

**Knysna Business Chamber
Exco meeting 18 July, 2023
Meeting report**

Present

Pierre Gouws (chair)

Jan van der Westhuizen

Richard Thorpe

Dries van Rooyen

Tarryn Edkins

Elizabeth-Anne Vertue

Martin Hatchuel

Andries Fourie

Pierre: The purpose of this meeting is to touch base and see what's happening in the various subcommittees. Lester Day is overseas until September, and we thought it best not to wait till then and lose another two months.

Reiterating what we stand for: We are the voice of the community through business, promoting Knysna as an attractive business and investment destination.

One thing that has come up a couple of times is that we need to remain apolitical. It is too easy to get dragged into politics.

Jan: Why is it so difficult for Lester to take over the role of chair of the company?

Pierre: Because last year financially we didn't do very well, and he doesn't want to sit with problems because directors are responsible. But he has now had a look at the financials and he's very comfortable after the audit that it's OK.

Eliabeth-Anne asked for clarity on the plan from now till the end of the year. My committee members and I feel we've done a bunch of work, which we don't mind, as long as there's an end game. Don't we have to have an AGM and reelect the directors?

Pierre: We had to have financials approved for that to be able to happen.

Jan: If we're waiting for Lester, is he the only one who's put his hand up for the position of chairperson of the chamber?

Pierre: Perhaps we should ask for nominations in case anyone else wants to stand. The other way is select the directors, and let them appoint the chair from their number.

Current directors are Pierre, Andries, Richard Sohn, Laverne (but she resigned), and Wiseman Ntuli, but he hasn't been active. Mark, and Herman Kapp, Elmay Boucher etc. are committee

members - not directors. In previous years we were 12 directors, but that was chaos, which is why we decided to reduce it to five, and then have committees. What makes sense to me is that the committee heads should serve as the directors

Dries: How many committees do we have?

Pierre: Six

Dries: The question therefore is what are the other directors doing.

Each has their own personal reason for not paying attention to the Chamber; Richard and I, for example, time is the issue - we are getting very busy in our own businesses.

Dries: But you will remain involved?

Pierre: I will remain involved, but not serve as chairman any more. What makes sense to me is that the committee heads should serve as the directors.

Jan: Last week I attended a Western Cape Government initiative. Their strategy on growing for jobs (G4J) is based on 7 very key factors, and if we as a business chamber want to align with those, it makes sense that we see if we can address those seven areas, and make people responsible for those seven areas, because that is when you get support from Western Cape Government. It's not a municipal thing, it's not a DA thing, and this is how we go ahead if we're seeking support on a provincial level.

Dries: I concur with that, I was at the same meeting. We have got to follow suit. There is a structure that is available – already in place – within the Garden Route, and there are seven municipalities all working together. But then the Garden Route is just one region within the Western Cape. That is a massive, very powerful structure. There is funding coming from them (Province) through that structure, that seven-point plan. We therefore need to align ourselves with that structure

Jan: I think we need to really contemplate what we are, and what we stand for and restructure so that we can be somebody that is recognised. I was amazed by the mayor of Bitou who asked if I can come and help with their business chamber because it isn't going anywhere. If we are getting this recognition with the little we are doing, how much better can we be?

The G4J goals are saying that they need to grow the economy by 4-6%, and create 600,000 - 1 million jobs, which is much higher than the rest of South Africa. They believe that the Western Cape can be a 1 Trillion economy.

The seven areas are: 1 - driving investment. I cannot state this more strongly, if you do not have someone that goes out there and makes sure that companies invest here, and money is coming here, we will not advance. They are looking at 20% of the regional GDP - 200 billion - by 2035.

Andries: But here's a problem in our town specifically, where the municipality is supposed to facilitate growth and investment, and that's where we always run ourselves into: there is no support there.

Dries; What Province is saying: they will provide local support through Wesgro, not through the municipality.

