSON)**

PURPOSE OF THE REPORT

To inform Council of the Memorandum of Agreement between Garden Route District Municipality and the N12 Treasure Route Association and the progress made to date and to obtain approval to terminate the agreement.

BACKGROUND / DISCUSSION

This report has served on the Economic Development Portfolio meeting dated 15 November 2018 where the following recommendations were made by this Committee:

“That the R40 000.00 annual contribution to the N12 Treasure Route Association be cancelled due to breach of contract and that the agreement be terminated.

That the Legal Department ensures that there is no litigations that can follow after cancellation of the contract.

That the non - compliance clauses be clearly indicated as reason for the cancellation to the N12 Treasure Route Association.”

The N12 Treasure Route was established in 2001 as a domestic and internationally competitive tourism route and destination. This route runs through five (5) Provinces, namely Mpumalanga, Gauteng, North West, Northern Cape and the Western Cape. Along the route there are 43 Municipalities and over 6000 tourism businesses which can all contribute and benefit from the development of the route.

Three of the Provinces (Mpumalanga, Northern Cape and North West) are amongst the least visited destinations. Improving the destination management and appeal of the route will assist in increasing traffic in these areas and thus increase geographic spread, business performance and economic growth in mostly rural areas. The route covers 2 main areas within the Garden Route District Municipal area, namely George and Oudtshoorn (De Rust).

The N12 Treasure Route has been formally endorsed by the Minister of Tourism (Mr Derek Hanekom) in 2014. The Domestic Tourism Management Branch has in the past 3 years been working with the N12 Treasure Route (TR) Association to improve the development of the route. In the 2015/16/17/18 financial years, the Department of Tourism has included the route in its business plan in order to facilitate development and promotion of the route.

With the above said, the N12 Treasure Route Association decided to take the route of entering into Memorandum of Agreement (MOA) with the Garden Route District Municipality and all other district municipalities along the route, to be part of the developing and implementation of the tourism development plan of the N12 Treasure Tourism Route.

As part of the MOA, the district is responsible for contributing an amount of **Forty Thousand (R40 000.00)** inclusive of VAT per annum for the duration of the agreement which is three (3) years, to fund and support the development of the N12 Treasure Tourism Route through the Project Operator. The amount will be paid to the Project Operator every year during the subsistence of the agreement. It was recommended that the agreement must include that the financial commitment in terms of the MOA will be subject to Garden Route DM's financial ability to contribute and based on approval within the applicable budget.

It has further come to our attention that the National Department of Tourism's funding contribution towards the N12 Treasure route has come to an end due to the termination of the agreement.

On 03 August 2018, the Garden Route District Municipality sent communication to the N12 Treasure Route Association to advice on the progress that has been made with the development of the route, but more specifically the Garden Route section of the N12 Treasure route. R40 000.00 has been paid to the N12 TRA as part of the agreement between the N12TRA and Garden Route DM, and the municipality was requesting clarity on what projects and activities the funds have been spent on along the route.

Feedback in this regard was received from the N12TRA on 21 August 2018, but was not satisfactory to what the District Municipality has requested. Communication in this regard is attached hereto as **Annexure A**.

The agreement between N12TRA and Garden Route DM stipulated the following in clause 6:

- 6.1 develop a detailed plan for tourism development along the N12 Treasure Route that stipulates the following:
 - 6.1.1 Sustainable business models for the route
 - 6.1.2 Broader stakeholder support for businesses along the route
 - 6.1.3 Programs that involve the local communities along the route
 - 6.1.4 A clear plan to include marginalized communities and the previously disadvantaged individuals in the development of the route.

- 6.2 Facilitate the roll out of product development programmes to support businesses along the route through product and people development programmes, such as skills development, infrastructure development, information management service and destination development and quality assurance.

Section 6.3 refers to the submission of the product implementation plan to the District Municipality, and;

6.6 accounting to the District Municipality by providing progress and financial reports in relation to the project.

None of the above points have been successfully completed since the inception of this agreement with the N12TRA. Further to this, Mr. Sascha Klemm, co-opted member of the board of directors, N12 Treasure Route Association and Western Cape Lead has subsequently resigned from his duties. This is also of great concern to Garden Route District Municipality and therefore also the recommendation to terminate the agreement.

FINANCIAL IMPLICATIONS

The amount of R40 000.00 has been approved within the 2018/19 budget for the N12 Treasure Route, which will not be utilized for this purpose should Council agree with the recommendation.

