Knysna
Munisipaliteit || uMasipala || Municipality
inclusive || innovative || inspired

KNYSNA MUNICIPALITY

DRAFT ANNUAL REPORT: 2024/2025

KNYSNA MUNICIPALITY: DRAFT 2024/2025 ANNUAL REPORT

TABLES

CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD

It is with pride and renewed purpose that I present the 2024/2025 Annual Report of Knysna Municipality. This report marks a year in which we not only faced the realities of rebuilding, but initiated a move from recovery to restoration as we took deliberate steps to stabilise governance, rebuild the trust of our residents and re-establish service delivery systems.

As a Council, our focus this year was to move from uncertainty towards political, administrative and social cohesion. It was a year of difficult conversations, courageous decisions and steady progress. It was a year that reaffirmed the power of working together as residents, leaders and partners with shared goals. This report records progress, an acknowledgment of lessons learned and a reaffirmation of our commitment to build a town that is inclusive, innovative and inspired.

I was honoured to be elected as Executive Mayor on 4 March 2025, at a time when strong, principled leadership was urgently needed. Alongside the election of a new Deputy Mayor and the reconstitution of the Mayoral Committee, these changes brought renewed focus, improved coordination and a more accountable political leadership collective. We introduced hands-on initiatives to reinforce transparency and oversight, such as the Friday Site Visits, which bring leadership directly to project sites and service hotspots. Open Saturdays, with customer pay centres open on selected Saturdays, give working residents more convenient access to municipal services. These changes reflect our commitment to closing the gap between government and community, and to leading from the front.

a. Our Vision

Knysna – INCLUSIVE | INNOVATIVE | INSPIRED

b. Key Policy Developments

Council's focus during the year was to strengthen institutional trust, enable delivery through clear policy direction and ensure that every decision made in chambers translated to visible action on the ground. The implementation of the Section 154 Support Plan, in collaboration with provincial and national government, helped to restore accountability throughout the administration.

The 2024/2025 year under review was marked by a shift from crisis management to coordinated, principle-based governance. The policies we prioritised aimed at improving human settlement delivery, protecting natural resources, supporting vulnerable residents and driving local investment. It is through consistency in these areas that we will begin to reshape Knysna's governance landscape.

These priorities were guided by Council's strategic objectives, which include:

- to improve and maintain current basic service delivery through specific infrastructural development projects;
- to create an enabling environment for social development and economic growth;
- to promote a safe and healthy environment through the protection of our natural resources;
- to grow the revenue base of the municipality;
- to structure and manage the municipal administration to ensure efficient service delivery; and

- to encourage the involvement of communities in local government by promoting open communication channels.

These objectives remain aligned with the Provincial Growth and Development Strategy, the National Development Plan and the National Key Performance Areas.

c. Key Service Delivery Improvements

As elected representatives, we have heard and shared in the frustrations of residents over broken infrastructure, environmental degradation and safety concerns. In response, Council remains actively engaged with administration and stakeholders to prioritise high-impact service areas.

We were especially proud of the municipality's achievement of an unqualified audit opinion for the 2023/2024 fiscal year. It is a welcome sign that the work done to restore integrity and order within the institution is beginning to show results.

The implementation of short-term upgrades to our wastewater treatment works began, alongside long-term planning though a new Water Services Master Plan and infrastructure reliability study. We also successfully delivered a seasonal operations plan that ensured seamless waste, safety and infrastructural services during peak periods.

These gains were made in the face of tight financial conditions and complex administrative recovery, making them even more meaningful.

d. Public Participation

Throughout this year, we placed a stronger emphasis on inclusive governance. Ward councillors led community feedback engagements and Council strengthened its oversight through portfolio committees and budget engagement sessions.

We also broadened civic collaboration. The willingness of civil society, business forums, ratepayer groups and ordinary residents to engage with leadership, often critically, but constructively, must be acknowledged. These partnerships helped steer many of the improvements reflected in this report.

e. Future Actions

The road ahead is not without challenge; we are under no illusion about the work that lies ahead. But the groundwork laid this year, politically and administratively, gives us a credible base from which to move forward.

Council's ongoing priorities include:
accelerating the upgrading of informal settlements;
ensuring long-term infrastructure investment in energy, water and roads;
promoting youth employment and entrepreneurship;
deepening transparency and consequence management in all spheres of the municipality; and
expanding multi-sector collaboration to unlock high-impact development opportunities.

We do not face these challenges alone. The partnerships we are building between Council, the administration, other spheres of government and our residents, remain our greatest strength.

f. Agreements / Partnerships

No agreements or partnerships have been entered into in the year under review.

Conclusion

This Annual Report reflects more than statistics, it reflects a renewed spirit in our communities and our Council. We are regaining our confidence, our sense of purpose and our ability to act in the public's interest.

I wish to thank my fellow councillors across all political parties, the Municipal Manager and his team and every resident who has remained engaged and hopeful during this time of rebuilding. Let us continue to work together to achieve a Knysna that is truly inclusive, innovative and inspired.

THANDO MATIKA
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

OVERVIEW OF THE MUNICIPAL MANAGER

I am pleased to present the 2024/2025 Annual Report, prepared in terms of Section 121(1) of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003.

This year has marked a turning point in the municipality's recent history, a year of administrative stabilisation, financial improvement and renewed public confidence. Following the uncertainty of previous years, the full implementation of the Section 154 Support Plan, together with the permanent appointment of senior officials, has significantly advanced governance, operations and service delivery across all departments.

Institutional Stabilisation

I assumed office as Municipal Manager in December 2024, during a period of fragile leadership and waning institutional trust. My immediate priority was restoring internal stability. Council also completed the recruitment of long outstanding senior manager appointments, with the arrival of the final appointee in April 2025, enabling us to rebuild operational efficiency across directorates. The Audit Action Plan, once stagnant, was revived and we have made magnificent progress in addressing the audit findings, supporting our achievement of an unqualified audit outcome for 2023/2024.

Financial Performance & Sustainability

The municipality recorded an operating surplus of R185 million, an increase from R127 million in the previous year. This was underpinned by improved billing systems, enhanced internal controls and active grant management. Revenue increased to R1.13 billion, driven primarily by stable property rates and service charges. However, the debtors' book rose from R456 million in June 2024 to R525 million in April 2025, due to persistent socioeconomic pressures. Strengthened credit control and debt recovery measures are being intensified in response.

We achieved R82.6 million in capital expenditure during the year under review, funded by national and provincial conditional grants. These investments focused on critical infrastructure including pump stations, sanitation systems and road repairs.

In response to growing fiscal pressures and the need to re-establish long-term financial sustainability, the municipality developed and adopted a comprehensive Financial Recovery Plan during the 2024/2025 financial year. This plan was endorsed by both Council and the Western Cape Provincial Treasury. It sets out a structured framework for improving liquidity, managing debt and optimising revenue collection, and is being actively implemented as part of the Section 154 Support Plan.

Service Delivery and Infrastructure

Implementation of the Section 154 Support Plan played an important role in restoring service delivery capacity.

Environmental compliance came into sharp focus in early 2025, following two administrative notices regarding wastewater management received from the Department of Forestry, Fisheries and the

Environment. In response, we expedited repairs to critical sewer lines and strengthened our engagement with regulators to ensure compliance and environmental stewardship.

Stakeholder Engagement

This year saw a deliberate shift towards open, accountable and structured stakeholder engagement. We established ongoing dialogues with groups such as The Accountability Group, the Greater Knysna Business Chamber, Afri-Forum, Knysna United and others. Topics addressed included water and wastewater failures, waste collection challenges, by-law enforcement and billing issues. Feedback from these engagements was formally channelled into management reviews and operational planning.

The municipality also updated its stakeholder database and improved its public communication strategy. Regular newsletters, enhanced use of social media and community forums were used to promote transparency and ensure public participation in service planning and review.

Strategic Partnerships and Community Support

One of the highlights of the year was the emergence of stronger community partnerships. The Knysna Infrastructure Group, a civic-led initiative, played an instrumental role in addressing local service challenges, assisting with pump maintenance, raising over R500,000 for key interventions and helping to repair key road infrastructure. These partnerships represent a renewed spirit of collaboration between the municipality and its residents.

Conclusion

The 2024/2025 financial year demonstrated that turnaround is possible when strategy, leadership and community effort align. We have made measurable progress in governance, financial health, service delivery and public accountability. Challenges do remain, particularly surrounding ageing infrastructure, environmental compliance and debt recovery.

With the support of our Council, staff, civil society and residents, I am confident that Knysna Municipality is on a firm path to stability, credibility and sustainable growth. Let us build on this momentum as we move forward together.

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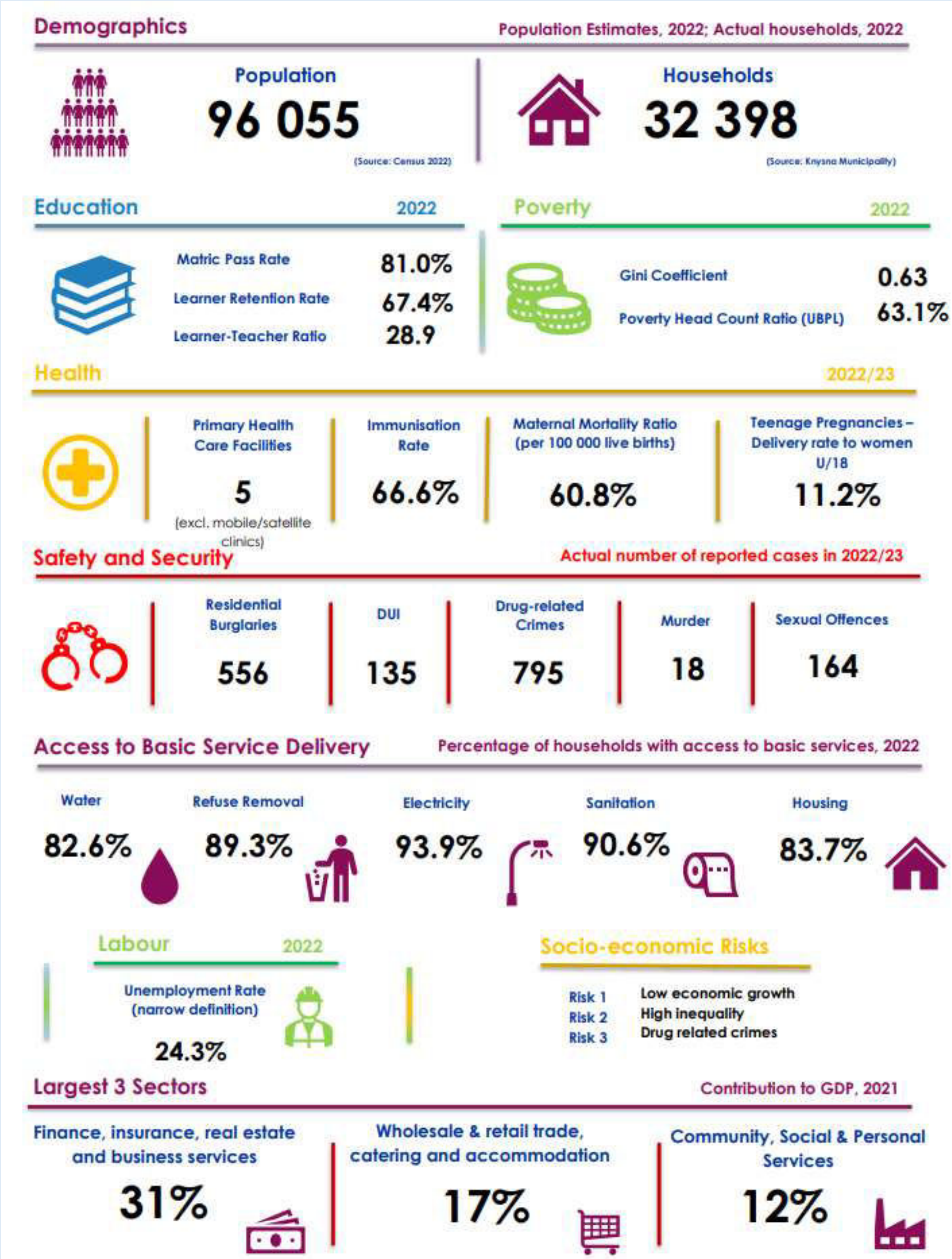
LULAMILE MAPHOLOBA
MUNICIPAL MANAGER

1.1 Municipal Functions, Population and Environmental Overview



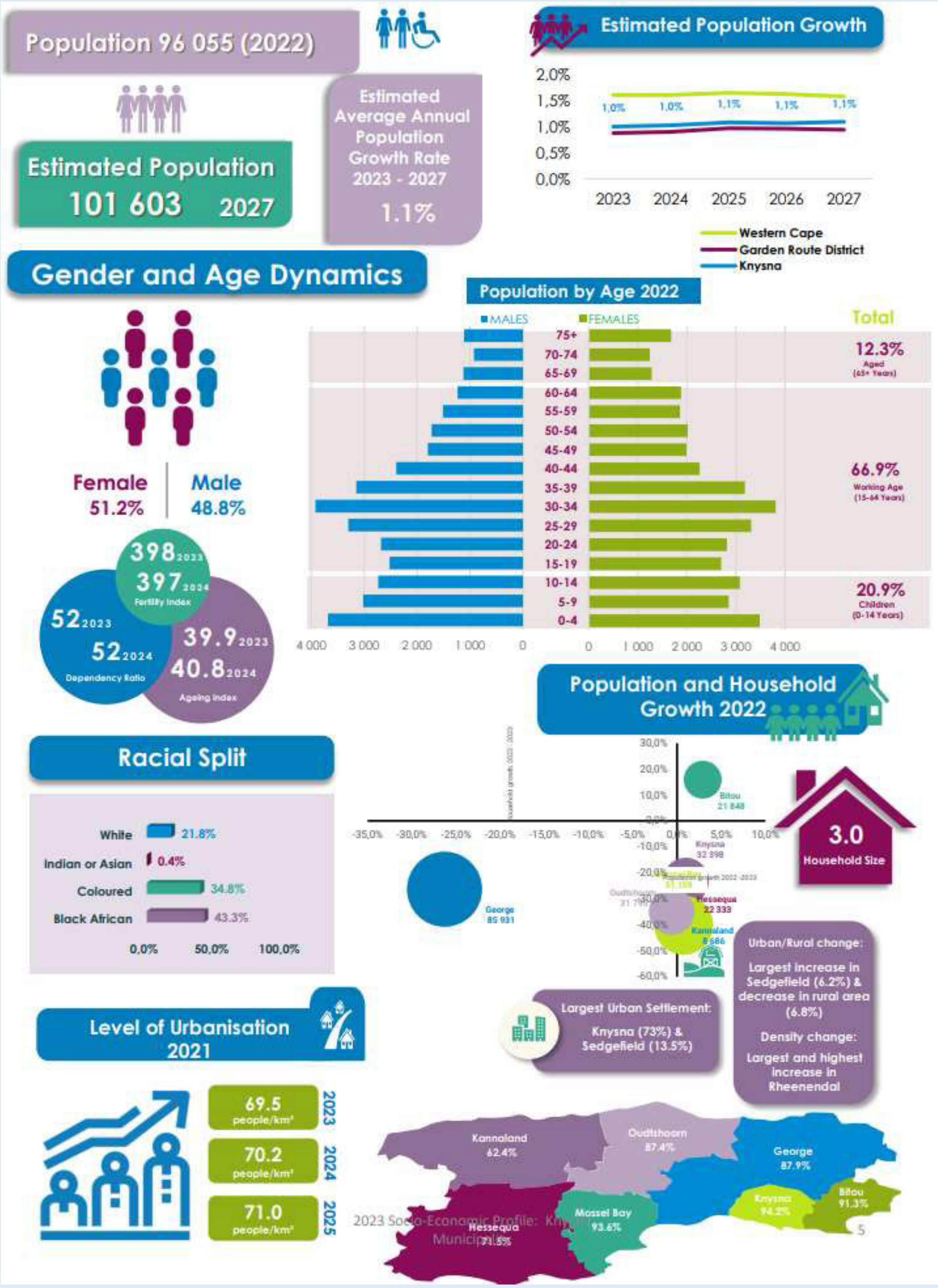
1.2.1 Overview of Knysna Municipal Area

Knysna, “the jewel of the Garden Route”, derives from the Khoi–khoi word "naizna", which means ferns. The KM is located on the South Coast of the Western Cape Province. The municipal area is approximately 500 kilometres east of Cape Town and 267 kilometres west of Gqeberha and resides within the jurisdiction of the Greater Garden Route District Municipal Area. The municipal land covers a geographical area of approximately 1059 square kilometres and includes the towns of Sedgefield, Hornlee, Knysna Central, Northern Areas (Nekkies, Knoetzie, Hornlee, Concordia, Xolweni, Joodse Kamp, Sunridge) as well as a number of Forestry Villages (Rheenendal, Brackenhill, Karatara, Springveld, Middelerf and Swanneberg).

The area is best known for the Knysna Heads that is located at the mouth of the Knysna River and breath–taking natural surroundings. Sedgefield, west of Knysna Central, creates the relaxing atmosphere of a village. The Waterfront Area, which caters for art galleries, boutiques and seafood restaurants. Annual Knysna Oyster Festival also celebrates the region’s succulent oysters and dynamic lifestyle, attracting tourists from around the globe. Apart from the aforesaid, more and more visitors are attracted to the municipality’s local cultural and traditional activities.

The region’s flora includes the Afromontane or temperate rainforest, which covers the hilly terrain. An abundance of unique Cape Fynbos (fine or delicate bush) grows throughout the region. The area is prone to wetlands, steep topography which on the one side some compromises housing developments, especially in our improvised areas identified as spaces for residential purpose, whilst on the other side provides for great access points to natural forestry areas for the exploring tourist which frequently visit the Knysna area.

Map 1: Knysna Municipal Area


Population 96 055 (2022)
Estimated Population
101 603 2027
Estimated Average Annual Population Growth Rate 2023 - 2027
1.1%
Estimated Population Growth
2,0%
1,5%
1,0%
0,5%
0,0%
1,0% 1,0% 1,1% 1,1% 1,1%
2023 2024 2025 2026 2027
Western Cape
Garden Route District
Knysna
Gender and Age Dynamics
Female 51.2%
Male 48.8%
398 2023
397 2024
Fertility Index
52 2023
52 2024
Dependency Ratio
39.9 2023
40.8 2024
Ageing Index
Population by Age 2022
MALES
FEMALES
75+
70-74
65-69
60-64
55-59
50-54
45-49
40-44
35-39
30-34
25-29
20-24
15-19
10-14
5-9
0-4
4 000 3 000 2 000 1 000 0
0 1 000 2 000 3 000 4 000
Total
12.3%
Aged (65+ Years)
66.9%
Working Age (15-64 Years)
20.9%
Children (0-14 Years)
Racial Split
White 21.8%
Indian or Asian 0.4%
Coloured 34.8%
Black African 43.3%
0,0% 50,0% 100,0%
Population and Household Growth 2022
Bitou 21 848
Knysna 32 398
George 85 931
Hessequa 22 333
Kannaland
3.0
Household Size
Urban/Rural change:
Largest increase in Sedgefield (6.2%) & decrease in rural area (6.8%)
Density change:
Largest and highest increase in Rheenendal
Largest Urban Settlement:
Knysna (73%) & Sedgefield (13.5%)
Level of Urbanisation 2021
69.5 people/km² 2023
70.2 people/km² 2024
71.0 people/km² 2025
Kannaland 62.4%
Oudtshoorn 87.4%
George 87.9%
Knysna 94.2%
Bitou 91.3%
Mossel Bay 93.6%
Hessequa
2023 Socio-Economic Profile: Knysna Municipality

1.2.2 Population Overview

According to Census 2022, the Municipality's population is estimated at approximately 96 055. This ranks the GKMA as the fourth largest in the Garden Route next to George, Mossel Bay and Oudtshoorn. If the municipal area continues to grow at the current pace, the total population could reach an estimated total of almost 101 603 by the year 2027. The overall sex ratio (SR) represents the number of males per 100 females in the population. Census 2022 provides that there are less males than females in the GKMA with a ratio of 48.8 per cent males per 51.2 per cent females. The sex ratio for Knysna increased slightly over the past ten years, which could be attributed to a wide range of factors including as an increase in female mortality rates as well as the potential in–migration of working males to the area.

In 2022, the population density in the Knysna municipal area was 69 individuals per square kilometre. The largest population growth projection was recorded in the children (aged 0 -14) cohort which grew at an annual average rate of 1.5 per cent. This is an indication that the population of the Knysna area have a young population, which indicates that there are lots of potential workers for the future which might have a positive effect on the long-term economic sustainability of the municipal area.

Settlement	Recommended Description
Knysna	Regional Services Centre
Sedgefield	Secondary Regional Service Centre
Karatara	Rural Settlement
Rheenendal	Rural Settlement
Buffels Bay	Coastal Hamlet
Brenton	Coastal Hamlet
Brenton-on-Sea	Coastal Hamlet
Noetzie	Coastal Hamlet
East Brook	Rural Hamlet
Elandskraal	Rural Hamlet
Kraaibosch	Rural Hamlet
Bibby's Hoek	Rural Hamlet
Gouna	Rural Hamlet
Charlesford	Rural Hamlet
Windheuwel	Rural Hamlet
Buffelsnek	Rural Hamlet
Diepwalle	Rural Hamlet
Brackenhill	Rural Hamlet
Bergvallei	Rural Hamlet
Springfield	Rural Hamlet
Middelerf	Rural Hamlet
Farleigh	Rural Hamlet
Goudveld	Rural Hamlet
Vrystaat	Rural Hamlet
Swaneberg	Rural Hamlet
Protea Valley	Rural Hamlet
Brammekraal	Rural Hamlet
Fairview	Rural Hamlet
Kruisfontein	Rural Hamlet
Bergvallei	Rural Hamlet

Table 1: Knysna Settlements

1.2.3 Access to Basic Services

Among the 32 398 households in the Knysna municipal area, 83,7 per cent had access to formal housing, which is slightly lower than the Garden Route District's average of 89 per cent. In contrast, Knysna had a higher proportion of informal dwellings, totalling 14, 2 per cent, whereas the District's average for informal housing was 9.6 per cent. Service access levels within the municipal area exceeded the access to formal housing significantly. Approximately 82,6 per cent of households had access to piped water either inside the dwelling/yard or through communal/neighbour's taps. An impressive 90.6 per cent had access to flush toilets or chemical toilets, and 93, 9 per cent had access to electricity (including generators) for lighting.

Additionally, local authorities removed refuse at least weekly for 89.3 per cent of households in the area and is also the only service in Knysna that exceeds the Garden District average marginally. These disparities in housing and service access have socio-economic implications, impacting the living conditions and quality of life for the local population.

In the Knysna municipal area, there has been a significant decline in the number of households receiving free basic services, from 8,780 in 2018 to 1,924 in 2019, 1,689 in 2020 and 1,485 in 2021. Due to the challenging economic circumstances, it is estimated that these conditions will place added strain on household incomes, leading to a likely upsurge in the demand for free basic services and subsequently, the number of households falling under the "indigent" category. Yet, it's important to note that this trend is specific to the region and contingent on the eligibility criteria applied.

1.2.4 Natural Environment

The Municipal area is endowed with a spectacular natural setting. The Outeniqua mountains running parallel to the coastline form the backdrop to an undulating natural and cultivated forested landscape, drained by a number of rivers with large water bodies in the low-lying areas and sandy beaches sheltered by rocky headlands and coastal dunes along the Indian Ocean coastline. This verdant landscape of outstanding scenic beauty (WCG, 2013) is of national significance and international renown and can be considered as much a national economic asset, as it is the ecological basis for settlement in the region. View sheds are spectacular, giving name to the Garden Route. The area is host to endemic biodiversity and acts as a nursery for aquatic species that travel further afield.

The impacts of climate change are already an accepted reality and if not addressed timeously, they will exacerbate current service delivery challenges faced by local governments such as provision of water and sanitation, access to energy and impacting on the local economy. Climate events may create new challenges, making it more difficult for local governments to become sustainable and climate resilient in the long term.

NATURAL RESOURCES	
Major Natural Resource	**Relevance to Community**
Forest	Manufacturing, Economic Development, Tourism and Job Creation, Carbon Sequestration
Estuary	Economic Development, Tourism and Employment Creation
Coastline	Economic Development, Tourism and Employment Creation

Table 2: Natural Resources

Achieving sustainability and climate programmes provide livelihood opportunities for disadvantaged communities of Knysna. The Knysna Climate Change Adaptation Plan is in the final stages of development. Wetland Restoration - The functionality of wetlands in the low-lying areas of Knysna and Sedgefield needs to be improved in order to mitigate anticipated climate driven changes in rainfall patterns where protracted droughts are expected to be followed by short, intense rainfall events.

1.2.5 Health Care Facilities

In 2021, the GKMA have had 5 primary healthcare facilities, comprising of 4 fixed clinics and 1 community day centre, as well as 4 mobile/satellite clinics. In addition to these primary healthcare facilities, there is 1 district hospital, no regional hospitals. The GKMA also has 6 ART treatment sites and 8 TB clinics. The municipal area has 10 out of the 82 (12.2 per cent) of the healthcare facilities within the Garden Route district.

1.2.6 Emergency Medical Services

The provision of more operational ambulances can provide greater coverage of emergency medical services. The KM has a total of three operational ambulances in the municipal area, which equates to 0.4 ambulances per 10 000 people servicing the region during 2021/2022. This number only refers to Provincial ambulances and excludes all private service providers.

1.2.7 Child Health

There were slight shifts in key health metrics between 2022 and 2023 as Immunisation coverage for infants under one year declined modestly from 70.6 per cent to 66.6 per cent during this period. A concerning trend was observed in the increase of severe acute malnutrition among children under five in Knysna, with the rate increasing notably from 0.9 to 1.4 per 100 000 people between 2022 and 2023. The Garden Route District experienced a slight uptick in malnutrition rates, rising from 2.3 to 2.4 during the same timeframe.

The neonatal mortality rate, measuring deaths per 1 000 live births within 28 days, displays a declining trend between 2022 and 2023, however the Garden Route district displays the opposite and are growing over the same period. Furthermore, the rate of low-birth-weight infants, those born under 2 500 grams, within Knysna are growing marginally whereas the district average is declining over the same period.

1.2.8 Knysna Economy

The Gross Domestic Regional Product (GDPR) of the Knysna municipal area is expected to remain relatively stagnant, contracting by a further 1.0 per cent in 2023. Notably, the finance sector, a substantial contributor to the GDPR, is anticipated to experience growth, projected at 2.0 per cent in 2023 and an additional 1.2 per cent in 2024. The performance of the finance sector in 2022 was boosted by semi-gration, which buoyed the local property market. The average sale price of property increased by 10.3 per cent between 2021 and 2022, even as the number of property sales in the Wilderness, Knysna and Sedgefield areas declined by an average of 4.7 per cent. The extent of the price increase is apparent when considering the average Provincial property price increase over the same period, recorded at 5.9 per cent.

The Knysna municipal area's economy faced significant challenges due to its reliance on tourism, especially during the COVID-19 pandemic. The pandemic led to a sharp contraction of 4.7 per cent in 2020. However, the economy began to recover, expanding by 2.4 per cent in 2022. This growth rate signifies a rebound from the economic downturn experienced in 2020. These economic fluctuations have substantial socio-economic implications, impacting local employment, income levels, and overall economic well-being.

The economy of the Knysna municipal area is mainly dependent on household spending, either on tourist activities or for the acquisition of goods and services within local communities. This makes the economy particularly vulnerable to the conditions affecting the national economy. It is forecast that the municipal economy will contract by a further 1.0 per cent in 2023 before stagnating in 2024, primarily because of continued declines in the construction sector and poor growth prospects for the trade sector.

1.3 SERVICE DELIVERY OVERVIEW

The following provides an overview of, of the work performed during the 2024/2025 financial year: The summaries of the performances reported below, must be read in conjunction with the audited Annual Performance Report, and Annexure to this Report.

DIRECTORATE	SERVICES
Office of the Municipal Manager	The Office of the Municipal Manager over and above the directorates as reflected below include the Communications, Internal Audit, Risk Management and IDP/OPMS/IGR sections. Throughout the year the Communications section communicated specific and service delivery related information with the public, i.e., water outages, electricity outages, Council meeting sessions, etc. Council information is also timeously communicated as per municipality Newsletter, including the facilitation of Interviews with Councillors and Administration where so required. The Internal Audit Unit, audited financial and non-financial related reports to ensure completeness and correctness of all reported performance on a scheduled basis. The Internal Audit Unit also plays an internal performance auditing role, which includes monitoring the functioning of the PMS and compliance to legislative requirements. Its role is also to assist the municipality in validating the evidence provided by the Directors. All auditing activities assist with readiness and preparation of the institution annual external audit as conducted by the Office of the Auditor-General. The 2024/2025 IDP was developed and approved by Council as the most strategic principal document and plan of the municipality for execution by all departments. The IDP was informed by public and public representative engagement processes, which guided the application of municipal resources.

DIRECTORATE	SERVICES
Office of the Municipal Manager	The Organisational Performance Management (OPMS) section drafted/developed the 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) as was approved by the Executive Mayor. The Risk Management section identified all potential threats which may hamper implementation of the Business Plan and guided the management of Institutional Risks. On an annual basis, a comprehensive report on the performance of the Knysna municipality also needs to be compiled and approved. The requirements for the compilation, consideration, and review of such an annual report are set out in Chapter 12 of the MFMA. The Office of the Municipal Manager is also responsible for the co-ordination of the Section 154 intervention programme and provides quarterly feedback to Council and the Section 154 Steering Committee on the implementation of identified interventions.
Corporate Services	The Corporate Services Directorate managed all administrative processes of Council, of which included the convening and reporting outcomes of Council and Council Committee meetings. The managing of the general ICT operations includes the procurement of hardware/software, systems and applications management, internal LAN/WAN monitoring and management and access control of users and systems administration and operations on servers. The Directorate also hosts the Human Resources department which primarily handled all recruitment and selection of employees during the financial year. The training and development of Councillors and municipal staff was coordinated in accordance with the municipality's Work Skills Plan (WSP). All council/municipality owned properties and legal services was also undertaken and managed by the directorate.
Financial Services	Our municipal finances were done in accordance with the Council approved Budget and Financial Management Strategies were approved by Council in June 2024. The General Recognised Accounting Practices directed the standard recording of municipality transactions as was executed. As per MFMA Budget Circular 123, Version 6.8 of the mSCOA chart was uploaded onto the financial system and the 2024/2025 budget will be transacted on this new version released. Despite the significant changes by NT from version 6.6.1 to 6.7 Knysna Municipality is ready to continue to run the budget directly from the system with no manual intervention on running of data strings to the NT portal.

DIRECTORATE	SERVICES
Planning and Economic Development	The Spatial development within the municipality boundaries, directed all spatial planning and developments for the year under review in accordance with the Council approved Spatial Development Framework. Spatial development was also to direct integration of communities both in terms of residential and business development programmes. The Town Planning department managed all building related activities and applications in accordance with set Building Relations. The Local Economic Development (LED) section initiated all local economic development programs and activities within the municipality. Support for existing and new local businesses were also provided to stimulate the development and expansion of local economy.
Community Services	The Community services directorate focused on the promotion of a clean, healthy and safe living and work environment. The cleanliness of the respective towns within our municipality boundaries by way weekly refuse removal for both residential and business communities. Some past challenges were experienced with availability of refuse trucks to effect scheduled refuse removal. The municipality Disaster Management plan facilitated the provision of major Fire and Rescue services to prevent any potential form of natural disaster. The Traffic and Law Enforcement services provided included regular traffic control and implementation of traffic rules and By-laws. Regular regulation of traffic, especially in the CBD of Knysna and at times in Sedgefield ensured smoother traffic flow and the prevention and reduce of traffic related accidents. The maintenance of our municipal Parks, Public open spaces were also managed, including the management of noise natural resource pollution of which include the protection of our Lagoons, Ocean and Forestry areas. Most of these programs were undertaken in collaboration with National/Provincial governments and institutions like the National Parks Board. Our local, Libraries, Halls, Cemeteries, Museums, Arts and Culture, Youth and Sport Development programs also received and provided significant support in benefit of our local communities.
Infrastructure Services	The Infrastructure Services Directorate was responsible for the roll-out and provision of Basic Services; including to ensure access to basic services to most households in formalised areas, the electrification of informal settlements, providing of quality drinking water to all households, to provide adequate basic sanitation to all households and repair, reseal and upgrading of all municipal roads. The provision of these different services was conducted in accordance with the different approved infrastructure Master Plans. The exponential growth of our town placed tremendous strain on the sustainable provision of services, though most services provided were in accordance with national se standards. Knysna Municipality also approved an Action Plan

DIRECTORATE	SERVICES
Infrastructure Services	that deals with services interruptions, issued directives is focused on addressing such intermittent and sporadic happenings The maintenance and improvement of the roads infrastructure networks received significant attention though much more focus and activity are currently in progress in this area. It is rather unfortunate that the expansion of our towns is not equal the amount of revenue generated for the provision of services. Our dependence on national and provincial grants hampers our intended levels of development amidst the municipality competing with other municipalities across the country.
Human Settlements Administration	The Directorate of Integrated Human Settlements acts as an agent for Provincial Government and is working with them to achieve their vision, to develop sustainable integrated human settlements. The Human Settlement Plan continues to guide housing developments and the priority area through the implementation of the reviewed and updated 2024/2025 Human Settlements Plan. One of the key goals of the department is to provide housing opportunities and secure land tenure Compile a GAP Housing Strategy that is in line with a long term Human Settlement Plan to meet the growing demand for social housing opportunities to decrease the housing backlog and reduce the housing waiting list per ward and pro-actively re-align the planning processes for housing development with national and provincial funding cycles.

Table3: Functions of Directorates

1.4FINANCIAL HEALTH OVERVIEW

1.4.1 Statement of Financial Performance

Knysna municipality continues to monitor its financial status and as such is showing improved financial results on an annual basis. During the 2024/2025 financial year, various interventions were embarked upon to improve the municipal financial management.

The Statement of Financial Performance and Statement of Comparison of Budget and Actual Amounts reflects an actual surplus for the year of R 141,2 million compared to a budgeted surplus for the year of R 90,4 million.

Financial Overview: Year 2024/2025					
Details	**Original Budget (R'000)**	**Adjustments Budget (R'000)**	**Actual Results (R'000)**	**Positive / (Negative) Variance (R'000)**	**Positive / (Negative) Variance %**
Operating Revenue:					
Operating Grants	164 365	168 270	142 203	(26 067)	-15,5%
Taxes, Levies and tariffs	336 225	344 356	348 306	3 949	1,1%
Other	753 054	767 124	770 672	3 548	0,5%
Operating Revenue (Capital Grants Excluded)	**1 253 644**	**1 279 751**	**1 261 180**	**(18 570)**	**-1,5%**
***Less*: Operating Expenditure**	1 228 729	1 225 979	1 166 605	59 374	4,8%
Operating Surplus / (Deficit)	**24 915**	**53 771**	**94 576**	**(77 945)**	**-145,0%**
***Plus*: Capital Grants**	65 522	71 841	46 706	(25 135)	-35,0%
***Plus*: Contributions - Donated Assets**	–	–	–	–	0,0%
Surplus / (Deficit) for the Year	**90 437**	**125 612**	**141 281**	**(103 080)**	**-82,1%**
					T 1.4.2

The Constitution, Section 188(1)(b), states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The Municipal Systems Act, Section 45, states that the results of performance measurement must be audited annually by the Auditor-General.

The 2024/2025 Annual Financial Statements have been prepared in August 2025 on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Municipality to continue as a going concern is dependent on a number of factors. In assessing whether the going concern assumption is appropriate under the current economic climate, management considered a vast range of factors, which includes the current and expected performance of the Municipality, the likelihood of continued government funding and, if necessary, potential sources of additional funding. Further to this, the Municipality has implemented cost containment measures to limit unnecessary spending.

The assumption is further based on the fact that the Municipality has a constitutional mandate to levy Property Rates and Service Charges to enable the Municipality to remain as a going concern. The Municipality will be operational over the short to medium term given the current position where liquidity is under pressure.

1.4.2 Operating Ratio's

Mechanisms, procedures and controls have been strengthened during the year under review for revenue and expenditure management. Employee related costs of 29,5 per cent were within the acceptable norms. The National Treasury norm is that 8 per cent of the carrying value of assets must be provided for as repairs and maintenance. The operating ratios compared against National Treasury norms are depicted in the table below:

Operating Ratios: Year 2024/2025		
Ratio Detail	**National Treasury Norm %**	**Actual Results %**
Remuneration as a % of Operating Expenditure	25% - 40%	29,5%
Repairs & Maintenance as a % of Operating Expenditure		3,5%
Repairs & Maintenance as a % of the carrying value of Property, Plant and Equipment	8%	2,8%
Finance Charges & Depreciation as a % of Operating Expenditure		7,7%
Finance Charges & Redemption on External Loans as a % of Operating Expenditure	6% - 8%	7,8%
		T 1.4.3

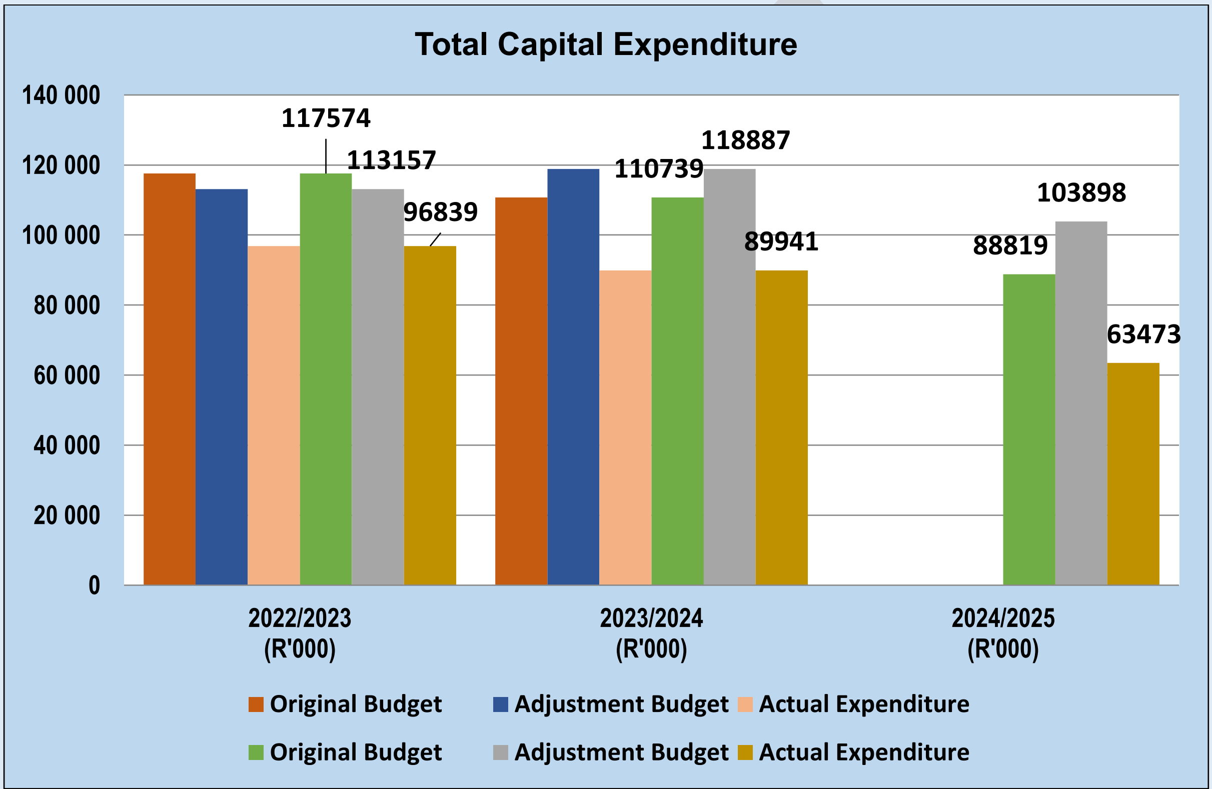
1.4.3 Capital Expenditure

Capital projects in the year under review were funded through Municipal Infrastructure Grant, Integrated National Electricity Programme, Equitable Share and Internally generated funds. The municipality achieved a 61 per cent spending level on the capital budget for the 2024/2025 period. This is encouraging as more pressure needs to be put on departments in particular also the Project Management Unit (PMU) to implement and spend their budgets in a well-planned, effective and legislatively acceptable manner as opposed to spending just for the sake of chasing a 100 per cent spending level.

R 63 473 million was spent in the 2024/2025-financial year against R 89 941 million in the previous year. The municipality achieved a 61,1 per cent spending level on the capital budget against the 75,7 per cent expenditure in the 2023/2024 financial year.

The total expenditure on capital projects over a three-year period is depicted in the table below:

Total Capital Expenditure: 2022/2023 to 2024/2025			
Detail	2022/2023 (R'000)	2023/2024 (R'000)	2024/2025 (R'000)
Original Budget	117 574	110 739	88 819
Adjustment Budget	113 157	118 887	103 898
Actual Expenditure	96 839	89 941	63 473
Actual Expenditure as a % of Final Adjustments Budget	**85,6%**	**75,7%**	**61,1%**



Graph 1: Total Capital Expenditure

1.5ORGANISATIONAL DEVELOPMENT OVERVIEW

The reviewed Organizational Structure was approved by Council at its meeting held on 29 October 2018, consisting of five directorates (Community Services, Corporate Service, Financial Services, Infrastructure Services and Planning and Economic Development) and the Office of the Municipal Manager on the Macro Organisational Structure.