Jan: If we want to track into that level of money, irrespective of our municipality, we will need to align. We would be foolish not to tap into those structures. There is a stumbling block at the municipality, but we don't need to work with them, we need to work with the province.

Richard: Sometimes you have to play a political game. Because if national government is giving the Western Cape money to invest, who is going to take the credit? We have an election coming up - they want to win Cape Town back, and they'll play any trick in the book. One must be aware of that.

Dries: I disagree with a lot of this. I think we need a new approach. I saw how the people at Wesgro want to help us, but we can't be stuck with politics.

Elizabeth-Anne: Until we have a chairperson, and we have structure within ourselves, all of this is almost impossible.

Jan: What is the vision that we want to take this town to in 2040. If we do not have this vision, we will never get there. We cannot build this without a proper leader. And out of that we will find structures because the vision needs to be supported by structures and strategies.

We cannot go inward – we need to outward. Outbound strategies say 'where do we need to latch on that can make a success.' We are in a DA operated environment - make use of it. Yes, we're facing an ANC municipality, but we need to deal with that also.

While we are still limbering down and trying to work out who is the leader and what we want to do, tap onto these strategies, because there we'll get funding. For example – none of our work talks to skills. This town does not have a college. Five people have approached me saying they will pledge money to open a college here. If we need to go to waste-to-energy (and that's the reason I attended this session), we need skills. So the structure of moving forward is not simplistic but it needs to be structured in such a way that all of us can work in the same direction.

Point number 2: Stimulate domestic markets and exports, which includes tourism.

The money that is coming into tourism in the Western Cape is 6% of our GDP

3: Energy sufficiency and distribution to net-carbon – to reduce reliance on energy from Eskom. They believe this is between 1,800 and 5,000 mW by 2035

4: Water security and resilience: double the water availability, and honour the existing allocation to agriculture. They are serious about agriculture - it's seen next to tourism as a key driver of the Western Cape's economy.

5: Technology and innovation: the value of venture capital deals will reach R20 billion by 2035

6: Infrastructure and the connected economy: the Western Cape will have the infrastructure required to support a R1 trillion economy by 2035. This sector will be 10% of the regional GDP

7: Improved access to economic opportunities. This has to do with skills and jobs.

On the topic of who we are and what we stand for, I believe we need to restructure so that we can be connected to where the money is.

Finding the right people is going to be key. I have a person of colour who can fill the skills development chair, and who will make a real contribution. The board of Southern Cape College today made a decision to establish a college in Knysna.

So we need to concentrate on who we will be in 2040, and then we put these strategies into place, and then structures into place because structures will support the strategies, and the structures might also be the person that will drive it.

I am not opposing in any way KAWS or the raising of funds for KAWS, but we are blind if we think we're going to get it out of an ANC government which has other priorities on their minds. If we don't speak to those issues, we're not going to get anywhere.

If we are going to be the voice of the town, we need to speak with one voice. Therefore we need a half-day strat session where the exco of the chamber and key people who can drive this, come together to say, 'this is what we see the town looking like in 2040.'

Pierre: Remember that 6 months ago, we didn't have an exco

Richard: Many of the people do very good jobs, but they're more practical implementers than strategic thinkers.

Martin: Must we have seven separate sections to each focus on one strategy, or can we pick and choose.

Jan: I think we need to pick and choose because, for example, we are not strong in aviation like Cape Town. Water and energy is already one – skills we have someone who can dedicate –

investments, I have finance people who have the background. So yes, ideally we would like to focus on all of them, but let's start with what we have.

Martin: Export and tourism is a no-brainer because of our yachting building and our tourism industry.

The structure of how they presented it, was they spoke about the strategy, they linked the skills Mecca to the seven strategies, and then the minister of economic development and the Garden Route economic development official, Paul Hofman, spoke. The DG of Education told me they would support a college here in Knysna.

One voice means – let's have a common understanding of what we want to do.