RELEVANT LEGISLATION

Section 84(1)(m) of the Local Government: Municipal Structures Act, 1998 (Act 118 of 1998) states that a district municipality has the power and function to promote local tourism for the area of the district municipality.

COMMENTS: EXECUTIVE MANAGER FINANCIAL SERVICES

Recommendation supported due to breach of contract. Legal advisor to issue letter of breach of contract

COMMENTS: EXECUTIVE MANAGER CORPORATE SERVICES

Note the cancellation of the R40 000 contribution to the N12 Treasure Route.

COMMENTS: EXECUTIVE MANAGER COMMUNITY SERVICES

Supported.

COMMENTS: EXECUTIVE MANAGER ROADS & TRANSPORT PLANNING SERVICES

The content of the report is noted.

COMMENTS: MANAGER LEGAL SERVICES

The content of the report is noted.

UITVOERENDE OPSOMMING

Die “N12-Treasure Route” is in 2001 gestig as 'n domestiese en internasionale mededingende toerisme bestemming. Hierdie roete deurloop vyf (5) provinsies, naamlik Mpumalanga, Gauteng, Noordwes, Noord-Kaap en die Wes-Kaap. Langs die roete is daar 43 munisipaliteite en meer as 6000 toerisme-ondernemings wat almal kan bydra en kan voordeel trek tot die ontwikkeling van die roete.

Drie van die provinsies (Mpumalanga, Noord-Kaap en Noord- Wes) is van die minste besoekende bestemmings. Die verbetering van die bestemmingsbestuur en die aantreklikheid van die roete sal help om die verkeer in hierdie gebiede te verhoog en sodoende geografiese verspreiding, besigheidsaktiwiteite en ekonomiese groei in veral landelike gebiede verhoog. Die roete dek 2 hoofareas binne die Tuinroete Distriksmunisipaliteit, naamlik George en Oudtshoorn (De Rust).

Die “N12-Treasure Route” is formeel deur die Minister van Toerisme (mnr. Derek Hanekom) in 2014 onderskryf. Die Domestiese- en Toerismebestuursafdeling het die afgelope 3 jaar saam met die “N12-Treasure Route (TR)” vereniging gewerk om die ontwikkeling van die roete te verbeter. . In die boekjaar 2015/16/17/18 het die Departement van Toerisme die roete in sy sakeplan ingesluit om die ontwikkeling en bevordering van die roete te fasiliteer.

Met bogenoemde in ag geneem, het die “N12-Treasure Route” assosiasie besluit om 'n Memorandum van Ooreenkoms met die Tuinroete Distriksmunisipaliteit en alle ander distriksmunisipaliteite langs die roete te sluit, om deel te wees van die ontwikkeling en implementering van die toerisme ontwikkelingsplan van die “N12 Treasure route”.

As deel van hierdie ooreenkoms, is die distrik verantwoordelik vir die bydrae van 'n bedrag van veertig-duisend (R40 000.00), insluitende BTW per jaar, vir die duur van die ooreenkoms wat drie (3) jaar is, om die ontwikkeling van die “N12-Treasure Route” te finansier en te ondersteun. Die bedrag word elke jaar aan die projekopereur betaal vir die periode of duur van die ooreenkoms. Die ooreenkoms sluit in dat die finansiële verbintenis ingevolge die Memorandum van Ooreenkoms onderhewig sal wees aan Tuinroete Distriksmunisipaliteit se finansiële vermoë om by te dra en gebaseer te wees op goedkeuring binne die toepaslike begroting. Verder het dit onder ons aandag gekom dat die Nasionale Departement van Toerisme se befondsingsbydrae tot die N12 Treasure-Route tot 'n einde gekom het weens die beëindiging van die ooreenkoms.

Op 03 Augustus 2018 het die Garden Route Distriksmunisipaliteit kommunikasie aan die “N12-Treasure-Route” vereniging gestuur om te adviseer oor die vordering wat gemaak is met die ontwikkeling van die roete, maar meer spesifiek die Garden Route-gedeelte van die “N12TR”. R40 000.00 is aan die “N12 Treasure-Route” vereniging betaal as deel van die ooreenkoms tussen die N12 Treasure-Route-vereniging en die Garden Route DM. Die munisipaliteit vra duidelikheid oor aan watter projekte en aktiwiteite hierdie fondse bestee is.

