

**CHAPTER 1:  
INTRODUCTION AND OVERVIEW**

## CHAPTER 1: INTRODUCTION AND OVERVIEW



### 1.1 MAYOR'S OVERVIEW

It is my privilege to introduce the Annual Report for the 2008/2009 financial year.

The 2008/2009 financial year was an eventful, but also very productive year in which a great deal of progress was made. The stability of Council has contributed to our successes. Services were improved and a number of demanding challenges were overcome. However, this municipality is aware of the fact that challenges still remain and strives to continuously improve on service delivery.

Our key objective, as set out in our five-year Integrated Development Plan (IDP), is to promote economic growth in Knysna by creating a more attractive and enabling urban environment for investors and skilled workers. This environment must also benefit unskilled workers by providing training and employment opportunities, thus creating a sustainable economy with opportunities for all. Upgrading of infrastructure and improving service delivery remains our core focus areas, however we also understand the need to find a balance between development and our natural resources. With these parameters in mind we are doing all we can to facilitate rapid economic growth to, in line with our 2020 vision, create a town that works for all.

To address development in this manner requires an efficient and financially stable administration.

Council works hard towards achieving its objectives in all five key performance areas, namely:

- 1 Basic service delivery and infrastructure development
- 2 Municipal financial viability and management
- 3 Municipal transformation and development
- 4 Local economic development
- 5 Good governance and public participation

#### Key achievements over the review period include the following:

- Receiving the Govan Mbeki Housing Award for Best Municipality on Housing Delivery;
- Receiving a Green Drop award from the Department of Water Affairs for the most promising performance for smaller waste management systems, and a Blue Drop award for the outstanding quality of drinking water in Sedgefield;
- The rating agencies (Moody's) have given positive ratings for Knysna Municipality as an investment destination despite the global economic recession;
- The Provincial Government has recognized our IDP as one of the three best in the Western Cape Province in terms of credibility framework;
- Independently ranked 5<sup>th</sup> out of 231 'B'-grade authorities;
- Receiving a clean audit report from the Office of the Auditor-General;
- Improving integrated planning and performance management;
- Achieving to establish an efficient, effective and accountable administration that is people centered.
- Improving public participation in planning, development and decision making during the IDP, Budget and Ward-based Planning processes, as well as other public engagements.

**The year ahead:**

Despite our achievements during the 2008/09 financial year, there is a lot more to be done. Key challenges for the 2009/10 year ahead, some continuing a process started in previous financial years, include:

1. Improving on housing delivery and careful planning to create harmonious communities where people live, work and play;
2. Addressing the water crisis and implementing plans and strategies to address this issue which has adversely affected the economy and development of Knysna;
3. Upgrade ageing infrastructure and the maintenance thereof;
4. Developing and implementing customer centered models;
5. Accelerating service delivery;
6. Retaining the unqualified audit opinion.

I would like to thank all members of Council, officials and the public for their support during a very challenging year.

The new financial year will be equally – if not more – challenging and I look forward to working with you all to achieve a better life for all.

We have the knowledge and we have a passion for our town and its communities, let us work together as a team to address the challenges ahead of us. By working together we can do MORE!

**COUNCILLOR E BOUW-SPIES  
EXECUTIVE MAYOR**



## 1.2 OVERVIEW BY THE MUNICIPAL MANAGER

This Annual Report captures Knysna Municipality's strategic focus, provides an overview on its performance and sets out Council's financial position for the 2008/2009 financial year.

Managing and running a town of Knysna's size is a formidable undertaking, requiring a budget of millions of rands and involving members of staff and many service providers. Through their combined efforts, they have to ensure that all residents have adequate clean water and sanitation, that they have electricity to light their homes and fuel their industries, that the solid waste generated by the town is safely disposed of, that the roads are maintained and adequate public transport is provided, that storm water is safely channeled, that all citizens have access to adequate housing, that emergencies can be dealt with rapidly and effectively, and the health of all its citizens is protected and improved.

Knysna Municipality's main planning instrument to guide its management and development is a five-year plan, the Integrated Development Plan (IDP). This plan is based on strategic focus areas and targets for the financial years 2007/8 to 2011. This is the second year (2008/09) in which Knysna's achievements can be evaluated against these five-year plan goals. The Council has used the Service Delivery and Budget Implementation Plan (SDBIP) and the critical components of the balanced scorecard methodology to measure and report on its actual performance against output targets. In many instances, Knysna Municipality has not only met those stringent targets, but surpassed them.