Let me read to you what my subcommittee on Waste and Energy does: Vision – *to make Knysna the first Western Cape Province Town to be energy independent of Eskom*. This may be far-fetched, but at least we know where we're going, and everybody knows that. Alan Winde said, he wants the Western Cape to at least have one town that can be totally energy independent, and I said – I take up your challenge.

Our Mission – *to enable resilient growth in Knysna through independent supply of energy, water, waste, and energy development solutions*.

All the team members in my team knows exactly where we are, and we as a Knysna Chamber need to have a similar vision for 2040, and we need to have people here who are committed to the same vision.

Elizabeth-Anne: I am happy to get behind a person who has the vision. I don't want to spend another morning debating this, only to have it all change when the new chairman is elected.

Piere: We should then have a strat session before the AGM so that we go there with a vision.

Dries: All the work of strategising at Provincial level has already been done. It has been specifically designed in three stages: short term vision for 3 years, four years to 2030, and then up to 2035, so we need to align ourselves with 2035 because we will get tremendous support from them if we are aligned with them.

Jan: We don't have to run behind a chairperson. Let's say to the chairperson, let's collectively build towards our vision.

Elizabeth-Anne: After having been involved for five years, and watched the rise and fall and rise and fall of the chamber, it has a lot to do with leadership. So for me to decide to put in my time and energy has a lot to do with who that person is. There's been too much talk about talks.

Martin: We are closer now to where we want to be. We now have an idea of what we want to hook onto – which is these seven strategies of the G4J strategy - so I don't think we've wasted time at all. We've just narrowed things down, and we must keep on narrowing them down until we've got what Jan says is our vision for 2040. Then once we have that, we can start working to put it in place.

Richard: The shelter has attracted sponsorships arranged by the Chamber, which the Chamber's public relations committee should use for PR. The big missing thing is the cash support from the Municipality, although the council kept saying we're going to have a shelter. Eventually we went to council and said it was their choice: everything is in place apart from your money.

At this point Richard Thorpe excused himself, having previously submitted the following email as feedback from his subcommittee:

I would like to welcome everyone as members of the Municipal Affairs & Finance Sub-Committee and have agreed with Lester Day to Chair this vital sub-committee of the Greater Knysna Business Chamber.

In particular I welcome Mike Hennessey who is a highly respected Chartered Accountant within Knysna business circles and having served with him on the Knysna Municipal Audit Committee for a number of years I know his knowledge and experience will serve the business chamber and /businesses/residents of Knysna well. On behalf of us all we extend our condolences to Mike on the passing of his wife, Trudie.

The last couple of months have been taken up with resolving where possible the many issues facing the implementation of a interim shelter for the Homeless for the remainder of the winter (and I must say that the GKBC has played a key role in getting sponsorships for most of the building materials, fixtures/fittings, some labour for the implementation thereof, etc. in addition we have been working on job creation and placement ideas in order to find employment for local homeless people who want to move above the poverty line.

I addition I have had four surgical eye procedures over the month of June alone and have to go to Cape Town later this week for a medical appointment with a specialist in Cape Town that may well end up requiring surgery. Accordingly I suggested to Mike that he and I could work interchangeably for the next couple of months so that we can cover for each other over that period should we need to. I have advised Lester of this and he supports the principle. Perhaps Mike could answer any questions arising from your study of the reports attached below.

I have said to both Lester and Martin it would be too easy to become embroiled in the detail of multiple municipal issues and that the success of any committee is to focus on the major issues facing the municipality such as its Financial Health, lack of Service Delivery, Consequence Management, etc and identify prospective solutions. In saying this I am mindful of the role that the audit committee plays and should not duplicate it but complement their work. Once we feel

comfortable with our understanding of the current state of the municipality I think we should meet with the Audit Committee Chair for a discussion. The recently elected chair is Johan Jacobs who recently held the position of Acting Municipal Manager for a short time.