*Terugvoering in hierdie verband is op 21 Augustus 2018 vanaf die “N12 Treasure-Route” vereniging ontvang, maar was nie bevredigend rakende dit wat die distriksmunisipaliteit versoek het nie. Aangeheg as **Aanhangsel A** vind hierdie kommunikasie aangeheg.*

RECOMMENDATION

1. That the R40 000.00 annual contribution to the N12 Treasure Route Association be cancelled due to breach of contract and that the agreement be terminated.
2. That the Legal Department ensures that there is no litigations that can follow after cancellation of the contract.
3. That the non-compliance clauses be clearly indicated as reason for the cancellation to the N12 Treasure Route Association.

AANBEVELING

1. *Dat die R40 000.00 jaarlikse bydrae tot die “N12 Treasure-Route” Vereniging gekanselleer word weens kontrakbreuk en dat die ooreenkoms beëindig word.*
2. *Dat die Regsafdeling verseker dat daar geen litigasies is waarvoor die Raad aanspreeklik gehou kan word nie.*
3. *Dat die nie-nakomingsklousule duidelik aangedui word as rede vir die kansellasië aan die “N12 Treasure-Route” vereniging.*

ISINDULULO

1. Sesokuba isibonelelo sonyaka se R40 000.00 kwi N12 Treasure Route Association sipheliswe ngenxa yokungathotyelwa kwesivumelwano kwaye isivumelwano sinkqunyanyiswe.
2. Sesokuba icandelo lezeomthetho liqinisekise ukuba akhukho namanyathelo ayakuthi athatyathwe kwiBhunga.
3. Sesokuba umhlathi wokungathobeli ucaciswe ngokucacicieyo njengengesizathu sokunqunyanyiswa Kokuzibandakanya kunye ne N12 Treasure Route.

NAVRAE: M. WILSON
 ENQUIRIES:
 KONTAKNR: 044 803 1357
 CONTACT NO:
 VERW: 19/1/3
 REF:
 KANTOOR: GEORGE
 OFFICES:
 DATUM: 03 August 2018
 DATE:



Per email: leratom@jbmarks.gov.za
 Cc; Mr. Sascha Klemm tourism@beaufortwest.net

Dear Ms Lerato Motloun

RE: N12 TREASURE ROUTE MEMORANDUM OF AGREEMENT

The Memorandum of Agreement between the Eden District Municipality and the N12 Treasure Route Association has reference.

The District Municipality is committed to the broad government objectives of job creation, rural development integration and will ensure it facilitates integrated development and social cohesion through participatory approach in partnership with all sectors.

With the above said, R40 000 was contributed to the N12 Treasure Route Association to fund and support the development of the N12 Treasure Route through the project operator.

Obligations of the project operator as stipulated in clause 6. in the Memorandum of agreement:

The Project Operator shall:

6.1 develop a detailed plan for tourism development along the N12 Treasure Route that stipulates the following:

- 6.1.1 Sustainable business models for the route
- 6.1.2 Broader stakeholder support for businesses along the route
- 6.1.3 Programs that involve the local communities along the route
- 6.1.4 A clear plan to include marginalised communities and the previously disadvantaged individuals in the development of the route.

6.2 Facilitate the roll out of product development programmes to support businesses along the route through product and people development programmes such as skills development, infrastructure development, information management service and destination development and quality assurance.

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Section 6.3 refers to the submission of the product implementation plan to the District Municipality, and 6.6 accounting to the District Municipality by providing progress and financial reports in relation to the project.

It has come to our attention that the National Department of Tourism's funding contribution towards the N12 Treasure route has come to an end due to the termination of the agreement.

The Eden District Municipality therefore wishes to invite the N12 Treasure Route Association to respond within fourteen (14) days from the date of this letter on the obligations of the Project Operator as set out in clause 6 of the agreement.

Attached hereto, please find a copy of the signed agreement.

We look forward to your response in this regard.