Our Integrated Development Plan (IDP) attempts to approach the challenges of development and long-term sustainability from a holistic perspective, and there are many Council strategies and initiatives, large and small, that show great promise or are delivering significant results. Long-term success in developing our town and ensuring the sustainability of any new initiatives demands good governance and transparency at all levels of municipal management and administration.

Some of our challenges moving forward are being highlighted under point 1.6 Table 6 of this Annual Report.

We will challenge ourselves as administration to ensure that we fulfill on our Developmental Local Government goals and challenges. We achieve this by working closely with the political office bearers by implementing our Service Delivery Budget Implementation Plan with strong focus on performing our duties without any fear or prejudice. The time has come for all employees of Knysna Municipality to put shoulder to the wheel and delivery a high standard of service to our community.

As Municipal Manager I am proud to say that we have done a lot, but together we can do more.

**JB DOUGLAS**  
MUNICIPAL MANAGER

### 1.3 INTRODUCTION AND OVERVIEW-LEGISLATIVE IMPERATIVES

The Municipal Finance Management Act (MFMA) requires that a municipality prepares an Annual Report for each financial year. The Annual Report is a measure of ensuring that there is regular, impartial feedback to stakeholders and that accountability and thereby transparency is strengthened.

Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out performance of the municipality and its external service providers, providing a comparison between targets and performance in the previous financial year and improved measures taken. The annual performance report must form part of the annual report.

The legislative provisions of the MFMA regarding annual reporting are set out in the following table:

SECTION	REQUIREMENT	LEGISLATIVE PROVISION
121(3)(a)	Annual Report with consolidated financial statements	Annual financial statements of the municipality, and, in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1)
121(3)(b)	Auditor-General's audit report	Auditor-General's audit report in terms of section 126(3) on those financial statements
121(3)(c)	Annual performance report	Annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act
121(3)(d)	Auditor-General's performance audit report	Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act
121(3)(e)	Accounting Officer's assessment on arrears	Assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges
121(3)(f)	Accounting Officer's assessment of performance on each vote of the budget	Assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for each vote in the municipality's approved budget for the relevant financial year
121(3)(g)	Audit corrective actions	Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)
121(3)(h)	Explanations to clarify financial statements	Explanations that may be necessary to clarify issues in connection with the financial statements
121(3)(i)	Other information	Information as determined by the municipality
121(3)(j)	Audit Committee recommendations	Recommendations of the municipality's Audit Committee
121(3)(k)	Other prescribed information	Other information as may be prescribed

Table 1: MFMA requirements for the Annual Report

The 2008/09 Annual Report reflects on the performance of the Knysna Municipality for the period 1 July 2008 to 30 June 2009.

The Knysna Municipal Council has implemented a five-year plan, the Integrated Development Plan (IDP), determining how it will spend its budget from 2008/9 until 2011/12. This principal strategic planning instrument is agreed upon between local government and the residents of Knysna.

Budget priorities are then set for the entire town to optimally deploy resources. It also informs the Council's contribution to joint undertakings with Provincial and National Government. The basis of the five-year plan is infrastructure-led economic growth – using services and investments to make Knysna Municipality more attractive to investors and skilled workers. The town must become more globally competitive because investors create jobs and help to drive development.

This will create more opportunities for all citizens, including the poor and unemployed. The overall five-year plan is reviewed annually as new challenges and opportunities arise.

In order to measure and report on actual performance against its targets, the Council uses the Service Delivery and Budget Implementation Plan (SDBIP) and the critical components of the balanced scorecard methodology to cascade strategy down into the lower levels of the organisation. The Council has also aligned itself with national financial objectives by incorporating the national performance indicators into the corporate scorecard, which is monitored regularly. The Council performance highlights for 2008/9 will be reported within these parameters.

## **1.4 KNYSNA MUNICIPALITY AT A GLANCE**

### **GEOGRAPHY & CLIMATE**

- GPS position : - 34,029999 Latitude / 23,059999 Longitude
- Time Zone : GMT + 2 hours

The Knysna region covers a total surface 1 059 km<sup>2</sup>. The town is situated along the northern shores of the Knysna Lagoon, while the region is bordered by the Outeniqua Mountains and the Indian Ocean.

The area enjoys a mild climate with an average annual rainfall of 750 mm and temperatures ranging from 8°C in winter, to 28°C in summer, making it both a favourite holiday and retirement destination. The natural beauty of the surroundings has enticed artists of all discipline, earning it the reputation of artistic capital of the Garden Route.