During the first half of 2019, Integrated Human Settlements was separated from the Directorate Planning and Development and an updated approved structure reflecting this as a separate Directorate was submitted and approved by the Municipal Council.

Council at its meeting held on the 31st of March 2021, adopted a further amendment to the then existing structure of the Finance Department, with an objective to accelerate revenue enhancement and collection.

Immediately after the appointment of Mr Lulamile Mapholoba as the Municipal Manager of the municipality, the municipality embarked on a process to strengthen the existing organisational structure to ensure effective implementation of the municipality's legislatively (Section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)) mandated responsibilities and conform with the conditions of the Section 154 Intervention Programme, whilst at same time improving the service delivery performance of the municipality.

1.6AUDITOR-GENERAL REPORT: 2024/2025

Knysna Municipality received an unqualified audit opinion for the 2023/2024 financial year. This shows an improvement on the 2022/2023 audit results.

REPORT OF THE AUDITOR-GENERAL TO KNYSNA COUNCIL TO BE INCLUDED AFTER FINALISATION

1.7 COMPLIANCE WITH LEGISLATION

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Municipal Finance Management Act 56 of 2003	Section 1 – paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 – definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), Sections 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)

LEGISLATION	SECTIONS OR REGULATIONS
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 54A(1)(a), 56(1)(a), 57(2)(a), Sections 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1),96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)

Table 4: Compliance with Legislation

1.7STATUTORY ANNUAL REPORT PROCESS

Knysna Municipality endeavours to comply with the following requirements of MFMA Circular 63.

NO.	ACTIVITY	DATE
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August 2025
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting)	August 2025
3	Finalise the 4th quarter Report for previous financial year	August 2025
4	Submit Draft 2024/2025 Annual Report to Internal Audit and Auditor-General	August 2025
5	Municipal entities submit Draft Annual Reports to the Municipal Manager	N/A
6	Performance and Audit Committee considers Draft Annual Report of municipality and entities (where relevant)	August 2025
7	Executive Mayor tables the unaudited Annual Report	August 2025
8	Submit the Annual Performance Report and Annual Financial Statements to the Auditor-General	August 2025
9	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	August 2025
10	Submit IDP/Budget/OPMS Process Plan with key deadlines to Western Cape Provincial Government and Garden Route District Municipality	September 2025
11	Advertisement IDP/Budget/OPMS Process Plan with key deadlines on website/local newspaper/notice boards	September 2025
12	Make public the 4th Quarter 2024/2025 Performance Report	September 2025
13	Submit the 4th Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	September 2025
14	Submit monthly report on the budget for period ending 31 August 2025 within 10 working days to the Executive Mayor	September 2025
15	IDP Public Consultations	September 2025
16	Auditor-General Audits Annual Report including consolidated Annual Financial Statements and performance data	September–30 to November 2025
17	Submit 1st Quarter Performance Report (Section 52) to Mayoral Committee	October 2025
18	Submit monthly report on the budget for period ending 31 September 2025 within 10 working days to the Executive Mayor	October 2025
19	Municipalities receive and start to address the Auditor-General's comments	November 2025
20	Submit monthly report on the budget for period ending 30 October 2025 within 10 working days to the Executive Mayor	November 2025
21	Submit monthly report on the budget for period ending 30 October 2025 within 10 working days to the Executive Mayor	November 2025
22	Submit monthly report on the budget for period ending 30 November 2025 within 10 working days to the Executive Mayor	December 2025
23	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	January 2026

NO.	ACTIVITY	DATE
24	Audited Annual Report is made public and representation is invited	January 2026
25	Submit monthly report on the budget for period ending 31 December 2025 within 10 working days to the Executive Mayor	January 2026
26	Submit Mid-Year Budget Assessment to Executive Mayor	January 2026
27	Submit Mid-Year Performance Assessment Report to Executive Mayor	January 2026
28	Submit 2nd Quarter Performance Report to Council	January 2026
29	Submit Mid-Year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government	January 2026
30	Submit the 2nd Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	January 2026
31	Make public the Annual Report for comments	February 2026
32	Make public the Mid-Year Budget and Performance report	February 2026
33	Make public the 2nd Quarter Performance Report	February 2026
34	Mid-Year Performance Evaluations Senior Managers	February 2026
35	Submit monthly report on the budget for period ending 31 January 2026 within 10 working days to the Executive Mayor	February 2026
36	Council considers and adopts 2025/2026 Adjustment Budget and potential revised 2025/2026 SDBIP	February 2026
37	Advertise the approved 2022/23 Adjustments Budget and submit budget and B Schedules to National Treasury and Provincial Treasury as required per legislation (within 10 working days)	February 2026
38	Oversight Committee assesses Annual Report	February 2026
39	Council adopts Oversight Report	February 2026
40	Oversight Report is made public	February 2026
41	Oversight Report is submitted to relevant provincial councils	February 2026
42	Commencement of Draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	February 2026
43	Submit monthly report on the budget for period ending 28 February 2026 within 10 working days to the Executive Mayor	March 2026
44	Draft IDP / BUDGET/ SDBIP to be tabled to Council	March 2026
45	Table Oversight Report to Council	March 2026
46	Submit the draft IDP, SDBIP and budget to Western Cape Department of Local Government, National, Provincial Treasury and Garden Route District Municipality	March 2026
Statutory Annual Report Process		**T2.10.1**

Knysna Municipality has adopted its Integrated Development Planning, Organisational Performance Management System and Budget Process Plan for the 2024/2025 financial year for review of IDP and 2025/2026 MTREF. These three components Integrated Development Planning,

Performance Management and municipal Budgeting were aligned in the process plan to ensure adherence to all legislative requirements. The process of developing 2024/2025 Annual Report has been done in line with the time frames set in the process plan.

The 2024/2025 Annual Report must now serve before the Knysna Municipal Council before the end of January 2026. This phase will be followed by an Oversight Report that must be submitted to the Municipal Council by the end of March 2025.

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION

Good governance is a non-negotiable for developmental local government and a thought vision for the post 2000 democratic local government system. It provides direction to the municipal administration by means of the monitoring and controlling of the all actions of management and adherence to the legal requirements for accountability.

The Constitution of South Africa, Act 108 of 1996, Sections 40 and 41 provide:

"40. Government of the Republic

1) In the Republic, government is constituted as National, Provincial and local spheres of government which are distinctive, interdependent and interrelated.
2) All spheres of government must observe and adhere to the principles in this chapter and must conduct their activities within the parameters that the chapter provides.

41. Principles of co-operative government and intergovernmental relations:

1) All spheres of government and all organs of state within each sphere must:

   (a) Preserve the peace, national unity and the indivisibility of the Republic;
   (b) Secure the well-being of the people of the Republic;
   (c) Provide effective, transparent, accountable and coherent government for the Republic as a whole;
   d) Be loyal to the Constitution, the Republic and its people;
   (e) Respect the constitutional status, institutions, powers and functions of government in the other spheres;
   (f) Not assume any power or function except those conferred on them in terms of the Constitution;
   (g) Exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and
   (h) Co-operate with one another in mutual trust and good faith by:
      (i) Fostering friendly relations;
      (ii) Assisting and supporting one another;
      (iii) Informing one another of, and consulting one another on, matters of common interest;
      (iv) Co-ordinating their actions and legislation with one another;
      (v) Adhering to agreed procedures; and
      (vi) Avoiding legal proceedings against one another.

According to Section 151(2) of the Constitution, the Executive and Legislative authority of a municipality is vested in its municipal council.

According to Section 156 (1) of the Constitution, a municipality has executive authority in respect of, and has the right to administer:

- the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 (of the Constitution); and
- any other matter assigned to it by National or Provincial legislation.

According to Section 156(5) of the Constitution, a municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

2.1 POLITICAL GOVERNANCE

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prescribes a national system of local government and clearly distinguishes between the roles, functions, and responsibilities of both officials and political office bearers in governing and administering municipalities effectively, economically and efficiently.

Knysna Municipality has an Executive Mayoral type with all the Executive powers of the Council vested in the Executive Mayor, who is assisted by members of the Mayoral Committee. The political leadership of the municipality includes the Executive Mayor, the Council Speaker and the Council's Chief Whip.

The Council and administrative structure of Knysna functions on a clear separation of roles between the Council and Administration in order to enhance the oversight function of Councillors, in ensuring accountability by the Executive. This division of powers is furthermore critically important to ensure that the municipal council continues to exercise its oversight role over the achievement of specific and identified responsibilities as well as the powers granted to the executive mayor and all executive committees.

Committee	Legislation
MPAC	The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No. 117 of 1998)
Audit Committee	The purpose of the committee is to function in line with section 166 of the Municipal Finance Management Act No. 56 of 2003
Risk Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No. 117 of 1998)
Local Labour Forum	The purpose of the committee is to strengthen the working relations between the employer and the employee in line with the South African Local Governance Bargaining Council (SALGBC)

Table 5: Municipal Committees

In executing and performing the executive functions of Council and the Municipality, the Executive Mayor is backed by five (5) Members of the Mayoral Committee (MAYCO) each with a particular portfolio.

The Section 80 Portfolio Committees of Council include:

1. Planning and Economic Development
2. Infrastructure Services
3. Community Services
4. Finance and Governance
5. Integrated Human Settlements

The Speaker (Councillor Mark Willemse of KIM) is the Chairperson of Council and is mainly responsible for overseeing the functioning of Council and Council Committees. Section 73 of the Municipal Structures Act, 1998 (Act 117 of 1998) also provides for the establishment of ward committees. The objective of these committees is to enhance participatory democracy in the affairs of Knysna Municipality. Ward Councillors ensure that Ward Committee members are involved in commenting on all municipal progress reports, the IDP and Budget process in order to be kept abreast and provide their input on service delivery challenges and developments within the municipality.

The Municipal Council is made up of twenty–one (21) councillors. Eleven (11) councillors are Ward Councillors, whilst the remaining ten (10) councillors are Proportional Representative Councillors. The Knysna council remains the junction between Knysna Municipality and its demarcated 11 wards. At the end of the 2024/2025 financial year the council consisted of twenty (20) Councillors.

Political decisions are usually taken at ordinary or special council meetings where all participating political parties have opportunity to deliberate items as per the agenda, after which resolutions are adopted. If no consensus cannot be reached, items are after a thorough debate, put to vote by councillors.

The municipal council also has a whippery which comprises of the chief whip and the whips of the opposition parties represented in Council. They mainly handle inter-party relations, party discipline and issues of mutual interest.

The following table provides an overview of the number of representatives per political party:

Political Party	Total
African National Congress (ANC)	7
Democratic Alliance (DA)	7
Economic Freedom Fighters (EFF)	1
Knysna Independent Movement(KIM)	2
Patriotic Alliance (PA)	2
Plaaslike Besorgde Inwoners (PBI)	1
Total	**20**

Table 6: Political Parties

The following table provides the detail of the ward elected councillors:

Ward	Name and Surname	Political Party
1	Cllr Levael Davis	Democratic Alliance (DA)
2	Cllr Cleone Vanstrom	Democratic Alliance (DA)
3	**Vacant**	**N/A**
4	Cllr Pindile Petros	African National Congress (ANC)
5	Cllr Hilton Stroebel	Democratic Alliance (DA)
6	Cllr Kay Andrews	African National Congress (ANC)
7	Cllr Mboneli Khumelwana	African National Congress (ANC)
8	Cllr Aubrey Tsengwa	African National Congress (ANC)
9	Cllr Sharon Sabbagh	Democratic Alliance (DA)
10	Cllr Peter Bester	Democratic Alliance (DA)
11	Cllr Russel Arends	African National Congress (ANC)

Table 7: Ward Councillors

The following table provides the detail of the proportional representatives:

Ward	Name and Surname	Political Party
PR	Cllr Susan Campbell	Knysna Independent Movement (KIM)
PR	Cllr Beauty Charlie	Patriotic Alliance (PA)
PR	Cllr Morton Gericke	Plaaslike Besorgde Inwoners (PBI)
PR	Cllr Waleed Grootboom	Patriotic Alliance (PA)
PR	Cllr Neil Louw	Economic Freedom Fighters (EFF)
PR	Cllr Thando Matika	African National Congress (ANC)
PR	Cllr Eugene Van Schalkwyk	Democratic Alliance (DA)
PR	Cllr Luzuko Tyokolo	Democratic Alliance (DA)
PR	Cllr Jason White	Democratic Alliance (DA)
PR	Cllr Mark Willemse	Knysna Independent Movement (KIM)

Table 8: Proportional Councillors

The Mayoral Committee (MAYCO), is chaired by the Executive Mayor and draws membership from the chairs of the following 5 (five) well established and functional Municipal Portfolio Committees (Section 80 Committees):

Speaker of Council	Executive Mayor	Deputy Executive Mayor
 Cllr Mark Willemse	 Cllr Thando Matika	 Cllr Morton Gericke

MAYORAL COMMITTEE

Planning and Economic Development	Infrastructure Services	Community Services	Finance and Governance	Integrated Human Settlements
 Cllr Morton Gericke	 Cllr Beauty Charlie	 Cllr Russel Arendse	 Cllr Kay Andrews	 Cllr Neil Louw

WARD COUNCILLORS

 Cllr Lavael Davids	 Cllr Cleone Vanstron	**Vacant**
 Cllr **Phindile Petros**	 Cllr Hilton Stroebel	 Cllr Kay Andrews
 **Cllr** Mboneli Khumelwana	 Clr Aubrey Tsengwa	 **Cllr Sharon Sabbagh**
 **Cllr Peter Bester**	 Cllr Russel Arends	

PROPORTIONAL REPRESENTATIVES

 Cllr Susan Campbell	 Cllr Beauty Charlie	 Cllr Morton Gericke
 Cllr Whaleed Grootboom	 Cllr Neil Louw	 Cllr Luzuko Tyokolo
 Cllr Thando Matika	 Cllr Eugene Van Schalkwyk	 Cllr Jason White
 Cllr Mark Willemse		

Illustration 1: Knysna Council

Chairperson: Name and Surname	Portfolio Committee	Areas of Oversight
Cllr Neil Louw	**Integrated Human Settlements**	• Low Cost Housing Projects • Upgrading of informal settlement areas • Gap housing • New housing projects
Cllr Beauty Charlie	**Infrastructure Services**	• Bulk Infrastructure • Services • Roads • Transport Management • Water Services • Waste Water Services • Electricity Distribution • Project Management
Cllr Russel Arendse	**Community Services**	• Disaster Management • Fire and Rescue • Traffic and Law Enforcement • Parks • Libraries • Arts and Culture • Waste Management • Youth • Sport • Social Development
Cllr Morton Gericke	**Planning, Economic Development and Tourism**	• Land Use Management • Building Control • Environmental Management • Economic Development • Tourism services
Cllr Kay Andrews	**Finance and Governance**	• IDP and Internal Audit • All Finance-related matters • Administration services • Records and Archives • Committee Service • Property Management • Legal Services • Human Resources • Customer Relations • Public Participation • Information Communication Technology (ICT)

Table 9: Portfolio Committees

2.2 ADMINISTRATIVE GOVERNANCE

Section 60(b) of the Municipal Finance Management Act, 2003 (Act 56 of 2003), provides that the Municipal Manager of Knysna Municipality is the Accounting Officer of the municipality and must provide guidance on compliance with the prescriptions of the Act to political structures, political office bearers and the administration (officials) of the municipality and any entity under the sole or shared control of the municipality.

The Knysna Municipal administration consist mainly of the officials (appointed staff of the municipality). The Chief Accounting Officer in every municipality is the Municipal Manager. The Knysna Municipality appointed a new Municipal Manager in December 2024 whose performance is evaluated on a mid–yearly and annual basis. The Municipal Manager is the linkage between the council (policy–makers) and administration who implement operational plans. As the head of the administration, he primarily serves as chief custodian of service delivery and implementation of political priorities It is the responsibility of the municipal manager ensure that the council's executive decisions and execution list are implemented.

As Chief Executive Officers of Knysna Municipality, the Municipal Manager also oversee the implementation of policies, manage the municipal operations, engage local service delivery partners and ensure the effective delivery of services to the residents of Knysna. Subsequently, he also gives regular feedback to the council on the implementation of these decisions.

In order to strengthen and support the operations of the Municipal Manager, the macro–organizational structure caters for the appointment of six (6) Directors. Directors are appointed on fixed-term employment contracts and report to the Municipal Manager. It is the responsibility of directors to meet and advise, on a weekly basis (at weekly Top Management and Extended Management Team Meetings), the Municipal Manager on service delivery related matters, departmental or project performance and promote, institutionalise and implement the responsibilities as assigned to them through their Employment Contracts and signed Performance Agreements in a cost–effective, efficient and economic manner.

The management team also engage with the Mayoral Committee on a regular basis to ensure decision-making processes are expedited to enhance basic service delivery.

The following illustration provides an overview of the municipal top layer administration under the leadership of the municipal manager, Mr Lulamile Mapholoba.

TIER 1	TIER 2	KEY RESPONSIBILTIES
Municipal Manager  Mr Lulamile Mapholoba	• Internal Audit Executive • Chief Risk Officer • Manager: Communications/Inter-governmental Relations • Senior Manager: Integrated Development Planning/Institutional Performance Management	• Overseeing Management and financial administration of the municipality • Institutional Performance Management • Analyse and prioritize the execution of processes to initiate, manage and control the delivery of basic services to communities • Integrated Development Planning • Internal Audit • Inter-governmental Relations • Risk and Compliance Management • Manages and directs communication, marketing and branding of the municipality
Director: Corporate Services  **Ms Marlene Boyce**	• Manager: Administration • Manager: Human Resource Management • Senior Manager: Information and Communications Technology • Manager: Legal Services • Manager: Public Participation • MPAC Co-ordinator	• Responsible for sound governance and public participation • Committee Services • Customer Relations • Ensuring effective and efficient management of Human Resources • Legal Services • Managing labour relations function • Manage the training and development of officials • Property and Records Management • Risk Management • Effective management of Information and Communication Technology

TIER 1	TIER 2	KEY RESPONSIBILTIES
Director: **Community Services**  **Mr Johnny Douglas**	• Chief Disaster Management Officer • Chief Fire Officer • Manager: Disaster Management • Manager: Library Services • Manager: Public Safety • Manager: Social Development and Special Programmes • Manager: Waste Management	• Disaster Management • Fire and Rescue • Traffic and Law Enforcement • Parks • Overall management of the environmental services function including but not limited to waste management • Libraries • Cemeteries and Halls • Museums, Arts and Culture • Waste Management and Cleansing • Youth Development • Sport Development
Director: **Planning and Economic Development**  **Ms Andiswa Dunywa**	• Building Control Officer • Manager: Economic Development • Manager: Environmental Management • Manager: Land Use Management	• Development, implementation and review of the Local Economic Development Strategy, policies and procedures • Environmental Management • Land Use Management • Town Planning and Building Control • Investment Promotion and Marketing of Local Economic Development
Chief Financial Officer  **Mr Clifford Julies**	• Manager: Budget and Reporting • Manager: Financial Statements, Compliance and Reporting • Manager: Assets and Liability Management • Senior Manager: Financial Management Services	• Financial Management • Revenue Services • Expenditure • Supply Chain Management • Management of assets of the municipality including the safeguarding and the maintenance of the assets • Financial Statements • Budget preparation, implementation and monitoring thereof

TIER 1	TIER 2	KEY RESPONSIBILTIES
Director: Integrated Human Settlements  **Dr Richard Martin**	• Manager: Housing Finance and Projects • Manager: Human Settlements • Manager: Rental Programmes	• Low cost Housing Projects • Upgrading of informal settlement areas • GAP housing • New housing projects
Director: Infrastructure Services  **Mr Regenald Wesso**	• Manager: Roads, Transport and Building Maintenance • Manager: Electrical and Mechanical Services • Manager: Water and Waste Water Services • Senior Manager: Project Management Office	• Bulk Infrastructure Services • Management of municipal roads • Water Services • Waste Water Services • Electricity services of the municipality • Municipal Fleet • Manages the Municipal Infrastructure Grant (MIG)

Illustration2: Top Management Team

COMPONENT B: INTER-GOVERNMENTAL RELATIONS

2.3 CO-OPERATIVE GOVERNANCE AND INTER-GOVERNMENTAL RELATIONS

INTRODUCTION

Co-operative government outline the core values of government as stipulated in Section 41(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), as well as the implementation of these values through the establishment of structures and institutions. Co-operative government relates to the partnership between the three spheres of government and requires each sphere of government to fulfil a specific role and encourages collaboration to address the basic needs of communities.

Section 3 of The Municipal Systems Act (MSA) furthermore requires municipalities to exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution.

Knysna Municipality does not operate in isolation and strives to maintain good inter-governmental relations with all seven (7) municipalities that reside with Garden Route District, Western Cape Provincial Government, South African National Government, State Owned Enterprises and existing Public Entities.

The Inter-Governmental Relations Framework Act 13 of 2005 intends to:

- Establish a framework for the national government, provincial governments and local governments to promote and facilitate Inter-governmental relations;
- To provide for mechanisms and procedures to facilitate the settlement of Inter-governmental disputes; and
- To provide for matters connected therewith.

A list of inter-governmental platforms and meetings attended for the 2024/2025 period are reflected below:

Forum	Frequency	Responsible
Section 154 Steering Committee Meeting	Quarterly	Municipal Manager/Senior Manager: IDP/OPMS/IGR
PCF Tech	Quarterly	Executive Mayor/Municipal Manager
PCF	Quarterly	Executive Mayor/Municipal Manager
MinMay Tech	Quarterly	Executive Mayor/Municipal Manager

Forum	Frequency	Responsible
MinMay	Quarterly	Executive Mayor/Municipal Manager
Strategic Integrated Municipal Engagement (SIME)	Bi – Annually	Municipal Manager
SALGA Working Group Meetings	Quarterly	
District Communicators Forum	Quarterly	Manager: Communications/IGR
Joint District Chief Risk Officers and Chief Audit Executives Forum	Quarterly	Risk Management Officer
District IDP and Public Participation Managers Forum	Bi – Annually	Senior Manager: IDP/OPMS/IGR
District IDP Representative Forum	Bi – Annually	Senior Manager: IDP/OPMS/IGR
Provincial Public Participation Forum	Quarterly	Manager: Public Participation
IDP, Budget and PMS Representative Forum	Quarterly	Chief Financial Officer
South Cape Economic Partnership/LED Managers/Tourism forum	Quarterly	Manager: Local Economic Development
Provincial Local Economic Development Forum	Quarterly	Manager: Local Economic Development
District Green Energy Forum	Quarterly	Manager: Environmental Services
District Co-ordinating Forum	Quarterly	Executive Mayor
Garden Route Municipal Managers Forum	Quarterly	Municipal Manager
District EPWP Forum	Quarterly	Manager: Local Economic Development
Garden Route/ Central Karoo HR Forum	Annually	Manager: Human Resources
Regional Skills Development Facilitators Forum	Quarterly	Skills Development Officer
District/Regional Task Committee	Monthly	Human Resources Officer
Garden Route/ Central Karoo OHS Forum	Quarterly	Human Resources Officer
Garden Route/Central Karoo District Labour Practitioners Forum	Quarterly	
District CFO Forum	Quarterly	Chief Financial Officer
Provincial CRO and CAE Forum	Quarterly	Chief Audit Executive
District Roads and Infrastructure Forum	Quarterly	Director: Infrastructure Services
District Human Settlements Forum	Quarterly	Director: Integrated Human Settlements
Garden Route ICT and GISC Forum	Quarterly	Senior Manager: ICT
RELATIONSHIPS WITH MUNICIPAL ENTITITIES		
Knysna Municipality does not have any municipal entities.		

Table 10: Inter Governmental Forums

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16(1) and Section 29(1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) outline the processes and procedures to be adhered to in terms of community participation. Based on the legislative requirements, public participation formed an integral part of the Knysna 2024/2025 IDP and Budget process. Communities were afforded the right to make representations and engage on the drafting of the IDP considering the needs of their communities. The Knysna Communications Unit utilised various communication channels (including municipal notice boards, e-mails and the municipality's Facebook page) to convey information to the community.

Knysna Municipality actively pursues meaningful public participation and has structured its activities relevant to the Integrated Development Plan (IDP), Budget and Ward related matters accordingly. It also engages on feedback sessions and not only information gathering sessions to enhances public transparency and accountability.

Towards the compilation of the 2023/2024 IDP last year, public participation engagements were held between April 2025 and May 2025 where the municipality (including the Municipal Manager, Directors and Extended Management) in conjunction with councillors conducted an extensive exercise to collect, confirm community priorities, present the 2024 Municipal Spatial Development Framework and 2025/2026 – 2027/2028 budget.

Ward Committees were established in all eleven wards and were functional and met according to the public participation annual schedule. Ward Councillors in collaboration with the municipality's Public Participation Unit ensured that they are involved in assessing commenting on priority reports, in order to be kept well-informed (and in turn, to inform local community members) of changes and developments within the municipal space. This ensured a high-level of public participation and promotes the principle of transparency and accountability.

During the 2024/2025 IDP, Spatial Development Framework and Budget public engagements were held between April and May 2025 respectively.
Ward Priorities were submitted to Ward Councillors in advance to scrutinise and liaise with their respective Ward Committee members in preparation for community engagements.

Knysna Municipality: Public Meetings (2024/2025)						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Public Meetings	15/04/2025	3	6	102	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting

Knysna Municipality: Public Meetings (2024/2025)						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
						processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
Public Meetings	16/04/2025	2	7	69	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
Public Meetings	29/04/2025	4	7	69	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.

Knysna Municipality: Public Meetings (2024/2025)						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Public Meetings	30/04/2025	3	7	23	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
IDP/ MSDF/ Budget Consultations	30/04/2025	4	7	43	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
IDP/ MSDF/ Budget Consultations	05/05/2025	4	7	66	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous

Knysna Municipality: Public Meetings (2024/2025)						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
						needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
IDP/ MSDF/ Budget Consultations	06/05/2025	3	7	36	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
IDP/ MSDF/ Budget Consultations	07/05/2025	2	6	20	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting

Knysna Municipality: Public Meetings (2024/2025)						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
						processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
IDP/ MSDF/ Budget Consultations	08/05/2025	3	6	81	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
IDP/ MSDF/ Budget Consultations	08/05/2025	3	6	43	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.

Knysna Municipality: Public Meetings (2024/2025)						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP/ MSDF/ Budget Consultations	12/05/2025	5	7	76	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
IDP/ MSDF/ Budget Consultations	13/05/2025	4	6	131	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.

Knysna Municipality: Public Meetings (2024/2025)						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP/ MSDF/ Budget Consultations	14/05/2025	3	6	70	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
IDP/ MSDF/ Budget Consultations	15/05/2025	4	6	63	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.

Knysna Municipality: Public Meetings (2024/2025)						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP/ MSDF/ Budget Consultations	28/05/2025	3	5	4	Yes	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous needs submitted by the Ward Councillor, Ward Committees and communities. MSDF/Sedgefield Local SDF process discussed. Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget.
						T 2.4.3

In addition to the aforementioned, the municipality reiterated its commitment to openness, transparency, accountability and co-operative governance through by means of interactive engagements between the municipality and stakeholders such as Regulatory Authorities, Ratepayers Associations, Traditional Leaders, Breede-Olifants Catchment Management Agency, The Accountability Group (TAG), the Greater Knysna Business Chamber (GKBC), Community Safety Forums and Afri-Forum to deliberate on municipal developmental challenges and sustainable solutions for the needs of communities.

2.4 IDP PARTICIPATION AND ALIGNMENT

Public participation is critical as it is the cornerstone of community-municipality relationships and mend and interdependent connection between the municipality and all its stakeholders. To this extend, Knysna municipality believes that it is crucial to consult communities and their representatives in the municipal IDP process from the beginning.

According to Section 40 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) provides that the three spheres of government (national, provincial and local) are distinctive, interdependent and interrelated. They are autonomous ("the right to govern, on its own initiative") institutions, but must co-exist. They have to co-operate on decision-making and co-ordinate their budgets, laws, policies and activities, particularly for those functions that cut across (transversal activities) the three spheres of government spheres.

Co-operative governance means that national, provincial, and local government should work together to provide citizens with a comprehensive package of services. They have to assist and support one another, share information and co-ordinate their efforts. Implementation of policies and government programmes particularly require close co-operation between the three spheres of government.

A number of policies, strategies and development indicators have been developed in line with the prescriptions of legislation to ensure that all government activities are aimed at meeting the developmental needs of local government.

Knysna municipality must strategically align its planning with the national, provincial and district policy directives, sector plans and legislation. This promotes the coherent planning, budgeting and implementation of programmes and projects. In this regard, KM ensures that its IDP is aligned to global, national, provincial and local spheres of government. The municipality attempts to ensure vertical and horizontal alignments in planning.

Municipal planning is informed by the National KPAs, Provincial Strategic Objectives and other National programs.

The six approved strategic objectives of Knysna Municipality are the following:

- To Improve and maintain current basic service delivery, through specific infrastructural development projects;
- To create an enabling environment for social development and economic growth;
- To promote safe and healthy environment through the protection of our natural resources;
- To grow the revenue base of the municipality;
- To structure and manage the municipal administration to ensure efficient services delivery; and
- To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication.

National KPAs for Municipalities Aligned To Knysna Strategic Objectives	
NKPA 1: Municipal Transformation & Development	**SO5**: To structure and manage the municipal administration to ensure efficient service delivery
NKPA 2: Basic Service Delivery	**SO1**: To improve and maintain current basic service delivery through specific infrastructural development projects
NKPA 3: Local Economic Development	**SO3**: To create an enabling environment for social development and economic growth
NKPA 4: Municipal Financial Viability & Management	**SO4**: To grow the revenue base of the municipality
NKPA 5: Good Governance & Public Participation	**SO6**: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication

Table 11: Alignment with the National KPAs

Back to Basics Aligned To Knysna Strategic Objectives	
1. Putting people and their concerns first	**SO6:** To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication
2. Supporting the delivery of municipal services to the right quality and standard	**SO1:** To improve and maintain current basic service delivery through specific infrastructural development projects
3. Promoting good governance, transparency and accountability	**SO6:** To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication
4. Ensuring sound financial management and accounting	**SO4:** To grow the revenue base of the municipality
5. Building institutional resilience and administrative capability	**SO5:** To structure and manage the municipal administration to ensure efficient service delivery

Table 12: Alignment with Back to Basics

National Development Plan 2030 Aligned To Knysna Strategic Objectives	
1. Creating jobs and improving livelihoods	**SO3:** To create an enabling environment for social development and economic growth
2. Expanding infrastructure	**SO1:** To improve and maintain current basic service delivery through specific infrastructural development projects
3. Transition to a low-carbon economy	**SO2:** To promote a safe and healthy environment through the protection of our natural resources
4. Transforming urban and rural spaces	**SO1:** To improve and maintain current basic service delivery through specific infrastructural development projects
5. Improving education and training	**SO3:** To create an enabling environment for social development and economic growth
6. Providing quality healthcare	**SO3:** To create an enabling environment for social development and economic growth
7. Fighting corruption and enhancing accountability	**SO6:** To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication
8. Transforming society and uniting the nation	**SO6:** To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication

Table 13: Alignment with the National Development Plan

The development of the 2024/2025 IDP was also undertaken inclusive of non-statutory specific sector plans including the Municipal Spatial Development Framework, the Municipal Disaster Plan, the Local Economic Development Strategy and lastly the municipal 2024/2025-2026/2027 budget. Apart from the legislatively prescribed sector departmental plans, the 2024/2025 IDP also promotes the alignment with the following:

- The National Development Plan;
- Medium–Term Strategic Framework: 2019-2024;
- State of the Nation Address
- The Five National Key Performance Areas;
- Strategic Integrated Projects (SIPS)
- The Western Cape Government (WCG) Strategic Plan for 2019–2024
- Western Cape Provincial Spatial Development Framework
- State of the Province (SoPA) Priorities
- The District Development Model (One Plan)
- Sector Departmental Investment

The Knysna Municipality 2024 Performance Management Policy was amended as the framework that describes and represents how the municipality's process of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organised and managed, including determining the different role-players. This policy document basically guides the development of a PMS for the KM. It also forms the basis of aligning the IDP with the operational SDBIPs, performance areas and performance indicators of the various departments of the KM.

The 2024/2025 IDP and Service Delivery and Budget Implementation Plan were also approved by council and the Executive Mayor. While the IDP provided a framework for strategic decision–making, the SDBIP envisaged to ensure that the desired results are achieved during implementation to ensure the correctness of the strategic direction of the objectives, strategies and projects put forward by the IDP.

The 2024/2025 SDBIP aimed to monitor the following:

- If delivery is happening as planned in the 2024/2025 SDBIP;
- If the municipality is using its financial and human resources most efficiently; and
- If the municipality is producing the quality of service delivery envisaged.

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
*** Section 26 Municipal Systems Act 2000**	**T 2.5.1**

2.5 RISK MANAGEMENT

Section 62(1)(c)(i) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) provides that "the accounting officer of a municipality is responsible for the managing of the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."

Knysna Municipality adopted a Risk Management Policy in 2023. The key objectives of the policy are to ensure that risk management is:

- Proportionate to the level of risk within the organisation
- Aligned with other business activities
- Comprehensive, systematic and structured
- Embedded within business processes
- Dynamic, responsive to emerging change

Risk management remains a key priority of the Knysna municipality and as such it is a standing item on the weekly Top Management Team agenda. This meeting is chaired by the municipal manager and creates the opportunity for the early identification and mitigation of risks. It is the responsibility of all departments (directors, managers and supervisors) to identify, review and manage their risks on an ongoing basis and include risk management a part of the day-to-day planning, organisational functions and procedures. Risk management should be embedded in the organisation, it becomes an intrinsic part of business planning and decision making mainly because there is no direction taken without looking at potential municipal risks.

The Knysna Strategic Risk Register is furthermore also aligned to the objectives of the 2024/2025 Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality. It is the responsibility of the Chief Risk Officer to submit progress reports to the quarterly Audit Committee Meetings, to report on progress made on the mitigation of the identified risks. Quarterly progress reports were also submitted to Council on the mitigation of Strategic and Operational Risks. In the 2024/2025 financial year, Risk Management was audited by internal audit for completeness and effectiveness.

The following table provides an overview of the municipality's top risks:

Strategic Objectives	Risk Title	Contributing Factors
To improve and maintain current basic delivery through specific infrastructural developments projects	Inadequate/backlog infrastructure asset management.	Insufficient budget allocated to infrastructure management.
To grow the revenue base of the municipality	Inadequate funding for Capital projects	Insufficient revenue/cash collection
To improve and maintain current basic delivery through specific infrastructural developments projects	Failure to adequately implement and monitor the Water Master Plan	Lack of available budget, statistics of backlogs and household data
To structure and manage the municipal administration to ensure efficient service delivery	Failure to implement and monitor Water Safety Plan and	Insufficient budgets, Load-shedding, Vandalism, mechanical

Strategic Objectives	Risk Title	Contributing Factors
To structure and manage the municipal administration to ensure efficient service delivery	Wastewater Risk Abatement Plan.	and electrical failures, non-filling of critical vacancies and position held by unskilled personnel.
To structure and manage the municipal administration to ensure efficient service delivery	Limited raw water sources	Insufficient storage facilities for raw water
To improve and maintain current basic delivery through specific infrastructural developments projects	Non-compliance with the licencing and permits requirement (SANS 241-2015) for the water and wastewater treatment facilities	Inability to fill critical vacancies
To structure and manage the municipal administration to ensure efficient service delivery	Inadequate human capital development	Inadequate submissions by some departments of training needs

Table 14: Knysna Risk Register

2.6 ANTI-FRAUD AND CORRUPTION STRATEGY

In addition to promoting ethical conduct at Knysna Municipality, an Anti-Fraud and Corruption Strategy was formulated in 2023 to assist in preventing, detecting, investigating and sanctioning fraud and corruption. Different forms of fraud identified by the 2023/2024 Anti-Fraud and Corruption Strategy includes:

- Cash Fraud
- Procurement fraud
- Account receivable fraud
- Inventory fraud
- Investment and fixed assets fraud
- Payroll fraud
- Computer / Cyber fraud

An independent Anti-Fraud and Corruption portal for employees, members of the public and external stakeholders to report allegations of fraud and corruption was also developed. The municipal channel on the Collaborator (Collab) citizen application now features an anti-fraud and corruption portal. This makes it easier to report suspicions of criminal activity. This dynamic Policy and Plan details the steps, which have been and will continually be taken by the municipality to avoid and report unethical conduct and address fraud and corruption.

The municipality's prevention strategies include:

- Education programs to raise and maintain awareness of staff and other stakeholders;
- Building and maintaining an ethical culture;
- Adoption of appropriate financial internal controls;
- Implementation of physical and information security measures;
- Vetting officials and suppliers prior to engagement; and
- Fraud Risk assessments.

Knowledge or suspicion of reportable transgressions may be reported to the following structures:

- Collaborator App
- National Anti-Corruption Hotline 0800 701 701
- offs@westerncape.gov.za
- Provincial Forensic Services 021 483 0931
- Direct Reporting (employee to line manager)

The Municipal Financial Management Act, 20023 (Act 56 of 2003) places an obligation on the municipalities to report any incidents of fraud and corruption and to pursue criminal prosecution and recovery of public funds. When the investigation was concluded all reported cases shall be responded to, based on their nature.

The municipality's resolution strategies include the following:

- Disciplinary proceedings;
- Civil recovery;
- Criminal prosecution; and
- Referring to other agencies and blacklisting

2.7 SUPPLY CHAIN MANAGEMENT

The Municipal Finance Management Act, 2003 (Act 56 of 2003), Sections 110 – 119, Supply Chain Management (SCM) Regulations 2005 and relevant MFMA Circulars set out required processes and guidance manuals to ensure SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The municipality's Supply Chain Management system is functional and all bid committee members were appointed by the Municipal Manager. The Bid Adjudication Committee meetings are open to the public and no councillors are allowed to serve on any of the municipality's supply chain management committees. Contract management is being adhered to, as stipulated in Section 116 of Municipal Finance Management Act, 2003 (Act 56 of 2003).

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. Regulation 36 of the same gazette states that the Municipal Manager may dispense with the official procurement process in certain circumstances, provided that the relevant reasons are recorded for any deviations and includes a note to the Annual Financial Statements.

Deviations must comply with the policy and requirements, as well as be reported to the Knysna Council. In these cases, it was for justifiable reasons and all such cases were reported to Council. Deviations amounted to R 59 553 496.06 for 2024/2025 financial year. This illustrates a decreased of 0.11% from the 2023/2024 financial year. Whilst some items mentioned, had to be addressed in short notice and the response times did not allow for the complete procurement process to be followed, other were circumstantial or due to emergencies.

2.8 BY-LAWS

Section 11(3)(m) of the Municipal Systems Act, 2000 (Act 32 of 2000), endows municipal councils with the legislative authority to pass and implement municipal by-laws for the betterment of the community. The municipality's Legal Services Unit is based in the Corporate Services Department and plays a major role in the finalizing of agreements and providing legal input on various matters such as policies, contracts, legislation and municipal by-laws.

By-Laws Introduced By the Municipality			
By-Law	**Revised**	**By-Laws Gazetted (Yes/No)**	**Date of Publication**
Knysna Municipality: Keeping Of Dogs By-Law	No	No	N/A
			T 2.9.1

2.9 WEBSITE

Knysna Municipality developed and maintains a functional and operational municipal website that displays legislatively required information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The municipality's website also serves as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated. It is a communication tool that should allow easy and convenient access to relevant information. The municipality's website is an integral part of the municipality's communication strategy.

Knysna Municipality's Website complies with all requirements of Section 75 of the MFMA. The Council's website address is: www.knysna.gov.za

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	28/06/2024 09/10/2024 11/03/2025 23/06/2025
All current budget-related policies	Yes	23/06/2025
The previous annual report (2023/2024)	Yes (Draft)	29/01/2025
The annual report published/to be published	N/A	29/01/2025
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2024/2025) and resulting scorecards	Yes	08/05/2025 12/05/2025 13/05/2025 14/05/2025
All service delivery agreements 2024/2025	Yes	03/12/2024 05/03/2025 22/05/2025 20/06/2025
All long-term borrowing contracts 2024/2025	Yes	28/08/2024
All supply chain management contracts above a prescribed value (give value) for 2024/2025	Yes	03/12/2024- 20/06/2025
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in 2024/2025 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	28/08/2024
Public-private partnership agreements referred to in section 120 made in 2024/2025	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2024/2025	Yes	12/11/2024 31/01/2025 02/05/2025
		T 2.10.1

2.10 CUSTOMER SATISFACTION SURVEYS

No Customer Satisfaction Surveys have been done in the year under review.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Basic service delivery in the context of municipalities relates to the implementation of actions that are deemed public, with the objective to enhance the quality of life of residents. It relates to the provisioning of services that can be interpreted as being visible and services that affects the day-to-day survival of communities. Some of the aforementioned services include the provisioning of housing, road repair and maintenance, water and sanitation supply systems, sewerage systems and public transport. These services are undoubtedly services that can be regarded to as being essential for communities to exist. The key basic services rendered by Knysna Municipality include the provisioning of water, waste water (sanitation), electricity, waste management and housing services.

The provision of basic services covers two categories:

- Residents/households registered to pay for services as per municipality Promun system
- Residents/households registered on our Indigent Register whom requires a level of subsidiary support to access basic services.