Yours sincerely,



M. STRATU
MUNICIPAL MANAGER

N12 TREASURE ROUTE CLOSURE REPORT

March 2016 to March 2018

Project Category: Product Development										
Project (Description of Project and locality)	Milestone/ Activity	Budget (NDT & OTHER)	Expenditure	Variance (NDT & OTHER)	Impact					
					Jobs created	SMME's supported	Women	Youth	Dis-abled	General impact and comments
Website Development > Social media Activation > Newsletter > Pamphlets > Adverts > Branded t-shirts > Branded Licence Disks > Branded Handmade beads >	www.n12tra.co.za Facebook, Twitter, & Instagram activated Published (online) quarterly Continuously created for exhibitions When necessary Annually Annually Done once - off	R130 000 Annual Cost	R41 431	R88 569 Allocated as per need items	6 Temporary Three contract Admin Office workers, One Website content Host & Two Graphic Design	8	5	2	1	Greater cohesion and collaboration stimulating domestic tourism initially
Meetings Africa (GP) World Tourism Market (CP) Africa Travel's Indaba (DUR) Getaway show (GP) Spring Festival(NW) Speed Marketing (NW) National Aardkloop Arts Festival(NW)	Annually market of members' products, establish a network and recruit new members.	R300 000	R312 000	-R12 000	6 Temporary Three contract Admin Office workers, One Website content Host & Two Graphic Design	+ 150	+150	+60	+3	Greater database for tourism products
Video - covers all 5 provinces	Done, access it live on the website www.n12tra.co.za	R120 000	R120 000	Within Budget	9 Temporary	10	4	3	1	Greater public / tourism awareness
Signage covers North West Province	Till to date the North West Department of Tourism has delayed transferring the signage contribution.	- * R239 000 (NWDt)	To be spent as quoted	R0	+1	1	+1	+1	0	Incredible awareness & impact on businesses along the N12 TR



N12 TREASURE ROUTE CLOSURE REPORT



March 2016 to March 2018

Windmill Branding - Beaufort West	Currently 7 windmills painted in Western Cape - Beaufort West & in continuous engagement with private owners for painting of other windmills along the route	R20 000	R5 500	+R14 500 allocated to finalise the project	3 Temporary	+1	0	2	0	Greater investment focus
Project Category: Community Development										
Project (Description of Project and locality)	Milestone/ Activity	Budget (NDT & OTHER)	Expenditure	Variance (NDT & OTHER)	Impact					
					Jobs created	SMME's supported	Women	Youth	Dis-abled	General impact and comments
Membership Drive by creating a database, then recruit members by emails, follows up telephonically, and retains members.	Continuously growing	Outsourced from other Operational Budget when necessary	R6 480		1 appointed one Membership officer	+4 Used the service of members for product development	+3	+2	+1	Recognition & Credibility, Service Support, Industry Knowledge, Training, Discounts
Sustainable Tourism Partnership Programme SMME'S Skills Development	Sixteen workshops with follow up workshops done	R120 000	R120 000	Within Budget	+	+ 60	+50	+30	+3	To conduct and serve the N12 on experiences, SMME's database and tourism infrastructure development, training and skills needs analysis along the N12 TR.
Capacity Building Programme	Supported local Golf Challenge Supported Local Arts Exhibitions Supported tourism students Tvet College to attend National career expo in Virginia With partnership with North West		R1 000 R3 200 R2 400			More than five tourism establishment	5	5	0	Promotion of trade and selling tourism products



N12 TREASURE ROUTE CLOSURE REPORT



March 2016 to March 2018

	Parks Board, we hosted Botswana Journalist and Travel Agencies in fact finding mission in North West.		R 3 500			visited in North West Province				
Project Category: Short term projects										
Project (Description of Project and locality)	Milestone/ Activity	Budget (NDT & OTHER)	Expenditure	Variance (NDT & OTHER)	Impact					
					Jobs created	SMME's supported	Women	Youth	Dis-abled	General impact and comments
Itinerary / Sub-Route Development	All five provincial leads working closely with their communities and the sub routes are all underway	R130 000 R26 000 Per province (NDT)	R18 000	R112 000 Allocated to finalise the project	N/A	1	1	0	0	To empower & support tourism products & services, in benefit of tour operators and tourist guides
Infrastructure Development	Nelspoort Western Cape : Signage & building of steps to the rock engravings currently in development Accessibility development of 1 st 4 gallery homes by Maboneng Township Arts in Township - assessment phase completed, Implementation is underway to be finalised in September 2018.	R100 000 (NDT)	R22 000	R78 000 Allocated to finalise the project	2 Temporary	N/A	N/A	N/A	N/A	Cultural / Historical /Community Based Tourism Product Development. Quotations requested, however not yet received.
N12 TR Art & Craft Market	Africa Ignite & Maboneng Township Arts Experience hosted workshops with township community in scouting talented artists in development of Township gallery. Selected talented artist currently in training	R 130 000 (NDT)	R 23 068	R106 932 Allocated to finalise the project	N/A	N/A	N/A	N/A	N/A	Suppliers of township tourism emphasize the significance of the development of a sustainable product that attracts, satisfies and retains the market.
Visitor Information	(VIC) supported with N12 Branding					SMME'S to be				To promote the N12