The region's flora includes Afro-montane, or temperate rainforest, which covers the hilly terrain. An abundance of unique Cape Fynbos ('fine or delicate bush') grows throughout the region.

Knysna Municipality is situated in the Southern Cape which is a renowned tourist destination in the Republic of South Africa. It is on the Garden Route, about 500 km's East from Cape Town on the N2 between George and Plettenberg Bay. At present, the Municipal area of Knysna includes the surrounding towns of Buffalo Bay, Sedgfield, Rheenendal, Brenton, Karatara, Knoetzie and Belvidere. Although branch offices exist in the surrounding towns, the main Municipal activities take place in Knysna.

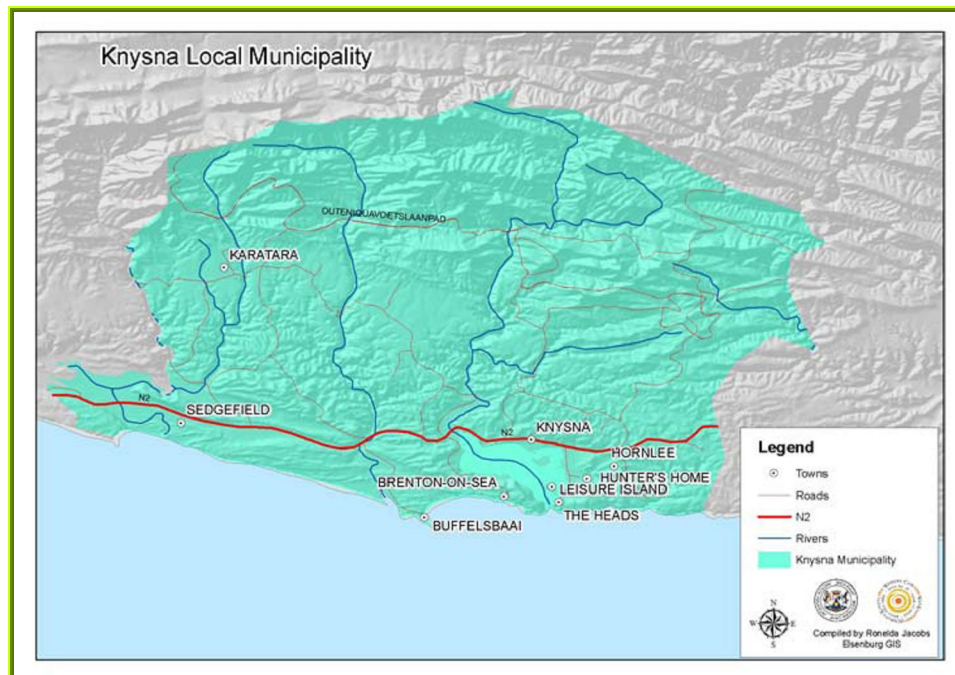
## WARDS

The Municipality is currently structured into the following 8 Wards:

WARD	AREAS
1	Sedgefield, Smutsville & Sizamile
2	Karatara, Rheenendal, Buffel's Bay, Bibbie's Hoek, Agricultural areas
3	Town Hall, Lower & Upper Old Place, Town East of Long Street, Khayaletu North & South, Edameni; Brackenhill
4	White Location, Flenters, Rhobololo, Qolweni, Ethembeni
5	Brenton, Belvidere, Knysna Town, Leisure Isle, Paradise, Sparrebosch, Knysna Heads, Rexford, Hunter's Home
6	Hornlee, Sunridge, Hornlee Ext
7	Dam-se-Bos, Nekkies, Oupad, Hlalani, Hornlee (Fortuin Street & Donkerhoek)
8	Vermont, Fraaisig, Thessen Isle, Jood-se-Kamp, Concordia, Bongani

Table 2: Municipal Wards

Below is a map of the Knysna Municipality that indicates the location of the smaller towns and townships, as well as a topographical map of the Knysna area:





The Greater Knysna Municipal Area is made up of socially and racially diverse communities. Due to in migration the area has experienced a rapid growth of a predominantly poor population. It is an area blessed with extraordinary environmental resources comprising majestic mountains, vleis, estuaries, indigenous forests, rocky coastlines and beaches. These special natural attributes form the basis of tourism which contributes significantly to local economy. Knysna town and Sedgefield are the two primary urban settlements where retail and commercial activity are concentrated. On the plateau above the towns lie the population nodes of Karatara and Rhoenondal.