The Knysna Municipality, in its amended 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) identified the following key performance indicators (KPIs) for water and sanitation service delivery:

1. Provide free basic water to indigent households
2. Provide free basic sanitation to indigent account holders connected to the municipal sanitation infrastructure network
3. Number of residential properties with access to water services and are on the financial system as at end June
4. Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at end June of the financial year
5. Limit unaccounted water losses to less than 35%
6. 90% compliance to general standards with regard to waste water outflow by 30 June of the financial year
7. 95% water quality level obtained as per SANS 241 physical and micro parameters by 30 June of the financial year

The provision of basic services within the Greater Knysna municipal area is mainly informed by the foundation layer during public consultation to develop firstly the Five Year IDP and the annual review of the IDP. The annual review of the IDP focuses on the continued relevance of identified community needs and applicable municipal strategies to address these needs. In the context of basic services, the following strategies guide development planning and response:

- Water Services Development Plan;
- Electricity Master Plan;
- Roads and Storm Water Master Plan; and
- Waste Management Plan.

The municipality continue to utilise employ all efforts to reduce the water losses as this may also contributing to poor compliance on water use efficiencies. In South Africa, the national norm and target range for electricity energy losses in municipal distribution systems is between 5% and 12%, with the National Energy Regulator (NERSA). In the 2024/2025 Knysna Municipality managed to reduce the percentage of electricity losses to a remarkable 10,46 per cent. The percentage water losses increased from 35,38 per cent in 2023/2024 to 56.38 per cent in 2024/2025 of the water production volume. The Indigent Register for the 2024/2025 financial year reflects a total number of 3176 indigents received free basic water, and 3162 basic sanitation.

Internal Ref / Indicator Code	KPI Name	2024/2025 Actual
TL28	Number of residential properties with access to water services as registered on the financial system as at end June	17 806
TL29	Number of residential properties with access to electricity services registered on the financial system (Promun and Ontec) at end June of the financial year	25 472
TL30	Number of formal residential properties which are billed for sewerage as at end June of the financial year	12 767
TL31	Number of formal residential properties which are billed for refuse removal as at end June of the financial year	16 586
TL34	Number of indigent households receiving free basic water as at end June of the financial year	3 177
TL35	Number of indigent households receiving free basic electricity as at 30 June of the financial year	2 938
TL36	Number of indigent households receiving free basic sanitation as at end June of the financial year	3 163
TL37	Number of indigent households receiving free basic refuse removal as at end June of the financial year	3 167
TL56	Less than (<) 35% water losses recorded by end-June of the financial year	56,38%
TL57	One hundred percent (100%) of the Streets and Storm water capital budget spent by end-June of the financial year	80%
TL58	100% compliance to the general standards for waste water outflow by end-June of the financial year	67,12%
TL59	95% compliance to the SANS 241 in regards to the water quality level by end-June of the financial year	96,59%
TL60	Less than 11.5% electricity losses by end-June of the financial year	10,46%
TL63	Number of sites serviced through the Human Settlements Development Grant (HSDG) programmes	44
TL65	Ninety-nine (99) housing opportunities provided for the financial year	42

Table 15: Basic Services Delivery

Free Basic Services to Low Income Households					
	Households earning less than R5,300 per month				
Financial Year	Property Rates Social Rebates	Free Basic Water	Free Basic Sanitation	Free Basic Electricity	Free Basic Refuse
2020/2021	1,689	1,689	1,689	1,425	1,689
2021/2022	1 485	1 335	1 479	1 527	1 485
2022/2023	2,107	2,107	2,107	1 868	2,107
2023/2024	2,770	2,749	2,754	2,511	2,762
2024/2025		3 177	3 163	2 938	3 167
Free Basic Services to Low Income Households					**T 3.6.3**

3.1 WATER PROVISIONING

Water is most certainly an essential and irreplaceable natural resource, vital for life, the environment, food production, hygiene as well as power generation. The link between poverty reduction and improved water management and provisioning is clear. Section 4B of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) provides that local governments are responsible for water and sanitation services, including potable water supply systems and domestic wastewater and sewerage disposal systems. Basic water service is defined as 25 litres of potable water per day provided within 200 meters of a household.

The Water Services Act,1997 (Act 108 of 1997) provides that all spheres of government must provide water supply services in an efficient, equitable and sustainable manner. Municipalities with Water Services Authority status must also to provide measures to promote water conservation and demand management which should be included in their Water Services Development Plans (WSDP).

The following table indicates the staff composition for this division:

Employees: Water Services					
	2023/2024	Year 2024/2025			
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	25	25	24	0	0%
4 - 6	51	51	21	21	0%
7 - 9	17	17	6	7	0%
10 - 12	5	5	11	3	0%
13 - 15	0	0	13	1	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**99**	**99**	**76**	**32**	**0%**
					T 3.1.7

In the 2024/2025 he municipality experienced an increase in the number in water losses. The key reason for the aforesaid is mainly due to the aging infrastructure and as a result an increase in the number of pipe bursts.

The water losses report is as follows:

Water distribution losses	2025	2024	2023	2022	2021
Mega litres purified	5 478 209	5 807 343	3 714 839	4 623 913	4 159 861
Mega litres lost during distribution	3 088 553	1 956 048	509 711	1 256 691	1 850 985
Percentage lost during distribution	56,38%	33,68%	13,72%	27,18%	44,50%

Table 16: Water Losses

Water Services: Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure.

Financial Performance Year 2024/2025: Water Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**138 965**	**144 586**	**129 641**	**144 566**	**11,5%**
Expenditure:					
Employees	30 312	26 558	30 392	31 819	-4,7%
Repairs and Maintenance	10 778	11 760	7 377	6 615	10,3%
Other	99 438	92 098	77 221	79 612	-3,1%
Total Operational Expenditure	**140 528**	**130 416**	**114 990**	**118 046**	**-2,7%**
Net Operational Surplus / (Deficit)	**(1 563)**	**14 170**	**14 651**	**26 520**	**81,0%**

Water Services: Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**15 423 527**	**22 579 613**	**13 457 669**	**40,4%**
Fencing at Water Waste Water infrastructure facilities	500 000	0	0	0,0%
Municipal Water Resilience Grant - W C P A	0	7 944 348	3 793 848	52,2%
Water services infrastructure Grant	8 695 652	7 831 304	7 735 259	1,2%
Bulk Water Supply - Karatara	0	434 782	125 987	71,0%
MIG: 196403 - New Lower River Dam	6 227 875	2 611 738	1 512 297	42,1%
Upgrade Bulk Water Supply Rheenendal	0	1 583 528	290 277	81,7%
Smart Meters Installation	0	2 173 913	0	100,0%

3.2 WASTE WATER (SANITATION) SERVICES

According to Section 4B of the Constitution, local governments are responsible for water and sanitation services, including potable water supply systems and domestic wastewater and sewerage disposal.

The Department of Water and Sanitation (DWS) began regulating water services in South Africa in 2004 and has since strengthened this approach with the introduction of incentive-based regulatory programs, such as the Green Drop and the newly launched No Drop Certification. These programs have surpassed expectations, even gaining political attention. Knysna Municipality is hard at work to meet the standards set by local government. The challenges, however, to address the existing infrastructure backlogs include:

- Migration patterns result in a rapid increase in population growth in the Knysna area
- Mushrooming informal housing settlements and the upgrading thereof place excessive pressure on the existing services and infrastructure capacity
- Anything other than a full waterborne system is perceived as a lower standard of service
- Limited resources are available to alleviate the sanitation backlogs
- Sabotage and vandalism of sanitation infrastructure and public amenities
- Dependency on conventional sanitation technologies

The provision of sanitation services is broken down into water-borne (flush toilets) systems connected to the sewer network, pumped into various wastewater treatment works for purification, before it is discharged into the river and waterborne-system connected to septic tanks, which are emptied on a frequent basis for disposal at wastewater treatment works as well as chemical toilets, Ventilated Improved Pit Latrine (VIP) toilets and pit latrines, which are maintained on a regular basis.

The following table indicates the staff composition for this division:

Employees: Sanitation Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	25	0	0%
4 - 6	25	25	43	0	0%
7 - 9	1	1	12	0	0%
10 - 12	0	0	2	0	0%
13 - 15	0	0	0	1	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total			82	1	0%
					T3.2.7

Sanitation Services: Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/2025: Sanitation Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**58 578**	**60 768**	**59 939**	**61 243**	**2,2%**
Expenditure:					
Employees	9 410	10 261	8 795	9 017	-2,5%
Repairs and Maintenance	9 387	8 040	4 888	4 222	13,6%
Other	34 036	24 099	24 207	25 601	-5,8%
Total Operational Expenditure	**52 832**	**42 400**	**37 890**	**38 841**	**-2,5%**
Net Operational Surplus / (Deficit)	**5 747**	**18 368**	**22 049**	**22 402**	**1,6%**
					T 3.1.8

Sanitation Services: Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Sanitation Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**3 920 800**	**6 965 603**	**5 088 511**	**26,9%**
Refurbishment of biodisk in Karatara	400 000	400 000	0	100,0%
Refurbishment of biodisk in Belvedere	790 800	790 800	0	100,0%
Replacement of Pump, Valves and rails	0	1 877 412	1 891 674	-0,8%
Brenton on Lake to Belvedere Sewer Link	0	217 391	213 692	1,7%
Bulk Sewer Services Damsebos next to Uniondale Road	730 000	1 030 000	730 000	29,1%
Upgrade main Sewer Pump Station and sewers in the CBD	500 000	2 000 000	1 975 224	1,2%
Knysna Windheuwel WWTW	250 000	250 000	217 391	13,0%
Rehabilitation of the khayalethu sewer project	1 250 000	400 000	60 530	84,9%
				T 3.1.9

3.3 ELECTRICITY

Local government plays a very important role in the provision of electricity. Section 153 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

Knysna Municipality as a Service Authority within its area of jurisdiction has a Legislative Mandate to provide services in a safe and healthy environment. The electricity section is also responsible for the operation, maintenance, extension, and upgrading of the infrastructure. In so doing it promotes and catalysis the socio--economic development within the area. Service provision is mainly the development, extension, and maintenance of infrastructure. However, the municipality has an infrastructural base that is in a state of decay, with a large percentage of aged and outdated technology. The backlogs in terms of maintenance and upgrading are colossal and the available resources are simply not adequate for the task.

Core Responsibilities of the electricity department include:

- Providing quality and uninterrupted supply of electricity to all domestic, business, industrial and rural consumers within its area of distribution;
- Maintaining the electricity distribution network to adhere to the prescribed standards;
- Upgrading of the electricity distribution network to accommodate population growth as well as business and industrial development;
- Monitoring the electricity consumption of consumers by means of effective metering and visual inspections to minimize electricity losses;

- Maintaining all public lighting and traffic lighting; and
- Providing accurate feedback to the monitoring authority National Energy Regulator South Africa (NERSA) pertaining to the quality of service and quality of supply to adhere to license conditions.

The challenges, experienced by the section to address the existing infrastructure backlogs include:

- Electrification is dependent on funding from other spheres of government;
- Limited availability of qualified and competent electrical technicians;
- Proper township establishment is a pre-requisite for electrification of informal settlements;
- High cost of electricity for end users and potential developers;
- Feasibility of overhead distribution network vs. underground cabling; and
- Resignation of professionally registered and qualified staff.

The electricity losses report is as follows:

Electricity distribution losses	2025	2024	2023
Units purchased (MwH)	163 359 684	158 117 205	154 793 947
Units sold (MwH)	146 280 356	139 810 155	135 987 983
Units lost during distribution (Mwh)	17 079 328	18 307 050	18 805 964
Percentage lost during distribution	10,46%	11,58%	12,15%

Table 17: Electricity Losses

The following table indicates the staff composition for this division:

Employees: Electricity Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	11	11	11	1	1%
7 - 9	0	0	0	0	0%
10 - 12	11	11	11	3	27%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	1	1%
19 - 20	0	0	0	0	0%
Total	24	24	24	5	21%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.3.6

Electricity Services: Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2023/2024: Electricity Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**398 024**	**456 044**	**450 846**	**449 582**	**-0,3%**
Expenditure:					
Employees	17 070	20 268	16 362	16 502	-0,9%
Repairs and Maintenance	11 774	17 764	13 760	13 390	2,7%
Other	351 648	393 179	403 100	385 875	4,3%
Total Operational Expenditure	**380 492**	**431 211**	**433 221**	**415 768**	**4,0%**
Net Operational Surplus / (Deficit)	**17 532**	**24 834**	**17 624**	**33 814**	**91,9%**
					T 3.3.7

Electricity Services: Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Electricity Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**17 704 348**	**14 991 180**	**2 626 632**	**82,5%**
Electrification of informal areas	1 000 000	1 000 000	141 120	85,9%
Electrification of informal areas	1 000 000	1 000 000	817 553	18,2%
Electrification of informal areas	0	500 000	0	100,0%
Electrification of Formal Housing	0	71 615	0	100,0%
Electrification of formal Houses (INEP) - Hlalani Damsebos	1 356 522	1 356 522	545 128	59,8%
Bulk upgrade main intake substation	12 347 826	7 252 174	391 730	94,6%
Rheenendal Spotlights	0	400 000	0	100,0%
Electrification of informal areas - Hornlee	0	500 000	0	100,0%
Refurbishment of Ring Main Units	0	391 304	0	100,0%
Relay replacement to reduce overloading	1 000 000	1 000 000	731 100	26,9%
Smart Meters Installation	0	869 565	0	100,0%
Replacement of 2 RMU s Eastford and White location	1 000 000	650 000	0	100,0%
				T3.3.8

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

The Solid Waste Management mandate is derived from Chapter 2, Section 24 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). The National Environmental Management: Waste Act (NEMWA), 2008 (Act 59 of 2008) is the core legislative guide for the delivering a quality Solid Waste Management service. The Section is responsible for the following functions:

- Refuse Removal
- Street Cleansing
- Public Toilets
- Landfill sites.

The fragmented and uncoordinated approach to pollution and waste management, combined with insufficient resources to implement and monitor existing legislation, has led to unacceptably high levels of pollution and waste in South Africa. Improvements are expected through the implementation of various policies, legislation, standards, and guidelines, along with the promotion of cooperative governance as outlined in the Constitution. These efforts aim to eliminate fragmentation, duplication, and lack of coordination. Pollution and waste management are not solely the government's responsibility; the private sector and civil society also play crucial roles.

Establishing partnerships between the government and private sector is essential for sustainable and effective pollution and waste management. Likewise, fostering cooperative governance between state organs is vital due to the cross-cutting nature of pollution and waste management.

Knysna Municipality strives to achieve the target set by the National Government for the reduction of waste that reaches landfill by 50% through the implementation of recycling and composting initiatives in order to reduce, reuse, and recycle. The goal of the Solid Waste Management Section is to keep Greater Knysna Clean, Green and Safe. Secondly, to improve access to basic waste management services through cleaning, collection and disposal, while significantly diverting waste from landfill.

The focus of the Waste Removal Section is the provision of efficient, cost effective and environmentally friendly waste removal services. The collection of waste from residential and business clients is available on a daily basis with residential clients receiving weekly waste collection and while business clients receive up to three collections per week depending on requirement.

The minimisation of waste that reaches the land fill site is encouraged through the issuing and collection of clear bags. The recycling service is contracted to a service provider who takes responsibility for the sorting and bailing of recyclable waste. Non-recyclable waste is taken to a central transfer station where it is compacted in huge containers and transported to PetroSA in Mossel Bay. Garden route district municipality is also busy with a new regional landfill site that will service both Knysna, Plettenberg Bay, George and Mossel Bay. Due to the unexpected closure of PetroSA in the coming few months the key driver is the landfill site that Garden Route District Municipality is implementing.

The section, however, also encounters some challenges:

- The transfer station does not cater for the sorting of waste which results in recyclable waste reaching landfill;
- Old Place Garden Refuse site – the only permitted green waste facility in Knysna has reached capacity and also contribute towards the issue of illegal dumping. A new site should be identified and developed soon;
- The Municipal refuse collection schedule should be revisited since the collections is not evenly spread through the week and therefore it is difficult to complete certain days during normal working hours;
- The waste transfer facility is located on a dormant railway facility on which council continues to incur rental costs. A huge financial outlay will be required to relocate the facility to municipal owned land;
- Inexplicable widespread illegal dumping in all wards which could be as a result of distances to local disposal or collection sites; and
- Implementation of containerized waste collection to areas that are not accessible due to the topography of the town.

A Third-Generation Integrated Waste Management Plan (IWMP) was developed and approved during the 2019/20 financial year. This document is a working tool for the Waste Management Department for the next five years. Inputs regarding the plan have been received from The Department of Environmental Affairs and Development Planning.

The waste section has undergone numerous challenges within the section with breakdowns of old trucks and now will go into the new financial year with a budget for 2 new refuse collection trucks. The waste unit is still under section 154 but has shown great strides in addressing these environmental challenges within the unit. Feasibility studies were conducted to look at the new waste to energy concept and the relocation of the transfer station. Windheuwel project was a key project identified for the waste to energy plant together with the wastewater treatment plant for the Northern Areas. Garden Route District Municipality went out on tender to appoint a service provider. All B Municipality signed a service level agreement (SLA) with GRDM regarding the review of the integrated waste management plan.

Service Statistics

- Service statistics on total households should be aligned to the finance information – Municipality rendering a collection service to 93% of properties excluding Bosdorpies/Forest Villages like your Brackenhill/Diepvalle areas.
- Number of formal residents with access to refuse removal once a week – coupled to financial information and around 16 586
- Number of indigent households receiving free basic refuse removal for the 2024/2025 financial year equals to 3177
- Using Communal Refuse dump = 1 (Refuse Transfer Station)
- Other refuse disposal = None
- No rubbish disposal = None

Waste management education and awareness programmes and environmental cleaning campaigns at primary schools, informal settlements and previously disadvantaged communities assist in the prevention and control of waste management.

Recycling is being done by two service providers in the Greater Knysna for a 3-year period. The only feasible option with Sedgefield facility is to create a drop off facility taking cognisance of the facility having no electricity or stormwater system. The source of recycling is Knysna whereby it is processed and transported to other agents.

Municipal waste is being transported to PetroSA daily by the service provider, waste unit is still busy with the transversal tender. Purchasing of Hooklift and compactor trucks were budgeted for to mediate backlogs and minimising money spend on hiring charges. In terms of the waste facility there is two security personnel safeguarding the assets of the Municipality. Together with the current super sucker the water and sewer unit also proposed we used the enzyme they are currently using for the smell and breakdown of fats and sludge at the WWTW. The waste unit will be using the enzyme to see the current output it creates and will purchase more after testing from the laboratory services.

The following table indicates the staff composition for this division:

Employees: Solid Waste Management Services					
Job Level	2023/2024	2024/2025			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	27	27	27	1	4%
4 - 6	55	55	55	1	2%
7 - 9	10	10	10	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	95	95	95	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* **T3.4.5**

Solid Waste Management Services: Operating Revenue and Expenditure

Financial Performance Year 2024/2025: Solid Waste Management Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**53 772**	**57 081**	**66 501**	**61 878**	**-7,0%**
Expenditure:					
Employees	25 105	24 707	26 865	28 074	-4,5%
Repairs and Maintenance	4 439	700	3 577	4 086	-14,2%
Other	39 360	39 935	36 926	42 102	-14,0%
Total Operational Expenditure	**68 904**	**65 341**	**67 368**	**74 263**	**-10,2%**
Net Operational Surplus / (Deficit)	**(15 132)**	**(8 260)**	**(867)**	**(12 385)**	**1328,2%**
					T3.4.7

Solid Waste Services: Capital Expenditure

Capital Expenditure Year 2024/2025: Solid Waste Management Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**0**	**3 000 000**	**0**	**100,0%**
New Compactor Trucks	0	3 000 000	0	100,0%
				T3.4.9

3.5 HOUSING

The Directorate of Integrated Human Settlements acts as an agent for Provincial Government and is working with them to achieve their vision, to develop sustainable integrated human settlements. Sustainable settlements are residential areas that allow its residents to access social and economic opportunities close to where they live. The Directorate acts as an agent for Provincial Government and is working with them to achieve their vision, to develop sustainable integrated human settlements. Sustainable settlements are residential areas that allow its residents to access social and economic opportunities close to where they live.

In 2019, the new directorate of Integrated Human Settlements was established with a mandate of ensuring that through a period of 10 years, that the housing demand of 9588 with 3% increase is addressed by ensuring that land for future residential purposes is identified and development processes are followed. The directorate is tasked with the responsibility of implementing all Housing programs as outlined in the Housing code which include Social/Rental Housing, Finance Linked Subsidy Program, Affordable housing, Community Residential units, Upgrading of Informal Settlements, Enhanced Peoples Housing Process and Provision of Interim Basic Services.

Census provide that in 2022, Knysna had approximately 27,127 formal households with an annual growth rate of 1.8 per cent and 5,271 informal households growing at an annual rate of 14.2 per cent.

By 2032, Knysna will need to accommodate 5,527 additional households, with informal settlements showing a marked increase. By 2052, the total household number is projected to reach 80,947, representing a growth of 48,549 households from the 2022 baseline.

This household growth has significant implications for spatial planning, infrastructure development, and service delivery across Knysna. The municipality will need to identify areas for both formal and informal settlement expansion, prioritize infrastructure investment, and ensure service delivery is aligned with projected demand. Addressing informal settlement growth, improving housing quality, and expanding municipal services will be key to managing this anticipated growth in a sustainable and inclusive manner. Proactive planning for land use, housing density, and infrastructure expansion will be essential to meeting these needs.

The challenges experienced by the department include:

- Increasing demand for adequate quality housing opportunities;
- Limited availability of suitable land for implementation of human settlement projects;
- Housing delivery is dependent on funding from other spheres of government;
- Migration trends resulting in an increase in population which subsequently increase the demand for houses at the lower end of the income bracket;
- Uncontrolled settlement of people on municipal or SANRAL land;
- Limited resources for emergency housing initiatives as a result of disaster situations;
- Urban expansion, including informal settlements, existing land uses impact on sensitive natural systems, increases vulnerability to disaster and results in a mounting infrastructure maintenance backlog; and
- Potential risk of illegal land occupation in ecologically sensitive areas.

Service statistics

Percentage of households with access to basic housing			
Year end	**Total households (including in formal and informal settlements)**	**Households in formal settlements**	**Percentage of HHs in formal settlements**
Year 2024/2025		8823	62,5%
Year 2023/2024		8823	62,5%
Year 2022/2023		9003	68,8%
Year 2021/2022		9184	76,5%
Year 2020/2021		9354	78,9%
			T 3.5.2

Housing: Operating Revenue and Expenditure

Financial Performance Year 2023/2024: Housing Services					
Description	**2023/2024**	**2024/2025**			
	Actual Results	**Original Budget**	**Adjustments Budget (AB)**	**Actual Results (AR)**	**Positive / (Negative) Variance % (AB) to (AR)**
Total Operational Revenue (Capital Grants Excluded)	**24 541**	**21 912**	**23 170**	**23 076**	**-0,4%**
Expenditure:					
Employees	6 150	7 793	7 146	7 253	-1,5%
Repairs and Maintenance	186			194	#DIV/0!
Other	36 376	32 648	35 735	33 240	7,0%
Total Operational Expenditure	**42 712**	**40 442**	**42 881**	**40 687**	**5,1%**
Net Operational Surplus / (Deficit)	**(18 171)**	**(18 529)**	**(19 712)**	**(17 611)**	**-10,7%**
					T 3.5.5

Housing: Capital Expenditure

Capital Expenditure Year 2024/2025: Housing Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**10 900 000**	**2 900 000**	**3 014 650**	**-4,0%**
Knysna Vision(1393) UISP	2 400 000	2 400 000	2 299 907	4,2%
Sedgefield Infill - Informal Settlements Upgrading Partnership Grant	8 000 000	0	714 743	0,0%
Subsoil drains - Bongani Khayalethu Valley	500 000	500 000	0	100,0%
				T3.5.6

COMPONENT B: ROADS AND TRANSPORT

INTRODUCTION

Knysna Municipality has a total road network of over 287 km of which 242 km is paved and over 45 kilometres are unpaved. The Municipality, with the assistance of the Garden Route District Municipality and Province has developed a Road Asset Management System (RAMS) in line with the requirements of the National Department of Transport and the National Treasury which is used to prioritise and manage road maintenance and upgrading however the development of new roads is only rolled out through the housing development programs and private developments.

The Municipality has two Roads strategies: the RAMS which is a maintenance strategy and the Urban Renewal Strategy (URS) which has identified road upgrades in the CBD as a priority. The maintenance strategy has resurfaced 4 km of public streets during the 2024/2025 financial year.

The funding for resurfacing however is far from being sufficient and at the current pace will take more than a decade to achieve the level of asset management required. The general condition of the roads bears witness to the shortcoming as the prevalence of potholes is an indication that the surface has long since surfaced its lifespan and the high need for rehabilitation indicates that normal maintenance is no longer possible as the asset has incurred too much damage.

The creation of the RAMS is a step in the right direction with respect to timed, appropriate and predictable maintenance and is in line with asset management principles. These measures, although not fully funded, provide a platform for informed decision-making and forward planning having full cognisance of the impact of one's decisions or indecision.

It is important to note that the RAMS is an asset management tool and it is therefore unable to respond to the socio-economic challenges faced by our communities and the impact of poverty on lively hoods. This is because asset management per sae assumes that all assets are maintained and managed based on the design lifespan irrespective of their location or whom they serve.

The roads are maintained to an extremely high standard in terms of safety requirements and ease of travel of road users. Maintenance of paved roads is of priority with potholes and edge breaks being attended as and when it develops and gravel roads are graded as and when required, depending on the condition of the particular road and rainfall patterns for the particular season.

Potholes are attended to according to complaints received. However, the roads teams attending to a complaint are required to fix every pothole within a specific area where the complaint was reported, to avoid further complaints and to prevent more potential potholes developing.

The municipal area does not have any public commuter bus services save for the long-distance bus services along the N2 that runs through the town. Short distance and daily commuter traffic are accommodated by the private taxi industry.

Service Statistics

There is a total to 287 km of paved and unpaved roads in the municipal area as verified by the RRAMS system. Unpaved roads constitute 16% of the total road network while the paved roads constitute 84% of the road network.

The top 3 priorities for roads are resurfacing, rehabilitation and blading of gravel roads. The department was able to resurface 4 km of tarred roads and blade 38,5 kilometres of gravel roads and thereby reduce the maintenance backlog.

The road infrastructure department remains underfunded and understaffed with a high vacancy rate of over 45 per cent. The old fleet and financial constraints cause staff to lose momentum with maintenance. The department has had to tailor make its operations to still deliver the service.

The maintenance rationale, based on the available resources, is simple: a team spends two weeks in a ward and tries to do as much work as possible during that time but has to move over to the next ward once the time has expired thereby ensuring an equitable share across all wards. In addition, all teams convert to storm water maintenance during rain events irrespective of their functions thereby boosting the teams when it is needed most.

A total of 5 344 square metres of gravel roads were graded and maintained during the financial year and maintenance was performed over the entire tarred road network in the form of general maintenance, pothole repairs and reinstatements.

The service delivery levels for both paved and unpaved roads are detailed in the table below for 2024/2025 financial year:

Gravel Road Infrastructure			
			Kilometres
Year	Total gravel roads	Gravel roads upgraded to tar	Gravel roads graded/maintained
2021/2022	45	0	45
2022/2023	45	0	45
2023/2024	45	0	45
2024/2025	45	0	53 square kilometers
			T 3.7.1

Tarred Roads					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads Maintained
2021/2022	242	0	5,4	0	242
2022/2023	242	0	8	0	242
2023/2024	242	0	2,6	0	242
2024/2025	242	0	0	0	4
					T3.7.2

Cost of Construction/Maintenance				
				(R'000)
Year	Gravel - Tar	Maintained	Re-worked	Maintained
2021/2022	19 924	963	8 717	4 566
2022/2023	23 308	874	15 258	5 666
2023/2024	9 633	249	7 226	3 628
2024/2025	Please refer to table 3.7.9			
				T 3.7.3

Financial Performance Year 2024/2025: Road Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**1 119**	**5 066**	**6 280**	**3 970**	**36,8%**
Expenditure:					
Employees	17 046	17 254	17 323	17 376	-0,3%
Repairs and Maintenance	5 595	8 076	6 422	4 212	34,4%
Other	21 082	17 963	17 080	16 718	2,1%
Total Operational Expenditure	**43 724**	**43 293**	**40 825**	**38 306**	**6,2%**
Net Operational Surplus / (Deficit)	**(42 605)**	**(38 227)**	**(34 545)**	**(34 336)**	**-0,6%**

Roads Services: Operating revenue and expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/2025: Road Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**1 119**	**5 066**	**6 280**	**3 970**	**36,8%**
Expenditure:					
Employees	17 046	17 254	17 323	17 376	-0,3%
Repairs and Maintenance	5 595	8 076	6 422	4 212	34,4%
Other	21 082	17 963	17 080	7 641	55,3%
Total Operational Expenditure	**43 724**	**43 293**	**40 825**	**29 229**	**28,4%**
Net Operational Surplus / (Deficit)	**(42 605)**	**(38 227)**	**(34 545)**	**(25 259)**	**26,9%**
					T3.7.8

Roads Services: Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Road Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**23 917 343**	**37 038 656**	**28 134 776**	**24,0%**
Upgrade Gravel Roads Ward 4	0	44 850	5 087	88,7%
Upgrade Gravel Roads Ward 7	0	126 346	15 681	87,6%
Resealing of streets	0	464 369	352 464	24,1%
Public Transport Facilities	9 110 435	17 806 087	12 814 681	28,0%
MIG : Upgrade of Gravel Roads - Ph2 (Northern Areas)	2 828 936	1 089 805	1 089 805	0,0%
MIG: Rehabilitation of Streets	7 977 972	8 816 840	7 579 188	14,0%
Upgrade Howard Street Ward 9	1 000 000	0	0	0,0%
Resurface Gravel Roads	0	2 740 359	1 513 782	44,8%
Surface Gravel Roads- Ward 1	0	300 000	13 870	95,4%
Surface Gravel Roads- Ward 3	0	300 000	240 203	19,9%
Surface Gravel Roads- Ward 4	0	300 000	295 852	1,4%
Surface Gravel Roads- Ward 5	0	750 000	291 519	61,1%
Surface Gravel Roads- Ward 7	0	300 000	45 956	84,7%
Sinkholes	0	1 000 000	887 800	11,2%
Resealing of streets	3 000 000	3 000 000	2 988 889	0,4%
				T 3.7.8

COMMENT OF ROAD SERVICES

Road maintenance experience both financial and human resource challenges that impede the efficient and effective performance of the function throughout the municipal area.

3.7 TRANSPORT

Knysna municipality conducted a section 78 (MSA) investigation in 2012 which determined that the municipality did not have the capacity to operate a public transport system and hence public transport is provided by the private sector.

The municipality received numerous complaints from businesses in the CBD regarding the parking of taxis and their general behaviour in the area. The taxi association in turn complained about there not being sufficient parking for their vehicles due to the insufficient space in the taxi rank and due to the loss of public parking after the construction of the Checkers mall. This situation continued for years.

3.8 STORMWATER

In 2015/2016 a Masterplan was commenced which included the mapping, modelling of flows and capacity determination but to date only the CBD and approximately 30% of the northern area catchment has been completed but no further progress has been made due to funding constraints. The upgrading of storm water system is wholly dependent on the completion of the masterplan which generates a priority list which in turn feeds into the budget. The absence of such a plan has made it impossible to make meaningful improvements to the system and instead the department has had to make small adjustments as the need comes about.

Services to informal settlements and rural communities fall outside the responsibility of the department as none of these areas contain municipal infrastructure. The department however does, from time to time, play a support role to disaster management where these communities are at risk or require services.

The Knysna stormwater network consists of the following types of storm water systems including:

1. Underground storm water pipes
2. Open concrete V-channels
3. Open soil storm water channels
4. Culverts

Stormwater Infrastructure				
				Kilometers
Year	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2024/2025	0	0	0	18.4
2023/2024	145	0	0	88
2022/2023	160	0	0	48
				T 3.9.2

Cost of Construction/Maintenance			
			R' 000
Year	Stormwater Measures		
	New	Upgraded	Maintained
2024/2025	0	250	779
2023/2024	250	250	2 048
2022/2023	1 915	1 728	2 033
			T 3.9.3

The following table indicates the staff composition for this division:

Position	No. of Posts	Filled Posts	Vacant Posts
Manager: Roads, Transport & Stormwater & Building Maintenance	1	1	0
Senior Superintendent	2	1	1
Senior Technician	1	1	0
Technician	1	1	0
Superintendent	8	2	6
Senior Supervisior	15	6	9
Artisan: Bricklayer	2	1	1
Artisan: Carpenter	1	1	1
Foreman(Road marking)	1	1	0
Small Plant Operator	1	0	1
General Assistant	99	47	52
Special Workman	5	3	2
Handyman Painter	1	1	0
Handyman	4	1	3
Driver/Operator	15	6	9
Storeman	1	0	1
*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days*			

Stormwater Services Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/2025: Stormwater Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)					
Expenditure:					
Employees	2 290	1 399	1 351	1 405	-4,0%
Repairs and Maintenance	411	566	877	779	11,1%
Other	2 238	1 910	1 818	1 843	-1,4%
Total Operational Expenditure	**4 939**	**3 875**	**4 045**	**4 027**	**0,4%**
Net Operational Surplus / (Deficit)	**(4 939)**	**(3 875)**	**(4 045)**	**(4 027)**	**-0,4%**
					T3.9.7

Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Stormwater Services				
Capital Projects	Year: 202542025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**1 000 000**	**500 000**	**409 648**	**18,1%**
Upgrade Stormwater Infrastructure	1 000 000	500 000	409 648	18,1%
				T3.9.8

COMMENT ON ROADS AND STORMWATER

The Infrastructure department did not implement large capital projects in the period as no funding was available but instead small interventions were made where communities were flooded in low-income areas. The limited funds available required the department to focus solely on areas where damages had consistently occurred to properties in the past due to low capacity or sub-standard systems.

In future large amounts of money will be required to upgrade old existing systems in order to adapt to changes in the urban environment, higher capacity standard set by the national and provincial departments of integrated human settlements and climate change. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next three years.

COMPONENT C: PLANNING AND DEVELOPMENT

3.9 PLANNING

INTRODUCTION

The key outcomes in respect of Land Use and the Built Environment functions in Knysna Municipality is to address historical spatial imbalances evidenced in underserved areas, rural areas, informal settlements, state land; to mitigate long term risks of particular spatial development patterns; and to promote rational and predictable land development. The Knysna Municipal Area faces very significant spatial and ecological limits to spatial growth, which, if overstepped will become counter-productive to its very survival and prosperity. Knysna needs to pursue smart growth, seeking synergy between its people, their needs and the environment.

The key strategic objective of the section relates to the timeous, efficient and effective consideration and approval of land use applications that are responsive to and reflective of community needs and development trend. This is being done through the implementation of planning tools and processes that guide the land use application life cycle, from submission to approval. Planning tools such as the Knysna Municipal Land Use Scheme, Spatial Planning and Land Use Management By-Law are being used to evaluate land use applications in an efficient and coherent manner.

The change in the Land Use legislative regime resulted in more functions been allocated to Knysna Municipality with a higher-than-average number of applications received. Together with the limited human resource capacity, this has placed a strain on the department's ability to meet the application processing timeframe demands. The Land Use Management Department has appointed two Town Planners on contract to maintain serviced delivery address the application backlogs.

The Land Use Management Department has developed and made available a web-based online portal for all land use applications to the general public.

Applications for Land Use Development				
Detail	Formalisation of Townships		Rezoning	
	2024/2025	2023/2024	2024/2025	2023/2024
Planning application received	0	12	0	10
Determination made in-year of receipt	0	2	0	1
Determination made in following year	0	3	0	4
Application withdrawn	0	0-	0	0-
Applications outstanding at year end	0	8	0	7
				T 3.10.2

COMMENT ON THE OVERALL PERFORMANCE OF THE PHYSICAL PLANNING

There are no capital projects prioritized for Planning and Development and, therefore, no budgeted expenditure for projects.

3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION

Knysna Municipality has a responsibility to create a conducive environment for economic growth and development. Centred on the vision, mission statement and strategic objectives of the municipality is the promotion of local economic development.

Employment opportunities are normally associated with a sustainable growing economy, which creates employment opportunities. Knysna municipality promotes local economic empowerment through implementation of the Expanded Public Works Programme (EPWP) and SMME development.

The Knysna Local Municipality's Economic Development Department's functional mandate is as follows: "To manage and coordinate the economic development function and strategy as mandated by the Constitution in order to create an enabling environment to ensure the local economy and local businesses can thrive, thus creating job opportunities and growing the local economy."

Business Support and Development

The main outputs for SMME development were through a SMME Incubator Programme and SMME training and capacity building sessions throughout the municipal areas as well as management of informal trade through issuing of trading permits. This service is primarily focused on assisting poor communities to access entrepreneurial opportunities.

Trade and Investment Promotion

This service involves a comprehensive suite of services such as individual business retention and expansion services, exporter development and promotion, industry cluster support, marketing and promotion of the municipal area to domestic and foreign investors.

Investment Attraction

The Municiplaity received a funding approval form the Services SETA to train the a youth development program focusing on short skills programs as well apprecnticeship. The aim of this program is to increase youth employability. The program seeks to create training opportuties for 244 young people across the grater Knysna with a specific focus on aprenticeships and short skills programs. These range from Mechanical fitters, electricians, plumbing, fitters and turners, plumbing hands, environmental management paractices, mixed farming, new venture creation and office administration.

As a way of attracting new investments into the Greater Knysna the municipality in collboration with the Bussiness Chamber Hosted an Investment Conference. The main objective of the conference is to attract investments into the Municipal area which will contribute to the local economy and create jobs.

Expanded Public Works Program

In order to create temporal employment opportunities through the Epanded Public Works Program the municipality received an annual Integrated Grant allocation to the value of R 1 200 000.00. For the 2024/2025 financial year through the allocated Integrated Grant created work opportunities in three different sectors, which are the Social Sector (Two data Captures and Admin Support), Environmental Management (Dune Rehabilitation, River Health as well as Fire and Rescue) and Parks and Recreation (maintenance of municipal facilities). However, in the 2024/2025 financial year the Municipality created 158 work opportunities through its annual MTREF allocation.

Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/2025: Local Economic Development Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**1 264**	**1 279**	**1 279**	**1 279**	**0,0%**
Expenditure:					
Employees	5 786	4 594	5 864	5 911	-0,8%
Repairs and Maintenance					#DIV/0!
Other	2 682	3 316	2 887	2 792	3,3%
Total Operational Expenditure	**8 468**	**7 910**	**8 750**	**8 703**	**0,5%**
Net Operational Surplus / (Deficit)	**(7 204)**	**(6 631)**	**(7 471)**	**(7 424)**	**-0,6%**
					T3.11.9

Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Local Economic Development Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**0**	**0**	**0**	**0,0%**
				T 3.11.10

COMMENT ON THE OVERALL PERFORMANCE OF THE PHYSICAL PLANNING

Knysna Municipality, like any other municipality in South Africa, is confronted with the triple challenges of poverty, inequality and unemployment. Knysna must utilise its limited resources effectively to stimulate the local economy for its communities. The section should assist the municipality to build local economic capacity to improve its economic potential and the quality of life for all for the benefit of the local citizens. It is a given fact that priority should be given to local communities to explore and take advantage of economic development initiatives in their areas.

The following table indicates the staff composition for this division:

Job Level	2024/2025			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	2	2	0	0
7 - 9	7	7	0	0
10 - 12	11	11	0	0
13 - 15	5	5	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	**26**	**26**	**0**	**0**

Planning Services: Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/225: Planning Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**26 387**	**23 562**	**25 111**	**26 747**	**6,5%**
Expenditure:					
Employees	47 490	49 912	49 468	49 808	-0,7%
Repairs and Maintenance	3	5	4	–	100,0%
Other	5 377	8 498	4 848	4 025	17,0%
Total Operational Expenditure	**52 869**	**58 415**	**54 320**	**53 832**	**0,9%**
Net Operational Surplus / (Deficit)	**(26 482)**	**(34 853)**	**(29 209)**	**(27 086)**	**-7,3%**
					T3.10.5

Planning Services: Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Planning Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**0**	**2 360 000**	**2 071 539**	**12,2%**
Flood intervention (MDRG) - Knoetzie	0	99 130	0	100,0%
Flood intervention (MDRG) - Brenton	0	2 260 870	2 071 539	8,4%
				T 3.10.6

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

INTRODUCTION

Community and Social Services strives to improve the quality of life for all residents, from the cradle to the grave, by ensuring access to health, information and recreation in a safe, secure, clean and sustainable environment and by providing the core principles, mechanisms and processes that are necessary to empower and uplift previously disadvantaged communities.

3.11 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Success in education remains one of the determinants of effective participation in the economic life of a society. Strategic intervention in the education sector carry a significant sway in shaping the level to which forthcoming economic objectives and poverty alleviation initiatives can be actualised.

The majority of those in formal employment in Knysna comprise of a high percentage in the semi-skilled and skilled category. These workforce dynamics have significant socio-economic implications as they affect the employment opportunities that are available in the town.

Interventions that ensure a steady increase in the literacy levels and by extension a higher supply of skilled and semi-skilled labour, such as the ones implemented by the library service, are thus a boon to attracting investment opportunities.

The Knysna Municipality together with the Provincial government are continuously investing in wireless broadband which is freely available to members of the public via the library computer centres and hotspots. The public has taken advantage of the free internet service to access websites for job opportunities and online government services.

There is an improved capacity within the municipal precinct to use technology for the communication of information. The signs of an unfolding information society are thus evident. The reports below highlight some of the achievements of the library service.
The purpose of a libraries is multifaceted and include:

1. Access to information

Libraries provide access to a wide range of information resources, including books, journals, databases, and digital media, supporting research, learning, and knowledge acquisition.

2. Educational support

They support educational development by offering resources for students of all ages, from early childhood through higher education, and by providing tutoring, literacy programs, and educational workshops.