N12 TREASURE ROUTE CLOSURE REPORT



March 2016 to March 2018

Services.	and continuously supply display of member's brochures. Awaiting approval from (VIC) filling stations Kiosk along the N12 route (Carletonville, Kimberley and Strydenburg to be revamped to serve as N12 branded service information point.	R50 000 (NDT)	R0		N/A	supported in displaying their marketing material.	N/A	N/A	N/A	brand with effective signage and information to travellers.
Homestay	26 Jan 2018 - held 1st meeting with TGCSA/NDT. Still awaits the follow up meeting from NDT as per resolution.	R100 000	R2500	N/A						Economic impacts, interaction between tourism and other sectors, life quality improvement.

Project Category: Operational

Project (Description of Project and locality)	Milestone/ Activity	Budget (NDT)	Expenditure	Variance	Impact					
					Jobs created	SMME's supported	Women	Youth	Dis-abled	General impact and comments
Honorarium	Monthly paid	R300 000 (NDT)	R266 000	Within Budget	3 temporary	N/A	2	2	0	Three Temporary appointments of Graduates they benefits with experience and the N12 Treasure Route Association get to operate daily because of this appointment.
Stay & Travel	As needed	R250 000 (NDT)	R240 039	Within Budget	N/A	N/A	N/A	N/A	N/A	The route is 1350 km and requires Board Members to often travel long distances to attend meetings, trade



N12 TREASURE ROUTE CLOSURE REPORT



March 2016 to March 2018

										shows and other relevant engagements.
Administration & Bank Chargers (Internet, Stationary)	As required	R20 000 (NDT)	R10 942	Within Budget	3temporary 5 provincial leads volunteer volunteers	N/A	2	2	0	Administration acknowledged as a potent instrument achievement of N12 route
TOTAL		R1 770 000	R1 195 560	R 400 001						



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 2520

Mr M Stratu
 Municipal Manager
EDEN DISTRICT MUNICIPALITY

Per Email: Andisiwe@edendm.gov.za
rekords@edendm.gov.za

Dear Mr Stratu

N12 TREASURE ROUTE MEMORANDUM OF AGREEMENT (MOA)

Your letter ref 19/1/3 dated 3 August 2018 in the above regard refers.

The N12 Treasure Route Association (N12 TRA) once again wishes to thank your Municipality for your partnership and the contribution received for the first term of the agreement.

ANNEXURES:

- A:** N12 TRA SHORT TERM GOALS
- B:** N12 TRA REPORT SUBMITTED TO NATIONAL DEPARTMENT OF TOURISM (NDT)
- C:** AUDITED FINANCIAL STATEMENTS (2017/2018 FINANCIAL YEAR)

As per the MOA and your enquiry the following for your perusal.

“6. OBLIGATIONS OF THE PROJECT OPERATOR

The Project Operator shall:-

6.1 Develop a detailed plan for tourism development along the N12 Treasure Route that stipulates the following:

Attached please find short and long term goals approved by N12 Board of Directors and Steering Committee (**Annexure A**)

6.1.1. Sustainable business models for the route;

The N12 TRA develops sustainable models for the Route by ensuring to be included in the Integrated Development Plans (IDP) and collaboration with Municipalities and Departments along the N12 Treasure Route, e.g. the signed MOA with amongst others, Eden District Municipality.