The largest portion of the population of Knysna is located in the area north of the town generally referred to as the "Northern Areas". More than 3 500 housing units will be built here in the Vision 2002 and Flenters projects. Hornlee, located east of Knysna town, is another significant suburb comprised of predominantly middle to low income families. The Eastern and Western shores of the Knysna lagoon are flanked by attractive and well established "suburban" communities. The most significant new residential developments are the Golf Estates at Simola and Pezula and the Marina on Thesen Island.

## POPULATION

The population for Knysna Municipality amounted 65 043 people in 2007. The population is diversified across race groups and culture and are characterised by varying levels of socioeconomic status and education. Knysna's economy grew positively over the 2001 to 2007 period, which has supported labour absorption initiatives in the municipal area. The municipality has done well in respect of improving access to basic services and implements sound governance and administration practices.



Knysna has the 4th largest population in Eden District with a population size of 65 043 people in 2007 compared to 51 468 people in 2001. The population grew on average by 3.9 per cent between 2001 and 2007. Males accounted for 50.6 per cent of the total Knysna population in 2007 while females accounted for 49.4 per cent.

**GENDER RATIO:**

The gender ratio in 2001 was 97 males per 100 females, while in 2007 it increased to 102 males per 100 females. The male population increased from 25 357 people in 2001 to 32 888 people in 2007, at an average annual growth rate of 4.4 per cent. The female population increased from 26 111 people in 2001 to 32 155 people in 2007, which represents an average annual growth rate of 3.5 per cent.

Children accounted for 25.6 per cent (16 646) of Knysna’s population in 2007. The child dependency ratio for 2007 is 37.3 per cent, which is a slight improvement from the 2001 ratio of 39.4 per cent. The youth4 represented 37.3 per cent of the population in 2007 and together with children represent 62.9 per cent of Knysna’s population; hence Knysna has a relatively youthful population.

The working age population (15-64 years) accounted for 68.6 per cent of Knysna’s population in 2007, growing at an average annual rate of 4.5 per cent over the period 2001 to 2007. Persons aged 65 years and older accounted for 5.9 per cent of the total population in 2007, down from 7.2 per cent in 2001. The aged dependency ratio also declined over the period from 10.9 per cent in 2001 to 8.5 per cent in 2007.

The overall dependency ratio improved from 50.3 per cent in 2001 to 45.9 per cent in 2007. The improved dependency ratio can be attributed to growth within the working age population being greater than growth within the children and elderly populations over the 2001 to 2007 period.

The Coloured racial group was the largest population group in Knysna in both 2001 and 2007, growing at an average annual rate of 4.1 per cent between 2001 and 2007. The Black racial group at 44.3 per cent of the total population was the second largest population group in 2007, growing at average annual rate of 4.1 per cent between 2001 and 2007. The White racial group maintained its ranking of the third largest population group in 2007 at 13 203 people, up from 12 342 people in 2001. Representation by the Indian/Asian population in Knysna Municipality grew at an average annual rate of 17.0 per cent between 2001 and 2007, from a relatively small base of 102 people in 2001 to 261 people in 2007, representing less than 1.0 per cent of the total population in 2007.

**Table 1: Knysna’s population groups, 2001 and 2007**

Population Group	2001	2007	Average annual growth rate 2001-2007 (%)
Black	16 423	22 773	5.6
Coloured	22 608	28 806	4.1
Indian or Asian	102	261	17.0
White	12 342	13 203	1.1
<b>TOTAL</b>	51 475	65 043	

Source: Stats SA, Census 2001 and Community Survey 2007

Table 3: Demographic information of the municipal area

Knysna, the town that works for all is committed to bridge the gap between the extremely rich and extremely poor. The business of the Knysna Municipality is firmly entrenched on its mission which requires the need to provide affordable quality services, alleviate poverty and facilitate social and economic development through the Integrated Development Planning (IDP), co-operative governance, skills development and sustainable utilization of resources. Knysna Municipality embraces the notion Development Local Government and subscribes to the following values:

- Service Excellence;
- Integrity and transparency;
- Morality and Honesty;
- Initiative and Innovation;
- Equity and Dignity;
- Commitment and Respect;
- Compassion and Professionalism;
- Conversation and Responsible Development.

Knysna Municipality recognises its developmental role and thus commits itself to facilitate interventions that are going to ensure the creation of new business enterprises, fostering partnerships with other government entities and private sector. The strategic agenda of the Knysna Municipality embraces the following strategic objectives which are fully aligned to the five national KPA's of local government.