3. Community hub

Libraries serve as community centers where people can gather, participate in events, and engage in cultural, recreational, and social activities. They often host programs, lectures, and activities that benefit the community.

4. Place of knowledge

Libraries preserve and protect valuable collections of books, documents, and other materials, ensuring that historical and cultural knowledge is maintained for future generations.

5. Access

They offer free or low-cost access to information and resources, ensuring that all members of the community, regardless of their socioeconomic status, have the opportunity to learn and grow.

6. A place of learning

Libraries promote literacy and lifelong learning by offering reading programs, educational resources, and tools for self-directed learning.

Highlight	Activities
Primary schools Spelling & reading competitions	Eleven primary schools enrolled a total of four hundred and fifty-four leaners in the reading and spelling competitions in Afrikaans, IsiXhosa and English. A debate competition in English and isiXhosa was introduced for the first time. Twenty-four Learners enrolled for this competition. Participating primary schools: Brackenhill, Sundridge, Hornlee, Fraaisig, Thembelitsha, Chris Nissen, Concordia, Rheenendal, Smutsville all from Knysna. Phakamisani and Kwanokuthula Primary are from the Bitou municipal area.
High school 'Book club' competition.	Thirty-two high school learners enrolled for the spelling, book review debate and public speaking competitions. Of these thirty-two leaners, six were selected to participate in the Funda Mzantsi competition as members of the Provincial Library Service's book club. Participating schools: Percy Mdala, Concordia an Knysna Senior Sekonder.
	The aim of the Funda Mzantsi Competition is to infuse a culture of reading, promote South Africa's language diversity; contribute to an increase of the literacy rate, and to encourage all citizens to read, write, converse and value the ideas and thoughts of others. The Knysna library service's Book Club consisting of winners of the municipal hosted local high school's reading, book review and spelling

Highlight	Activities
The Funda Mzantsi National Literacy Championship	clubs participated in the 14th chapter of the Funda Mzantsi National Literacy Championship which is held annually in George. The Knysna book club competed in the book review and reading competitions in all three official languages of the Western Cape (English, isiXhosa & Afrikaans). Sandelene Jafta, a Learner from Knysna Senior Sekonder and a member of the Knysna book club clinched the second prize in the Afrikaans spelling category in this prestigious competition which is a highlight for all book club participants.
The 1000 Stories Literacy Stream Year Beyond Programme	Thirty (30) young people (Yeboneers) between the ages of 19 and 25 were appointed in the Western Cape Government sponsored literacy stream youth service programme (Year Beyond Programme). Each Yeboneer was tasked to read twenty stories to twenty children per week, including the designing and the presentation of an arts and crafts programmes that are aligned to the stories. The Yeboneers performed beyond expectations by exceeding their target of stories read by more than 20%.
Library computer centres	The library computer centres provide free access to computers and the internet. Members of the public are able to access online government services such as school and university admission applications. The free basic computer class, which accepts enrolment from anyone who can read and write, also assists the public with the basics of writing a word document and using the internet. Participants in the course walk away with a basic computer certificate, a curriculum vitae which they are assisted to write and an email address.

Table 18: Library Services

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP						
Service Objectives / *Service Indicators* (i)	Outline Service Targets (ii)	Year 2023/2024		Year 2024/2025		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
Facilitating the development of literacy skills	Implement school and Pre-school programs	Number of participants in Literacy activities	1340	1450	1550	5950
Provide access to computers and the internet to local enterprises, schools associations and other interest groups	Establishment of computers and internet facilities at all Libraries	Number of patrons accessing computers and the internet at Library service points	3200	7200	7500	10300
Provide access to Library Facilities	Establish Library facilities including Container and Modular Libraries	Plans underway for the establishment of a satellite library in ward 6 - Horn lee	0	1	0	0

THE PERFORMANCE OF MUSEUMS

Museum activities are enthusiastically supported by members of the historical society who contribute to research, conservation work and lectures. The actions of the historical society give effect to the spirit of the heritage act which places the responsibility for preservation of heritage squarely in the hands of the practicing community.

The museum is promoted as a tourist destination through virtual networks that are accessible to both internal and international tourists. Visitors and researchers may scan the QR code link to the museum website using their smart phones while walking through the museum in order to access additional information on each exhibition.

Libraries and Museums: Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/2025: Libraries, Archives, Museums, Galleries, Community Facilities and Other					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**10 631**	**12 142**	**13 119**	**11 097**	**-15,4%**
Expenditure:					
Employees	20 158	19 604	19 398	21 147	-9,0%
Repairs and Maintenance	539	1 016	908	819	9,7%
Other	3 408	3 571	3 311	2 841	14,2%
Total Operational Expenditure	**24 105**	**24 191**	**23 617**	**24 808**	**-5,0%**
Net Operational Surplus / (Deficit)	**(13 473)**	**(12 049)**	**(10 498)**	**(13 711)**	**30,6%**
					T 3.12.5

Libraries and Museums: Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Libraries, Archives, Museums, Galleries, Community Facilities and Other				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**300 000**	**200 000**	**273 344**	**-36,7%**
Furniture and Equipment	300 000	200 000	273 344	-36,7%
				T 3.12.6

3.12 CEMETERIES

INTRODUCTION

Parks includes all the work necessary to keep public parks and open spaces safe and clean to serve the needs, to establish quality of life and contributing to the economic and environmental well-being of the community. Park developments are neglected for many years. Outdoor programming is a critical way to help individuals fighting mental health issues and to develop gross motor intervention and building of children's' muscle strength.

Cemetery management is a profession essential in one of the most important means of life, the final step, to be laid to rest. The primary task of the Knysna Municipality is to undertake clearing work as early and effectively as possible and assist in lop and remove tree branches, trees and shrubs presenting a danger.

Knysna municipality continues to focus on the identification of, and planning for, additional and alternative burial options. Other options include raising awareness of and incentivising alternatives such as cremation and mausoleum interment.

The rapid urbanisation of the population of South Africa in general is impacting negatively on the ability on local governments to provide social goods optimally to all citizens. The Knysna local municipality with its close location to the largely rural Eastern Cape is not immune to in migration. It is estimated that the population of the town is growing by approximately two percent per annum.

The competing demand for human settlement far outweighs the need to provide for burial ground within the urban edge. The topography and sensitivity of the town's natural environment further exacerbates the difficulty of finding land that is suitable for the establishment of a cemetery. However, the planned extension of the Sedgefield cemetery will increase available capacity by a few additional hectares.

Job Level	2024/2025			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	6	6	0	0
4 - 6	35	35	0	0
7 - 9	4	4	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	46	46	0	0

Cemeteries: Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/2025: Cemeteries and Cremetoriums					
	2023/2024	2024/2025			
Description	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**425 914**	**323 098**	**572 634**	**558 402**	**-2,5%**
Expenditure:					
Employees	2 257	2 087	2 326	2 346	-0,9%
Repairs and Maintenance	377	506	457	444	3,0%
Other	1 097	523	852	910	-6,7%
Total Operational Expenditure	**3 730 700**	**3 115 581**	**3 635 509**	**3 699 416**	**-1,8%**
Net Operational Surplus / (Deficit)	**(3 305)**	**(2 792)**	**(3 063)**	**(3 141)**	**2,6%**
					T 3.13.5

Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Cemeteries and Crematoriums				
	Year: 2024/2025			
Capital Projects	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**0**	**550 769**	**397 637**	**27,8%**
Cemetery Fencing	0	550 769	397 637	27,8%
				T 3.13.6

3.13 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

INTRODUCTION

Herewith a list of outstanding achievements from the Social Development and Special programmes department:

- Driver License Program with 20 participants 14 passed and 6 failed
- 244 Learner is current active in skills development training programmes
- Environmental Practices, 15 learners, duration 12months;
- Mix Farming Systems, 14 learners, duration 12month
- Office Administrator, 25 learners, durations 4months;
- New Venture Creations, 100 learners, duration 15days;
- Plumbing Hand, 20 learners, duration 62days
- Boat Builder Repairer, 10 learners, duration 3 years,
- Electrician, 21 learners, duration 3 years
- Plumber, 24 learners, duration 3 years;
- Millwright, 8 learners, duration 3 years; and
- Mechanical Fitter, 7 learners. Duration 3 years.

COMPONENT E: ENVIRONMENTAL MANAGEMENT

INTRODUCTION

Knysna embodies all the natural features that make the Garden Route one of the most popular destinations in South Africa. Local and international visitors are drawn to the area to enjoy vast tracts of indigenous forest, pristine mountain fynbos, abundant wildlife, and a coastline that includes at least two blue flag beaches. Our most outstanding feature, the Knysna Estuary, is also the most valuable estuary in South Africa.

The beauty and functionality of Knysna's natural assets is not distributed evenly throughout the municipal area. What cannot be seen from the tourist viewing sites and the sandy beaches are the heavily polluted streams and highly degraded landscapes in the northern areas of the town and the highly compromised wetlands in the low-lying areas. Most of the major environmental challenges faced by the Municipality reflect the inequalities of historical town planning in South Africa.

Illegally dumped solid waste and sewerage spills are the biggest contributors to chemical and bacteriological pollution of fresh water systems and ultimately the estuary. If the origin of the pollution is not addressed the estuary is at risk of not being fit for recreational purposes which will have a profound effect on tourism.

The imperative to keep Knysna ecologically functional and beautiful is supported by the fact that it is situated within the boundaries of the Garden Route National Park and forms part of one of the world's bio-diversity hotspots - the Cape Floral Kingdom.

This ensures that Knysna Municipality works in cooperation with environmental authorities such as SANParks, Cape Nature, DEA&DP civil society groups and non-profit organisations to ensure that natural resources are protected and enhanced for future generations.

Managing the risks associated with climate change is one of the biggest ecological challenges faced by Knysna Municipality. The ability to adapt to climate-driven changes is increasingly important as the town's economy is directly affected by shortages of water, sea level changes and extreme weather events that can lead to devastating fires, floods and droughts. A Climate Change Risk and Vulnerability Assessment forms the basis of a Climate Change adaptation plan that will allow for better planning and improved risk management through implementation of specifically designed programmes and projects that will help Knysna adapt to inevitable climate-driven changes.

The functions of the Environmental Services Section include:

- To facilitate the improved management of our natural environment
- Improve resilience to climate change
- Develop a comprehensive Climate Change Adaptation Strategy
- Pro-active strategy to mitigate the risk of potential environmental disasters
- Effective implementation of an alien vegetation eradication programme on state and privately owned land
- Promote inclusive living spaces
- Identify risk prone areas / hotspots
- Commit to protecting and restoring natural areas
- Aim to ensure long-term sustainability and efficacy

3.14 POLLUTION CONTROL

INTRODUCTION

Pump failures on critical sewer lines have precipitated on-going discharge of sewerage into the stormwater system and ultimately into the estuary resulting in the issuing of Directives by the Breede-Olifants Catchment Management Agency (BOCMA) and the Provincial Department of Environment and Development Planning (DEADP). A detailed action plan to remedy pump failures and to secure sites from vandalism was submitted to BOCMA and DEA&DP in response to the Directives and continues to be implemented within budget constraints.

Although the mandated authority for environmental health, including certain pollution challenges, is the Garden Route District Municipality, a close partnership exists between the Environmental Management department of Knysna Municipality and the District in recognition of the environmental impact of pollution on river courses and the estuary.

The Planning and Economic Development Department continue to implement pollution control strategies for all environmental pollution, as well as promote sustainable utilisation and conservation of biological diversity and natural processes for the development of all communities.

3.15 BIODIVERSITY MANAGEMENT

Environmental Management has conducted five joint enforcement operations with the National Department of Forestry Fisheries and Environment throughout the municipal area. The aim of the enforcement operations is to compel landowners to comply with the National Environmental Management: Biodiversity Act (NEMA) pertaining to invasive species in order to reduce the risk of wildfires on the urban edge and to improve biodiversity. Enforcement is on-going annually and follow-up notices are issued to landowners if they do not comply. This has resulted in fuel-load reductions in some key urban-wildland areas like Belvedere, Hoogekraal and Sedgefield.

Knysna Municipality aims to optimally manage biodiversity and ecosystem services at the local government level, aligning with international, national and provincial conservation goals.

The municipality was a key partner in a key conservation project aimed at protecting critically endangered Knysna sand fynbos that occurs largely on the Western Heads. The project was funded by the Table Mountain Fund and includes a municipal owned property overlooking the estuary.

The department continues to create employment and training opportunities for unemployed youth and women in the Natural Resource Management programmes that includes invasive plant management on municipal properties and River Health cleaning teams.

3.16 TRAFFIC POLICING AND LAW ENFORCEMENT

To provide an effective and efficient traffic management service to the community of the Greater Knysna Municipal Area aimed specifically at reducing the number of road traffic accidents, injuries and fatalities on all roads within the area of jurisdiction of the municipality in collaboration with other law enforcement agencies.

Traffic Police services entails traffic law enforcement, speed prosecution which remains our highest priority, due to daily accidents reports caused by largely ignorance and non-compliance to traffic legislation.

The following services are also rendered by the section:

- Driving licenses
- Learner licenses
- Registration and licensing of vehicles
- Roadworthiness of vehicles

The department also held 3 Joint operations for the year with other law enforcement agencies including SAPS. Monitoring of moving violations. Periodic roadblocks to maximise police visibility. Law enforcement activities as well as drinking and driving operations.

The total number of infringements issued during the 2024/2025 financial year is as follows:

Traffic Services Data	
Details	
Number of road traffic accidents during the year	140
Number of traffic officers on duty on an average day	4
Number of traffic officers on duty on an average day	4
	T.3.20.2

Activity	Result
Fines issued for traffic offenses	Information outstanding
Rand value of fines collected	Information outstanding

Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/2025: Traffic Services and Law Enforcement					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**95 402**	**98 658**	**98 771**	**69 127**	**-30,0%**
Expenditure:					
Employees	20 463	17 353	20 495	20 730	-1,2%
Repairs and Maintenance	518	150	386	372	3,6%
Other	109 759	100 434	109 125	112 071	-2,7%
Total Operational Expenditure	**130 740**	**117 937**	**130 006**	**133 173**	**-2,4%**
Net Operational Surplus / (Deficit)	**(35 338)**	**(19 278)**	**(31 235)**	**(64 046)**	**105,0%**
					T 3.20.5

Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Traffic Services and Law Enforcement				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**250 000**	**420 000**	**196 000**	**53,3%**
CCTV camera Project - Safety Initiative	250 000	420 000	196 000	53,3%
				T 3.20.6

In all informal areas, additional point duty officials were appointed to ensure scholar safety. The Knysna Law Enforcement Section reside in the Community Services Department and tasked with enforcing municipal by-laws and regulations within the jurisdiction of the municipality. A 2024/2025 Law Enforcement strategy has been developed for Knysna Municipality. This Strategy forms an integral part of the broader Community Safety Plan. The underlying principle for this plan is to make safety and security everybody's business and subsequently defines clear roles and responsibilities for the respective authorities in respect of community safety. It focusses on the effective implementation of the following joint national and local crime prevention campaigns:

- Child protection week
- Special focus on crimes against women and children, domestic violence and sexual offences (during women's month every year)
- Safer schools campaign (deployment of neighbourhood watch volunteers at schools where a high rate of incidents occurs)
- Back to school campaign (assisting to get early school leavers back in the system)
- Victim support programme
- Substance abuse awareness programmes

Some of the safety and security challenges experienced by the society in the Greater Knysna Municipal Area include the following:

- Limited visible policing
- Inadequate resources for effective and efficient combatting of crime
- Limited partnerships between SAPS and municipal stakeholders
- Poor lighting in certain areas
- Alcohol and drug abuse
- Gangsterism and increasing violence at schools
- Increase in acts of vandalism
- Increase in occupation of illegal structures

3.17 FIRE SERVICES

INTRODUCTION

Fire services are an important public service. It forms part of the social fabric of all our communities. The responsibilities for the Fire Section are divided into the following categories:

1. Fire Operations
2. Fire Safety
3. Fire Protection Association (FPA)
4. Public Information Education and Relations (PIER)
5. Training

The services it provides are critical to preventing fires and responding quickly and effectively to incidents. Fires attended, consisted of formal and informal residential fires, commercial (restaurants, shops), storages (warehouses), industry (furniture, textile, metal), transport (vehicles, trucks, and aircraft), rubbish, grass, and miscellaneous fires of which there was an increase from the previous year. Other incidents attended to, rescues, spillages (oil, petrol, diesel), special services, motor vehicle accidents, pedestrian vehicle accidents and medical assistance.

In terms of the fire brigade services act, no 9 of 1987, the service is responsible for; preventing the outbreak or spread of a fire; fighting or extinguishing a fire; the protection of life or property against a fire or other threating danger; The rescue of life or property from a fire or other danger;
Subject to the provisions of the Health Act, 1997, the rendering of an ambulance service as an integral part of the fire brigade service. The performance of any other function connected with any of the matters referred to in paragraph (a) to (e).

	Details	2023/2024	Year 2024/2025	
		Actual No.	Estimate No.	Actual No.
1	Total fires attended in the year	618	622	670
2	Total of other incidents attended in the year	821	912	962
3	Average turnout time - urban areas	10min	10min	10 Min
4	Average turnout time - rural areas	10min	10min	10 Min
5	Fire fighters in post at year end	39	44	40
6	Total fire appliances at year end	9	11	10
7	Average number of appliance off the road during the year	2	1	2
				T 3.21.2

Job Level	2024/2025			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	24	24	0	0
7 - 9	15	15	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**39**	**39**	**0**	**0**

Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/2025: Fire Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**116**	**96**	**209**	**217**	**3,8%**
Expenditure:					
Employees	23 393	22 981	22 854	24 024	-5,1%
Repairs and Maintenance	390	346	551	527	4,4%
Other	5 916	2 922	2 689	3 437	-27,8%
Total Operational Expenditure	**29 699**	**26 249**	**26 094**	**27 988**	**-7,3%**
Net Operational Surplus / (Deficit)	**(29 584)**	**(26 153)**	**(25 885)**	**(27 771)**	**7,3%**
					T 3.21.5

Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Fire Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**4 050 000**	**1 239 320**	**357 763**	**71,1%**
Establishment of fire stations - Khayalethu	0	300 000	98 078	67,3%
Construction Phase - Rheenendal SFS	1 500 000	300 000	0	100,0%
Construction Phase - Khayalethu SFS	2 000 000	89 320	84 670	5,2%
Risk Assesment - PPE	300 000	300 000	0	100,0%
Fire Hoses and Nozzles	250 000	250 000	175 015	30,0%
				T 3.21.5

COMPONENT F: MUNICIPAL HEALTH SERVICES – NOT A KNYSNA MUNICIPAL COMPETENCY

COMPONENT G: SECURITY AND SAFETY

3.18 DISASTER MANAGEMENT

INTRODUCTION

Disaster Management is defined as “a continuous and integrated multi-sectoral and multi- disciplinary process of planning and implementation of measures aimed at disaster prevention, - mitigation. - preparedness, -response, -recovery, and -rehabilitation” - as per Section 1 of the Disaster Management Act, 57 of 2002.

The Knysna Municipal Disaster Management Plan serves to confirm the organizational and institutional arrangements within the Greater Knysna to effectively prevent disasters from occurring and to lessen the impact of those hazards that cannot be avoided. The Disaster Management Act states that “Disaster Management is a continuous and integrated, multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery, and rehabilitation.”

The disaster management plan of the municipality is reviewed annually and:

- forms a core component of its Integrated Development Plan (IDP);
- anticipates the types of disasters that are likely to occur in the municipal area and their possible effect;
- places emphasis on measures that reduce the vulnerability of disaster-prone areas, communities and households;
- takes into account indigenous knowledge relating to disaster management;
- promotes disaster management research;
- identifies and address weaknesses in capacity to deal with disasters;

- provides for appropriate prevention and mitigation strategies;
- facilitates maximum emergency preparedness; and
- contains contingency plans and emergency procedures in the event of a disaster.

DISASTER MANAGEMENT JOINT OPERATIONS CENTRE (JOC)

In May 2025 a JOC was activated due to the water crises in Knysna. Sectors forming part of JOC are as follows: Knysna Municipality, Garden Route Disaster Management Centre, Traffic, Law Enforcement, Mayor's Office, Communication, NGO.S and CBO'S.

Operating Revenue and Expenditure

The following table provides an overview of the operating revenue and expenditure:

Financial Performance Year 2024/2025: Disaster Management, Animal Licencing and Control, Control of Public Nuisances and Etcetera					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**5 388**	**5 913**	**5 253**	**5 141**	**-2,1%**
Expenditure:					
Employees	4 895	5 309	5 202	4 975	4,4%
Repairs and Maintenance					#DIV/0!
Other	6 240	6 312	2 956	2 723	7,9%
Total Operational Expenditure	**11 135**	**11 621**	**8 157**	**7 698**	**5,6%**
Net Operational Surplus / (Deficit)	**(5 747)**	**(5 708)**	**(2 904)**	**(2 557)**	**-12,0%**

Capital Expenditure

The following table provides an overview of the capital expenditure:

Capital Expenditure Year 2024/2025: Disaster Management, Animal Licencing and Control, Control of Public Nuisances and Etcetera				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**0**	**0**	**0**	**0,0%**
				T 3.22.6

COMPONENT H: SPORT AND RECREATION

3.19 SPORT AND RECREATION

Sport and recreation continue to be important components of community well-being. This section resides in the Community Services Department. The people in the Greater Knysna Municipal Area are very passionate about sport in general and the discussion of this topic was particularly prevalent during the public participation process of the IDP review where communities in nearly all wards demonstrated clearly the high priority, they put on sport facilities and sport development programmes.

There are a number of sport facilities in the GKMA which accommodate a number of sport codes and some are better developed and equipped than others. The better developed sport facilities such as Loerie Park, Hornlee and the most recent, White Location Multi-Purpose Centre is located near the town of Knysna whilst smaller facilities are also located in Sedgefield, Rheenendal and Karatara. The upgrading of sport facilities remains a major challenge for Knysna Municipality simply because it has to compete with other pressing priorities during the budgeting process.

In short, the goals of the section are:

- To facilitate the participation in various sporting codes;
- To encourage total well-being by facilitating and co-ordinating equal access to sports and recreational facilities;
- To enhance the quality of life of residents with special focus on disadvantaged and rural communities;
- To develop certain sporting programmes to assist the youth to develop in specific sporting codes; and
- To provide and maintain sports and recreational facilities and infrastructure with special focus on the disadvantaged and rural communities

COMMENT ON SPORT AND RECREATION

Knysna municipality has identified with our community stakeholders that the areas of sports and recreational facilities need specific interventions to satisfy the need experienced in this community. Many of the areas with existing facilities have been neglected in the past and are being over-utilized due to Knysna's inherent shortage of land or are being vandalized due to lack of secure perimeters around the facility.

Operating Revenue and Expenditure

Financial Performance Year 2024/2025: Sport and Recreation					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**1 480**	**1 549**	**1 660**	**1 688**	**1,7%**
Expenditure:					
Employees	13 740	13 409	13 784	14 127	-2,5%
Repairs and Maintenance	2 356	7 744	7 634	6 897	9,6%
Other	7 976	2 050	2 046	1 992	2,6%
Total Operational Expenditure	**24 072**	**23 203**	**23 464**	**23 016**	**1,9%**
Net Operational Surplus / (Deficit)	**(22 592)**	**(21 654)**	**(21 804)**	**(21 329)**	**-2,2%**
					T 3.23.4

Capital Expenditure

Capital Expenditure Year 2024/2025: Sport and Recreation				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**8 016 435**	**8 816 698**	**6 815 824**	**22,7%**
New Tipper Truck	600 000	600 000	0	100,0%
Small Plant Equipment	180 000	180 000	122 140	32,1%
New LDV Sports Facilities	460 000	460 000	0	100,0%
Rugby and Soccer posts	200 000	100 000	100 000	0,0%
MIG: 285770 Upgrade Sportsfield PH2 (Bongani)	6 576 435	7 476 698	6 593 684	11,8%
				T 3.23.5

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION

This component includes: This component includes Executive Office (Executive Mayor, Speaker, Councillors and Director: Corporate Services), legal services, human resource services, ICT services, public participation and property services. Council does not have a corporate policy office. Policies are developed by the various departments, management and/or political wing as may be appropriate and required. These policies and by-laws are submitted for approval by Section 80 Committees, Mayoral Committee and ultimately the Municipal Council.

3.20 EXECUTIVE AND COUNCIL (EXECUTIVE MAYOR, COUNCILLORS & MUNICIPAL MANAGER)

The Knysna Council is headed by the Speaker. It is the legislative and oversight authority in the municipality. The executive function and day-to-day running of the municipality is dealt with by the Executive Mayor and the Mayoral Committee in conjunction with the Office of the Municipal Manager and the Top Management Team (Six Directors). The clear role clarification streamlines service delivery and enhances efficiency and effectiveness of performance. A clear distinction has been drawn between these functions and is regulated by Council's adopted System of Delegations. The Mayor also plays a significant role in the preparation and oversight of the municipal IDP, budget and SDBIP ensuring that financial resources are allocated efficiently to meet community needs.

Office of the Municipal manager draws its mandate from section 55(1) of the Municipal Systems Act, Act, 2000 (Act 32 of 2000) amongst which paragraph (a) (d)(k) and (n) which dictates that, as head of administration the Municipal manager of the municipality is, subject to the policy direction of the Municipal Council, responsible and accountable for:

- the formation and development of an economical, effective, efficient and accountable administration;
- the management of the provision of services to the local community in a sustainable and equitable manner;
- carrying out the decisions of the Political structures and political office bearers of the municipality; and
- facilitate participation by local community in the affairs of the municipality.

SERVICE STATISTICS OF COUNCIL

Council meetings held
Mayoral Committee Meetings Held
Section 80 Portfolio Committee Meetings Held
Number of Ward Committee Meetings Held

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Council appointed a Municipal Manager, Director Integrated Human Settlements, Director: Corporate Services and Director: Community Services.

Operating Revenue and Expenditure

Financial Performance Year 2024/2025: Executive and Council					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**5 738**	**5 835**	**17 435**	**4 835**	**-72,3%**
Expenditure:					
Employees	25 063	24 145	24 722	27 884	-12,8%
Repairs and Maintenance					#DIV/0!
Other	14 303	13 367	11 948	14 027	-17,4%
Total Operational Expenditure	**39 365**	**37 512**	**36 670**	**41 910**	**-14,3%**
Net Operational Surplus / (Deficit)	**(33 627)**	**(31 677)**	**(19 235)**	**(37 075)**	**92,7%**
					T 3.24.5

Capital Expenditure

Capital Expenditure Year 2024/2025: Executive and Council				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**0**	**0**	**0**	**0,0%**
Program Office Equipment	10 000	10 000	0	100,0%

3.21 FINANCIAL SERVICES

The department is tasked with the provision of financial services in an accountable, effective and transparent manner. Strict measures are in place to protect the financial integrity of the municipality as well as to ensure compliance with the Municipal Finance Management Act, 2003 (Act 56 of 2003).

The following main services are rendered by the department:

- Revenue Management, including billing and collection of municipal rates and service charges
- Expenditure Management, including the rendering of a payroll function and Supply Chain Management
- Asset Management
- Financial Reporting
- Budgeting

A mSCOA roadmap /project plan has been compiled and closely adhered to. Remaining differences are addressed. The mSCOA steering committee has been established. The Municipality has however tabled a funded budget for the 2025/2026 financial year.

The Finance Department performed well in 2024/2025. Debt collection targets were met and will remain the focus area for the 2024/2025 financial year. Ongoing improvements in revenue management, including ongoing completeness of revenue reconciliations. The collection rate of 93% was also achieved. Ongoing implementation of cost containment measures in line with the National Treasury MFMA Circular 82 (Cost Containment Measures) as well as the new regulations on cost containment have been implemented.

Financial Performance Year 2024/2025: Financial Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**328 439**	**352 579**	**362 777**	**367 467**	**1,3%**
Expenditure:					
Employees	32 422	34 217	33 672	33 736	-0,2%
Repairs and Maintenance	177	90	157	126	19,6%
Other	24 403	56 851	60 243	23 043	61,7%
Total Operational Expenditure	**57 003**	**91 158**	**94 073**	**56 906**	**39,5%**
Net Operational Surplus / (Deficit)	**271 437**	**261 421**	**268 704**	**310 562**	**15,6%**
					T 3.25.5

Capital Expenditure Year 2024/2025: Financial Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**11 130**	**14 130**	**8 392**	**0,0%**
Program Office Equipment	11 130	14 130	8 392	40,6%
				T 3.25.6

3.22 HUMAN RESOURCES

Human resources is a critical function within the municipality, focusing on the management of people, the most valuable asset of the municipality. The primary objective of Human Resources is to maximise employee performance in alignment with the strategic objectives.

Human Resources is one of the supporting functions within Corporate Support Services Department, its main functions are as follows:

- Leave Administration
- Recruitment
- Benefits
- Terminations, Labour Relations
- Skills Development,
- Occupational Health and Safety
- Employee Wellness

Knysna Municipality is a low to medium capacity municipality and rated as a Category 3 Municipality, but, still compete with higher graded, higher income municipalities for the available skills in the region, the province and ultimately the country.

There is a bursary scheme in the form of “Study Assistance” which has helped employees to achieve their academic dreams, including utilisation of training resources which assisted immensely in developing employees.

The continued success of the Local Labour Forum also contributes tremendously to sound employer and employee relations.

Services Statistics for:

- Recruitment and selection
- Training and development
- Attendance and leave
- Labour Relations
- Occupational Health and Safety

Financial Performance Year 202/2025: Human Resource Services4					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)			**11 363**	**574**	**-95,0%**
Expenditure:					
Employees	5 195	6 588	6 204	5 543	10,7%
Repairs and Maintenance					#DIV/0!
Other	9 959	10 420	20 917	10 659	49,0%
Total Operational Expenditure	**15 155**	**17 008**	**27 121**	**16 202**	**40,3%**
Net Operational Surplus / (Deficit)	**(15 155)**	**(17 008)**	**(15 757)**	**(15 628)**	**-0,8%**
					T 3.26.5

Capital Expenditure Year 2024/2025: Human Resource Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**0**	**0**	**0**	**0,0%**
				0,0%
				T 3.26.6

3.23 INFORMATION COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT services provide an advisory, strategic, developmental and management service in order to maintain and control the information systems, communication network and technology resources for the Municipality. Thus, to ensure compliance, availability, continuity, integrity and security of the Municipality's data and services. The Municipality has identified ICT as an enabler to the delivery of the IDP delivering on its mandate. The ICT is furthermore responsible for ensuring that all technical systems within the Municipality function smoothly and efficiently. Daily backups are performed and securely stored for safekeeping. Support for municipal and financial systems is outsourced, while the ICT department maintains the network and computer hardware.

One highlight for the year include that the Knysna Municipal Council has adopted the ICT Policies for the 2024/2025 financial year. With the review, amendments were done to maintain and increase the business operational efficiency. Network infrastructure has also been upgraded to allow reliable cloud services, increased network stability and upgraded network security measures.

Job Level	2024/2025			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	5	5	0	0
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	0	0	0	0
Total	**7**	**7**	**0**	**0**

Operating Revenue and Expenditure

Financial Performance Year 2024/2025: ICT Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)				**48 955**	**#DIV/0!**
Expenditure:					
Employees	5 272	5 763	5 148	5 215	1,3%
Repairs and Maintenance	6	5	–	–	#DIV/0!
Other	12 317	13 385	13 268	11 810	-11,0%
Total Operational Expenditure	**17 596**	**19 152**	**18 416**	**17 025**	**-7,6%**
Net Operational Surplus / (Deficit)	**(17 596)**	**(19 152)**	**(18 416)**	**(16 976)**	**-7,8%**
					T 3.27.5

Capital Expenditure

Capital Expenditure Year 2024/2025: ICT Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**1 800 000**	**1 835 000**	**268 141**	**85,4%**
Replacement Laptops	100 000	135 000	64 491	52,2%
Replacement Desktops	50 000	50 000	70 450	-40,9%
UPS System	350 000	350 000	133 200	61,9%
New Server	1 300 000	1 300 000	0	100,0%
				T 3.27.6

3.24 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

The property portfolio of the municipality is being managed by the Corporate Services Directorate. The properties mainly relate to land and buildings that are either currently used or are earmarked for the rendering of municipal services.

Legal Services plays a crucial role in the Municipality by finalizing agreements and providing legal input on various matters such as policies, contracts, legislation, and by-laws. The section also offers legal advice to different departments, ensuring compliance with the Constitution and relevant legislation. Furthermore, Legal Services is responsible for distributing new legislation and case law to keep the Municipality informed and compliant.

Some of the highlights of the Legal Services Department include:

- 100 Per cent of legal opinions finalised within seven working days
- 100 Per cent input on all contracts drafted, perused and edited
- 100 Per cent appeals and objections received against the tender awarding process administered
- 100 Per cent of all signed sales agreements to conveyancers to effect transfers submitted

Risk management resides in the Office of the Municipal Manager and place as detailed in the relevant section.

Procurement resides under the Finance Department and is discussed in detail under the section dealing with Financial Performance. (Chapter 5)

Operating Revenue and Expenditure

Financial Performance Year 2024/2025: Property, Legal, Risk Management and Procurement Services					
Description	2023/2024	2024/2025			
	Actual Results	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total Operational Revenue (Capital Grants Excluded)	**6 078**	**6 251**	**5 825**	**6 341**	**8,9%**
Expenditure:					
Employees	10 409	10 942	11 636	11 749	-1,0%
Repairs and Maintenance	512	500	502	447	10,9%
Other	23 278	22 838	18 995	18 003	5,2%
Total Operational Expenditure	**34 199**	**34 280**	**31 134**	**30 200**	**3,0%**
Net Operational Surplus / (Deficit)	**(28 121)**	**(28 029)**	**(25 309)**	**(23 859)**	**-5,7%**
					T 3.28.5

Capital Expenditure

Capital Expenditure Year 2024/2025: Property, Legal, Risk Management and Procurement Services				
Capital Projects	Year: 2024/2025			
	Original Budget	Adjustments Budget (AB)	Actual Results (AR)	Positive / (Negative) Variance % (AB) to (AR)
Total: Capital Projects	**0**	**0**	**0**	**0,0%**
Establishment of the Municipal Court	1 000 000	0	0	0,0%
				T 3.28.6

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PART II)

INTRODUCTION

Knysna municipality is aiming at maximising the potential of staff and their contribution to service delivery and organisational performance. Human resources are the primary investment for the municipality and the municipality endeavour to maintain its investment in critical staff in particular in line with the Section 154 implementation programme.

The Organisational Development Performance is reported on, based on the strategic objectives and support functions of the organisation. Organisational Development within the organisation is aligned to the IDP objectives and vision and mission statement of Knysna municipality.

Specific Organisational Development Performance that can be reported include Organisational Structure, Staff Establishment and Workforce Profile.

To ensure effectiveness and efficiency within the organisation, Knysna municipality annually, by the end of April, develops and submit a Workplace Skills Plan, after conducting a comprehensive training needs analysis. The necessary training is then provided depending on availability of funds.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

Municipal officials include to the employees and officials who work within the municipality responsible for various service delivery and administrative functions. The play a crucial role in managing and delivering quality services that affect the daily lives of communities.

The organisation has seven departments with a total staff compliment of 636 employees at the end of the reporting period. The total number of employees is inclusive of permanent, temporary and fixed term contract employees.

The existing structure was approved in the 2021/2022 financial. The organisational structure for the organisation is currently under review. The structure will be approved in terms of the 2025/2026 budget allocated for the provision of positions as motivated for by the Staff Establishment Report.

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Knysna Municipality aims to ensure that all appointments are aligned to the employment equity provisions. Internal promotions of staff, where the appointment is within the same occupational level, are usually open for all candidates to apply as it would not impact on the representativeness within the occupational level. All other vacancies whether internal or external are adherent to equity requirements. In cases where there is not a specific equity target other designated groups are given an opportunity.

Employees					
Description	2023/2024	2024/2025			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	24	8	25	28	0 %
Waste Water (Sanitation)	3	4	1	0	100 %
Electricity	30	3	24	5	67 %
Waste Management	93	16	83	1	100 %
Housing	10	1	11	0	100 %
Waste Water (Stormwater Drainage)	92	1	76	0	100 %
Roads	64	3	64	0	100 %
Transport	0	0	0	0	100 %
Planning	22	0	25	0	0 %
Local Economic Development	5	0	4	0	0 %
Planning (Strategic & Regulatory)	0	0	0	0	100 %
Local Economic Development	0	0	0	0	0 %
Community & Social Services	113	5	102	1	100 %
Environmental Protection	4	0	4	0	0 %
Health	0	0	0	0	0 %
Security and Safety	81	8	80	0	100 %
Sport and Recreation	1	6	1	0	100 %
Corporate Policy Offices and Other	36	15	51	0	87 %
Totals	**580**	**72**	**551**	**35**	**–**
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.					**T 4.1.1**

Vacancy Rate: 2024/2025			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	100.00
CFO	1	0	100.00
Other S57 Managers (excluding Finance Posts)	5	0	100.00
Other S57 Managers (Finance posts)	13	4	31%
Police officers	0	0	00.0
Fire fighters	36	3	8.3%
Senior management: Levels 13-15 (excluding Finance Posts)	15	0	0%
Senior management: Levels 13-15 (Finance posts)	3	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	102	23	22.%
Highly skilled supervision: levels 9-12 (Finance posts)	26	0	0%
Total	**202**	**30**	**14.%**
*Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*			**T 4.1.2**

The positions of Municipal Manager, Director Integrated Human Settlements, Director Infrastructure Services, Director Corporate Support Services and Director Community Services and Social Services has been vacant for a relatively long period. The Municipal Council, in the 2024/2025 financial year, filled all these vacancies.

Turnover comes mainly as a result of death, dismissals, resignations, retirements and the ending of employment contracts.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION

Workforce management is achieved through proper Human Resources processes and procedures, aligned to Section 67 of the Municipal Systems Act, 2000 (Act 32 of 2000). The objective is to ensure full compliance with the development and implementation of applicable systems and procedures to safeguard the fair, efficient, effective and transparent municipal administration.

This is achieved through the Human Resource Strategy and Integrated Development Plan (IDP). Adherence and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace also contributes largely to municipal workforce management.

4.2 POLICIES

HR Policies and Plans				
No	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
1	Acting Allowance and Additional Responsibility Policy		05/2022	9/07/2005
2	Bursary Policy		Under Review	29/10/2015
3	Disciplinary Procedure Collective Agreement			06/02/2018 (SALGBC)
4	Employee Assistance Programme Policy		Under Review	25/01/2005
5	Education, Training & Development			5/07/2005
6	Employment Equity Policy			25/01/2005
7	First Aid Policy		Under Review	05/08/2013
8	Grievance Procedures			09/09/2015 (SALGBC)
9	HIV / AIDS Policy			25/01/2005
10	Housing Allowance Policy			29/03/2007
11	Injury on Duty Policy		Under Review	5-Jul-05
12	Internship Policy		Under Review	28/09/2006
13	Ill Health Policy		Under Review	26/06/2005
14	Job Evaluation Policy			30/05/2019
15	Leave Policy		Under Review	29/10/2015
16	Mobile Communication Services Policy		30/05/2019	05/05/2010
17	Nepotism Policy			01/02/2001
18	Occupational Health and Safety Policy		Under Review	5/07/2005
19	Information Technology (IT)		27/05/2021	30/05/2019
20	Overtime & Standby Policy		11/06/2020	28/09/2014
21	Placement Policy			30/05/2019
22	Private Work Policy		11/06/2020	4/072005
23	Recruitment and Selection Policy		05/2022	29/07/2004
24	Scarce Skills and Retention Policy			30/05/2019
25	Sexual Harassment Policy			25/01/2005
26	Smoke Policy			31/05/2001
27	Subsistence and Travel Policy		11/06/2020	28/09/2006
28	Substance Abuse Policy			25/01/2005
29	Vehicle Transport Allowance Policy			11/06/2020

HR Policies and Plans				
No	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
30	Promotion, Demotion and Transfer Policy			11/06/2020
31	COVID-19 Policy			14/05/2020
32	Privacy Policy			30/09/2021
33	Traveling Allowance Scheme Policy			30/05/2019
Use name of local policies if different from above and at any other HR policies not listed.				**T 4.2.1**

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee
	Days	No.	%	Days
Required basic medical attention only	205	16	8%	41
Temporary total disablement	132	2	2%	26
Permanent disablement	0	0	0%	0
Fatal	0	0	0%	0
Total	**337**	**18**	**5%**	**67**

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0.15	30
Skilled (Levels 3-5)	40			22	0.26	
Highly skilled production (levels 6-8)	136			58	0.88	
Highly skilled supervision (levels 9-12)	6	95%	2	26	0.04	31
Senior management (Levels 13-15)	230			11	1.48	
MM and S57	65			8	0.42	
Total	**501**	**93%**	**12**	**155**	**3.23**	**61**
** - Number of employees in post at the beginning of the year* **Average is calculated by taking sick leave in column 2 divided by total employees in column 5*						**T 4.3.2**

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
Technical Services Officer	Soliciting bribes in return for employment	05 June 2025	In progress	In progress
Cashier	Theft	07 February 2025	In progress	In progress
Clerk: Records	Under the influence of intoxicating liqueur while on duty	26 January 2024	Finalized	28 March 2024
				T 4.3.5

4.4 PERFORMANCE REWARDS

In terms of Regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 R.805 a performance bonus based on the affordability, may be paid to the employee, after:

1. the annual report for the financial year under review has been tabled and adopted by the municipal council;
2. an evaluation of performance in accordance with the provision of regulation 23; and
3. approval of such evaluation by the municipal council as a reward for outstanding performance.