6.1.2. Broader stakeholder support for businesses along the route;

Broader support for specific Western Cape private and public sector businesses along the route since March 2016 to date, amongst others, include the following:

Description	Total Amount
Support to Wesgro with sponsorship of exhibitions stand at Tourism Trade Shows: e.g. Travel Indaba, World Travel Market, etc	R 29 239.00
Customer Service Training In Central Karoo and Eden District Municipalities in collaboration with Western Cape Department of Economic Development and Beaufort West Tourism; Workshops & conferences	R 17 375.00
Marketing Material printed by service providers from Mossel Bay and George.	R 8 917.05
Windmill project that temporarily created jobs for painters of windmills in and around Beaufort West along the N12 Treasure Route.	R 4 021.08

Installation of Signage and painting of ceilings and walls at Art @ Tourism Centre Beaufort West	R 8 095.78
Plenary Meetings for the development & facilitation of Madlenkosi Arts & Craft Art Gallery.	R 10 375.91
Sponsored paint for Mural at Oudtshoorn High School	R 2 197.70
In Process of building steps for Nelspoort Rock Engravings	R 6 194.50
Contracted a service provider from the Western Cape for the development of a N12 marketing Video	R 101 130.00
Other Western Cape meetings: WESGRO, We do tourism, Eden District Municipality Project Identification, Karoo Highlands AGMs, Eden & Harold Meander, etc	R 34 261.00
Subsidising (S&T) paid to WC Lead (Mr S Klemm) to attend meetings of e.g. N12 Treasure Route Board of Directors, N12 National Steering Committee, Annual General Meetings, etc.	R 95 275.00
Sub-Total	R 317 082.02
R 317 082.02 + R12 187.50 (STPP workshops as per par 6.2)	R 12 187.50
Total	R 329 269.52

6.1.3 Programs that involve local communities along the route;

The short term goals involves community support and their buy in as the community benefits through planned projects as mentioned in par 6.1.2.

The N12 TRA is in the process of concluding a partnership with George Tourism's "Leesfees with a Twist" with a contribution of the amount of **R35 000** towards the Project.

6.1.4 A clear plan to include marginalised communities and the previously disadvantaged individuals in the development of the route.

Included in the Short Term goals planned, is a particular project in process specifically designed to uplift township economy, namely the establishment of an Art and Craft Market Project in Mandlenkosi Township, Beaufort West (**Annexure A**).

6.2 Facilitate the roll out of product development programmes to support businesses along the route through product and people development programs such as: skills development, infrastructure development, information management service, and destination development and quality assurance;

The Sustainable Tourism Partnership Programme (STPP) has been contracted by the N12TRA to conduct various workshops in different towns of Western Cape on sustainable tourism, with the aim to market the N12 Treasure Route experience, SMME'S database and tourism infrastructure development, training and skills needs audit along the N12 treasure route.

(Total Amount Spent in George, Oudtshoorn & Prince Albert: R 12 187.50)

6.3 Submit the product implementation plan to the District Municipality;

It is the norm to submit the product implementation plan to the National Tourism Department National N12TR Steering Committee for open discussions / input per province and approval. **(See Annexure B)**. Eden District Municipality was represented by the Chief Whip in the last meeting held in Gauteng.

6.6 Account to the District Municipality by providing quarterly progress and financial reports in relation to the Project;

The Annual Audited Financial Statements are approved at Annual General Meetings (AGM). Attached please find latest unqualified financial statements for your perusal. **(Annexure C)**. It needs to be mentioned that the last AGM was held on 6 July 2018. It is expected from the Provincial Leads to share it with their applicable public sector, please accept our sincerest apologies for not ensuring that you have received it.

“It has come our attention that the National Department of Tourism’s funding contribution towards the N12 Treasure route has come to an end due to the termination of the agreement.”

We hereby kindly wish to inform that no termination of Agreement with the National Department of Tourism (NDT) has occurred. NDT informed that they fully support the N12 Treasure Route, however not going to fund the N12 TRA in the 2018/2019 financial year. The three year MOA will end November 2018 and a new application for funding for the 2019/2020 financial year has already been submitted to NDT.

WESTERN CAPE LEAD: VACANT SINCE AUGUST 2018

Mr Sascha Klemm was the N12 TRA Member of the Board of Directors and the Provincial Lead for the Western Cape, however has resigned from this position in August 2018. It is really unfortunate, as Mr Klemm is a leader in the Tourism Industry.

We hereby kindly request for your assistance in proposing a person who may be interested in this position in order to ensure that the Western Cape Area along the N12 Treasure Route continue to prosper.

For any further information, please feel free to contact Ms Lerato Motloungh Mohloki, Project Manager at Email leratom@jbmarks.gov.za.

Yours in N12 Treasure Route Development

**L MOTLOUNG MOHLOKI
PROJECT MANAGER**

BACK TO AGENDA