#### **A caring and contented town**

Knysna Municipality seeks to facilitate real opportunities for the youth, women and disabled and appropriate care for the aged.

#### **A successful and respected town**

Knysna Municipality recognizes the fact that a sound economy is the basis for a successful town. We will endeavour to maximize the benefits of growth sectors at all times and explore diversification possibilities with specific focus on the poor.

#### **An attractive and sustainable Town**

Knysna Municipality will ensure that a balanced approach is taken with environmental preservation and development of our community.

#### **A reliably functioning town**

Knysna Municipality seeks to ensure that all the citizens of the area have appropriate access to municipal services and infrastructure.

#### **A financially sound town**

Knysna Municipality will ensure prudent management of public funds, proper management of expenditure and other operational imperatives in order to seek additional financial support.

#### **A dynamic and welcoming town**

Knysna Municipality embraces the Batho Pele principles – “putting people first”.

#### **A town prepared for the future**

Knysna Municipality positions itself as a leader in using technology and innovation to enhance service delivery to our community.

## 1.5 PLANNING PROCESSES

The Annual Report addresses the performance of the Knysna Municipality in respect of its core legislative obligations and service delivery priorities. A municipality's performance is assessed primarily against its development priorities and the objectives cited in its Integrated Development Plan (IDP). In light of this, it is important to understand the planning process followed by the Municipality and the outcomes of these planning processes. The end result of the planning processes is defined in the Municipality's IDP.

In terms of the Municipal Systems Act of 2000, the Executive Mayor is responsible for the preparation of the Integrated Development plan (IDP). The co-ordination of this responsibility was assigned to the Municipal Manager, who reports directly to the Executive Mayor. The IDP process and the drafting of outputs were co-ordinated internally and mechanisms were put in place to ensure that all stakeholders contribute to decision-making process.

The IDP Planning Process for Knysna Municipality was as stipulated in the IDP Process Plan adopted by Knysna Municipal Council. The planning phases as per the process plan is indicated in the following table:

Phase No	IDP Milestone	Start date	End date	Total number of days
1	Preparation	10 Augustus 2008	11 September 2009	24
2	Analysis	28 Augustus 2008	10 March 2009	158
3	Objectives, strategies and projects	1 December 2008	16 April 2009	94
4	Ward base plans (IDP/BUDGET IMBIZOS)	8 February 2009	24 February 2009	13
5	Budget summary (IDP/BUDGET IMBIZOS)	26 August 2009	25 January 2009	105
6	Approval	30 April 2009	30 April 2009	1

Table 4: Planning Process 2008-2009 IDP

The main public participation consultation took place through the Public Participation in all eight wards, Community Development Workers, Ward Councillors, Ward Committees, Sector Directorates of

Government and the IDP Representative Forum. This was led and organised by our newly established Public Participation Unit in the Corporate Services Directorate.

The roles and responsibilities of the different stakeholders are outlined in the table below, with specific reference to authority and level of involvement. The Strategic Management Team has been charged with the responsibility of ensuring a smooth flow of work from directorates into the IDP process. The Directorate Heads led that process through the respective five-year plans presented to the Strategic Management Team and thereafter consolidated into the Objectives, Strategies and Projects for the IDP.

Name of structure/ forum	Members	Functions
<b>Strategic Management Team</b>	<ul style="list-style-type: none"> <li>• Executive Mayor</li> <li>• Mayoral Committee</li> <li>• Municipal Manager</li> <li>• Heads of Directorates</li> </ul>	<ul style="list-style-type: none"> <li>• Engage in strategic discussions regarding the five-year plans for the respective functional areas.</li> <li>• Evaluate progress made in the implementation of the process plan and initiate corrective action where necessary.</li> <li>• Evaluate the impact of the Integrated Development Plans.</li> <li>• Review and refine the vision for the Knysna Municipality. Ensure that the vision is incorporated into the IDP Forum and the Integrated Development Plan.</li> <li>• Refine and review IDP objectives, strategies and projects for consideration by Knysna IDP Forum and the incorporation thereof into the Integrated Development Plan.</li> <li>• Consider the Infrastructure Investment Plan</li> </ul>
<b>IDP Representative Forum</b>	Representatives of: <ul style="list-style-type: none"> <li>• National and provincial Directorates</li> <li>• Community base organizations</li> <li>• NGO's</li> <li>• Political parties</li> <li>• Ward Committees</li> <li>• Business Sector</li> <li>• Eden District Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that every activity and decision taken in its meetings are properly communicated to the forum members' respective constituencies</li> <li>• Monitor the implementation of the Integrated Development Plan.</li> <li>• Reflect and safeguard community inputs by acting as the spokespersons for the communities.</li> <li>• Represent the interests of their communities.</li> <li>• Provide feedback to their communities</li> <li>• Provide an organisational mechanism for discussion, negotiation and decision making between stakeholders, including the municipal government.</li> <li>• Participate in the process of setting and monitoring key performance indicators.</li> </ul>
<b>Ward Committees &amp; Community Development Workers</b>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Serving as communication channel between the Municipal Council and the Community</li> <li>• Inform communities of Council Decisions</li> <li>• To work with Municipalities in order to help bridge the gap between Government and the communities</li> </ul>
<b>Ward Councillors</b>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• To create platform ward committees and community to engage in the IDP processes,</li> <li>• Is the chairperson of the Ward that must make inputs in IDP.</li> </ul>