The performance evaluation outcome in this instance determines the level of reward as determined by the Performance Evaluation Outcome. The signed Performance Agreement which includes specific key performance indicators (KPI's) and targets for set periods, determine levels of reported performance substantiated with specified Portfolios of Evidence (POE) provided at the time of reporting. The referred performance agreements are contracted between the municipality and appointed senior managers. In terms of the Performance Management Framework, individual performance management and performance reward and categories of performance rewards is at this stage only implemented and applied at an Executive Management level in Knysna Municipality; i.e. the Municipal Manager and all Senior Managers reporting to the Municipal Manager.

Apart from the CFO and Director: Planning and Economic Development, the position of Municipal Manager and Director's positions have been vacant for the year under review under review and different officials were appointed to act. The Municipality's individual Performance Management System has not yet been fully cascaded down to the second reporting line of managers reporting to Directors.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the Municipal Systems Act, 2000 (Act 32 of 2000) provides that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a Municipality must comply with the Skills Development Act (SDA), 1998 (81 of 1998), and the Skills Development Levies Act, 1999 (Act 28 of 1999).

Capacity Development is linked to the Annual Workplace Skills Plan (WSP). Training needs identified through the Personal Development Plans (PDPs) and found to be a priority for the year were addressed through formal, accredited training.

Knysna Municipality submitted its Workplace Skills Plan (WSP) and an Annual Training Report (ATR), as required by the Skills Development Act, to the Local Government Sector Education and Training Authority (LGSETA) by 30 April 2025. These two documents were certified by the LGSETA as having met the eligibility criteria.

MFMA COMPLIANCE TO MINIMUM COMPETENCY REGULATIONS

Key municipal officials that are occupying critical positions are compliant with the Minimum Competency Regulations, as required by Section 83 of the Local Government: Municipal Finance Management Act, Act 53 of 2006. The program will continue to be rolled out to ensure that all relevant employees are compliant.

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2025	Number of skilled employees required and actual as at 30 June 2025											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and S57	Female	2	0	0	0	0	0	0	0	0	0	0	0	0
	Male	5	0	0	0	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	21	0	0	0	0	0	0	0	0	0	0	0	0
	Male	30	0	0	0	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	Female	48	0	0	0	0	0	0	0	0	0	0	0	0
	Male	40	0	0	0	0	0	0	0	0	0	0	0	0
Professionals	Female	29	0	0	0	0	0	0	0	0	0	0	0	0
	Male	16	0	0	0	0	0	0	0	0	0	0	0	0
Sub total	Female	100	0	0	0	0	0	0	0	0	0	0	0	0
	Male	91	0	0	0	0	0	0	0	0	0	0	0	0
Total		**191**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

**Registered with professional Associate Body e.g CA(SA)*

T 4.5.1

COMPONENT D: WORKFORCE EXPENDITURE MANAGEMENT

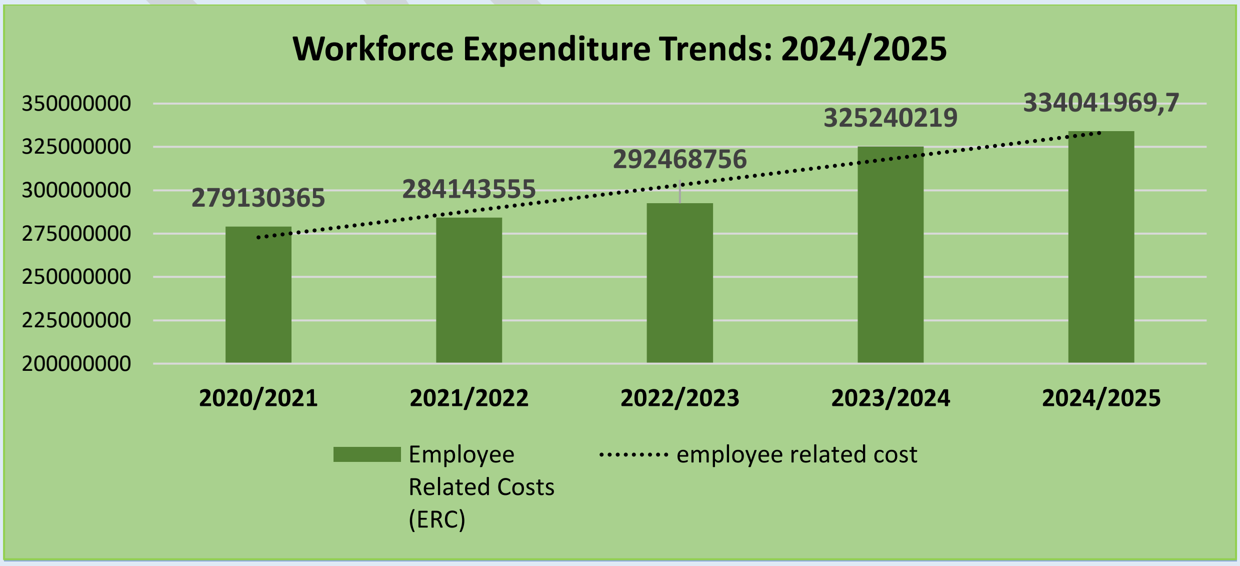
INTRODUCTION

Section 66 of the Municipal Systems Act, 2000 (Act 32 of 2000) provides that the Municipal Manager of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

Workforce expenditure is managed and monitored by ensuring that all vacancies are budgeted for and the vacancy appears on the organisational structure, prior to filling the position. The confirmation of appointment is confirmed by the Department: Corporate Services, Financial Services and approved by the Municipal Manager, before an offer of employment is made to the recommended incumbent. All employee related expenditure is aligned to the salary budget for the 2024/2025 financial year.

4.6 EMPLOYEE RELATED EXPENDITURE

Workforce Expenditure Trends					
Financial Year	Total Operating Expenditure (OPEX)	Employee Related Costs (ERC)	ERC Value Increase	ERC Increase %	ERC as a % of OPEX
2019/2020	918 048 123	258 240 519	12 953 567	5,3%	28,1%
2020/2021	958 335 354	279 130 365	20 889 846	8,1%	29,1%
2021/2022	1 027 531 695	284 143 555	5 013 190	1,8%	27,7%
2022/2023	1 067 100 160	292 468 756	8 325 201	2,9%	27,4%
2023/2024	1 181 225 702	325 240 219	32 771 463	11,2%	27,5%
2024/2025	1 166 604 739	333 976 574	8 736 355	2,7%	28,6%
					T 4.6.1A



National Treasury norm is 33 per cent, based on the audited financial years. Knysna personnel cost is averaging between 28,6 per cent and 30 per cent. Employee cost increases are in line with inflation and implemented 1 July annually and the Knysna council only increase in line with South African Local Government Bargaining Council.

CHAPTER 5: FINANCIAL PERFORMANCE

INTRODUCTION

This chapter comprises of three components and highlights specific accomplishments:

1. Component A: Statement of Financial Performance
2. Component B: Spending Against Capital Budget
3. Component C: Other Financial Matters

COMPONENT A:

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

The purpose of the Statement of Financial Performance is to give an account of the results of municipality's operations. These transactions result from the operating budget. The result is expressed as being either a surplus or a deficit (being the difference between Revenue and Expenditure).

A surplus is indicative of Revenue being more than Expenditure and a deficit of Expenditure being more than Revenue. The purpose of the Statement of Financial Position is to give an account of the assets and liabilities at the end of the financial year. Net assets are shown, which are the difference between the assets and the liabilities. The cash flow statement shows the net cash result. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 71 reports, submitted to Council.

The three main categories:

Net cash as a result of operating activities – this category shows the result of the operations of Knysna Municipality in cash terms. It includes the provisioning of municipal services, purchasing of inventory, debtors and creditors transactions and interest received and paid.

Net cash resulting from investing activities – this category shows the result from funds invested (either assets through the capital budget or as cash investments) as well as investments withdrawn.

Net cash resulting from financing activities – this category shows the result from financing activities, being mainly external loans taken up or redeemed.

Statement of Financial Performance: Year 2024/2025						
Description	2023/2024	2024/2025				
	Actual Results (R'000)	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Actual Results as a % of Original Budget	Actual Results as a % of Adjustments Budget
Financial Performance						
Property rates	312 143 268	336 224 732	344 356 295	348 305 529	103,6%	101,1%
Service charges	511 467 291	576 484 657	559 847 441	566 735 638	98,3%	101,2%
Investment revenue	0	21 043 958	30 072 442	29 520 070	140,3%	98,2%
Transfers recognised - operational	144 426 343	164 365 348	168 270 075	153 070 650	93,1%	91,0%
Other own revenue	158 162 432	221 046 946	249 045 039	218 749 841	99,0%	87,8%
Total Revenue (Excluding Capital Grants)	**1 126 199 334**	**1 319 165 641**	**1 351 591 292**	**1 316 381 727**	**99,8%**	**97,4%**
Employee costs	319 034 507	325 141 735	329 006 304	338 640 656	104,2%	102,9%
Remuneration of councillors	9 821 279	11 003 414	9 767 729	9 684 105	88,0%	99,1%
Bad debts written off	0	1 298 772	853 964	0	0,0%	0,0%
Debt impairment	11 906 520	165 600 503	163 330 912	130 479 139	78,8%	79,9%
Depreciation & asset impairment	41 593 959	58 383 147	58 383 147	54 160 812	92,8%	92,8%
Finance charges	32 590 165	34 930 633	38 529 291	38 025 142	108,9%	98,7%
Materials and bulk purchases	336 522 159	378 543 830	370 666 065	368 178 132	97,3%	99,3%
Transfers and grants	903 233	1 122 870	12 120 805	1 661 039	147,9%	13,7%
Contracted services	136 951 043	170 937 633	154 109 856	150 412 891	88,0%	97,6%
Other expenditure	85 940 868	81 766 271	89 211 120	83 858 360	102,6%	94,0%
Total Expenditure	**975 263 733**	**1 228 728 808**	**1 225 979 193**	**1 175 100 275**	**95,6%**	**95,8%**
Surplus/(Deficit)	**150 935 601**	**90 436 833**	**125 612 099**	**141 281 453**	156,2%	112,5%
Transfers recognised - capital	30 076 576	65 521 652	71 840 695	47 049 822	71,8%	65,5%
Contributions recognised - capital & contributed assets					#DIV/0!	#DIV/0!
Surplus/(Deficit) after capital transfers & contributions	**181 012 177**	**155 958 485**	**197 452 794**	**188 331 275**	120,8%	95,4%
Share of surplus/ (deficit) of associate	0	0	0	0	#DIV/0!	#DIV/0!
Surplus/(Deficit) for the year	**181 012 177**	**155 958 485**	**197 452 794**	**188 331 275**	**120,8%**	**95,4%**

5.2 FINANCIAL PERFORMANCE OF OPERATING EXPENDITURE BY GFS CLASSIFICATION

In the table below the operating expenditure performance by GFS classification is depicted. Knysna Municipality has spent R 1.1 billion of the final operating adjustments budget of R 1.22 billion on operating activities.

Financial Performance of Operational Expenditure By GFS Classification						
Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual Results (R'000)	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget (%)	Adjustments Budget (%)
Operating Cost						
Water	116 126	86 098	88 716	95 557	9,9%	7,2%
Waste Water (Sanitation)	91 638	99 323	76 827	75 460	-31,6%	-1,8%
Electricity	377 027	425 259	428 988	411 650	-3,3%	-4,2%
Waste Management	68 904	65 341	67 368	74 263	12,0%	9,3%
Housing	42 712	40 442	42 881	40 687	0,6%	-5,4%
Component A: Sub-total	**696 407**	**716 463**	**704 781**	**697 617**	**-2,7%**	**-1,0%**
Roads	48 652	46 929	44 064	41 752	-12,4%	-5,5%
Component B: Sub-total	**48 652**	**46 929**	**44 064**	**41 752**	**-12,4%**	**-5,5%**
Planning and Development	35 779	37 096	38 925	39 361	5,8%	1,1%
Environmental Protection	4 580	7 373	4 503	4 015	-83,7%	-12,2%
Component C: Sub-total	**40 359**	**44 470**	**43 428**	**43 375**	**-2,5%**	**-0,1%**
Community & Social Services	25 312	26 612	24 016	23 676	-12,4%	-1,4%
Public Safety	158 803	144 186	155 609	160 730	10,3%	3,2%
Sport and Recreation	21 613	19 699	19 901	19 475	-1,2%	-2,2%
Executive, Council and Other	191 121	230 370	234 179	188 475	-22,2%	-24,2%
Component D: sub-total	**396 850**	**420 868**	**433 706**	**392 356**	**-7,3%**	**-10,5%**
Total Expenditure	**1 182 268**	**1 228 729**	**1 225 979**	**1 175 100**	**-4,6%**	**-4,3%**

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5.3 GRANTS

Grant Performance: Year 2024/2025						
Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual Results (R'000)	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget (%)	Adjustments Budget (%)
Operating and Capital Grants						
National Government:	**201 320**	**198 473**	**80 993**	**180 962**	**8,8%**	**-123,4%**
Equitable Share	122 358	130 575	0	130 575	0,0%	#DIV/0!
Municipal Infrastructure Grant (MIG)	24 199	28 582	28 487	19 643	31,3%	31,0%
Neighbourhood Development Parnership Grant (NDPG)	8 397	10 477	20 477	14 737	-40,7%	28,0%
Integrated National ElectricifcationProgramme (INEP)	40 000	15 760	9 900	1 077	93,2%	89,1%
Finance Management Grant (FMG)	1 771	1 800	0	1 800	0,0%	#DIV/0!
Expanded Public Works Programme (EPWP)	1 264	1 279	0	1 279	0,0%	#DIV/0!
Water Services Infrastructure Grant	3 331	10 000	9 006	8 896	11,0%	1,2%
Municipal Disaster Recovery Grant (new)	0	0	2 600	2 382	#DIV/0!	8,4%
Chemical Industry CHIETA	0	0	840	403	#DIV/0!	52,1%
Construction, Education and Training SETA	0	0	9 683	171	#DIV/0!	98,2%
Provincial Government:	**35 193**	**53 384**	**34 604**	**40 603**	**23,9%**	**-17,3%**
Human Settlement Development Grant	24 126	32 280	25 524	26 045	19,3%	-2,0%
Library Grant	10 978	11 113	0	9 663	13,0%	#DIV/0!
Title Deed Restoration	0	828	-828	2	99,8%	100,2%
Community Development Worker Grant	57	57	57	57	0,0%	0,0%
Financial Management Capability Grant	32	150	725	375	-150,2%	48,2%
Transport Grant	0	130	80	0	100,0%	100,0%
Municipal Energy Resilience Grant	0	600	0	25	95,8%	#DIV/0!
Municipal Water Resilience Grant	0	8 136	9 136	4 363	46,4%	52,2%
SANBI Groen Sebenza	0	90	-90	72	20,2%	179,8%
Total Operating and Capital Grants	**236 513**	**251 857**	**115 597**	**221 565**	**12,0%**	**-91,7%**

COMMENT ON GRANTS

The gazetted grants were not spent in full during the year under review. An application was made for the roll-over of grants.

5.4 ASSET MANAGEMENT

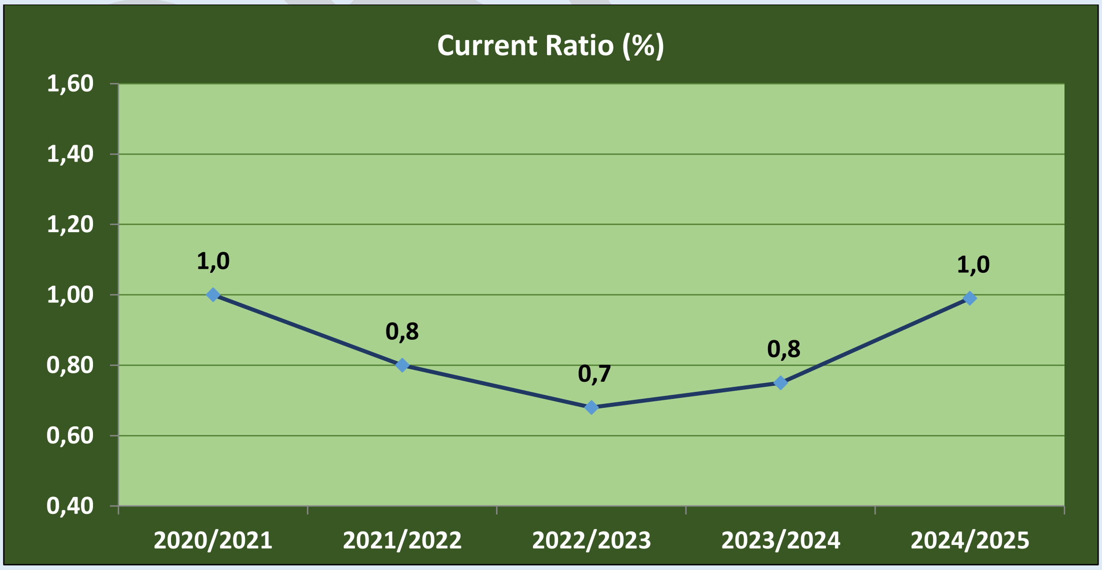
The management of municipal assets is crucial for the sustainability of the municipality as it is not possible to render any services without properly maintained assets. Increased municipal investment in infrastructure, in particular roads, water and sanitation infrastructure will be required in the next few years.

Repairs and Maintenance Expenditure: Year 2024/2025				
Description	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Positive / (Negative) Variance (%)
Repairs and Maintenance Expenditure	41 236	41 236	40 908	0,8%
Total Operating Expenditure	1 228 729	1 225 979	1 166 605	4,8%
Repairs and Maintenance as a % of Total Operating Expenditure	**3,4%**	**3,4%**	**3,5%**	

5.5 FINANCIAL RATIO'S

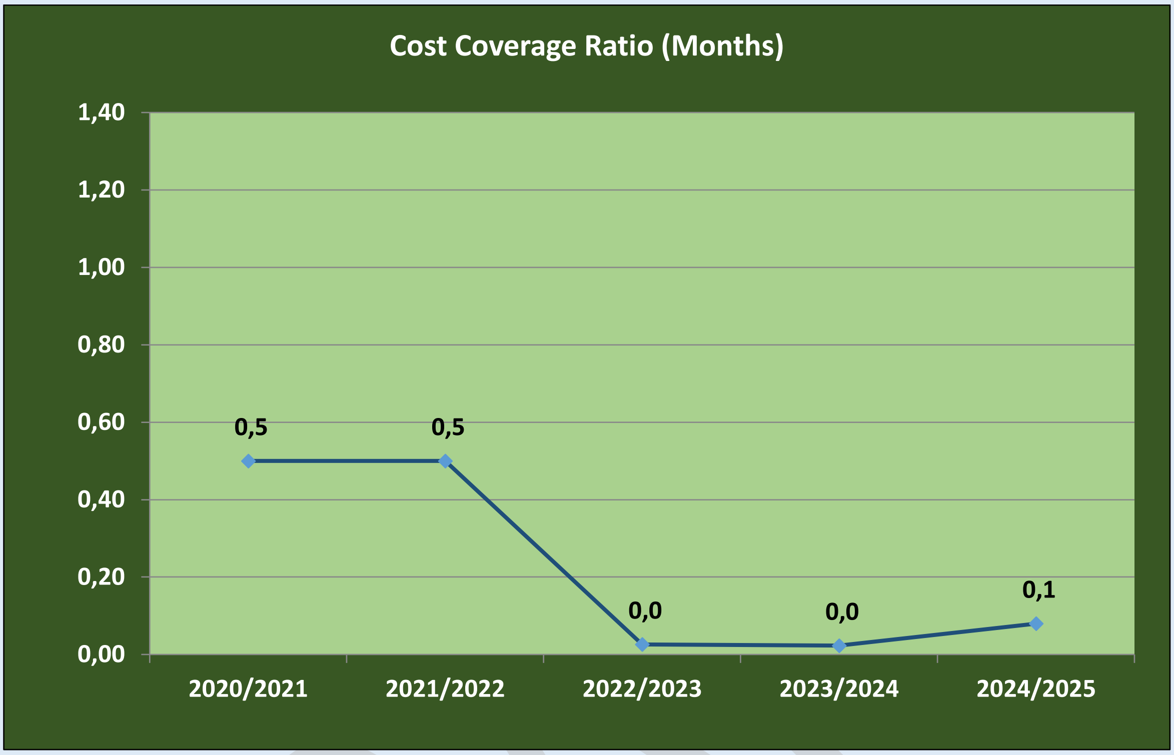
5.5.1 Current Ratio

The current ratio represents the ability of the Municipality's current assets to service its current liabilities. The result is just below the acceptable norm of 1:1 for Local Government.



5.5.2 Cost Coverage Ratio

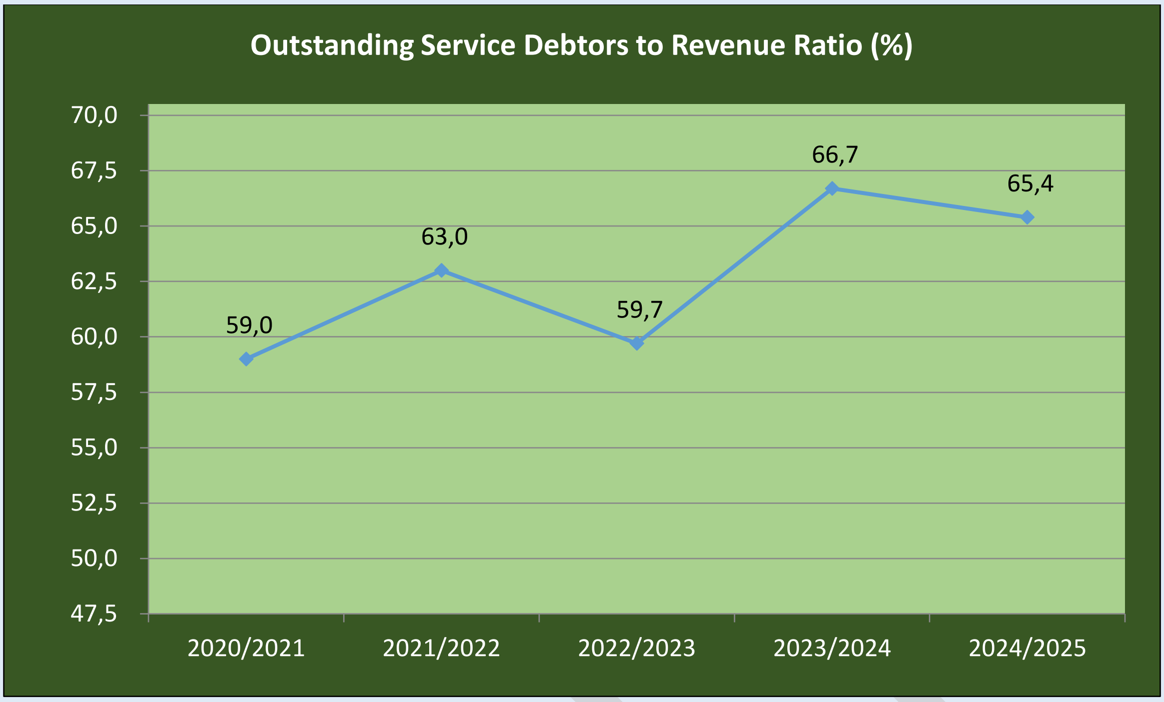
The cost coverage ratio represents the number of months' fixed expenditure that can be covered by the cash and liquid assets available for the Municipality.



5.5.3 Outstanding Service Debtors to Revenue Ratio

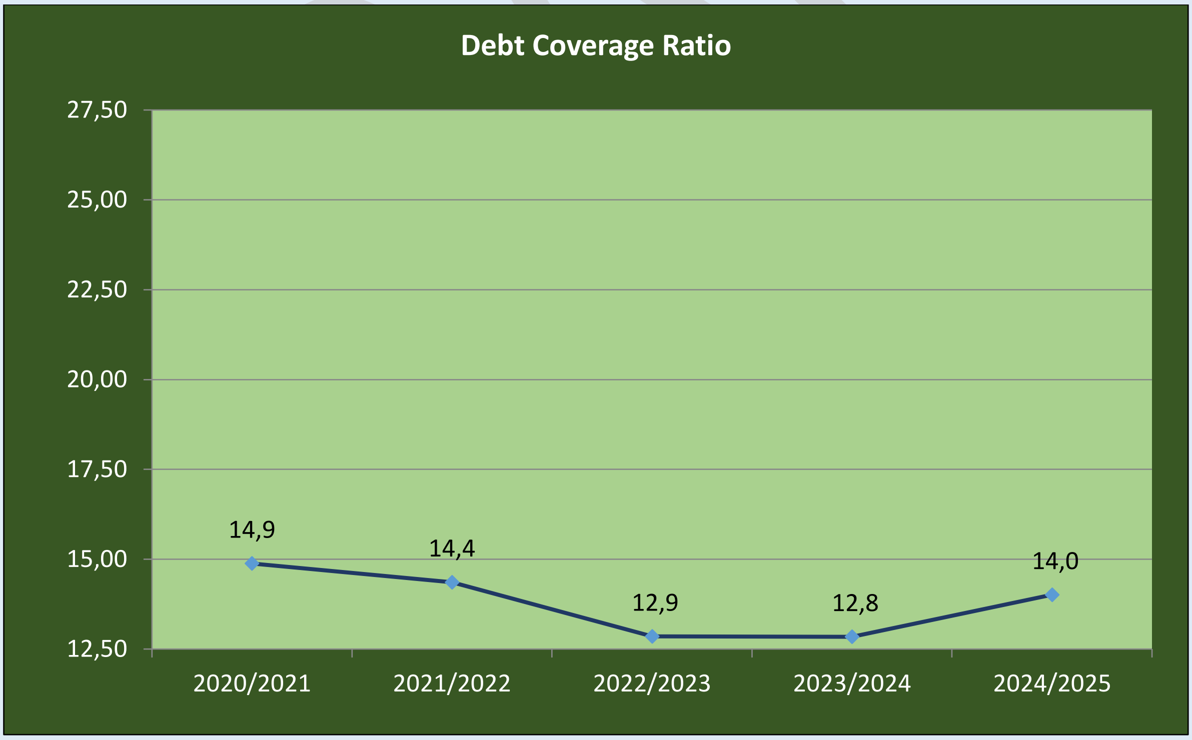
The outstanding service debtors to revenue ratio indicates how much money is owed by debtors when compared to the generated revenue. This is a measure of what fraction of outstanding debt is from the total generated revenue.

Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue.



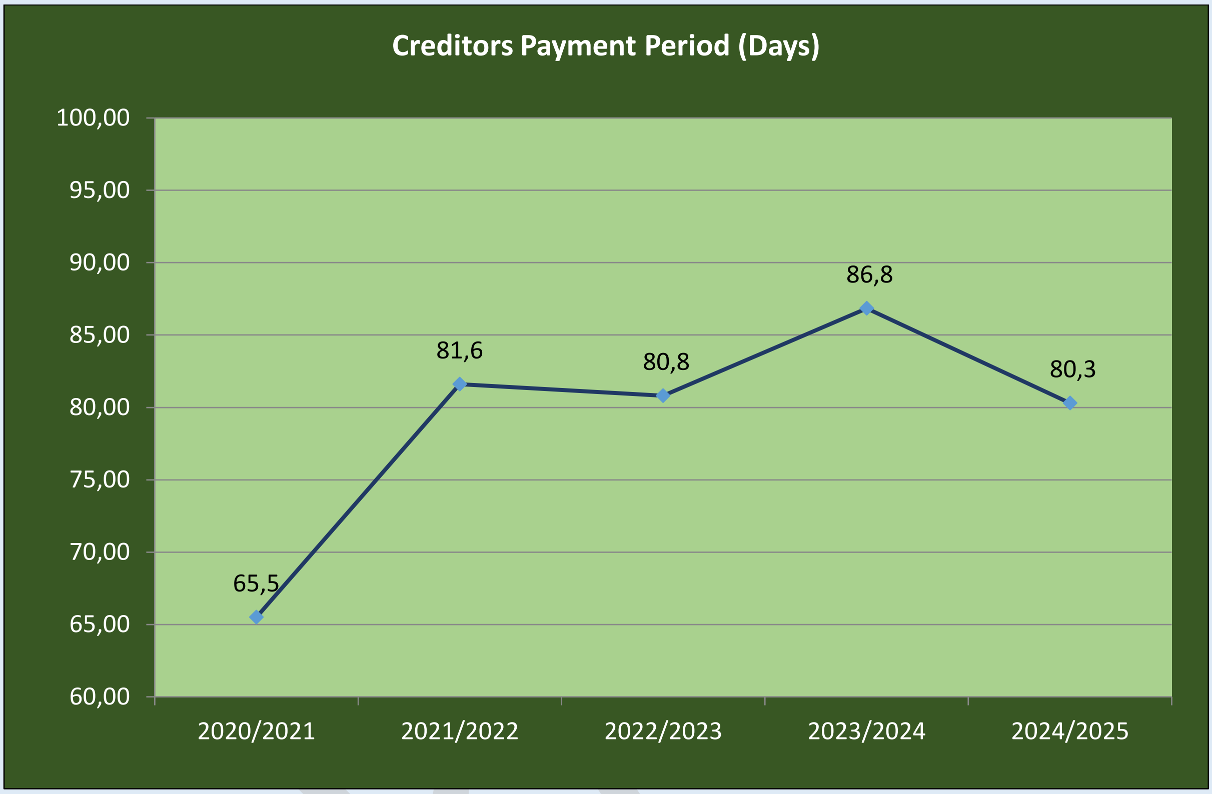
5.5.4 Debt Coverage Ratio

The debt coverage ratio determines the number of times debt payments (interest and redemption on external loans) can be accommodated within operating revenue excluding conditional grants.



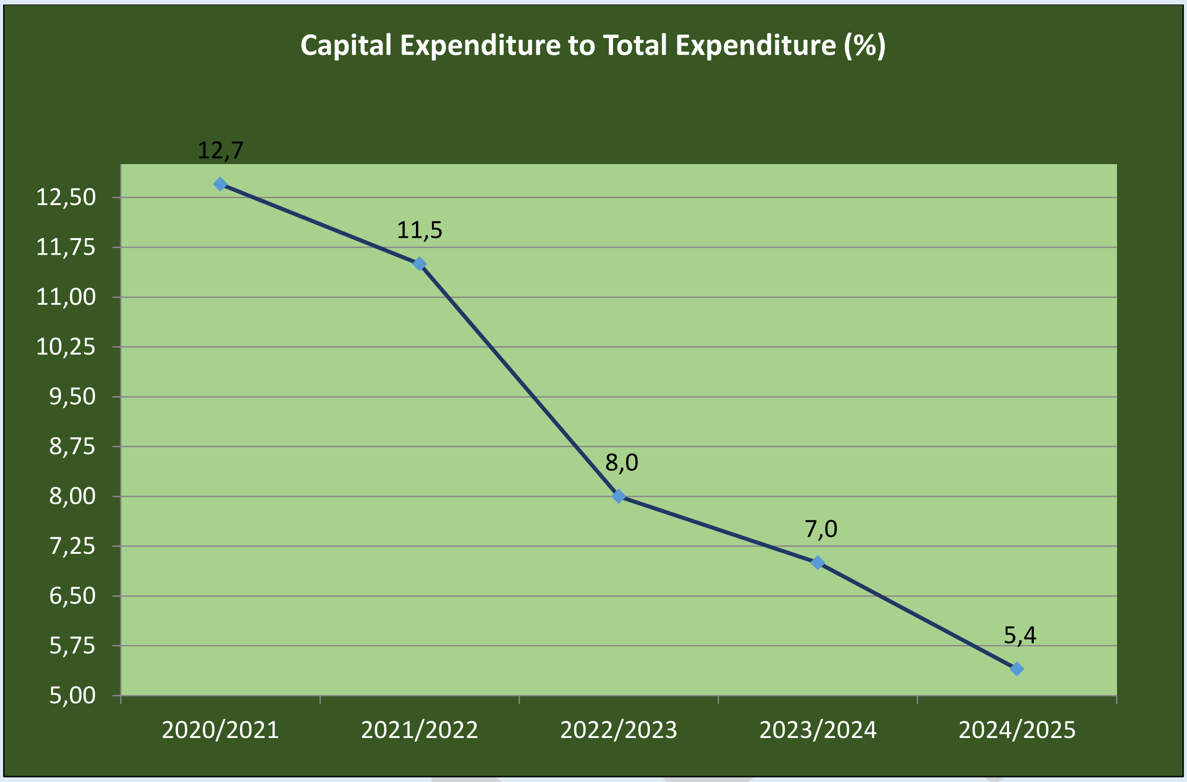
5.5.5 Creditors Payment Period Ratio

This ratio measures the number of days it takes to pay creditors who delivered services to the Municipality on credit. The GRAP Accounting Standards require from a municipality to recognise invoices in June, still payable in July, on the accrual basis. This distorts the results as all creditors are paid within 80 days of receipt of an invoice.



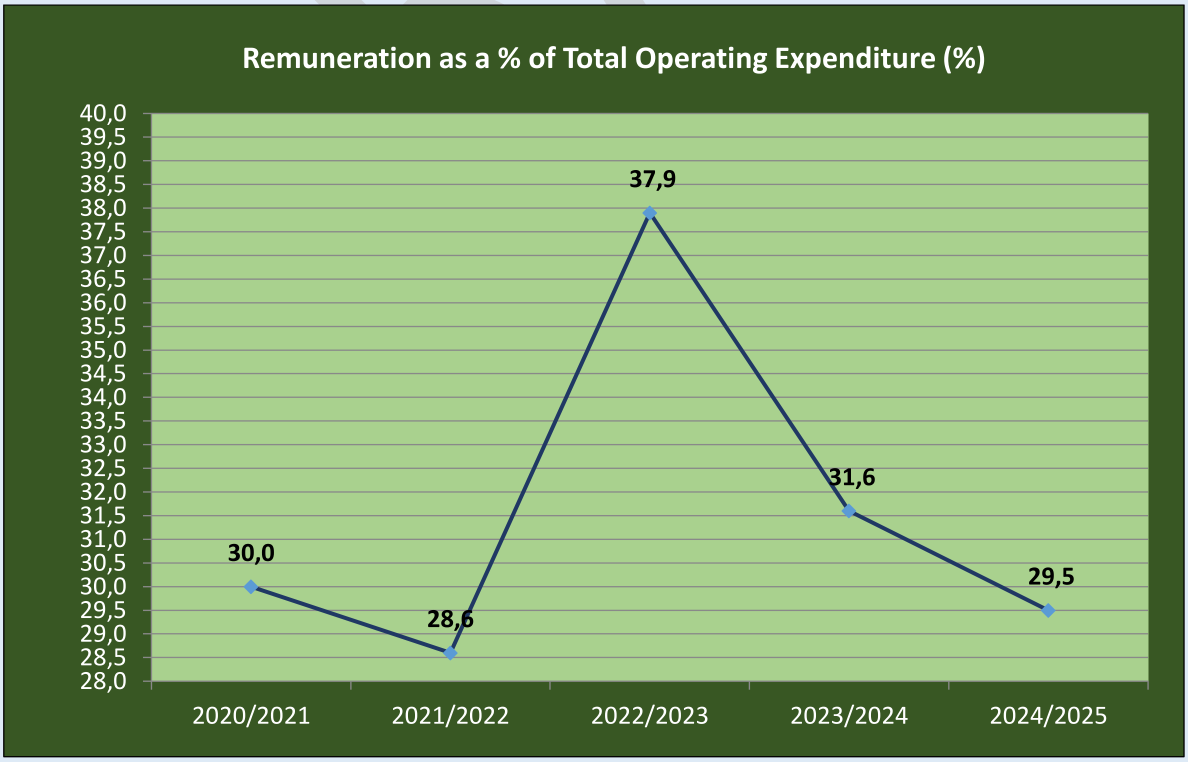
5.5.6 Capital Expenditure to Total Expenditure Ratio

This ratio indicates the capital expenditure as a percentage of total expenditure (capital and operating expenditure).



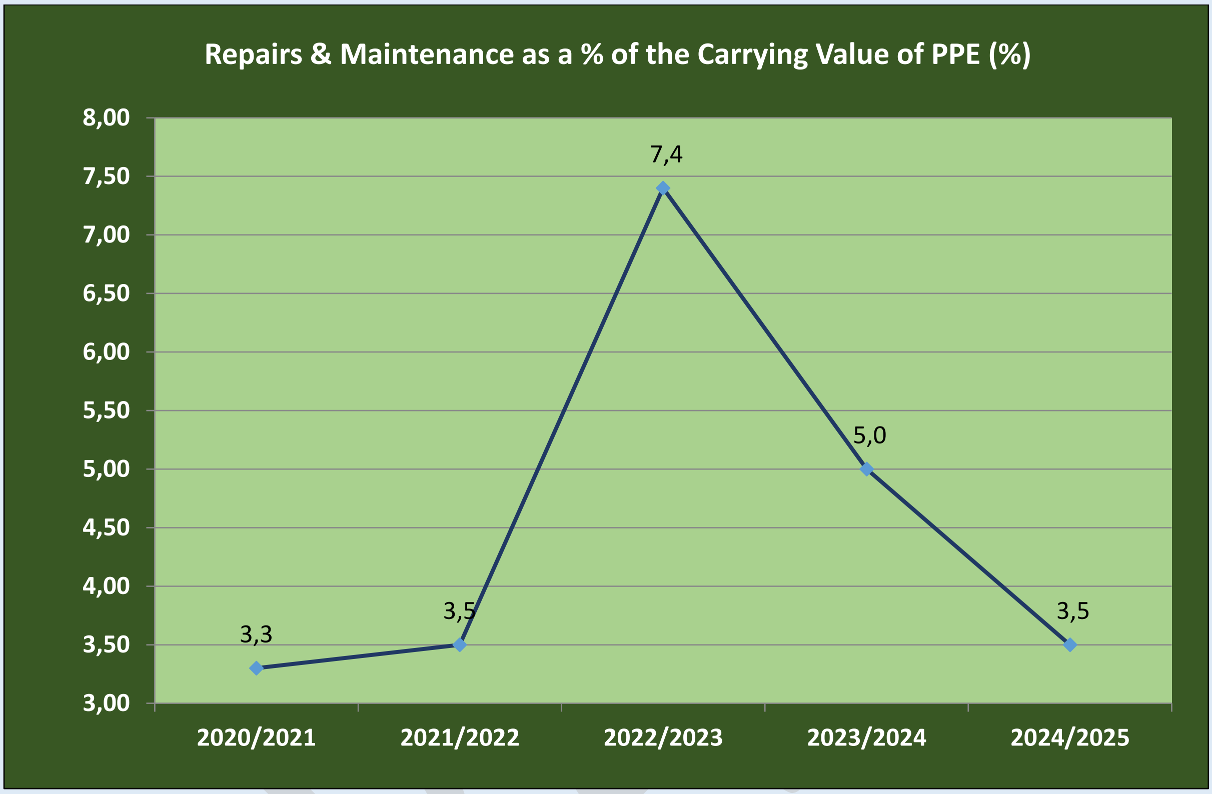
5.5.7 Employee Cost Ratio

Employee related costs as a percentage of operating expenditure is depicted in the graph below. The acceptable National Treasury norm ranges between 25 per cent and 40 per cent of the operating budget expenses.



5.5.8 Repairs and Maintenance as a percentage of the Carrying Value of Property, Plant and Equipment

This graph illustrates repairs and maintenance as a percentage of the carrying value of property, plant and equipment. The National Treasury norm equates to 8 per cent.



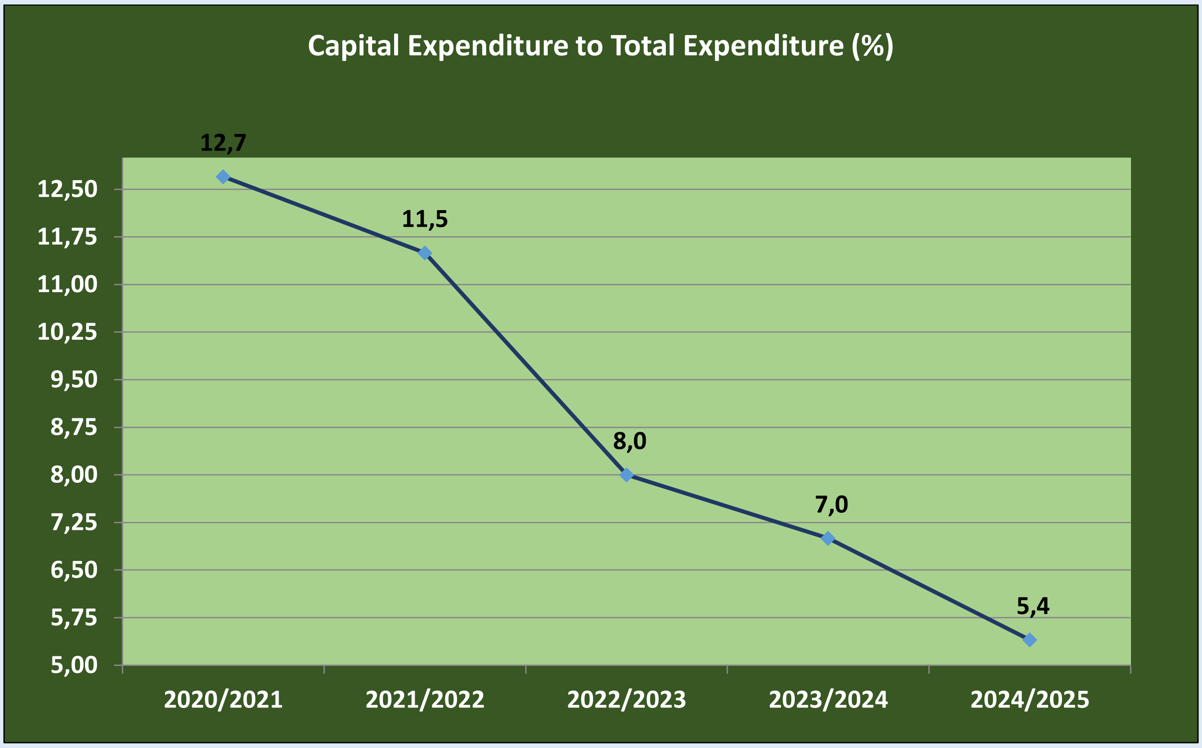
5.6 COST CONTAINMENT

As determined by the Cost Containment Regulations, the table below depicts the information on cost containment expenditure that needs to be disclosed.