To provide this focus I suggest that we use the Section 71-Monthly Budget Report because it sets out the budget in detail, actual income/expenditure vs budget, financial issues facing the municipality band recommendations for corrective action, Auditor General Report, report of the Audit Committee, borrowings, tender adjudication, etc. In other words it provides a firm basis for understanding the performance of the municipality and the risks and issues it faces. The normal routing of this report through the municipality is the same as for other key operational reports, i.e. first it goes to the Section 80 Committee: Finance & Governance (Finance), then to the Mayoral Committee. If I look on the KM website, the last such meeting was held on 12 May 2023 at which the S71 Reports for February 2023 and March 2023 were on the agenda which to my mind gives rise to our first point which that if KM has commitments well in excess of cash and cash equivalents (point 2.2.1 on page 6 of the attached S71 report for May 2023). The municipality does not seem to be treating this concern with any urgency. Please read the attached report and sections 2 and 3 in particular.

I also attach the Audit Committee's Report for the 2021/2022 year based on the Auditor-General's Management Report for the same year. I think you will find this interesting background material.

By copy to Martin and Pierre, the above will form the basis of my feedback tomorrow.

Kind regards,

Richard Thorpe

Tarryn: I'm assuming I was asked to join today because I'm helping out Lester with approaching HOAs. The HOA's is a slow process. I was supposed to spend a month on this, but I've told Lester I'm happy to continue as I've already made the contacts.

Unfortunately only one has signed up (Eastford Country Estate), but there's a lot of interest from the others. Pierre to chase Simola, Pezula, Knysna Lifestyle Estate; Mark to chase Leisure Isle Residents Association; Martin to chase Brenton Homeowners

Martin: We have about 150 past members who haven't paid up for this year. I've been writing to them individually, explaining what we do and what the benefits of membership are. I've highlighted the extent of the budget objections programme, and the results of the Energy Summit. I think I've only had four positive responses though. So it is a very slow, drawn-out process.

Tarryn: Unless we start showing visible signs like Revive Knysna are, residents won't really want to buy in.

Tarryn: From the people I've spoken to, I think people do want to give money. The developer of Entabeni, for example, has a wealth of knowledge, and gave me numerous ideas that he would back if there was structure.

Dries: Business development & jobs creation. We've spent a lot of time on the Growth 4 Jobs strategy, attended the workshops, etc. I am working with my team to put a strategy together to see how we can take the G4J project further from Knysna's point of view.

Investment is a huge issue, and money is available from around the world if we only work together with the G4J strategy.

Exports is a huge thing for the G4J people, and I think we should focus on exports as a little different to tourism. Tourism they come here and spend money here, export means manufacture here and you send your products off. There are massive opportunities there. But we have to develop the town as a coastal town with, for example, access to launch facilities for big yachts. We haven't got problems like Joburg does at the moment with supply lines being attacked, and I'm going to be a strong promoter of getting more industry so that it's not only bottom-up, where we teach skills to children, but also top-down.

We've had some good meetings with the boat industry and we've agreed with SANParks to create 5 new commissioning berths for the big boats, with funding in place for the first two. These berths will be situated on Thesen Islands, behind SANParks.

There's no reason why we shouldn't have an even bigger boat industry here in Knysna.

Jan: Feedback on Energy, Water and Waste. From the summit, we've met interesting people in town. So our team has begun to pull together to make a big difference in town. Our number one focus is the waste-to-energy project. The premier's office has said that if we go ahead, they will support us. The challenge now is that there are other projects in town. From our side, we will push for this one big one now: the waste-to-energy and all the other things around it. So we're planning to have a regular meetings with the municipality – specifically the electrical engineering department which has already shown that they want to work with us. In the meantime, I'm pushing council to get the procurement issue on line. They now need to call for a Section 18 so that we can discuss – the council must decide that we can go ahead with it before the municipality can think about tenders. I've pushed the mayor and deputy mayor to see if we can get this onto the next council agenda.