Table 5: IDP consultation forums

## 1.6 MUNICIPAL CHALLENGES<sup>1</sup>

The following challenges are experienced by the municipality:

CHALLENGES	ACTIONS TO ADDRESS
<b>NATIONAL CONTEXT</b>	
<p><b>South African Environment</b></p> <ul style="list-style-type: none"> <li>• South Africa has, in the past 12 months, been buffeted by high oil and food prices, energy, higher interest rates, the food crisis in Africa that led to an influx of refugees, as well as xenophobic attacks.</li> <li>• While Knysna Municipality's economic and social development indicators are relatively higher than other municipalities in the region, it also has areas with high poverty levels.</li> <li>• The Northern Areas, Hornlee, Karatara, Rheenendal and Smutsville/Sizamile is the areas with the largest number of poor, inadequately housed and unemployed households.</li> </ul>	<ul style="list-style-type: none"> <li>• Budget for the implementation of Knysna Municipality's Poverty Strategy in conjunction with Government Departments.</li> <li>• To form partnerships with Provincial and National Government and the private sector to address poverty holistically in Knysna.</li> </ul>
<p><b>CDW's :Employed by Province</b></p>	<ul style="list-style-type: none"> <li>• To engage with Department Local Government through IGR structure to clear the responsibilities and lines of communications of these CDW's.</li> </ul>
<b>GOOD GOVERNANCE</b>	
<p><b>Ward Committees functionality</b></p>	<ul style="list-style-type: none"> <li>• Speaker to start the process of re-establishing the ward committees where there have collapsed.</li> <li>• The problem is that the members of committees does represent sectors.</li> <li>• The only fully functional ward committees who meet regularly and submit minutes to the administration is the committee of Ward 5.</li> <li>• Ward 1 also has a committee but some of the members resigned and some of the members does not represent sectors.</li> </ul>
<b>SERVICE DELIVERY</b>	
<p><b>Eskom's Electricity Tariff Increases &amp; Notified Demand</b></p> <ul style="list-style-type: none"> <li>• The incapacity to increase our notified demand by ESKOM cripple municipal services and businesses in the area.</li> <li>• This is having a negative impact on the approval of Developmental planning projects. It resulted in a significant negative impact on the revenue generated from electricity sales.</li> </ul>	<ul style="list-style-type: none"> <li>• To identify alternative and explore energy sources through partnership with Government and private sector.</li> </ul>