Cost Containment: Year 2024/2025								
Expenditure Measures	Approved Budget (R'000)	Quarter 1 Expenditure (R'000)	Quarter 2 Expenditure (R'000)	Quarter 3 Expenditure (R'000)	Quarter 4 Expenditure (R'000)	Total Expenditure (R'000)	% of Approved Budget (R'000)	Available Budgeted Expenditure (R'000)
Use of Consultants	10 981	792	6 312	2 229	1 134	10 467	95,3%	513
Vehicles used for political office-bearers	0	0	0	0	0	0	0,0%	–
Travel and Subsistence	1 299	130	204	278	275	887	68,3%	412
Domestic Accommodation	358	22	71	55	101	249	69,5%	109
Sponsorships, Events and Catering	1 077	106	47	417	388	958	88,9%	120
Communication	114	27	28	29	32	116	102,2%	(2)
Other related expenditure items	0	0	0	0	0	–	0,0%	–
Totals	**13 829 273**	**1 078 237**	**6 661 367**	**3 008 124**	**1 929 756**	**12 677 484**	**91,7%**	**1 151 789**

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 CAPITAL EXPENDITURE



5.7 SOURCES OF FINANCE

Capital Expenditure Funding Sources: 2023/2024 to 2024/2025						
Description	2023/2024	2024/2025			2024/2025 Variance	
	Actual Results (R'000)	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget (%)	Adjustments Budget (%)
Source of Finance						
External loans	14 495	–	3 653	2 974	0,0%	18,6%
Public contributions and donations	–	–	–	–	0,0%	0,0%
Grants and subsidies	67 675	65 522	70 649	48 521	25,9%	31,3%
Other	7 771	23 297	29 596	11 978	48,6%	59,5%
Total	**89 941**	**88 819**	**103 898**	**63 473**	**28,5%**	**38,9%**
Percentage of finance						
External loans	16,1%	0,0%	3,5%	4,7%	0,0%	-33,3%
Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants and subsidies	75,2%	73,8%	68,0%	76,4%	-3,6%	-12,4%
Other	8,6%	26,2%	28,5%	18,9%	28,1%	33,8%

Knysna municipality is highly dependent on government grants to finance its capital projects.

Capital Expenditure of 5 Largest Projects					
Name of Project	2024/2025			2024/2025 Variance	
	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Expenditure R('000)	Original Budget (%)	Adjustments Budget (%)
Public Transport Facilities - NDPG	9 110	17 806	12 815	-40,7%	28,0%
MIG: Rehabilitation of Streets	7 978	8 817	7 579	5,0%	14,0%
Municipal Water Resilience Grant - W C P A	–	7 944	3 794	0,0%	52,2%
Water services infrastructure Grant	8 696	7 831	7 735	11,0%	1,2%
MIG: 285770 Upgrade Sportsfield PH2 (Bongani)	6 576	7 477	6 594	-0,3%	11,8%
					T 5.7.1

The above projects were prioritised in terms of the challenges experienced in the delivery of services to the community. The projects were identified as being the largest, based on the size of the actual expenditure on the projects.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

INTRODUCTION

To be included in final draft.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 INTRODUCTION

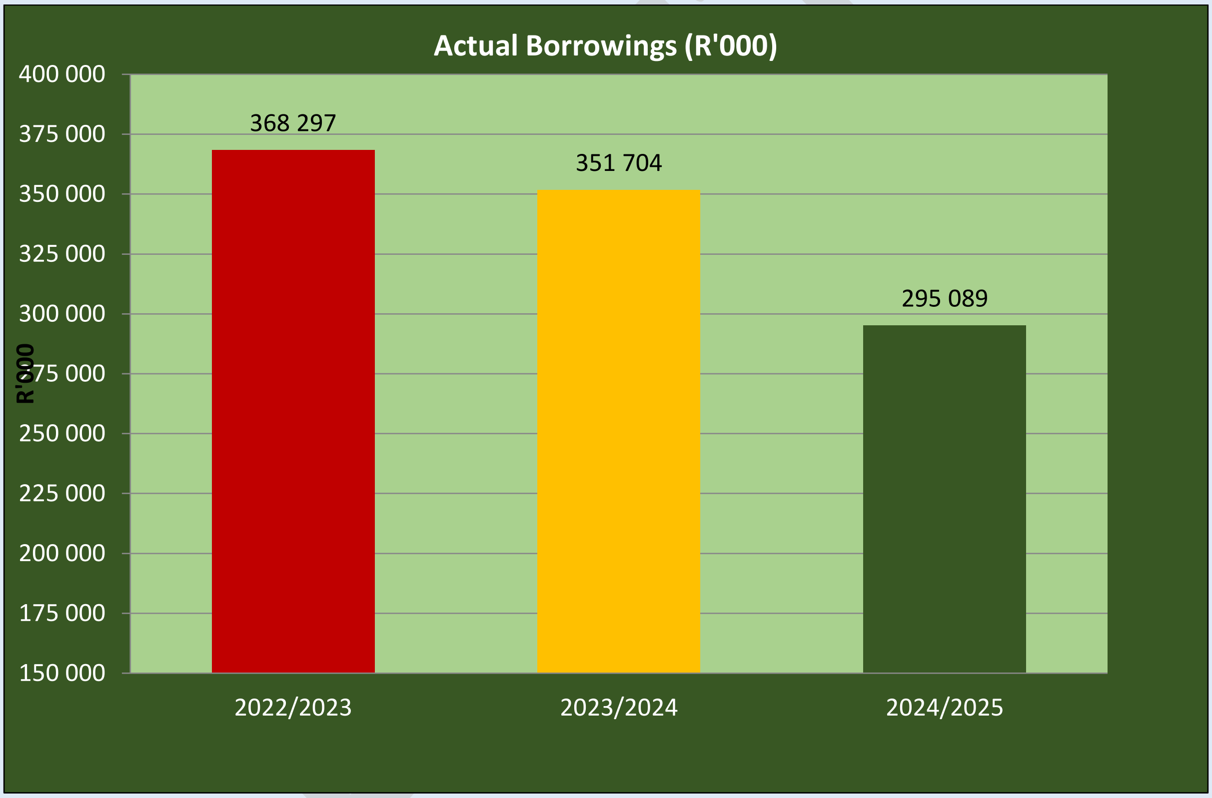
The introduction of the strict cash management regime in the previous financial year was maintained, even after the cash balances improved, to ensure a culture of cost curtailment.

Cash Flow Statement: Year 2024/2025				
Description	2023/2024	2024/2025		
	Actual Results (R'000)	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)
Cash flows from operating activities				
Receipts	**1 031 786**	**1 301 524**	**1 343 237**	**1 192 105**
Ratepayers and other	795 378	1 064 703	1 096 339	925 202
Government grants, conditional receipts and construction contracts	234 277	234 905	243 821	244 485
Interest	2 131	1 916	3 077	22 418
Payments	**-920 899**	**(1 088 821)**	**(1 125 871)**	**(989 290)**
Suppliers and employees	-883 249	(1 052 767)	(1 075 117)	(953 425)
Finance charges	-37 650	(34 931)	(38 529)	(34 204)
Transfers and grants	0	(1 123)	(12 224)	(1 661)
Net cash flows from operating activities (Sub-total A)	**110 887**	**212 703 002**	**217 366 176**	**202 814 544**
Cash flows from investing activities				
Receipts	**-193**	**1 000**	**15 600**	**(218)**
Proceeds on disposal of assets	53	1 000	15 600	30
Decrease / (Increase) in non-current investments	-246	–	–	(248)
Payments	**-89 956**	**(88 819)**	**(119 483)**	**(63 523)**
Capital assets	-89 956	(88 819)	(119 483)	(63 523)
Net cash flows from investing activities (Sub-total B)	**-90 149**	**-87 818 583**	**-103 882 665**	**-63 740 212**
Cash flows from financing activities				
Receipts	**25 005**	**0**	**0**	**862 048**
Borrowing long term / refinancing	25 005	0	0	0
Increase / (Decrease) in consumer deposits	0	0	0	862 048
Payments	**-42 492**	**-50 503 435**	**-52 409 646**	**-57 544 117**
Repayment of borrowing	-42 492	(50 503)	(52 410)	(57 544)
Net cash flows from financing activities (Sub-Total C)	**-17 487**	**-50 503 435**	**-52 409 646**	**-56 682 069**
Net increase / (decrease) in cash held (Sub-totals A, B & C)	**3 251**	**74 380 984**	**61 073 865**	**82 392 263**
Cash and cash equivalents at the beginning of the year	20 358	20 357 727	23 608 756	23 608 756
Cash and cash equivalents at the end of the year	**23 609**	**94 738 711**	**84 682 621**	**106 001 019**

5.10.1 BORROWING AND INVESTMENTS

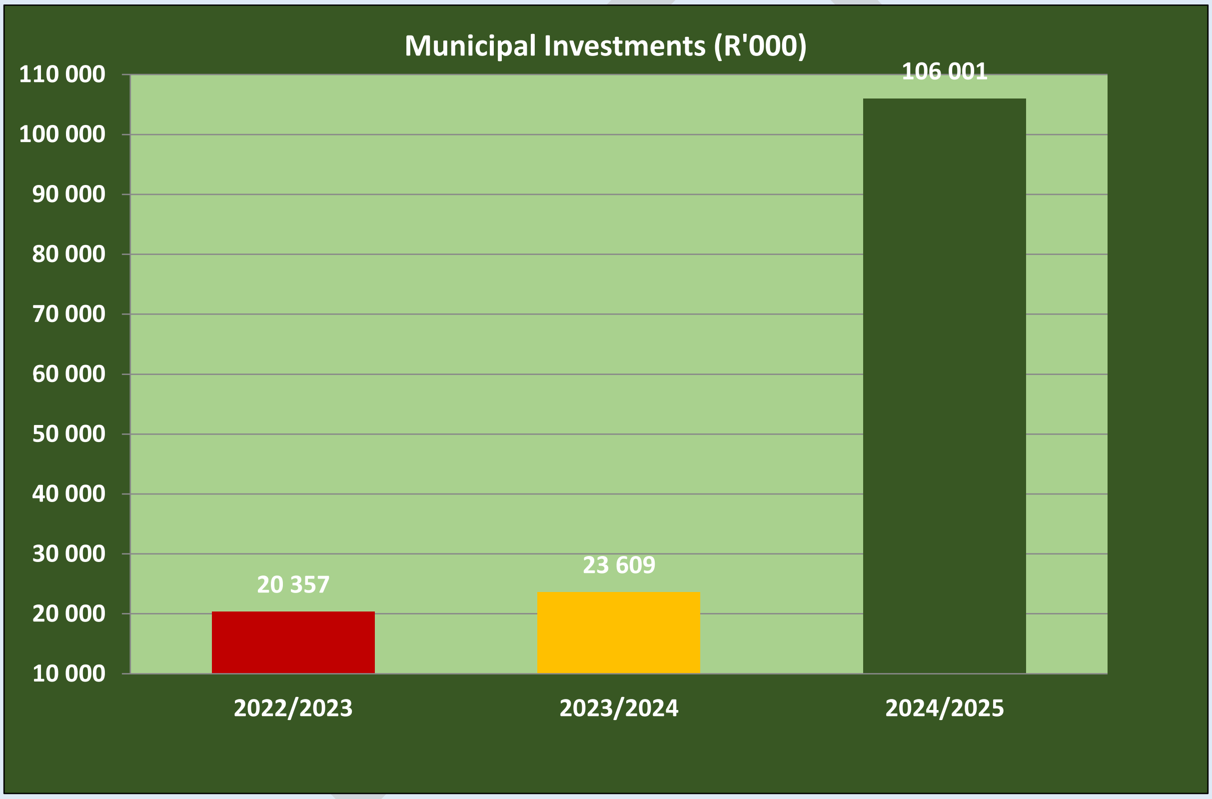
Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowings showed a decrease in the 2024/2025 financial year.

Actual Borrowings: 2022/2023 to 2024/2025			
	2022/2023	2023/2024	2024/2025
Annuity Loans	**Actual Results (R'000)**	**Actual Results (R'000)**	**Actual Results (R'000)**
Opening balance of annuity loans	339 096	368 297	351 704
Add: New external loans taken up during the year	66 256	25 005	0
Less: External loans redeemed during the year	-37 055	-41 599	-56 614
Closing Balance of Annuity Loans	**368 297**	**351 704**	**295 089**



Municipal investment income is recognised on a time-proportion basis using the effective interest method.

Municipal Investments: 2022/2023 to 2024/2025			
Investment Type	2022/2023	2023/2024	2024/2025
	Actual Results (R'000)	Actual Results (R'000)	Actual Results (R'000)
Deposits - Bank	20 328	23 578	65 553
Deposits - Call Deposits	19	21	40 437
Other	10	10	10
Total Cash and Cash Equivalents	**20 357**	**23 609**	**106 001**



5.11 PUBLIC PRIVATE PARTNERSHIPS

The Municipality had no public private partnerships as per the Municipal Public-Private Partnership Regulations for the year under review.

COMPONENT D: OTHER FINANCIAL MATTERS

CHAPTER 6: AUDITOR-GENERAL FINDINGS

Auditor-General Report on 2024/2025 Financial Performance	
Audit Report Status	Audit not yet started
Material Non-Compliance Issues	**Remedial Action Taken**
Audit not yet started	Audit not yet started
	T 6.1.1

Auditor-General Report on 2024/2025 - Other Matters	
Description	**Conclusion**
Annual Performance Report	Audit not yet started
Compliance with Legislation	Audit not yet started
	T 6.1.2

APPENDICES

APPENDIX A

COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Please refer to 2.1

APPENDIX B

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
Financial Corporate Services	To take political responsibility for the performance of the following functions of the portfolio: Budget and Treasury matters, SCM and Stores, Information Technology, Asset Management, Expenditure\Income and Insurance. To take political responsibility for the performance of the following functions of the portfolio: Customer Care Management, Corporate Administration, Human Resources, Legal Services, Records Management, Local Labour Forum, Occupational Health & Safety, Committee and Councillor Support, Capacity Building and Public Participation.
Community Services	To take political responsibility for the performance of the following functions of the portfolio: Disaster Management, Parks & Recreation (Public Amenities), Fire Services, Social Development (Early Childhood Development and HIV/AIDS), Libraries & Heritage, Sport, Arts & Culture, Waste Management, Law Enforcement, Traffic, Cemeteries, Community Safety, Neighbourhood Revitalisation, Horticulture, Youth, Gender, Disabled and Environmental / Public Health.
Technical Services Committee	To take political responsibility for the performance of the following functions of the portfolio: Development Projects, Water and Sanitation (Water Services), Public Works (Roads, Storm water etc.) and Electricity.
Planning Development Services	To take political responsibility for the performance of the following functions for the portfolio: Municipal wide planning and urban design, Town planning, Land Use Management, Building development Management, Development Projects, Land Information, Planning Legislation and enforcement and Environmental Planning.
Integrated Human Settlements Services	To take political responsibility for the performance of the following functions of the portfolio: Development Projects, Land Information and Integrated Human Settlements.

APPENDIX C

THIRD TIER ADMINISTRATIVE STRUCTURE

OFFICE OF THE MUNICIPAL MANAGER	
Surname & Initial	**Job Designation**
Bezuidenhout, CF	Manager: Communications
Chordnum, CJ	Snr. Manager: IDP/PMS/IGR
Louw, A	Chief Audit Executive
Gutas, ZB	Chief Risk Officer
DIRECTORATE CORPORATE SERVICES	
Surname & Initial	**Job Designation**
Plaatjies, L	Senior Manager: ICT
Phillips, L	Manager: Human Resources
Kalani, MJ	Manager: Public Participation
Botha, M	Acting Manager: Legal Services
Botha, C	Manager: Administration
DIRECTORATE FINANCIAL SERVICES	
Surname & Initial	**Job Designation**
Jagaysor, AK	Snr. Manager: Financial Management Services
Kova, BM	Snr. Manager: Revenue Services
Michaels, M	Manager: Expenditure
Mampana, T	Manager: Supply Chain Management
DIRECTORATE INFRASTRUCTURE SERVICES	
Surname & Initial	**Job Designation**
Parry, RF	Manager: Water & Waste Water Services
Maree, S	Manager: Roads Public Works
Nzuzo, MB	Senior Manager: Project Management Office
Vacant	Manager: Electrical & Mechanical Services
DIRECTORATE COMMUNITY SERVICES	
Surname & Initial	**Job Designation**
Frans, VX	Manager: Library Services
Meyer, R	Manager: Protection Safety
Van Wyk, I	Manager: Parks & Recreation
McKenzie, E	Acting Manager: Waste Management
Bezuidenhout, IF	Chief Fire Officer
DIRECTORATE PLANNING & ECONOMIC DEVELOPMENT	
Surname & Initial	**Post Designation**
Smit, JH	Manager: Land Use Management
Booth, P	Manager: Environmental Management
Daames, R	Building Control Officer
Goya, L	Manager: Local Economic Development
DIRECTORATE INTEGRATED HUMAN SETTLEMENTS	
Petuna, L	Manager: Human Settlements

APPENDIX D

DIRECTORATE	SERVICES
Office of the Municipal Manager	The Office of the Municipal Manager over and above the directorates as reflected below include the Communications, Internal Audit, Risk Management and IDP/OPMS/IGR sections. Throughout the year the Communications section communicated specific and service delivery related information with the public, i.e., water outages, electricity outages, Council meeting sessions, etc. Council information is also timeously communicated as per municipality Newsletter, including the facilitation of Interviews with Councillors and Administration where so required. The Internal Audit Unit, audited financial and non-financial related reports to ensure completeness and correctness of all reported performance on a scheduled basis. The Internal Audit Unit also plays an internal performance auditing role, which includes monitoring the functioning of the PMS and compliance to legislative requirements. Its role is also to assist the municipality in validating the evidence provided by the Directors. All auditing activities assist with readiness and preparation of the institution annual external audit as conducted by the Office of the Auditor-General. The 2024/2025 IDP was developed and approved by Council as the most strategic principal document and plan of the municipality for execution by all departments. The IDP was informed by public and public representative engagement processes, which guided the application of municipal resources. The Organisational Performance Management (OPMS) section drafted/developed the 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) as was approved by the Executive Mayor. The Risk Management section identified all potential threats which may hamper implementation of the Business Plan and guided the management of Institutional Risks. On an annual basis, a comprehensive report on the performance of the Knysna municipality also needs to be compiled and approved. The requirements for the compilation, consideration, and review of such an annual report are set out in Chapter 12 of the MFMA. The Office of the Municipal Manager is also responsible for the co-ordination of the Section 154 intervention programme and provides quarterly feedback to Council and the Section 154 Steering Committee on the implementation of identified interventions.

DIRECTORATE	SERVICES
Corporate Services	The Corporate Services Directorate managed all administrative processes of Council, of which included the convening and reporting outcomes of Council and Council Committee meetings. The managing of the general ICT operations includes the procurement of hardware/software, systems and applications management, internal LAN/WAN monitoring and management and access control of users and systems administration and operations on servers. The Directorate also hosts the Human Resources department which primarily handled all recruitment and selection of employees during the financial year. The training and development of Councillors and municipal staff was coordinated in accordance with the municipality's Work Skills Plan (WSP). All council/municipality owned properties and legal services was also undertaken and managed by the directorate.
Financial Services	Our municipal finances were done in accordance with the Council approved Budget and Financial Management Strategies were approved by Council in June 2024. The General Recognised Accounting Practices directed the standard recording of municipality transactions as was executed. As per MFMA Budget Circular 123, Version 6.8 of the mSCOA chart was uploaded onto the financial system and the 2024/2025 budget will be transacted on this new version released. Despite the significant changes by NT from version 6.6.1 to 6.7 Knysna Municipality is ready to continue to run the budget directly from the system with no manual intervention on running of data strings to the NT portal.
Planning and Economic Development	The Spatial development within the municipality boundaries, directed all spatial planning and developments for the year under review in accordance with the Council approved Spatial Development Framework. Spatial development was also to direct integration of communities both in terms of residential and business development programmes. The Town Planning department managed all building related activities and applications in accordance with set Building Relations. The Local Economic Development (LED) section initiated all local economic development programs and activities within the municipality. Support for existing and new local businesses were also provided to stimulate the development and expansion of local economy.

DIRECTORATE	SERVICES
Community Services	The Community services directorate focused on the promotion of a clean, healthy and safe living and work environment. The cleanliness of the respective towns within our municipality boundaries by way weekly refuse removal for both residential and business communities. Some past challenges were experienced with availability of refuse trucks to effect scheduled refuse removal. The municipality Disaster Management plan facilitated the provision of major Fire and Rescue services to prevent any potential form of natural disaster. The Traffic and Law Enforcement services provided included regular traffic control and implementation of traffic rules and By-laws. Regular regulation of traffic, especially in the CBD of Knysna and at times in Sedgefield ensured smoother traffic flow and the prevention and reduce of traffic related accidents. The maintenance of our municipal Parks, Public open spaces were also managed, including the management of noise natural resource pollution of which include the protection of our Lagoons, Ocean and Forestry areas. Most of these programs were undertaken in collaboration with National/Provincial governments and institutions like the National Parks Board. Our local, Libraries, Halls, Cemeteries, Museums, Arts and Culture, Youth and Sport Development programs also received and provided significant support in benefit of our local communities.
Infrastructure Services	The Infrastructure Services Directorate was responsible for the roll-out and provision of Basic Services; including to ensure access to basic services to most households in formalised areas, the electrification of informal settlements, providing of quality drinking water to all households, to provide adequate basic sanitation to all households and repair, reseal and upgrading of all municipal roads. The provision of these different services was conducted in accordance with the different approved infrastructure Master Plans. The exponential growth of our town placed tremendous strain on the sustainable provision of services, though most services provided were in accordance with national se standards. Knysna Municipality also approved an Action Plan that deals with services interruptions, issued directives is focused on addressing such intermittent and sporadic happenings The maintenance and improvement of the roads infrastructure networks received significant attention though much more focus and activity are currently in progress in this area. It is rather unfortunate that the expansion of our towns is not equal the amount of revenue generated for the provision of services. Our dependence on national and provincial grants hampers our intended levels of development amidst the municipality competing with other municipalities across the country.

DIRECTORATE	SERVICES
Human Settlements Administration	The Directorate of Integrated Human Settlements acts as an agent for Provincial Government and is working with them to achieve their vision, to develop sustainable integrated human settlements. The Human Settlement Plan continues to guide housing developments and the priority area through the implementation of the reviewed and updated 2024/2025 Human Settlements Plan. One of the key goals of the department is to provide housing opportunities and secure land tenure Compile a GAP Housing Strategy that is in line with a long term Human Settlement Plan to meet the growing demand for social housing opportunities to decrease the housing backlog and reduce the housing waiting list per ward and pro-actively re-align the planning processes for housing development with national and provincial funding cycles.

Key functions of Directorates: Table 19

APPENDIX E

(Information to be included in Final Draft)

APPENDIX F:

WARD INFORMATION

WARD 1	
Ward Composition	**Ward Committee Members**
The ward comprises of the following areas as highlighted by the map above: • **Smutsville/Sizamile** • **Sedgefield Island Village** • **The Island** • **Zeegezicht** • **Extension 4** • **Lake Pleasant** • **Myoli Beach** • **Cola Beach** • **Ten Dool**	1. Martie Rooi – Health Sector 2. Eunice Venia – Human Settlement Sector Angeline Brinkhuis (secondi) 3. Morné Galant – Religious Sector 4. Vuyisile Pauli – Sport Sector Geneva Erasmus (secondi) 5. Bramwill Baadjies – Business Sector Agnes Voorslag (secondi) 6. Andrew Brough – Sedgefield Ratepayers & Environment 7. Luvo Dayimani – Youth Sector Chanel Jacobs (secondi) 8. Nadia Hardnick – Community Safety Thersius Jones (secondi) 9. Cecillia Mckay – Welfare Sector Elsperth Hartzenberg (secondi) 10. David Tromans – The Island Rodney Nay (secondi)

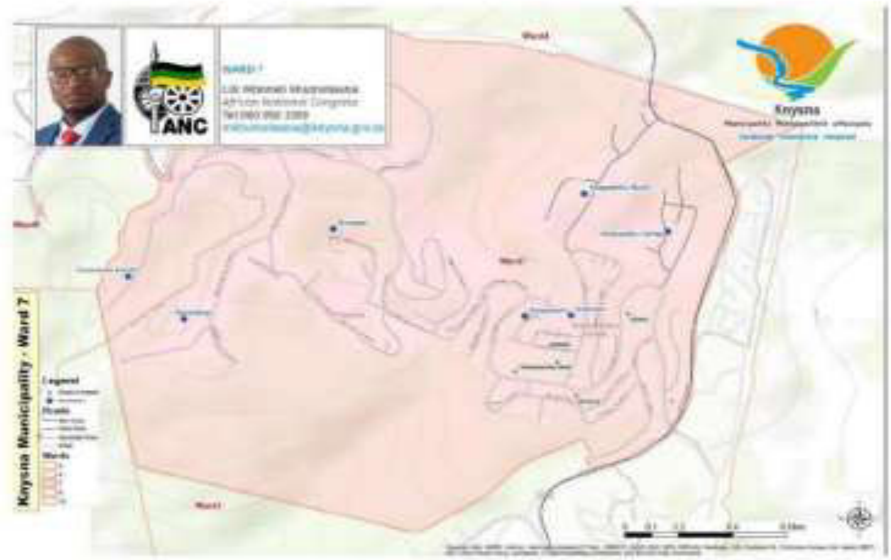
WARD 2	
Ward Composition	**Ward Committee Members**
The ward comprises of the following areas as highlighted by the map above: • Geelhoutboom • Karatara • Kraaibos • Seabreeze • Lancewood • Hoogekraal • Winterskop • The Lakes • Montmere • Montage • Sedgefield • Groenvallei • Meerdingside • Fairview • Keurvlei • Ruigtevlei • Kingston • Elandskraal • Arbeidsloon • Bergsig • Middlerug • Kraaibos	1. Rodney Nay – Infrastructure Keith Killops (secondi) 2. Vacant – Safety & Security 3. Cliff Elion – Sedgefield Ratepayers 4. Ari Seirlis – Business & Tourism 5. Vacant – Human Settlements & Urban Development 6. Vacant – Environment 7. Hendrias Morris – Welsyndorp & Bergvallei Priscilla Lukas (secondi) 8. Johnny Botha – Bosdorp Doris Tamboer (secondi) 9. Nataniel Oelf – Farleigh Karen James (secondi) 10. Vacant - Agriculture

WARD 3: VACANT

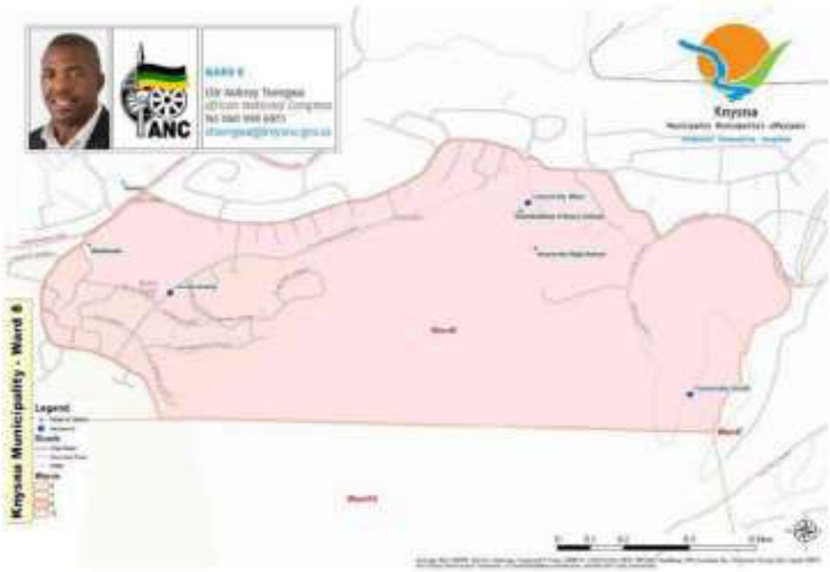
WARD 4	
Ward Composition	**Ward Committee Members**
The ward comprises of the following areas as highlighted by the map above: • White Location • Greenfields • Qolweni • Bloemfontein • Flenters • Rhobololo • Ethembeni • Happy Rest	1. Zuzile Ntsinyabo – Sports, Arts & Culture
	2. Luvuya Fata – Education
	3. Lukangela Halu – Safety & Security Moses Solani (secondi)
	4. Siphokazi Somlota – Business/Farming Zukiswa Makisi (secondi)
	5. Bulelwa Msebi – Churches/Religious Andile Qele (secondi)
	6. Nkosinathi Okwana – Human Settlements Nomazizi Ngwala-Ngwala (secondi)
	7. Bethwel Mene – Youth Bavumile Jada (secondi)
	8. Mzawandile Mambalu – Elderly
	9. Shiela Nolungqu – Health
	10. Nomonde Mali – Social Development Zikhona Cingimbo (secondi)

WARD 5	
Ward Composition	**Ward Committee Members**
The ward comprises of the following areas as highlighted by the map above: • **Rheenendal** • **Keurhoek** • **Belvidere** • **Lake Brenton** • **Brenton on Sea** • **Buffalo Bay** • **Bibby's Hoek** • **Avontuur** • **Die Hoek** • **Gansvlei**	1. Hester Prinsloo – Block 1: Bloekom, Watson Main, Church Str Mirna Arries (secondi)
	2. Vacant – Block 2: Murray, Pine Str
	3. Vacant – Block 3: Sonop, Barnard Str
	4. Cedric Mqeke – Block 4: Geelhout, Fern, Bluebell, Acacia, Gousblom, Kalender Str Luzelle Mlandu (secondi)
	5. Winnifred Matthys – Block 5: Fern, Keurboom, Aandblom, Num-Num, Swarthout, Kershout Str Thembeka Thomas (secondi)
	6. Julanda Sass – Block 6: Lentegeur, Protea, Le Roux, Azale Str Annie Adams (secondi)
	7. Vacant – Goudveld & Surrounding Areas
	8. Paul Theron – Buffalo Bay
	9. Anthony Rischbieter – Brenton & Belvidere Mike Mills (Secondi)
	10. Elmay Bouwer – Business

WARD 6	
Ward Composition	Ward Committee Members
The ward comprises of the following areas as highlighted by the map above: • Hornlee West • Fraaisig • Rykmanshoogte • Donkerhoek • Katanga	1. Engela Gesels – Block 1: Harker, Hamilton, Charlie Le Vack, Kardini, Happy Valley
	2. Jane Fourie - Block 1: Harker, Hamilton, Charlie Le Vack, Kardini, Happy Valley
	3. Maureen Brits – Block 2: Shamrock, Sunridge, St Teresa, Park, Swembad area
	4. Jenny Solomons - Block 2: Shamrock, Sunridge, St Teresa, Park, Swembad area
	5. Rolanda George – Block 3: Donkerhoek: Wing, Fountain Str, Fountain Valley
	6. Cameron Jantjies - Block 3: Donkerhoek: Wing, Fountain Str, Fountain Valley
	7. Elshone Krige – Block 4: Kantanga-Protea, Heatherdale, Park, Cawood, Stanford, Stroebel, Bitou, Reenboog, Allemein Str
	8. Elma Sieglaar - Block 4: Kantanga-Protea, Heatherdale, Park, Cawood, Stanford, Stroebel, Bitou, Reenboog, Allemein Str
	9. Kirchen Stuurman – Block 5: Fraaisig & Rykmanshoogte
	10. Allan Kock - Block 5: Fraaisig & Rykmanshoogte



WARD 7	
Ward Composition	**Ward Committee Members**
The ward comprises of the following areas as highlighted by the map above: • Khayalethu • Khayalethu North • Khayalethu Valley • Bongani • Edameni • Concorida South	1. Romeo Daniels – Dinangwe Thembakazi Goba (secondi) 2. Nobulani Mazwi – Khayalethu Valley Xolisile Siswana (secondi) 3. Nwabisa Hamza – Khayalethu Nkosinathi Gwala (secondi) 4. Simphiwe Falinthenjwa (Bongani) Thabisa Quba (secondi) 5. Nosisa Mateyisi – Edameni 6. Mbulelo Sokanyile – Kanonkop 7. Babalwa Mbombo – Youth & Education Luzuko Majola (secondi) 8. Solonzi Tyatyeka – Sport & Arts Odia Sayimani (secondi) 9. Yoliswa Nkotana – Business, Employment & Crime Prevention Nosiho Mpikwa (secondi) 10. Lucinda Bondt – Elderly/Disabled, GBV, Health Nosisa Mateyisi (secondi)



WARD 8	
Ward Composition	**Ward Committee Members**
The ward comprises of the following areas as highlighted by the map above: • Concordia • Jood se Kamp	1. Nokuzola Ngqula – Concordia South Jwara Siyabonga (secondi)
	2. Pemela Gobeni – Concordia West/Masakhane Dumisani Yehana (secondi)
	3. Zwelethu Dyonta – Joodsekamp/Rosemore Vuyile Matonlengwe (secondi)
	4. Zusiphe Bunga – Circle Nontle Sohawukile (secondi)
	5. Sinaye Miya – Ethembeni Sinelizwi Bleni (secondi)
	6. Simphiwe Mkatali – Happy Valley 1 Ntomboxolo Matshaya (secondi)
	7. Nokuthembela Maxam – Happy Valley 2/Victor Molosi/Riverside Malixole Makhabane (secondi)
	8. Babalwa Mgciza – Ezweni Thabiso Bingwa (secondi)
	9. Nomfundu Jepe – Thembelitsha/Indlovu Litha Nyanda (secondi)

WARD 9	
Ward Composition	Ward Committee Members
The ward comprises of the following areas as highlighted by the map above: • Leisure Island • The Heads • Pezula • Knoetzie • Brakenhill • Hunters Home • Rexford • Fisherhaven • Costa Sarda • Lower Old Place • Thesen Island • Industrial Area • Springveld • Brackenhill	1. Siena van Schoor – Thesen Island Bill Cooper (secondi) 2. Mark Sasman – Hunters Home/Hunters Estate/Rexford Richard Thorpe (secondi) 3. Christopher Gould – The Heads 4. Jolinda Luiters – Brackenhill 5. Wendy Dewberry – Knoetzie 6. Mary-Ann Beviss-Challinor – Leisure Island 7. Paola De Grandis – Costa Sarda/Lower Old Place/Fisher Haven 8. Brian Bruce – Industrial Area 9. Cobus Albrecht – Pezula/Ferwood 10. Mark Sofianos – Business

WARD 10	
Ward Composition	**Ward Committee Members**
The ward comprises of the following areas as highlighted by the map above: • Knysna CBD • Welbedaght • Paradise • Knysna Heights • Green Pastures • Heuwelkruin	1. Pierre Gouws – Business 2. Carol Van Tonder – Safety & Security 3. Yipie Kingma – Tourism 4. Jacque Jacobs – Infrastructure 5. Lidy van Leent – Upper Town 6. Vacant – Paradise/Knysna Heights 7. Richard Sohn – CBD/Lower Town 8. Greg Barnes – Simola/Eastford/Green Pastures 9. John Huxter – Welbedaght 10. Vacant – Upper Old Place

WARD 11	
Ward Composition	Ward Committee Members
The ward comprises of the following areas as highlighted by the map above: • Hornlee East • Sunridge	1. Marvine Plaatjies – Block 1: Davidson, Jonathan, Kaptein Str
	2. Katriena Van Rooyen - Block 1: Davidson, Jonathan, Kaptein Str
	3. Michelle Stander – Block 2: Botha, Frederick, Calender str Maria Wabani (secondi)
	4. Janine Prins – Block 2: Botha, Frederick, Calender str
	5. Lorraine Opperman - Block 3: Smartie Town, Parkie Daw-Ann Van Rooyen (secondi)
	6. Shirley Koen - Block 3: Smartie Town, Parkie Jean Christians (secondi)
	7. Aschin Klein – Block 4: Davidson, Alexander, Hall, School Athur Alie (secondi)
	8. Luchelle Briesies - Block 4: Davidson, Alexander, Hall, School Leonie Pasja (secondi)
	9. Kaylem Botha – Block 5: Hornlee West, Katrina, Swarthout
	10. Tina Nell - Block 5: Hornlee West, Katrina, Swarthout

APPENDIX G:

Recommendations of The Municipal Audit Committee

Year 2024/2025

(To Be Included in Final Draft)

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (Largest Contracts Entered into during 2024/2025)							
Number	Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value	Comments
1	Provision of Security Services for a period of three years	Dephethogo Trading CC	30-Aug-24	30-Aug-27	Jakobus Oktober	68 007 837,27	Tendered amount is indicative, cost will be incurred in accordance with the tendered rates on as and when required basis, subject to availability of budget.
2	The supply, Installation & Monitoring of Vehicle Tracking Systems for a period of three (3) years.	CTracck Fleet Management Solutions Pty Ltd	21-Nov-24	21-Nov-27	Denver Lavack	Rates based tender	
3	The Repairs, Service and Maintenance of Machinery and Equipment for a period of 3 years	Panel of Service Providers	21-Nov-24	21-Nov-27	Denver Lavack	Rates based tender	
4	Expression Of Interest for various municipal projects for a period of 3 years.	Panel of Service Providers	21-Sep-24	21-Sep-27	Mpumelelo Nzuzo	Establishment of a Panel of Service Providers	
5	The Electrical and Associated Works for a period of three (3) years.	Panel of Service Providers	21-Nov-24	21-Nov-27	Mpumelelo Nzuzo	Establishment of a Panel of Service Providers	
6	Biological Monitoring and Medical Surveillance Services for the employees of Knysna Municipality for a period of three years	Unlimitz Occupational Health Services	16-Jul-24	16-Jul-27	Luline Phillips	Rates based tender	
7	Travel Agency for a period of three years	Travel Click Agency	16-Aug-24	16-Aug-27	Luline Phillips	Rates based tender	
8	Repairs, Service and Maintenance of Municipal Vehicles for a period 3 years	Various Service Providers	16-Aug-24	16-Aug-27	Denver Lavack	Establishment of a Panle of Service Providers	

Long Term Contracts (Largest Contracts Entered into during 2024/2025)							
Number	Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value	Comments
9	Analytical Services for various Water and Sewer sources for the Greater Knysna Municipal Area for a period of three (3) years.	A.L Abbott & Associates	16-Jul-24	16-Jul-27	Rhoydon Parry	6 508 885,00	
10	Supply and Delivery of Chemicals, Bacteria and Ancillary Services relating to Water and Sewer in the Greater Knysna Municipal Area for a period of 3 years	Various Service Providers	19-Aug-24	19-Aug-27	Rhoydon Parry	Rates based tender	
11	Repair and Servicing of the HV, MV and LV Electrical Switchgear for a period of three (3) years.	Various Service Providers	2-Jun-25	2-Jun-28	Mpumelelo Nzuzo	Various Service Providers	
12	Supply, Installation and Service of Multifunction Devices (Photo Copier Machine/ Printers) for a Period of Three (3) Years	Konica Minolta South Africa	16-Jul-24	16-Jul-27	Lezelle Plaatjies	Rates based tender	
13	The Supply and Delivery of Mini-Substations & Distribution Transformers for a period of three (03) years below mentioned items:	Various Service Providers	21-Nov-24	21-Nov-27	Mpumelelo Nzuzo	Various Service Providers	
14	Panel of Legal Services for a period of three years.	Various Service Providers	2-Aug-24	2-Aug-27	Marilyn Botha	Various Service Providers	
15	Supply and Delivery of Vehicle Spare Parts for a period of 3 years	Panel of Service Providers	23-Jul-24	23-Jul-27	Denver Lavack	Panel of Service Providers	

Long Term Contracts (Largest Contracts Entered into during 2024/2025)							
Number	Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value	Comments
16	Expression of Interest for appointment of emerging contractors for the construction (labour and materials) of Low Income Houses (24m² - Double Storey, 40 m² - Single Storey and 48 m² - Semi-Detached Double Storey, 45 m² - Single Storey), Retaining Walls, Platforming, Carpentry, Plumbing, Minor Concrete Works and Minor Civil Works within Knysna Municipal Area for a period of three (3) years.	Panel of Service Providers	23-Jul-24	23-Jul-27	Lindile Petuna	Establishment of a Panel of Service Providers	
17	Appointment of Panel of Suppliers for Supply and Delivery of Stationary & Office Supplies for a period of 36 Months.	Panel of Service Providers	16-Aug-24	16-Aug-27	Tshegane Mampana	Establishment of a Panel of Service Providers	
18	Collection of Recyclable Waste from Households/Businesses within the Knysna Municipal Area for a period of three years.	Various Service Providers	16-Aug-24	16-Aug-27	Natalie Salmons	Various rates	
19	Supply and Delivery of 22/11 KV Outdoor Ring Main Units (Non-extensible) for a period of three (3) years	Various Service Providers	2-Jun-25	2-Jun-25	Mpumelelo Nzuzo	Various Service Providers	
20	Appointment of a suitable qualified and experienced panel of service providers as Auctioneers to conduct the auctions of municipal owned fixed assets, moveable property and impounded vehicles on behalf of the Knysna Municipality for a period of three years	Various Service Providers	21-Nov-24	21-Nov-27	Landia Van Huyssteen	5% commission	