I've begun speaking to DA and KIM to say this is important. They have indicated support, and said that even if it does not get onto council agenda, they will make sure that it does.

Our big ally in this process is the environmentalists, and this is what we're now going to push.

At the same time, we realise that we're going to need skills so we are bringing CSIR to the table, where they can provide support programmes about efficiency and effectiveness.

The committee is going to work with council to look at all the projects they've listed to see where we need to step into to offer help.

Pierre: The other thing we need to look at is how the subcommittees can work together and support each other, and not work in silos. But we can talk about this at our strategy session. And also look at working with other business chambers such as Plett.

Dries: I've felt quite a strong willingness with other chambers to work with us. Who is coordinating this? How often do we speak to them? How do we interact, what do we do?

Pierre: There was a meeting last year to kick off a regional chamber, but nothing seems to have come of that.

Pierre: Financial statements. The audit is basically done. As you all know, last year wasn't great – we only had R41,000 of income from memberships and a little bit from other things, and provisions were written back, so total income was about R100,000, but total expenses were a lot more, so we ended on a loss of R83 (thousand?) which basically wiped out our accumulated reserves from the previous year. This is why Lester is a bit nervous.

This year so far looks a lot better. We're positive, it's fine for now with memberships coming in – a lot of it early in the year, so we can't assume it's going to carry on for the rest of the year. So we're OK where we're standing now, but we need some form of drive for more memberships or sponsorships or fundraising (perhaps an event?)

Tarryn: I think the fundraising topic has to be a division on its own.

Dries: What is the situation with the train?

Martin: The management of the train and p[ro]perties went to tender last year, and the successful bidders were to have been announced in March, but Transnet Freight Rail then called for a second tender, which closed in April, which means they now have 210 days to announce the results. Strangely, they then called for a third tender for the management of the properties. Classic Rail under Alan McVittie has bid for all three.

Dries: there's also the question of aviation. Discussions have been held with Rob Hersov to open a heliport here in Knysna in a position yet to be announced. There must also be synergies with the Plett Airport. These are items that fall under the seven points - section 6: Infrastructure.

The question of trucks on the road is also worth looking at: there could be opportunities in the whole distribution supply chain.

Dries asks Andries: – I find that there's a lack of stock. Isn't there an opportunity to get the property development side going. There is a big level of semigration coming in, and unfortunately Mossel Bay is taking much of it, but why can't we take our fair share as well?

Andries: Knysna is often criticised for being expensive. But this comes back to a situation where decisions are not taken timeously at the municipality. Just to tap into the Knysna sewage system, water system, electrical system, it costs the developer R350,000 per opportunity. With commission and VAT, that comes to over R400,000 before you've placed a single brick or employed an architect or engineer. Let's take George Rex. We've owned it since 2005, and spent millions on it. That project has now for the third time been rejected, and is now with Minister Barbara Creecy's office since the 22nd of June last year.

Take for example the councilor responsible for infrastructure in Knysna. She's very quick to tell you she only has grade two. So if I stand up as a white male and a chartered accountant with 19 years of education – ten times more than she does – so everything I'm going to say is that I'm being a racist, I'm being cleverer – and for me that's a South African problem. Until we get to the point where it's the best person for the job it's always going to be a challenge.

But to get to your question about the properties - Knysna's water is becoming an issue, although they did upgrade Charlesford last year. Things like that have to start happening. From a political perspective, you get political appointments, and those people don't have the ten or twenty or fifty year vision that they should have. So I endorse these seven points 100%, and I think that should be our strategy to say we get retired people – engineers, etc – to help with the energy and water, etc., because that's where we are seriously lacking.

Dries: Are there not alternate routes we can follow to find solutions?

Andries: I think we need to get the community motivated to say, we want this today – the community must go to the municipality to demand what they want.

The meeting closed.