CHALLENGES	ACTIONS TO ADDRESS
<p><b>Sustainable urban infrastructure and services</b></p> <ul style="list-style-type: none"> <li>• With Knysna's growth and in-migration from 51 468 (2001) to 65 043 (2007) at present, the town is suffering from a backlog in bulk infrastructure and provision of basic services.</li> <li>• <u>Informal settlements have mushroomed</u> and where there is existing infrastructure it has not been optimally maintained, especially in the past two decades.</li> <li>• Our <u>aging infrastructure</u> is also a challenge and will be addressed by Council and the administration.</li> <li>• <u>Infrastructure backlogs put pressure on maintaining acceptable and affordable levels of service delivery.</u> This is exacerbated by economic development and population growth pressures. This annual report will highlight many of the Council's achievements in tackling these diverse challenges.</li> <li>• <u>The water crisis in Sedgefield and the serious droughts</u> in the Eden region has put tremendous pressure on Council to seriously re-look it's approach to infrastructure development.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to invest in infrastructure through our capital budget and secure external funding to support Council's endeavours.</li> </ul>
<p><b>Public transport</b></p> <ul style="list-style-type: none"> <li>• Poor integration between different modes of public mobility, as well as basic safety issues, has to date meant increased reliance on private vehicles.</li> <li>• The traffic bottlenecks on N2 at Hospital drive.</li> <li>• The goal is a phased programme to implement an Integrated Transport Plan across the town.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation and make budgetary provision to implement the Integrated Transport Plan.</li> </ul>
<p><b>Integrated human settlements</b></p> <ul style="list-style-type: none"> <li>• Housing is one of the greatest challenges facing the Knysna Council, as many people reside in overcrowded conditions, shacks and backyards. The housing register listed approximately 7646 households seeking accommodation in January 2007, including those living in insecure tenure in the backyards of formal and informal housing. This amount does not include the 4000 households which will receive housing via the Upgrading of Informal Settlements Programme. The Housing Department is delivering approximately 250 formal housing opportunities per year. This should, however, be viewed against the pre-determined allocation received from Provincial Government based upon providing informal settlements with essential services and top structures on an incremental basis.</li> </ul>	<ul style="list-style-type: none"> <li>• Over the past decade, Government's response to informal settlements has been characterised by disaster management strategies, with programmes to eradicate informal settlements through large-scale capital-intensive structural interventions.</li> <li>• A special programme will be implemented to address the backyard dwellers housing challenge.</li> <li>• New strategies include incremental in situ upgrades that make improvements while maintaining communities' social networks and livelihood strategies.</li> <li>• There has been more high-level interaction and involvement between the Council and communities to avoid upgrade delays.</li> <li>• The Housing Department, together with Councillors, MAYCO members and the Executive Mayor, held community and public meetings across Knysna to discuss and give feedback on challenges and potential problem areas.</li> <li>• Intergovernmental meetings between Province and Council are also convened on a monthly basis to discuss various housing matters.</li> </ul>

CHALLENGES	ACTIONS TO ADDRESS
<p><b>Water Shortages &amp; Droughts</b></p>	<ul style="list-style-type: none"> <li>• The water crisis and drought in the Eden region and more specifically Knysna area has affected our economy adversely.</li> <li>• Role out of information and media campaigns to encourage consumers to use water responsibly.</li> <li>• Investigate alternative water sources               <ul style="list-style-type: none"> <li>○ Desalination</li> <li>○ Construction of dams</li> <li>○ Drilling of boreholes etc.</li> </ul> </li> </ul>
<p><b>Health , social and community development</b></p> <p>Knysna is a town of both rich and poor.</p> <ul style="list-style-type: none"> <li>• In the 2007/08 financial year, a total of 10 primary health care facilities were located within the Knysna municipal area.</li> <li>• The clinics are located in the following areas within Knysna Municipality: Hornlee, Khayaletu, Knysna town centre and Wit Lokasie.</li> <li>• Mobile services and satellite clinics are located in Keurhoek and Sedgfield, with the third mobile service covering the whole municipal area.</li> </ul>	<ul style="list-style-type: none"> <li>• The Department of Health, Public Works in the Western Cape and Knysna Municipality will construct a community health facility in the Masifunde node.</li> </ul>
<p><b>Safety and security</b></p> <ul style="list-style-type: none"> <li>• South Africa has a high incidence of crime, especially violent crime. Use of the extremely addictive drug "Tik" (methamphetamine) has spread rapidly in our communities, and has been a key focus the Executive Mayor by her involvement with Knysna Drug and Alcohol Centre this year. Other safety-related issues have included vulnerability to fire, flooding and other natural and human-induced hazards.</li> <li>• Drug related crimes increased at an annual rate of 12.5 per cent, while rape and murders decreased by 91.2 per cent and 23.5 per cent, respectively between 2006/07 and 2007/08.</li> </ul>	<ul style="list-style-type: none"> <li>• The Municipality needs to get more involved with the Community Policing Forums, CBO's</li> </ul>
<p><b>Employment and job creation</b></p> <ul style="list-style-type: none"> <li>• Unemployment and the discrepancy between the skills available and the skills desperately needed in the economy remain the key economic challenges for the Council.</li> <li>• Over the period 2001 to 2007, the share of female unemployment increased from 52.7 per cent in 2001 to 56.3 per cent in 2007. On the other hand, the share of male unemployment decreased to 43.7 per cent in 2007. Over the period 2001 to 2007, unemployment among males declined at a much faster rate of 7.7 per cent compared to female unemployment at 5.5 per cent.</li> <li>• The potential economically active population<sup>2</sup> of Knysna Municipality in 2007 was comprised of 45 220 people. The</li> </ul>	<ul style="list-style-type: none"> <li>• To focus on local economic development projects by using our infrastructure/capital budget and EPWP programmes to create short, medium and long term employment opportunities for the most vulnerable groups.</li> <li>• Develop a Trade Investment policy to attract industries into Knysna that will focus on creating sustainable employment opportunities.</li> </ul>