Long Term Contracts (Largest Contracts Entered into during 2024/2025)							
Number	Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value	Comments
21	Transversal Contract RT15-2021 for the Supply and Delivery of Mobile Communication Services to the State for the period 1 April 2021 to 31 March 2026	Various Service Providers	9-Oct-24	31-Mar-26	Lezelle Plaatjies	Rates based tender	
22	Appointment of a suitable qualified and experienced panel of service providers: Communication & Marketing Professional Services for 3-year period	Various Service Providers	25-Jun-25	25-Jun-28	Christopher Bezuidenhou t	Establishment of a Panel of Service Providers	
23	Supply and Delivery of Water and Sewer Pumps for a period of Three years	Northfiled/Ikamv a Labantu Engineering JV	24-Jun-25	24-Jun-28	Rhoydon Parry	4 090 363,00	
24	Transversal Contract TR27-2024: Provision of Debt Services for the period 1 April 2024 to 31 March 2029	Panel of Service Providers	7-Aug-24	7-Aug-27	Busiswa Kova	7.5% Commission	
25	Transversal Contract rt 29 of 2024: Supply, Delivery, Installation and Management of Smart Metering Solutions	Conlog (Pty) Ltd & Isandiso Pipelines and Engineering	6-Nov-24	31-May-27	Rhoydon Parry	Various rates	

APPENDIX I:

MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

(To be included in Final Draft)

APPENDIX J:

Disclosures of Financial Interest

(To be included in the Final Draft)

APPENDIX K: Revenue Performance by Vote as per Statement of Financial Performance: Year 2024/2025

Revenue Performance by Vote as per Statement of Financial Performance: Year 2024/2025						
	2023/2024	2024/2025			2024/2025 Variance	
Vote Description	Actual Results (R'000)	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget %	Adjustments Budget %
Executive and Council	5 738	5 835	17 435	4 835	-17,1%	-72,3%
Corporate Services	6 297	7 557	17 807	6 768	-10,4%	-62,0%
Financial Services	329 454	352 579	363 693	368 969	4,6%	1,5%
Planning and Development	7 916	6 314	9 994	10 886	72,4%	8,9%
Integrated Human Settements	24 541	32 312	25 570	26 091	-19,3%	2,0%
Community Services	181 369	191 554	201 877	165 585	-13,6%	-18,0%
Electrical Services	432 806	469 748	459 454	450 406	-4,1%	-2,0%
Technical Services	233 121	253 266	255 762	252 944	-0,1%	-1,1%
Total Revenue by Vote	**1 221 243**	**1 319 166**	**1 351 591**	**1 286 484**	**-2,5%**	**-4,8%**

APPENDIX L: Conditional Grant Performance: Year 2024/2025

Conditional Grant Performance: Year 2024/2025						
	2023/2024	2024/2025			2024/2025 Variance	
Description	Actual Results (R'000)	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget (%)	Adjustments Budget (%)
Operating and Capital Grants						
National Government:	**201 320**	**198 473**	**80 993**	**180 962**	**8,8%**	**-123,4%**
Equitable Share	122 358	130 575	0	130 575	0,0%	0,0%
Municipal Infrastructure Grant (MIG)	24 199	28 582	28 487	19 643	31,3%	31,0%
Neighbourhood Development Partnership Grant (NDPG)	8 397	10 477	20 477	14 737	-40,7%	28,0%
Integrated National Electrification Programme (INEP)	40 000	15 760	9 900	1 077	93,2%	89,1%
Finance Management Grant (FMG)	1 771	1 800	0	1 800	0,0%	0,0%
Expanded Public Works Programme (EPWP)	1 264	1 279	0	1 279	0,0%	0,0%
Water Services Infrastructure Grant	3 331	10 000	9 006	8 896	11,0%	1,2%
Municipal Disaster Recovery Grant (new)	0	0	2 600	2 382	0,0%	8,4%
Chemical Industry CHIETA	0	0	840	403	0,0%	52,1%
Construction, Education and Training SETA	0	0	9 683	171	0,0%	98,2%
Provincial Government:	**35 193**	**53 384**	**34 604**	**40 603**	**23,9%**	**-17,3%**
Human Settlement Development Grant	24 126	32 280	25 524	26 045	19,3%	-2,0%
Library Grant	10 978	11 113	0	9 663	13,0%	0,0%
Title Deed Restoration	0	828	-828	2	99,8%	100,2%
Community Development Worker Grant	57	57	57	57	0,0%	0,0%
Financial Management Capability Grant	32	150	725	375	-150,2%	48,2%
Transport Grant	0	130	80	0	100,0%	100,0%
Municipal Energy Resilience Grant	0	600	0	25	95,8%	0,0%
Municipal Water Resilience Grant	0	8 136	9 136	4 363	46,4%	52,2%
SANBI Groen Sebenza	0	90	-90	72	20,2%	179,8%
Total Operating and Capital Grants	**236 513**	**251 857**	**115 597**	**221 565**	**12,0%**	**-91,7%**

APPENDIX M: Capital Expenditure – New and Upgrade/Renewal Programmes Appendix

Capital Expenditure - New Assets and Upgrade / Renewal Assets: Year 2024/2025					
Description	2024/2025			2024/2025 Variance	
	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget %	Adjustments Budget %
Infrastructure Assets	19 014	22 370	12 086	36,4%	46,0%
Community Assets	5 900	3 089	1 972	66,6%	36,2%
Other Assets	4 676	7 746	1 394	70,2%	82,0%
Total Capital Expenditure: New Assets	**29 591**	**33 205**	**15 452**	**47,8%**	**53,5%**
Infrastructure Assets	51 652	62 665	40 930	20,8%	34,7%
Community Assets	6 576	8 027	7 089	-7,8%	11,7%
Other Assets	1 000	–	–	100,0%	0,0%
Total Capital Expenditure: Upgrade / Renewal of Existing Assets	**59 228**	**70 693**	**48 020**	**18,9%**	**32,1%**
Total Capex: New Assets & Upgrade / Renewal of Assets	**88 819**	**103 898**	**63 472**	**28,5%**	**38,9%**

Capital Expenditure - New Assets Programme: Year 2024/2025					
Description	2024/2025			2024/2025 Variance	
	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget %	Adjustments Budget %
Capital Expenditure by Asset Class					
Infrastructure - Total	**19 014**	**22 370**	**12 086**	**36,4%**	**46,0%**
Infrastructure: Road Transport - Total	**8 000**	**1 270**	**715**	**91,1%**	**43,7%**
Roads, Pavements & Bridges	8 000	1 270	715	91,1%	43,7%
Infrastructure: Electricity - Total	**3 557**	**4 528**	**2 335**	**34,3%**	**48,4%**
Transmission & Reticulation	3 557	4 528	2 335	34,3%	48,4%
Infrastructure: Water - Total	**6 228**	**15 042**	**7 836**	**-25,8%**	**47,9%**
Dams & Reservoirs	–	–	–	0,0%	0,0%
Water Purification	6 228	12 433	7 710	-23,8%	38,0%
Reticulation		2 609	126	0,0%	95,2%
Infrastructure: Sanitation - Total	**730**	**1 030**	**788**	**-8,0%**	**23,5%**
Reticulation	730	1 030	788	-8,0%	23,5%
Infrastructure: Other - Total	**500**	**500**	**413**	**17,5%**	**17,5%**
Waste Management	500	500	413	17,5%	17,5%
Community - Total	**5 900**	**3 089**	**1 972**	**66,6%**	**36,2%**
Sportsfields & Stadia	–	–	–	0,0%	0,0%
Community Halls	–	–	–	0,0%	0,0%
Fire, Safety & Emergency	3 500	689	85	97,6%	87,7%
Cemeteries	–	–	–	0,0%	0,0%
Social Rental Housing	2 400	2 400	1 887	21,4%	21,4%
Other	–	–	–	0,0%	0,0%
Other Assets - Total	**4 676**	**7 746**	**1 394**	**70,2%**	**82,0%**
General Vehicles	1 060	1 060	–	100,0%	100,0%
Specialised Vehicles	–	–	–	0,0%	0,0%
Plant & Equipment	1 495	4 617	813	45,6%	82,4%
Computers - Hardware / Equipment	1 800	1 835	299	83,4%	83,7%
Furniture and Other Office Equipment	321	234	282	12,3%	-20,3%
Other Land	–	–	–	0,0%	0,0%
Other	–	–	–	0,0%	0,0%
Total Capital Expenditure: New Assets	**29 591**	**33 205**	**15 452**	**47,8%**	**53,5%**

Capital Expenditure - Upgrade / Renewal Assets Programme: Year 2024/2025					
Description	2024/2025			2024/2025 Variance	
	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget %	Adjustments Budget %
Capital Expenditure by Asset Class					
Infrastructure - Total	**51 652**	**62 665**	**40 930**	**20,8%**	**34,7%**
Infrastructure: Road transport -Total	**24 917**	**37 539**	**28 544**	**-14,6%**	**24,0%**
Roads, Pavements & Bridges	23 917	37 039	28 135	-17,6%	24,0%
Storm water	1 000	500	410	59,0%	18,1%
Infrastructure: Electricity - Total	**12 348**	**7 252**	**392**	**96,8%**	**94,6%**
Transmission & Reticulation	12 348	7 252	392	96,8%	94,6%
Street Lighting	–	–	–	0,0%	0,0%
Infrastructure: Water - Total	**9 196**	**9 415**	**7 013**	**23,7%**	**25,5%**
Dams & Reservoirs	–	–	–	0,0%	0,0%
Water Purification	500	–	–	100,0%	0,0%
Reticulation	8 696	9 415	7 013	19,4%	25,5%
Infrastructure: Sanitation - Total	**3 191**	**4 058**	**2 910**	**8,8%**	**28,3%**
Reticulation	500	2 217	2 632	-426,4%	-18,7%
Sewerage Purification	2 691	1 841	278	89,7%	84,9%
Infrastructure: Other - Total	**2 000**	**4 401**	**2 072**	**-3,6%**	**52,9%**
Waste Management	2 000	2 041	–	100,0%	100,0%
Other	–	2 360	2 072	0,0%	12,2%
Community - Total	**6 576**	**8 027**	**7 089**	**-7,8%**	**11,7%**
Parks & Gardens	–	–	–	0,0%	0,0%
Sportsfields & Stadia	6 576	7 477	6 594	-0,3%	11,8%
Community Halls	–	–	–	0,0%	0,0%
Libraries	–	–	–	0,0%	0,0%
Fire, Safety & Emergency	–	–	–	0,0%	0,0%
Cemeteries	–	551	496	0,0%	10,0%
Other	–	–	–	0,0%	0,0%
Other Assets - Total	**1 000**	**–**	**–**	**100,0%**	**0,0%**
General Vehicles	–	–	–	0,0%	0,0%
Plant & Equipment	–	–	–	0,0%	0,0%
Computers - Hardware / Equipment	–	–	–	0,0%	0,0%

Capital Expenditure - Upgrade / Renewal Assets Programme: Year 2024/2025					
Description	2024/2025			2024/2025 Variance	
	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget %	Adjustments Budget %
Furniture and Other Office Equipment	–	–	–	0,0%	0,0%
Civic Land and Buildings	1 000	–	–	100,0%	0,0%
Other	–	–	–	0,0%	0,0%
Total Capital Expenditure: Upgrade / Renewal of Existing Assets	**59 228**	**70 693**	**48 020**	**18,9%**	**32,1%**

APPENDIX N:

Capital Programme by Project 2024/2025

Capital Programme by Project: Year 2024/2025					
	2024/2025			2024/2025 Variance	
Capital Project	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget %	Adjustments Budget %
Water	**15 424**	**22 580**	**13 458**	**12,7%**	**40,4%**
Fencing at Water Waste Water infrastructure facilities	500	–	–	100,0%	0,0%
Municipal Water Resilience Grant - W C P A	–	7 944	3 794	0,0%	52,2%
Water services infrastructure Grant	8 696	7 831	7 735	11,0%	1,2%
Bulk Water Supply - Karatara	–	435	126	0,0%	71,0%
MIG: 196403 - New Lower River Dam	6 228	2 612	1 512	75,7%	42,1%
Upgrade Bulk Water Supply Rheenendal	–	1 584	290	0,0%	81,7%
Smart Meters Installation	–	2 174	–	0,0%	100,0%
Sanitation / Sewerage	**3 921**	**6 966**	**5 089**	**-29,8%**	**26,9%**
Refurbishment of biodisk in Karatara	400	400	–	100,0%	100,0%
Refurbishment of biodisk in Belvedere	791	791	–	100,0%	100,0%
Replacement of Pump, Valves and rails	–	1 877	1 892	0,0%	-0,8%
Brenton on Lake to Belvedere Sewer Link	–	217	214	0,0%	1,7%
Bulk Sewer Services Damsebos next to Uniondale Road	730	1 030	730	0,0%	29,1%
Upgrade main Sewer Pump Station and sewers in the CBD	500	2 000	1 975	-295,0%	1,2%
Knysna Windheuwel WWTW	250	250	217	13,0%	13,0%
Rehabilitation of the khayalethu sewer project	1 250	400	61	95,2%	84,9%
Electricity	**17 704**	**14 991**	**2 627**	**85,2%**	**82,5%**
Electrification of informal areas	1 000	1 000	141	85,9%	85,9%
Electrification of informal areas	1 000	1 000	818	18,2%	18,2%
Electrification of informal areas	–	500	–	0,0%	100,0%
Electrification of Formal Housing	–	72	–	0,0%	100,0%
Electrification of formal Houses (INEP) - Hlalani Damsebos	1 357	1 357	545	59,8%	59,8%
Bulk upgrade main intake substation	12 348	7 252	392	96,8%	94,6%
Rheenendal Spotlights	–	400	–	0,0%	100,0%
Electrification of informal areas - Hornlee	–	500	–	0,0%	100,0%

Capital Programme by Project: Year 2024/2025					
	2024/2025			2024/2025 Variance	
Capital Project	Original Budget (R'000)	Adjustments Budget (R'000)	Actual Results (R'000)	Original Budget %	Adjustments Budget %
Refurbishment of Ring Main Units	–	391	–	0,0%	100,0%
Relay replacement to reduce overloading	1 000	1 000	731	26,9%	26,9%
Smart Meters Installation	–	870	–	0,0%	100,0%
Replacement of 2 RMU s Eastford and White location	1 000	650	–	100,0%	100,0%
Housing	**10 900**	**2 900**	**3 015**	**72,3%**	**-4,0%**
Knysna Vision(1393) UISP	2 400	2 400	2 300	4,2%	4,2%
Sedgefield Infill - Informal Settlements Upgrading Partnership Grant	8 000	–	715	91,1%	0,0%
Subsoil drains - Bongani Khayalethu Valley	500	500	–	100,0%	100,0%
Refuse Removal	**–**	**3 000**	**–**	**0,0%**	**100,0%**
New Compactor Trucks	–	3 000	–	0	100,0%
Stormwater	**1 000**	**500**	**410**	**59,0%**	**18,1%**
Upgrade Stormwater Infrastructure	1 000	500	410	59,0%	18,1%
Sports, Arts & Culture	**6 776**	**7 577**	**6 694**	**1,2%**	**11,7%**
Rugby and Soccer posts	200	100	6 594	-3196,8%	-6493,7%
MIG: 285770 Upgrade Sportsfield PH2 (Bongani)	6 576	7 477	100	98,5%	98,7%
Safety and Security	**4 300**	**1 659**	**554**	**87,1%**	**66,6%**
Establishment of fire stations - Khayalethu	–	300	98	0,0%	67,3%
Construction Phase - Rheenendal SFS	1 500	300	–	100,0%	100,0%
Construction Phase - Khayalethu SFS	2 000	89	85	95,8%	5,2%
Risk Assesment	300	300	–	100,0%	100,0%
Fire Hoses and Nozzles	250	250	175	30,0%	30,0%
CCTV camera Project	250	250	196	21,6%	21,6%
CCTV camera Project - Safety Initiative	–	170	–	0,0%	100,0%
ICT and Other	**28 793**	**43 726**	**31 628**	**-9,8%**	**27,7%**
Public Transport Facilities	300	252	12 815	-4171,6%	-4985,2%
MIG: Rehabilitation of Streets	215	215	7 579	-3425,2%	-3425,2%
Resealing of streets	11	14	2 989	-26754,3%	-21052,8%
Resurface Gravel Roads	–	10	1 514	0,0%	-15037,8%
Flood intervention (MDRG)	1 000	–	2 072	-107,2%	0,0%
New Server	300	200	–	100,0%	100,0%
MIG : Upgrade of Gravel Roads - Ph2 (Northern Areas)	100	135	1 090	-989,8%	-707,3%
Sinkholes	50	50	888	-1675,6%	-1675,6%
Surface Gravel Roads- Ward 5	350	350	292	16,7%	16,7%
New Tipper Truck	1 300	1 300	–	100,0%	100,0%
Cemetery Fencing	10	10	398	-3876,4%	-3876,4%
Resealing of streets	–	45	352	0,0%	-685,9%
New LDV Sports Facilities	–	126	–	0,0%	100,0%
UPS System	–	464	133	0,0%	71,3%
Surface Gravel Roads- Ward 1	9 110	17 806	14	99,8%	99,9%
Surface Gravel Roads- Ward 3	2 829	1 090	240	91,5%	78,0%
Surface Gravel Roads- Ward 4	7 978	8 817	296	96,3%	96,6%
Surface Gravel Roads- Ward 7	1 000	–	46	95,4%	0,0%

Capital Programme by Project: Year 2024/2025					
	2024/2025			2024/2025 Variance	
Capital Project	**Original Budget (R'000)**	**Adjustments Budget (R'000)**	**Actual Results (R'000)**	**Original Budget %**	**Adjustments Budget %**
Program Tools Equipment	–	2 740	198	0,0%	92,8%
Program Tools Equipment	–	300	123	0,0%	59,0%
Furniture Equipment	–	300	273	0,0%	8,9%
Small Plant Equipment	–	300	122	0,0%	59,3%
Program Computer Equipment	–	750	64	0,0%	91,4%
Upgrade Gravel Roads Ward 7	–	300	16	0,0%	94,8%
Flood intervention (MDRG)	–	1 000	–	0,0%	100,0%
Program Computer Equipment	3 000	3 000	70	97,7%	97,7%
Upgrade Gravel Roads Ward 4	600	600	5	99,2%	99,2%
Program Office Equipment	180	180	8	95,3%	95,3%
Program Office Furniture	460	460	–	100,0%	100,0%
Program Office Equipment	–	551	–	0,0%	100,0%
Program Computer Equipment (MIG)	–	99	31	0,0%	68,4%
Establishment of the Municipal Court			–		
Upgrade Howard Street Ward 9	–	2 261	–	0,0%	100,0%
Total Capital Projects	**88 819**	**103 898**	**63 473**	**28,5%**	**38,9%**

APPENDIX O:

Capital Programme by Project by Ward 2024/2025

(To be included in Final Draft)

APPENDIX P:

Service Connection Backlogs at Schools and Clinics

(To be included in Final Draft)

APPENDIX Q:
Service Backlogs Experienced by The Community Where Another Spheres
(To be included in final Draft)

APPENDIX R:

Declaration of Loans And Grants Made By The Municipality

(To be included in final Draft)

VOLUME IV: ANNUAL PERFORMANCE REPORT

The Unaudited

2024/2025 Annual Performance Report will now follow for the remainder of the document.

Draft
Annual Performance Report

2024/2025

VISION

inclusive… innovative… inspired…

MISSION

Encouraging all members of society to participate in and support our governance structures.

Maintaining cooperative and open partnerships with businesses, civil society, CBO's and other community structures to creating opportunities for dialogue.

Conserving and managing our natural resources through updating our IDP, SDF, zoning schemes, service master plans and other relevant activities.

Planning for the growth and development of quality municipal services to support our community.

Creating an enabling environment to foster development of our people and enabling them to contribute.

Supporting and encouraging the development of investment, business, and tourism and emerging industries.

VALUES

Ethical conduct and leadership

Honesty and integrity

Customer centric responsiveness

Transparent communications

Managing resources responsibly

Mutual respect

Good governance

APPROVAL

ANNUAL PERFORMANCE REPORT: 2024/2025

I, Mr Lulamile Mapholoba the Municipal Manager of Knysna Local Municipality, hereby certify that the Performance Report is a true reflection of all reported performance for the 2024/2025 financial year.

Name: Mr Lulamile Mapholoba

Municipal Manager, Knysna Local Municipality (WC048)

Signature: .... **Date:** 28/08/2025

AUDITOR GENERAL

The Office of the Auditor - General will be performing the auditing of information submitted in this report, together with all achievements reported in the Organisational Performance Management System Scorecard/Top Layer of the Service Delivery Budget Implementation Plan and the findings in their management letter will be included in the Final Annual Report of 2024/2025. The information reported has been validated for relevance, reliability, completeness, accuracy and correctness by the Internal Auditors and await the final audit outcome of the Auditor - General auditing process.

1. INTRODUCTION

Performance Management is the process which measures the implementation of the Councils strategy as set out and approved in the Integrated Development Plan, hereafter referred to as the IDP. It also serves as a management tool to plan, monitor, and measure and review the impact of service delivery by the Municipality. As with most local government processes performance management is institutionalized by means of legislative and policy requirements. Management plays a pivotal role in improving the system by adhering to the set deadlines and timeframes and ensuring all portfolios of evidence and backup documents are uploaded and provided when actual progress is reported.

The following table provides the alignment of Knysna's strategic objectives against the national strategic focus areas and provincial strategic goals:

Strategic Focus Area / National Key Performance Area (NKPA and MKPA)	Strategic Objective (SO)	Priority (PR)
Basic Service Delivery	To improve and maintain current basic service delivery through specific infrastructural development projects	Sanitation
		Electricity
		Streets and Storm Water Management
		Water Supply
		Integrated Human Settlements
	To promote a safe and healthy environment through the protection of our natural resources	Environmental Conservation
		Disaster management
Local Economic Development	To create an enabling environment for social development and economic growth	Decent employment opportunities and job creation
		Rural development
		Youth development
		Care for the elderly
		Opportunities for women and people living with disability
		HIV/Aids awareness
Municipal Financial Viability and Transformation	To grow the revenue base of the municipality	Sound Financial Planning
Municipal Transformation and Institutional Development	To structure and manage the municipal administration to ensure efficient service delivery	Institutional capacity building
Good Governance and Public Participation	To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Ward committees System
		Communication
		Responsive and accountable system of Local Government

Table 1: Alignment of Strategic Objectives with Municipal and National KPA's

2. PURPOSE

The Municipal Systems Act, 2000 (Act 32 of 2000), Section 46 (2), compels Knysna Municipality to compile an Annual Performance Report that forms part of the Annual Report prepared in terms of the Municipal Finance Management Act, 2003 (Act 56 of 2003). This Draft Report focuses on the Top Layer which is the Organisational Objectives, and the achievements thereof made by Knysna Municipality in the 2024/2025 financial year. It furthermore provides feedback on the targets as set out in the approved Top Layer as well as the Service Delivery and Budget Implementation Plan (SDBIP) used to monitor performance at an operational level.

3. LEGISLATIVE REQUIREMENTS

Section 38*(a)* of the Municipal Systems Act, 2000 (Act 32 of 2000) mandates municipalities to establish Performance Management Systems, and the Planning and Performance Management Regulations of 2001, describes the municipality's Performance Management System (PMS) as consisting of a framework that illustrates how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed as well as to determine the roles of different stakeholders.

The Knysna Municipal Council is compelled in terms of Section 46 of the Municipal Systems Act, 2000 (Act 32 of 2000), to comply with the provisions of the said legislation, to prepare an Annual Performance Report and submit to the Auditor-General for external auditing.

The Act prescribes the format and structure of the report, namely:

"Section 46 – Annual performance reports

(1) A municipality must prepare for each financial year a performance report reflecting –

(a) the performance of the municipality and of each external service provider during that financial year;
(b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
(c) measures taken to improve performance.

*(2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.***"**

4. MUNICIPAL OVERVIEW

Map 1 - Location of the Knysna Local Municipality

Variable	2022	2011
Total population	96 055	68 659
% Of the population 0-14 years (young people)	20,9%	24,8%
% Working age population (15-64 years)	66,9%	66,9%
% Of the population classified as elderly (65+ years)	12,3%	8,3%
Number of households	32 398	21 893
Average household size	3,0	3,1
% Of households with formal dwellings	83,7%	73,8%
% Of households with informal formal dwellings	14,2%	24%
% Of households with traditional dwellings	1,8%	0,6 %
% Of households with flush toilets connected to sewerage	90,6%	76,1%
% Of households receiving weekly refuse disposal service	89,3%	93,0%
% Of households with access to piped water in the dwelling	82,6%	67,3%
% Of households using energy for lighting	93,9%	88,8%
% Of households using energy for cooking	59,5%	78,4%
% Of households using gas for cooking	36,6%	10,1%
% of the population with no schooling (older than 20 years)	2,2%	2,6%
% Of the population with higher education (older than 20 years)	14,5%	12,3%

Table 2: Knysna Socio – Economic overview

The Knysna Local Municipality is a B-municipality and forms part of the Garden Route District Municipality (GRDM) in the Western Cape (which also includes other Category B municipalities of: Bitou, George, Mossel Bay, Hessequa, Kannaland and Oudtshoorn). The area comprises of eleven municipal wards with a population of 96 055 and a total of 1,059km^2 that stretches from Swartvlei in Sedgefield in the West to Brackenhill in the East.

Fed by the Knysna River, the 18km^2 Knysna Estuary is home to at least 200 species of fish and opens into the Indian Ocean between two towering sandstone cliffs known as The Heads – proclaimed by the British Royal Navy to be the most dangerous harbour entrance in the world.

It is one of the smallest municipalities of the seven that makes up the Garden Route District, accounting for only 5% of its geographical area. It has however the fourth largest economy in the Garden Route District and boasts good infrastructure and basic services. Adjacent municipalities include George Local Municipality to the North-West and Bitou Local Municipality to the East.

The Gross Domestic Regional Product (GDPR) of the Knysna municipal area was expected to remain relatively stagnant, contracting by a further 1.0 per cent in 2023.

With 18,4 per cent of workers engaged in informal employment, the informal sector has become a crucial source of employment in the KMA. The job growth observed in 2022 led to a 1, 0 percentage point reduction in the unemployment rate, bringing it down to 24,3 per cent, which is slightly below the Western Cape unemployment rate of 24,5 per cent.

5. PERFORMANCE MANAGEMENT

Integrated Development Planning, Public Participation and Performance Management were introduced as some of government's tools to realise the developmental role of local government. Whilst the Integrated Development Plan (IDP) provides a framework for strategic decision-making, performance management must ensure that the desired results are achieved during implementation to ensure the correctness of the strategic direction of the objectives, strategies and projects put forward by the IDP.

Performance Management is defined as a process that measures the implementation of a municipality's strategy. It avails the mechanisms to measure whether the pre-set targets to meet its strategic objectives set by municipal departments/units/sections and its employees are met. The PMS implementation and management process is carried out at Knysna Municipality in different phases including:

Phase 1: Planning
Phase 2: Monitoring and managing performance information
Phase 3: Performance measurement and analysis
Phase 4: Performance review and improvement
Phase 5: Performance report

Co-ordination involves the overall responsibility of being the custodian of the performance management system and managing the system on behalf of the Municipal Manager. This is a strategic function which resides in the Office of the Municipal Manager.

The co-ordination of the implementation phase of performance management is the function of the Manager: IDP/PMS/IGR who is responsible for the following core activities:

- Co-ordination of the development and implementation activities of the organisational PMS, through interaction with all relevant stakeholders;
- Ensuring and overseeing the implementation of the Performance Management Framework and compliance to all performance legislative requirements in respect of the implementation of the PMS;
- Continuously providing technical support to the Municipal Manager and Directors with implementation, assessment, review, monitoring and information management;
- Providing capacity for analysing organisational performance information submitted by Senior Managers on a quarterly, mid-term and annual basis in preparation for reporting;
- Responsible for co-ordination and compiling the MSA, Section 46 Annual Performance Report;
- Ensuring that all quarterly, mid-term and annual organizational performance reports are submitted to relevant stakeholders timeously.

The Knysna Municipality regard to Performance Management is a strategic approach to management, which provides the municipality's leaders, managers at all levels, municipal employees and municipal stakeholders at different levels with a set of tools and techniques to:

- Plan regularly;
- Monitor continuously;
- Measure periodically; and
- Review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

The monitoring system places responsibility on each department and individual employees to collect relevant data and information to support the monitoring process. Evidence of performance is gathered and presented to substantiate claims of meeting (or not meeting) performance standards. All Portfolios of Evidence (POEs) are verified against the reported actual, as it confirms the status of targets extremely well met, well met, met, almost met and not met.

The municipality's performance reporting timetable is summarised as follows:

Reporting	Period Report	Due Target Date
Quarter 1	Q1 Performance Assessment (MFMA - Section 52(d)-performance report	3rd week October 2025
Quarter 2	Q2 Performance Assessment (MFMA - Section 52(d)-performance report	3rd week January 2026
Mid-year Performance Assessment		31 January 2026
Quarter 3	Q3 Performance Assessment (MFMA - Section 52(d)-performance report	3rd week April 2026
Quarter 4	Q4 Performance Assessment (MFMA - Section 52(d)-performance report	3rd week July 2026
Annual Report to AG	MSA - Draft Annual Report MSA – Section 46 – Annual Performance Report	31 August 2025
Quarter 1	Q1 Performance Assessment (MFMA – Section 52(d)-performance report	3rd week October 2025
Annual Report	Final Annual Report adopted by Council including the MPAC Oversight Report	31 January 2026
Annual Report	Public Participation	1 February 2026

Table 3: Knysna Performance Management Timetable

In order to improve performance planning, implementation, measurement and reporting, the Municipality implemented the following actions:

- An electronic performance management system which serves as a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

6. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The Performance Management System (PMS) provides a guideline that defines how the municipality's process of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organized and managed, including determining the different role players. It also forms the basis for aligning the IDP with the operational Service Delivery and Budget Implementation Plans (SDBIPs), performance areas and performance indicators of the various departments

MFMA Circular No. 13 of the Local Government: Municipal Finance Management Act, No. 53 of 2003 describes the SDBIP as follow –

> *"The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like."*

The SDBIP is a layered plan, with the top layer of the plan dealing with consolidated service delivery targets and in-year deadlines, and linking such targets to top management. Once the top-layer targets are set, the top management is then expected to develop the next (lower) layer of detail of the SDBIP, by providing more detail on each output for which they are responsible for, and breaking up such outputs into smaller outputs and linking these to each middle-level and junior manager.

The 2024/2025 SDBIP stems from the municipal IDP, which contains Council's adopted Vision, Mission and Strategic Objectives. The said, in turn, aligns to the five National KPA's. The following table demonstrates this alignment between Knysna Municipality's vision, mission and strategic objectives and the National KPA's:

Vision		
Inclusive - Innovative - Inspired		
Mission		
To provide affordable quality services, alleviate poverty and facilitate social and economic development in the Greater Knysna municipal area through integrated development planning, skills development and the sustainable use of resources.		
National KPA	**Municipal KPA**	**Strategic Objective**
KPA1: Good Governance and Public Participation	MKPA1: Good Governance and Public Participation	**SO6:** To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication
KPA2: Municipal Institutional Development and Transformation	MKPA2: Municipal Transformation and Institutional Development	**SO5:** To structure and manage the municipal administration to ensure efficient service delivery
KPA3: Local Economic Development	MKPA3: Local Economic Development	**SO3:** To create an enabling environment for social development and economic growth
KPA4: Municipal Financial Viability and Management	MKPA4: Municipal Financial Viability and Management	**SO4:** To grow the revenue base of the municipality
KPA5: Basic Service Delivery	MKPA5: Basic Service Delivery	**SO1:** To improve and maintain current basic service delivery through specific infrastructural development projects **SO2:** To promote a safe and healthy environment through the protection of our natural resources

Table 4: Alignment of Municipality's KPAs

The organisational performance will be evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service SDBIP at directorate and departmental levels.

The overall assessment of actual performance against targets set for Key Performance Indicators as documented in the 2024/2025 SDBIP is illustrated in terms of the following assessment methodology (as per the performance management system):

KPI Result	Category	Calculation Explanation
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period
R	KPI Not Met	0% <= Actual/Target <= 66.999%
O	KPI Almost Met	67.000% <= Actual/Target <= 99.999%
G	KPI Met	Actual meets Target (Actual/Target = 100%)
G2	KPI Well Met	100.001% <= Actual/Target <= 132.999%
B	KPI Extremely Well Met	133.000% <= Actual/Target

Table 5: Knysna Assessment Methodology

7. 2024/2025 ORGANISATIONAL PERFORMANCE SCORECARD

Section 38 (a) of the Local Government: Systems Act, No. 32 of 2000 requires Municipalities to set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the community development priorities and objectives set out in its Integrated Development Plan. Section 9 (1) of the Regulations to this Act maintains in this regard, that a Municipality must set performance indicators, including input indicators, output indicators and outcome indicators in respect of each of the development priorities and objectives.

Each year, as required by Section 12 (1) of the Regulations to the Municipal Systems Act, the Municipality also set performance targets for each of the key performance indicators. The IDP process and the performance management process are therefore seamlessly integrated.

The municipal scorecard (Top Layer SDBIP), consolidates service delivery targets set by Council / Senior Management and provides an overall picture of performance for the municipality as a whole, reflecting performance on its strategic objectives.

8. IMPROVING PERFORMANCE

In order to improve performance, Knysna Municipality, throughout the performance management phases, will analyse the causal and contributory reasons for non-performance, through coaching sessions from top to lower levels of the administration and appropriate response strategies will be developed. Some of the identified actions include, inter alia:

- Restructuring as a possible solution for a stable organizational structure;
- Process and systems improvement strategies to remedy poor systems and processes;
- Training and sourcing additional capacity where skills and capacity shortages are identified;
- Training programmes to address organisational culture mainly to encourage a performance culture;
- Amending of the 2024/2025 Performance Management Framework and IDP where Councillors and Directorates will address shortcomings in the strategy;
- Appointment of performance champions (per directorate) and the development of appropriate departmental business plans and operational plans to guide performance in each department; and
- Where results show no chance of improvement through internal measures, alternative service delivery mechanisms will be considered.

The overall assessment of actual performance against targets set for Key Performance in the SDBIP, is in terms of the following assessment:

Focus Area	Pre-determined Objective
FA01	Sanitation
FA02	Electricity
FA03	Streets and Storm Water Management
FA04	Water Supply
FA05	Integrated Human Settlements
FA06	Environmental Conservation
FA07	Disaster management
FA08	Decent employment opportunities and job creation
FA09	Rural development
FA10	Youth development
FA11	Care for the elderly
FA12	Opportunities for women and people living with disability
FA13	HIV/Aids awareness
FA14	Sound Financial Planning
FA15	Institutional capacity building
FA16	Ward committees System
FA17	Communication
FA18	Responsive and accountable system of Local Government

Table 6: Assessment of Actual Performance Against Target

9. KNYSNA MUNICIPALITY TOP LAYER SDBIP

The Top Layer is a layered plan, with the Top Layer dealing with consolidated service delivery targets and linking these targets to departmental Service Delivery and Budget Implementation Plans. The Key Performance Areas (KPAs), are supported by the following Strategic Focus Areas (SFAs) aligned to the municipality's strategic objectives and service delivery priorities:

<table>
<tr><th>SFA#</th><th>Strategic Focus Area / National Key Performance Area</th><th>Count</th><th>SO#</th><th>Strategic Objective</th><th>Count</th><th>PR#</th><th>Priority</th></tr>
<tr><td rowspan="7">SFA1</td><td rowspan="7">Basic Service Delivery</td><td rowspan="7">18</td><td rowspan="5">SO1</td><td rowspan="5">To improve and maintain current basic service delivery through specific infrastructural development projects</td><td rowspan="5">15</td><td>PR01</td><td>Sanitation</td></tr>
<tr><td>PR02</td><td>Electricity</td></tr>
<tr><td>PR03</td><td>Streets and Storm Water Management</td></tr>
<tr><td>PR04</td><td>Water Supply</td></tr>
<tr><td>PR05</td><td>Integrated Human Settlements</td></tr>
<tr><td rowspan="2">SO2</td><td rowspan="2">To promote a safe and healthy environment through the protection of our natural resources</td><td rowspan="2">3</td><td>PR06</td><td>Environmental Conservation</td></tr>
<tr><td>PR07</td><td>Disaster management</td></tr>
<tr><td rowspan="6">SFA2</td><td rowspan="6">Local Economic Development</td><td rowspan="6">2</td><td rowspan="6">SO3</td><td rowspan="6">To create an enabling environment for social development and economic growth</td><td rowspan="6">2</td><td>PR08</td><td>Decent employment opportunities and job creation</td></tr>
<tr><td>PR09</td><td>Rural development</td></tr>
<tr><td>PR10</td><td>Youth development</td></tr>
<tr><td>PR11</td><td>Care for the elderly</td></tr>
<tr><td>PR12</td><td>Opportunities for women and people living with disability</td></tr>
<tr><td>PR13</td><td>HIV/Aids awareness</td></tr>
<tr><td>SFA3</td><td>Municipal Financial Viability and Transformation</td><td>16</td><td>SO4</td><td>To grow the revenue base of the municipality</td><td>16</td><td>PR14</td><td>Sound Financial Planning</td></tr>
<tr><td>SFA4</td><td>Municipal Transformation and Institutional Development</td><td>2</td><td>SO5</td><td>To structure and manage the municipal administration to ensure efficient service delivery</td><td>2</td><td>PR15</td><td>Institutional capacity building</td></tr>
<tr><td rowspan="3">SFA5</td><td rowspan="3">Good Governance and Public Participation</td><td rowspan="3">26</td><td rowspan="3">SO6</td><td rowspan="3">To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication</td><td rowspan="3">26</td><td>PR16</td><td>Ward committees System</td></tr>
<tr><td>PR17</td><td>Communication</td></tr>
<tr><td>PR18</td><td>Responsive and accountable system of Local Government</td></tr>
<tr><td colspan="2">Total</td><td>64</td><td></td><td></td><td>64</td><td></td><td></td></tr>
</table>

Table 7: Alignment of KPAs with Knysna Strategic Objectives

The following table indicates the National Key Performance Areas (NKPA's) which includes the number of Key Performance Indicators (KPI's) on the Top Layer and departmental Service Delivery and Budget Implementation Plans (SDBPI's).

