DUBE TRADEPORT CORPORATION CRITICAL STRATEGIC RISKS

Dube TradePort Corporation Annual Report 2015/16

Supporting Document

The members of the Board and executive team held a strategic risk assessment and determined that the following risks face Dube TradePort. The actions taken in mitigation of these strategic risks are listed.

	STRATEGIC RISKS	MITIGATING ACTIONS
Risk 01	Lack of public transport to the precinct.	• Public transport feasibility study; and • Agenda point on Aerotropolis Steering Committee.
Risk 02	Lack of adequate external Bulk Infrastructure Provisioning.	• Relationship with stakeholders (regulatory and approval authorities); • Self-provision of bulk infrastructure; • Adequate planning; and • Alignment of DTPC and Municipal planning.
Risk 03	Insufficient funding to adequately execute the objective of the organisation.	• Financial modeling tool used for budgeting; • Lobby assistance from the Executive Authority; • Timely submission of APP; • Monitor MTEF Budget Allocation; • Monitor transfer of funding from EDTEA; • Engage in discussion with provincial Treasury; • Reallocation of funds where programmes do not spend their allocations; • Monthly monitoring of spend; • Access to additional sources of funds; • Signed Funding Agreement in place; and • Sustainability model built and updated.
Risk 04	Impact of austerity and inability to expand institutional and infrastructural cap.	• Linking DTPC strategy to Provincial targets; and • IDZ/SEZ license to operate.
Risk 05	Inability to attract and retain suitably qualified people.	• Recruitment agencies to identify and ensure appropriate skills; • Training; • Head hunt specific skills; • Encourage consultants to transfer skills to staff; • Market related incentives and benefits; • Learning and Development plans; • Remuneration Benchmarking Study; • Upskill and multi-skill employees; and • Exemption and application to recruit essential staff sent to Premier's office.

DUBE TRADEPORT CORPORATION CRITICAL STRATEGIC RISKS (continued)

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Risk 06	Delays in release of serviced land.	• Review of Master Plan; • DTPC a member of Aerotropolis Steering Committee; • Regular meetings between Planning and Property; • Relationship established between DTPC and Planning Department of Municipality; • Membership of SIP2; • Planned purchase of new land parcels; and • Funding applications submitted.
Risk 07	Delays in environmental and other regulatory approvals.	• Political intervention; • Participation in government initiatives with other stakeholders; and • Wetland offset priority project identified.
Risk 08	Disruption of DTPC's performance as a result of political change.	• Strategic Plan and APP; • Policies and procedures aligned to regulatory requirements; • Alignment to PDGP and NDP; • Adequate planning; • Shareholder's compact; • Agenda point on Aerotropolis Steering Committee agenda; and • Informative Board packs.
Risk 09	Lack of alignment between National, Provincial, Parastatals and Municipality.	• Membership of Advisory Forum; • DTPC a member of Aerotropolis Steering Committee; • Amendment applications; • Meetings with Municipality; • Membership of Air Services Committee; • MoU with Transnet; • Membership of SIP2; • Implementation of Climate Change resilience Strategy; and • Alignment to PDGP and NDP.
Risk 10	Inability to sustain international and regional flights to and from KSIA.	• Good service history – zero loss in Dube Cargo Terminal; • Route Development Strategy; • Bilateral agreements in place; • Added value with AiRoad trucking; • 4 international and regional airlines arriving at KSIA; • Work closely with EDTEA, Tourism and Hospitality industry; • Wider service offering implemented (cargo); • Investment in strategic partners (e.g. airlines); • Route Development Fund budget developed and being used for approved air routes; • Air Services Strategy developed and implemented; and • Right to development routes in Co-op Agreement.

DUBE TRADEPORT CORPORATION CRITICAL STRATEGIC RISKS (continued)

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	STRATEGIC RISKS	MITIGATING ACTIONS
Risk 11	Impact of SEZ Act and regulations on DTPC structure and business model.	• Recruitment of resources to assist in operations of IDZ/SEZ; • Legal review of relevant legislature; • Checklist of legislation and license requirements; • Approved organisational structure; • Use of consultants; • Joint planning between departments; • Three years have been permitted for the transition period; and • Appointment of consultants to assist with formulation of a transition plan.
Risk 12	Continuous attraction/retention of private sector investors/ strategic partners.	• Competitive land and bulk lease terms; • Investment in Strategic infrastructure; • Intensify networking and marketing; and • Commercial brokering agreements.
Risk 13	Ineffective utilisation of cargo terminal capacity.	• Agreement with ground handlers to lease DTPC equipment; • Route Development Strategy includes cargo incentives; • Business cases formulated for companies that may require air freight; • Maintain competitive rate structure; • Customised solutions for target customers; and • Use of AiRoad trucks to provide value added services.
Risk 14	Failure to sustain growth in iConnect business.	• Increased reseller base; • Attendance and hosting events; • Cross selling between Property and Dube iConnect; and • Increased media awareness.
Risk 15	Failure of effective corporate governance.	• Developed Fraud Prevention Plan; • Internal Audit; • Policies and procedures; • Risk Management Framework; • Informative Board packs; • Regular Board meetings; • ToR for governance structures; • Delegations of authority; • Proactive management of media; • Compliance register; • External audit; • Fraud Hotline; • Formal induction for Board members; • Regular Audit Committee meetings held; • Minutes kept for all structures; • EXCO approval of SCM Committees; • Declarations of Interest; • Peer review of consultants on each other; • Formal SCM processes; • Contracts clearly defined; • Oversight by funding department; and • Shareholder's Compact.