National KPI	Top Layer KPIS	Departmental KPIs	Total
Basic Service Delivery	18	47	64
Good Governance and Public Participation	24	78	102
Local Economic Development	2	16	18
Municipal Financial Viability and Management	17	38	56
Municipal Transformation and Institutional Development	3	100	103
Total	**64**	**279**	**344**

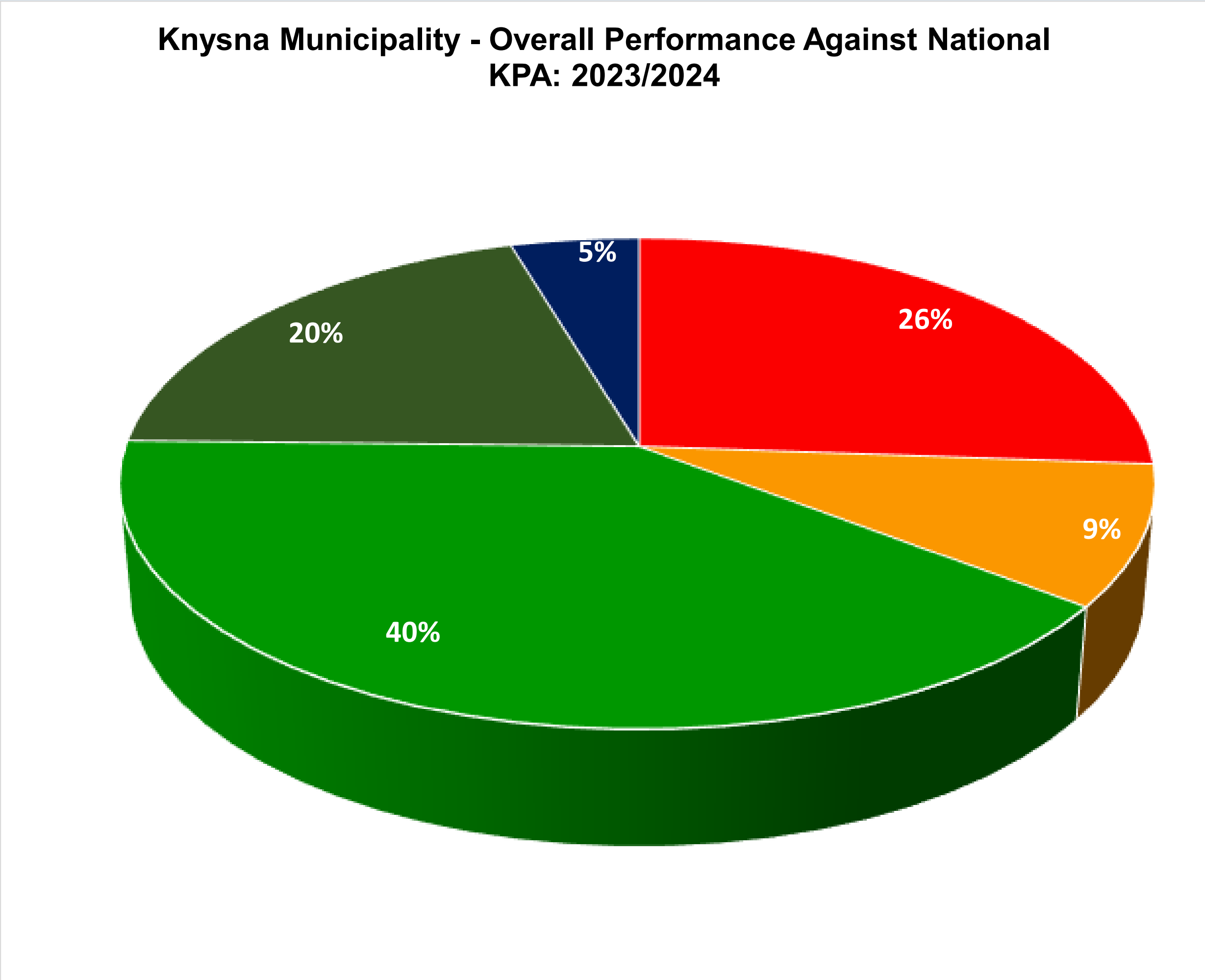
Table 8: Knysna Key Performance Indicators

The following table depicts the Top Layer Municipal Performance per National KPA:

Knysna Municipality Overall Performance Result	Knysna Municipality: Performance Against National Key Performance Areas					Total
	Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development	
Not Yet Applicable	0	0	0	0	0	0
Not Met	3	6	0	10	0	19
Almost Met	0	1	0	3	0	4
Met	3	15	1	3	0	22
Well Met	9	0	1	1	1	12
Extremely Well Met	3	2	0	0	2	7
Total: 64	**18**	**24**	**2**	**17**	**3**	**64 (100%)**

Table 9: Knysna Top Layer KPAs per National KPA

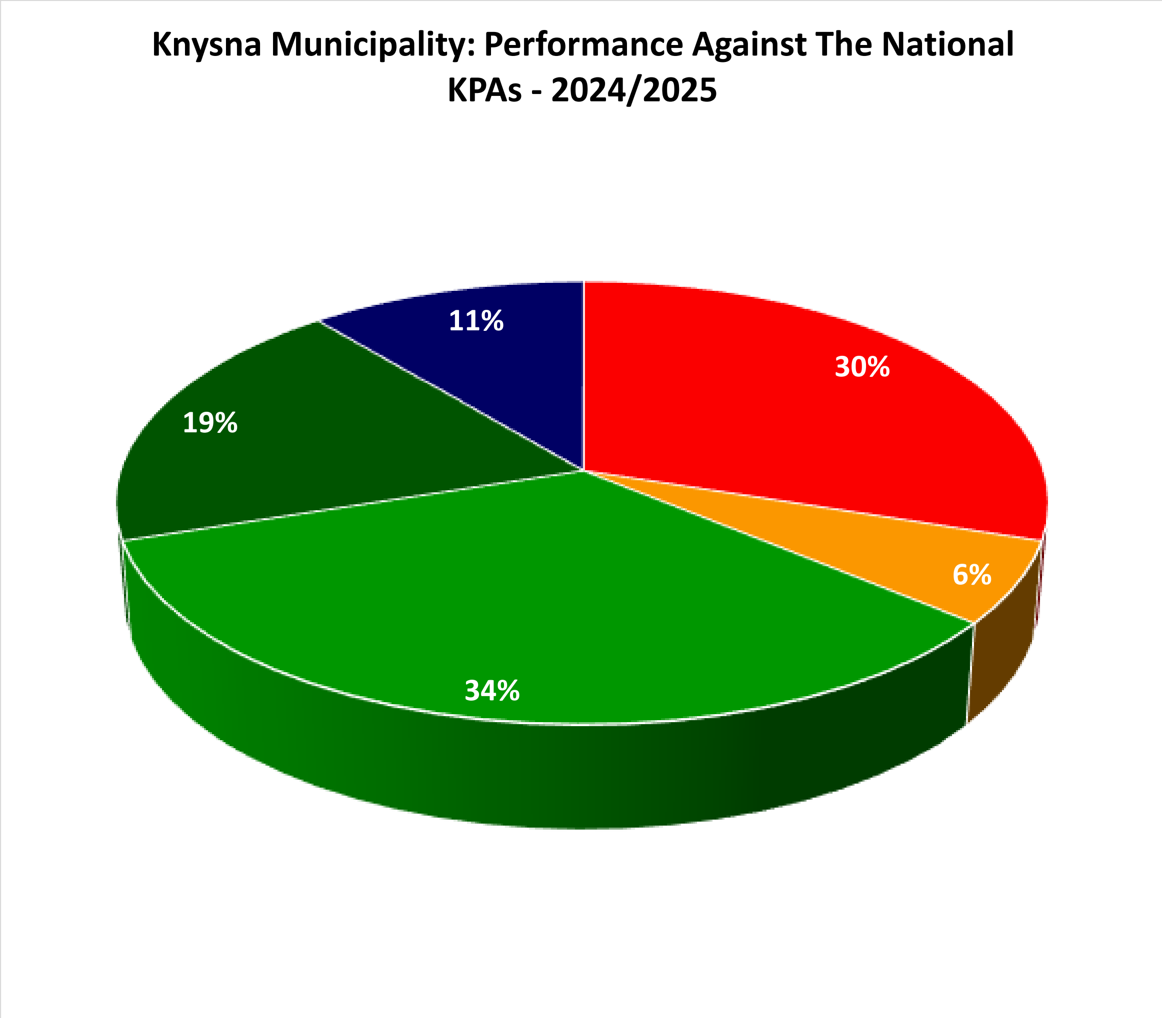
Knysna Municipality: 2023/2024 Performance Against National KPA



Graph 1: Knysna Municipality: 2024/2025 Performance Against National KPA

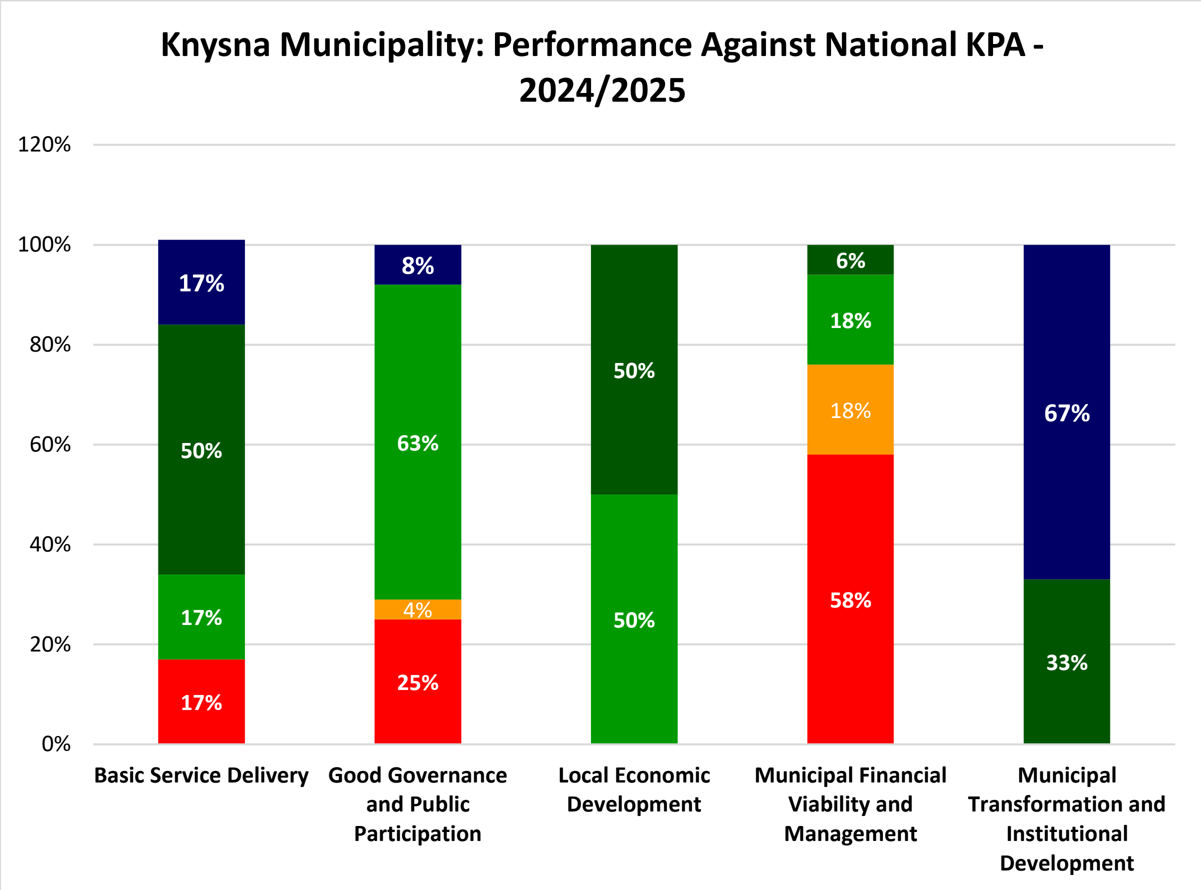
R	KPI Not Met
O	KPI Almost Met
G	KPI Met
G2	KPI Well Met
B	KPI Extremely Well Met

The following graphs illustrates the Municipality's the performance per National KPA for the 2024/2025 financial year:



Graph 2: Knysna Municipality: 2024/2025 Performance Against National KPA

Knysna Municipality: Performance Against National KPA



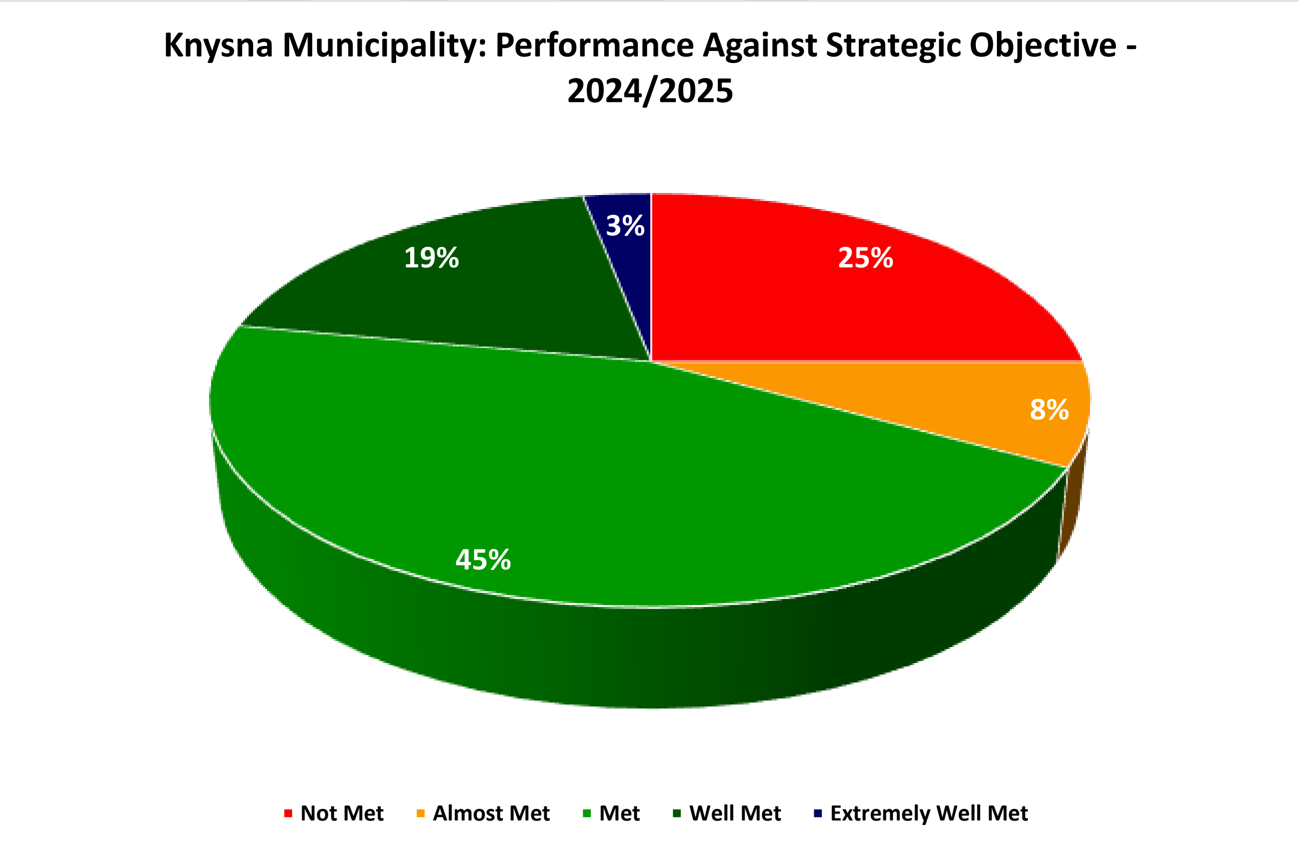
Graph 3: Knysna Municipality: Performance Per National KPA

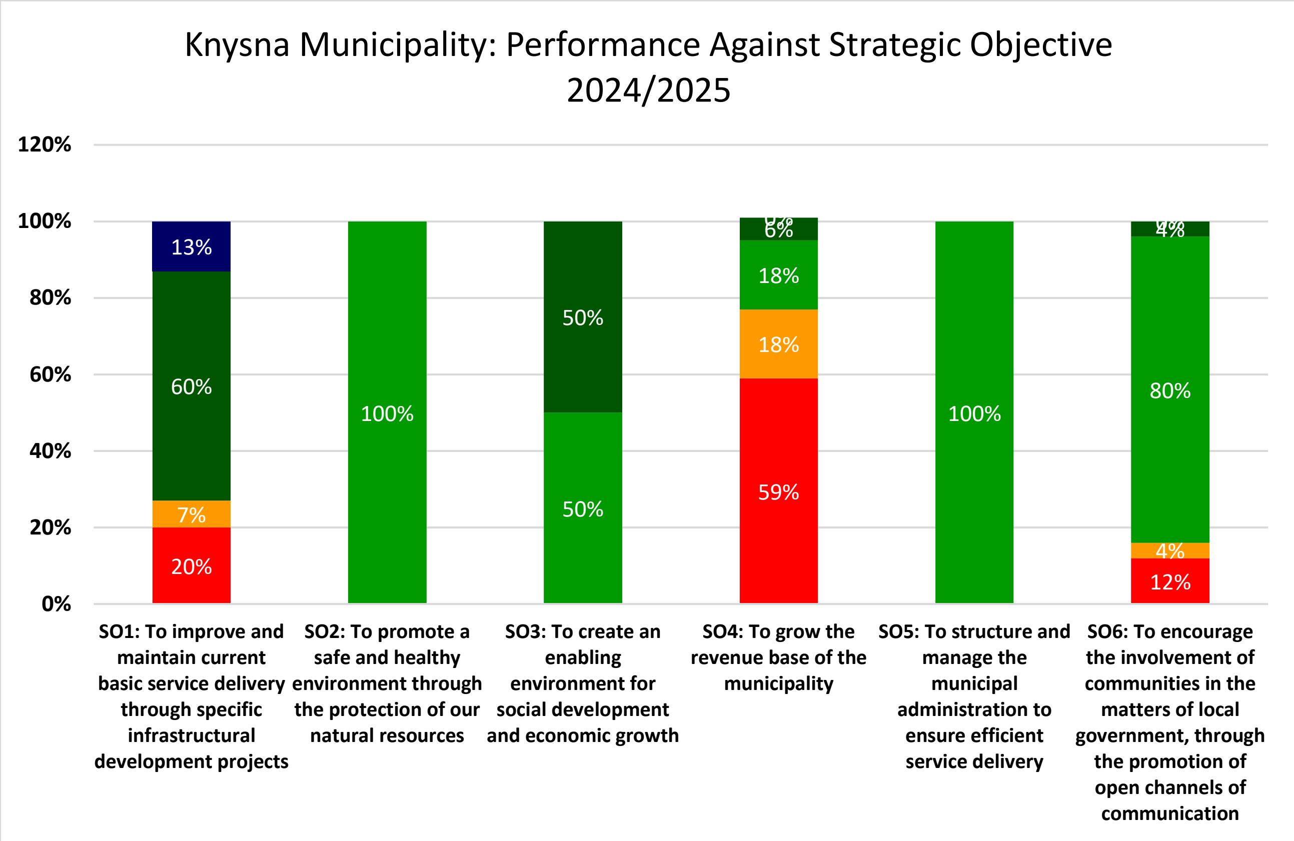
The following table depicts the Top Layer Municipal Performance per Municipal Strategic Objective:

Knysna Municipality Overall Performance Result	Knysna Municipality: Performance Against Strategic Objective						
	SO1: To improve and maintain current basic service delivery through specific infrastructural development projects	SO2: To promote a safe and healthy environment through the protection of our natural resources	SO3: To create an enabling environment for social development and economic growth	SO4: To grow the revenue base of the municipality	SO5: To structure and manage the municipal administration to ensure efficient service delivery	SO6: To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication	Total
Not Yet Applicable	0	0	0	0	0	0	0
Not Met	3	0	0	10	0	3	16
Almost Met	1	0	0	3	0	1	5
Met	0	3 (100%)	1	3	2	20	29
Well Met	9	0	1	1	0	1	12
Extremely Well Met	2	0	0	0	0	0	2
Total:	**15**	**3**	**2**	**17**	**2**	**25**	**64**

Table 10: Municipal Performance Against Strategic Objective

The following graphs illustrates the Municipality's the performance per Strategic Objective:





Graph4: Knysna Municipality: Performance Against Municipal Strategic Objective

10.Knysna Municipality's Top Layer SDBIP (Group by: Strategic Objective)

10.1 SO6:To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	National KPA	Key Performance Indicator	Unit of Measurement	Previous Year Actual	Revised Annual Target	Performance Comment	Corrective Measures	Original Target	Actual	Results
TL1	Good Governance and Public Participation	Submit to the Executive Mayor the draft 2025/2026 SDBIP for consideration by no later than 14 days after the approval of the annual budget in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003	One (1) Draft Service Delivery and Budget Implementation Plan (SDBIP) submitted to the Executive Mayor	1	1	2025/2026 SDBIP approved by the Executive Mayor on 5 June 2025.	Target Met: No response required	**1**	**1**	G

10.1 SO6:To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication											
Reference	National KPA	Key Performance Indicator	Unit of Measurement	Previous Year Actual	Revised Annual Target	Performance Comment	Corrective Measures	Original Target	Actual	Results
TL2	Good Governance and Public Participation	Conclude signed performance agreements in terms of Section 57 of the Local Government: Municipal Systems Act, No. 32 of 2000 for the Municipal Manager and Managers directly accountable to the Municipal Manager	One hundred percent (100%) of signed performance agreements concluded within the legislative deadline	100%	100%	Signing of Performance Agreements of Directors in progress. Performance agreements to be concluded by 30 June 2025	The Performance Agreements of Directors have been signed and concluded; however, the target cannot be updated as it was set for September 2024.	**100%**	**42%**	R
TL3	Good Governance and Public Participation	Conduct formal performance evaluations of the Municipal Manager and Managers directly accountable to the Municipal Manager in line with the signed performance agreements	One hundred percent (100%) of performance evaluations concluded for the financial year	50%	100%	Mid-Year Performance Review for Director Planning and Economic Development and CFO was held on 19 May 2025	Rescheduling of the Annual evaluations for Director Planning and CFO is in progress.)	**100%**	**50%**	R

10.1 SO6:To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL4	Good Governance and Public Participation	Risk-Based Audit Plan submitted to the Audit Committee for approval by end-June of the financial year	One (1) Risk-Based Audit Plan submitted to the Audit Committee by end-June	1	1	Risk based plan submitted to the audit committee and approved on 24 June 2025	Target Met: No response required	**1**	**1**	G
TL5	Good Governance and Public Participation	Bi-annually submit performance management-related reports to the Audit Committee	Two (2) performance management-related reports submitted to the Audit Committee	2	2	Two Reports submitted to Audit Committee (APR and Sec 52d Report)	Target Met: No response required	**2**	**2**	G
TL6	Good Governance and Public Participation	Submit the 2025/2026 Integrated Development Plan (IDP) and Budget Time Schedule to Council for consideration by end-August	One (1) Integrated Development Plan (IDP) and Budget Time Schedule submitted to Council	1	1	2025/2026 IDP Process Plan tabled on 5 August 2024.	Target Met: No response required	**1**	**1**	G
TL10	Good Governance and Public Participation	Review and submit the Risk Register to the Risk Management Committee by February of the financial year	One (1) Reviewed Risk Registers submitted to the Risk Management Committee	1	1	Risk Register submitted	Target Met: No response required	**1**	**1**	G

10.1 SO6:To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	National KPA	Key Performance Indicator	Unit of Measurement	Previous Year Actual	Revised Annual Target	Performance Comment	Corrective Measures	Original Target	Actual	Results
TL11	Good Governance and Public Participation	Submission of Quarterly Audit Committee Reports to Council	Four (4) Audit Committee Reports submitted to Council for the financial year	4	4	Audit Committee Reports submitted to Council	Target Met: No response required	**4**	**4**	G
TL13	Good Governance and Public Participation	Submit the Reviewed Integrated Development Plan (IDP) to Council for consideration by end-May	One (1) Reviewed Integrated Development Plan submitted to Council by end-May	1	1	Municipal Manager: IDP Adopted by Council on 30 May 2025.	Target Met: No response required	**1**	**1**	G
TL14	Good Governance and Public Participation	Develop and submit the 2023/2024 Annual Performance Report (APR) to the Auditor-General of South Africa (AGSA) by end-August	One (1) Annual Performance Report submitted to the Auditor-General by end-August	1	1	Annual Performance Report was submitted to the office of the Auditor General on 31 August 2024	Target Met: No response required	**1**	**1**	G
TL16	Good Governance and Public Participation	Implement 100% of all Council decision(s) taken	% Of Council decisions implemented	100%	100%	No outstanding Council Executions	Target Met: No response required	**100%**	**100%**	G

10.1 SO6:To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL17	Good Governance and Public Participation	Submit Quarterly Progress Report on Implementation of Section 154 Support Plan	Number of Section 154 Support Plan Reports submitted to Council	0	4	Three reports submitted to Council	Target Almost Met	**4**	**3**	O
TL19	Municipal Transformation and Institutional Development	Number of Monthly Management meetings held	One (1) Management Meeting per Month	0	12	Target achieved	Target achieved	**12**	**15**	G2
TL20	Good Governance and Public Participation	Number of Ordinary Council Meetings scheduled	Four (4) Ordinary Council meetings scheduled for the financial year	4	4	One Ordinary Council meeting held during April 2025 (April 2025) [One Ordinary Council meeting held on 30 May 2025 (with continuation on 5 June 2025). (May 2025) One meeting (attached) held (June 2025)	Target Extremely Well Met: No response required	**4**	**4**	G

10.1 SO6:To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL24	Good Governance and Public Participation	Submit Municipal Organogram (funded positions) to Council by end-May 2025	One (1) Municipal Organogram submitted to Council by end-May 2025	1	1	In progress. (April 2025) Please see previous month's performance comment on this KPI). (May 2025) Previously reported on.	Target Met: No response required	**1**	**1**	G
TL38	Good Governance and Public Participation	Submission of Fixed Asset Register (FAR) in compliance with applicable Generally Recognised Accounting Practice (GRAP) Standards to the Auditor-General by end-August 2024	One (1) Fixed Asset Register submitted to the Auditor-General by end-August 2024	1	1	Asset Register was submitted as part of the AFS	Target Met: No response required	**1**	**1**	G
TL43	Good Governance and Public Participation	Submission of the Annual Financial Statements to the Auditor-General by end-August	One (1) Annual Financial Statements submitted to the Auditor-General by end-August	1	1	Annual Financial statements was submitted	Target Met: No response required	**1**	**1**	G

10.1 SO6:To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL45	Good Governance and Public Participation	Submission of the Reviewed Long-Term Financial Plan to Council by end-March 2025	One (1) Reviewed Long-Term Financial Plan submitted to Council by end-March 2025	1	1	Target not achieved	KPI to be reviewed in 2025/2026 Financial Year. Budget was adopted.	**1**	**0**	R
TL54	Good Governance and Public Participation	Submit the Report on the Rehabilitation of Landfill Sites to Financial Services for inclusion in the Annual Financial Statements by end-June	One (1) Report on the Rehabilitation of Landfill Sites submitted to Financial Services by end-June of the financial year	1	1	Report submitted as part of the AFS	Target achieved	**1**	**1**	G
TL55	Good Governance and Public Participation	Submit the Reviewed Disaster Management Plan to Council for consideration by end-May	One (1) Reviewed Disaster Management Plan submitted to Council by end-May 2025	1	1	The Revised Greater Knysna Municipal Disaster Management Plan 2019/20 Served at the Continuation of the ordinary Council meeting held on 8 April 2025	Target Met: No response required	**1**	**1**	G

10.1 SO6:To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL61	Good Governance and Public Participation	Maintain and review Electricity Master Plan and facilitate for budget approval by end-June of the financial year	One (1) Electricity Master Plan reviewed and maintained by end-June of the financial year	0	1	Electro-Technical Department Electricity Masterplan was submitted to Council on 29 June 2022	The Master plan is due for review in 5 Years	**1**	**1**	G
TL62	Good Governance and Public Participation	Facilitate Quarterly Community Housing Meetings in support of the Human Settlements Plan by end June of the financial year	4 (Four) Community Housing meetings per quarter	2	4	Community meetings held in Hlalani and Khayalethu areas	Target Met: No response required	**4**	**4**	G
TL64	Good Governance and Public Participation	Review Human Settlements Master Plan and submit to the Portfolio Committee by end June of the financial year	One Reviewed Human Settlements Master Plan submitted to the Portfolio Committee by end-June of the financial year	0	1	Integrated human Settlement Sector Plan submitted to IHS Sec 80 on 3 July 2025	Target Met: No response required	**1**	**1**	G

10.1 SO6:To encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL66	Good Governance and Public Participation	Submit to the Emergency Housing Policy to MAYCO by end-March 2025	One (1) Emergency Housing Policy submitted to the MAYCO by end-March 2025	1	1	Item of the Emergency Material served at the Ordinary Council meeting held on the 31 Marc 2025	Target Met: No response required	**1**	**1**	G
TL67	Good Governance and Public Participation	Submit a funding application to the Department: Human Settlement (DHS)	One (1) funding application submitted to the Department: Human Settlements	1	1	Approval letter received from Department of Infrastructure of the outcome for additional funding. Res 25-09	Target Met: No response required	**1**	**1**	G

10.2 SO4:To grow the revenue base of the municipality										
Reference	National KPA	Key Performance Indicator	Unit of Measurement	Previous Year Actual	Revised Annual Target	Performance Comment	Corrective Measures	Original Target	Actual	Results
TL7	Municipal Financial Viability and Management	Capital conditional grant spending measured by the percentage (%) spent by end-June of the financial year	100% of the capital conditional grant spent by end-June	76%	100%	The figure is as per the S71 report as at 30 June 2025.	Planning to be improved.	**100%**	**66%%**	R
TL8	Municipal Financial Viability and Management	Operational conditional grant spending measured by the percentage (%) spent by end-June of the financial year	100% of the operational conditional grant spent by end-June	84%	100%	The figure is as per the S71 report as at 30 June 2025.	Planning to be improved.	**100%**	**68%**	R
TL9	Municipal Financial Viability and Management	% Implementation completion of Capital projects	100% of implemented Capital projects completed	23.38%	100%	it is based on the S71	Please refer to Section 71 and 52 of MFMA June 2025	**100%**	**54%**	R
TL12	Municipal Financial Viability and Management	% Capital expenditure of budget spent in line with budget and timelines by end-June of the Financial Year	100% of the municipal capital budget spent by end-June	73%	100%	Target not achieved	Planning to be improved	**100%**	**61%**	R

10.2 SO4:To grow the revenue base of the municipality										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL15	Municipal Financial Viability and Management	% Of operating budget expenditure in line with budget and timelines by end-June of the Financial Year	% Of operating budget spent	88%	100%	Based on S71	Target Almost Met Outlined in the Section 71 and 52 of the MFMA June 2025	**100%**	**86%**	O
TL22	Municipal Financial Viability and Management	The percentage of a municipality's operating budget actually spent on implementing its workplace skills plan by 30 June 2025 {(Actual total training expenditure divided by total training (budget) x100}	100% of the municipal operating budget spent by end-June	99%	100%	As per comment/evidence submitted during third quarter. (April 2025) As per confirmation by Training Officer attached during March 2025. (May 2025) Completed	Target Met: No response required	**100%**	**100%**	G

10.2 SO4:To grow the revenue base of the municipality										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL25	Municipal Financial Viability and Management	Submit the Section 52(d) Report to Council following the end of each quarter as prescribed in the Local Government: Municipal Finance Management Act, No. 56 of 2003	Four (4) Section 52(d) Reports submitted to Council by end-June	4	4	The section 71/52 Report as at 30 June 2025 was send to the Executive Mayor, Provincial and National Treasury on 14 July 2025. The report will serve at the next council meeting before 31 July 2025.	None- Can only be done after submission to Council in July 2025.	**4**	**3**	O
TL26	Municipal Financial Viability and Management	Submit the Annual Budget to Council for consideration by end-May as prescribed in the Local Government: Municipal Finance Management Act, No. 56 of 2003	One (1) Annual Budget submitted to Council within the legislative deadline	1	1	The budget item was submitted and tabled on 30 May 2025 within the prescribed timeframes	Target Met: No response required	**1**	**1**	G

10.2 SO4:To grow the revenue base of the municipality										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL27	Municipal Financial Viability and Management	Submit the Adjustment Budget to Council for consideration by end-February as prescribed in the Local Government: Municipal Finance Management Act, No. 56 of 2003	One (1) Adjustment Budget submitted to Council within the legislative deadline	1	1	Adjustment budget submitted to Council	Target Met: No response required	**1**	**1**	G
TL32	Municipal Financial Viability and Management	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by end June of the financial year	66.70%	100%	Financial viability measured in terms of the outstanding service debtors	Last Financial viability measured in March 2025 in terms of the outstanding service debtors	**100%**	**38%**	R
TL33	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI	Cost coverage as at 30 June annually: (Cash and Cash Equivalents - Unspent	0.24	1.30	The cost coverage as at 30 June 2025 is 0.08 months.	Target Almost Met Cash needs to increase through improved	**1.30**	**0.08**	R

10.2 SO4:To grow the revenue base of the municipality										
Reference	National KPA	Key Performance Indicator	Unit of Measurement	Previous Year Actual	Revised Annual Target	Performance Comment	Corrective Measures	Original Target	Actual	Results
		Proxy - MSA, Reg. S10(g)(iii))	Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for bad debts, Impairment and Loss on disposal of assets)				revenue collection actions and the cost containment measures.			
TL39	Municipal Financial Viability and Management	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - conditional operating grants received) / (Debt service payments due within the year)) measured	12.59%	15%	Target not achieved	Director to ensure that owners update KPIs	**15%**	**14,01%**	R

10.2 SO4:To grow the revenue base of the municipality										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
			by end June of the financial year							
TL40	Municipal Financial Viability and Management	Sound financial management by maintaining an acceptable Liquidity Ratio	Liquidity: Current Ratio, Calculated as (Current Assets / Current Liabilities	0.74	1.20	The Current ratio as at 30 June 2025 is 1.21)	Improve asset management processes	**1.20**	**0.98**	R
TL41	Municipal Financial Viability and Management	Financial viability measured in terms of the collection period (average number of days) as at 30 June ((Gross Debtors - Bad Debt Provision) / Billed Revenue)) × 365	Debtors ratio in number of days	185.88	80	The debtors ratio in number of days as 30 June 2025 is 68.23 days	Improved revenue collection actions and more bad debt provision to reduce the debtors day ratio.	**80**	**185.91**	R
TL42	Municipal Financial Viability and Management	Achieve an average payment percentage of 91% by 30 June [Gross Debtors (Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts	Gross Debtors (Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) /	59.38%	91%	The collection rate as at 30 June is 94%	Improved revenue collection actions to reduce the gross outstanding	**91%**	**91.60%**	G2

10.2 SO4:To grow the revenue base of the municipality										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
		Written Off) / Billed Revenue x 100]	Billed Revenue x 100				debtors amount.			
TL44	Municipal Financial Viability and Management	Financial viability measured in terms of number of days taken for creditors to be paid: Trade creditors outstanding/creditors purchases (operating and capital) x 365]	Number of days to pay creditors	86.84	30	Target not achieved	Improve planning and supply chain management processes	**30**	**71.94**	R
TL46	Municipal Financial Viability and Management	Raise / collect Operating Budget Revenue as per approved budget by end-June of the financial year	One hundred percent (100%) of Total Annual Operating Budget Revenue raised / collected by end-June of the financial year	93%	100%	The Operating Revenue Budget Implementation Indicator equates	Target Almost Well Met:	**100%**	**98,6%**	O

10.3 SO5: To structure and manage the municipal administration to ensure efficient service delivery										
Reference	National KPA	Key Performance Indicator	Unit of Measurement	Previous Year Actual	Revised Annual Target	Performance Comment	Corrective Measures	Original Target	Actual	Results
TL TL2151	Municipal Transformation and Institutional Development	Submit the Employment Equity Report to Council on the number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan as at end-June of the financial year	One (1) Employment Equity Report submitted to Council by end-June	1	1	Target Met: No response required	Target Met: No response required	**1**	**1**	G
TL23	Municipal Transformation and Institutional Development	Submit the Workplace Skills Plan to the Local Government Sector Education and Training Authority	One (1) Workplace Skills Plan submitted to the Local Government Sector Education and Training	1	1	Target Met: No response required	Target Met: No response required	**1**	**1**	G

10.3 SO5: To structure and manage the municipal administration to ensure efficient service delivery										
Reference	National KPA	Key Performance Indicator	Unit of Measurement	Previous Year Actual	Revised Annual Target	Performance Comment	Corrective Measures	Original Target	Actual	Results
		(LGSETA) by end-April	Authority (LGSETA) by end-April							

10.4 **SO1: To improve and maintain current basic service delivery through specific infrastructural development projects**										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL28	Basic Service Delivery	Number of residential properties with access to Water services and are on the financial system as at end June	Number of residential properties with access to Water services as registered on the financial system as at end June	15 905	14 761	17806 residential properties that has access to Water services	Target Well Met: No response required	15 801	17 806	G2
TL29	Basic Service Delivery	Number of residential properties with access to electricity and are on the financial system (Promun and Ontec) as at end June of the financial year	Number of residential properties with access to electricity services registered on the financial system (Promun and Ontec) at at end June of the financial year	23 765	24 124	25450 registered residential properties with access to electricity services	Target Well Met: No response required	**21 348**	**25 450**	G2

10.4 **SO1: To improve and maintain current basic service delivery through specific infrastructural development projects**										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL30	Basic Service Delivery	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at end June of the financial year	Number of formal residential properties which are billed for sewerage as at end June of the financial year	13 504	12 646	12767 formal residential properties which are billed for sewerage	Target Well Met: No response required	**13 172**	**12 767**	G2
TL31	Basic Service Delivery	Number of formal residential properties for which refuse is removed once per week and billed for the service as at end June of the financial year	Number of formal residential properties which are billed for refuse removal as at end June of the financial year	16 643	16 538	16586 formal residential properties that are billed for refuse removal	Target Well Met: No response required	**16 227**	**16 586**	G2

10.4 **SO1: To improve and maintain current basic service delivery through specific infrastructural development projects**										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL34	Basic Service Delivery	Provide free basic water to indigent households	Number of indigent households receiving free basic water as at end June of the financial year	2 749	3 011	Services: 3176 indigent households that is receiving free basic water	Target Well Met: No response required	**1 690**	**3 176**	G2
TL35	Basic Service Delivery	Provide free basic electricity to indigent account holders connected to the municipal electrical infrastructure network	Number of indigent households receiving free basic electricity as at 30 June of the financial year	2 511	1 874	3168 indigent households that is receiving free basic electricity	Target is Extremely Well Met: No response required	**1 425**	**3 168**	B
TL36	Basic Service Delivery	Provide free basic sanitation to indigent account holders connected to the municipal sanitation infrastructure network	Number of indigent households receiving free basic sanitation as at end June of the financial year	1 690	3 152	Services: 3162 indigent households that is receiving free basic sanitation	Target Well Met: No response required	**1 690**	**3 162**	G2

10.4 **SO1: To improve and maintain current basic service delivery through specific infrastructural development projects**											
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL37	Basic Service Delivery	Provide free basic refuse removal to indigent households	Number of indigent households receiving free basic refuse removal as at end June of the financial year	2754	2754	Target achieved	Not applicable	**2754**	**3167**	G2
TL56	Basic Service Delivery	Limit unaccounted water losses to less than (<) 35%	Less than (<) 35% water losses recorded by end-June of the financial year	33,68%	35%	Target not achieved.	Managers to continually monitor and assess water losses. Feedback reports to be submitted to Director on a quarterly basis.	**35%**	**56,38%**	R
TL57	Basic Service Delivery	Municipal Streets and Storm water capital spending measured by the percentage (%) of budget spent	One hundred percent (100%) of the Streets and Storm water capital budget spent by end-June of the financial year	73%	100%	Streets and Storm water capital budget spent by end-June of the financial year	is the actual for quarter 1= 27%, Quarter 2= 49.73% and Quarter 3=80% Quarter 4 not included	**100%**	**81,93%**	O

10.4 **SO1: To improve and maintain current basic service delivery through specific infrastructural development projects**										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL58	Basic Service Delivery	100% compliance to general standards with regard to waste water outflow by 30 June of the financial year	100% compliance to the general standards for waste water outflow by end-June of the financial year	70.83%	100%	The wastewater treatment plants (WWTPs) achieved 67.12% of the 100% annual compliance target due to a combination of operational, infrastructural, and external factors that are currently being addressed.	The wastewater treatment plants (WWTPs) achieved 67.12% of the 100% annual compliance target due to a combination of operational, infrastructural, and external factors that are currently being addressed.	**100%**	**67.12%**	R

10.4 **SO1: To improve and maintain current basic service delivery through specific infrastructural development projects**										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL59	Basic Service Delivery	95% water quality level obtained as per SANS 241 physical and micro parameters by 30 June of the financial year	95% compliance to the SANS 241 in regards to the water quality level by end-June of the financial year	95.15%	95%	The water treatment plants achieved a compliance score of 96, 59% exceeding the required target of 95% annual water quality compliance	Target Well Met: No response required	**95%**	**96.59%**	G2
TL60	Basic Service Delivery	Limit electricity losses to less than 11.5% by 30 June of the financial year (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated)x 100	Less than 11.5% electricity losses by end-June of the financial year	<11.58%	<11.50%	Target Achieved. Electricity losses less than 11,58% and previous year actual.	Director to meet with Acting Manager to attend to update	**11.50%**	**10.46%**	B

10.4 **SO1: To improve and maintain current basic service delivery through specific infrastructural development projects**										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL63	Basic Service Delivery	Service Sites for future housing development through the programme on the Upgrading of Informal Settlements Plan (UISP) and Enhanced People's Housing Process (EPHP)	Number of sites serviced through the Human Settlements Development Grant (HSDG) programmes	12	30	44 infrastructure services have been installed according to construction	Target Well Met: No response required	**30**	**44**	G2
TL65	Basic Service Delivery	Provision of Housing opportunities in accordance with the Provincial Business Plan and budget allocation	Ninety-nine (99) housing opportunities provided for the financial year	16	99	42 Out of 99 Happy letters received	The outline officers are literally going around getting the 'happy letters' signed	**99**	**42**	R

10.5 SO2:To promote a safe and healthy environment through the protection of our natural resources										
Reference	National KPA	Key Performance Indicator	Unit of Measurement	Previous Year Actual	Revised Annual Target	Performance Comment	Corrective Measures	Original Target	Actual	Results
TL51	Basic Service Delivery	Develop a climate change adaptation plan for Knysna Municipality	One (1) plan to be tabled for Council by end June of the financial year	0	1	This served in the section 80 for processing to council. Ordinary council rescheduled for July.	Target Met: No response required	**1**	**1**	G
TL52	Basic Service Delivery	Develop a Coastal Management By-law for Knysna Municipality	One (1) by-law to be tabled for Council by end June of the financial year	0	1	Served on s80 in June and ordinary Council meeting scheduled for end July 2025	Target Met: No response required	**1**	**1**	G
TL53	Basic Service Delivery	Submit the Green Flag beach application for Swartvlei	One Green Flag application submitted for Swartvlei	1	1	Green Coast Award was received for Swartvlei	Target Met: No response required	**1**	**1**	G

10.6 SO3: To create an enabling environment for social development and economic growth										
Reference	**National KPA**	**Key Performance Indicator**	**Unit of Measurement**	**Previous Year Actual**	**Revised Annual Target**	**Performance Comment**	**Corrective Measures**	**Original Target**	**Actual**	**Results**
TL47	Local Economic Development	Number of employment opportunities created through the Municipality's local economic development initiatives	Thirty-eight (38) Expanded Public Works Programme employment opportunities created by the organisation by the end June of the financial year	196	38	40 Expanded Public Works Programme Participants	Target Well Met: No response required	**38**	**40**	G2
TL48	Local Economic Development	Submit the Reviewed Municipal Spatial Development Framework (MSDF) to Council by end-May 2025	One (1) Reviewed Municipal Spatial Development Framework submitted to Council by end-May 2025	1	1	Adoption of the Final Draft Sedgefield Local Spatial Development Framework AND IDP Amendment Adoption of the final draft IDP amended Knysna Municipal Spatial Development Framework served at the Special Council meeting held on 26 June 2025	Target Met: No response required	**1**	**1**	G