<sup>2</sup> Potentially economically active population is defined as all those who are aged between 15 and 65.

CHALLENGES	ACTIONS TO ADDRESS
labour force grew <sup>3</sup> at an annual average rate of 5.1 per cent over the period 2001 to 2007, with the Labour Force Participation Rate (LFPR) increasing marginally from 65.4 per cent in 2001 to 67.4 per cent 2007. Employment grew by 8.4 per cent during the period 2001 to 2007, while the unemployment rate decreased from 28.6 per cent to 14.18 per cent over the same period. Over the 2001 to 2007 period, the not economically active population increased by 1 024 people.	
<b>Economic Recession</b>	<ul style="list-style-type: none"> <li>Roll out the War on poverty programme to cushion the effect of economic recession on the most vulnerable of society.</li> <li>Implement our credit policy to ensure that council continue to deliver services to all citizens.</li> </ul>
BIODIVERSITY & ENVIRONMENTAL ISSUES	
<b>Environment</b> Knysna's natural environment and beauty are among its strongest assets. However, growing patterns of resource use, consumption and pollution threaten the rich yet highly vulnerable ecology, landscapes and resource bases that underpin and sustain the region. The ability to absorb urban-generated waste is increasing, while coastal water quality and freshwater ecosystems is under pressure due to development.	<ul style="list-style-type: none"> <li>Greater focus will be put on biodiversity in the IDP to ensure that Knysna Municipality give justice to this all important issue.</li> <li>Council will closely look at the impact of new developments and the impact thereof.</li> </ul>

Table 6: Municipal challenges

## 1.7 MUNICIPAL PRIORITIES<sup>4</sup>

The following were the priorities of the municipality for the year under review:

Priority	Action with which addressed
Water resources	Research of additional water sources <ul style="list-style-type: none"> <li>Exploring desalination and boreholes</li> </ul>
Sewerage and waste water	Upgrading of current systems

<sup>3</sup> Labour Force or economically active population (EAP) as it is also known is defined as the total number working aged people between the age of 15-65 years who are available for work, and is either employed or not

<sup>4</sup> Circular 11 refers to this section as Executive Summary which mainly focuses on the planning process followed by municipal overview, the geographic and demographic information, challenges and planning priorities and the governance structure. The municipality preferred to document the information under the respective topical headers.



Priority	Action with which addressed
General Valuation	Valuation interims and continued review of valuation data
GRAP	Continued implementation of GRAP in line with the Annual Financial Statements
Local Economic Development	The Municipality has developed the Local Economic Development Plan which would serve as a guide to grow the local economy. A fully staffed LED Unit has been established with the assistance of Eden District Municipality's LED Unit.
Township Development	Business Plans were developed for the townships and a total of R 120 million has been secured to drive township development.

Table 7: Municipal priorities



## 1.8 GOVERNANCE STRUCTURE<sup>5</sup>

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their role is to debate issues publicly and to facilitate political debate and discussion. The council plays a very active role in the operations of the Municipality. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

The Council of the Knysna Municipality comprises of 16 elected Councillors, made up from 8 Ward Councillors and 8 Proportional Representation (PR) Councillors. The portfolio committees are made up of councillors drawn from all political parties.

<sup>5</sup> Circular 11 refers to this section as Executive Summary which mainly focuses on the planning process followed by municipal overview, the geographic and demographic information, challenges and planning priorities and the governance structure. The municipality preferred to document the information under the respective topical headers.

The party representation in the Council is represented the table below:

Name of councillor	Capacity	Political Party	Ward representing or proportional
 <p><b>Eleanore Bouw-Spies</b></p>	<p><b>Executive Mayor</b></p>	<p>ANC</p>	<p>Proportional Representative</p>
 <p><b>Donald Kemoetie</b></p>	<p><b>Executive Deputy Mayor/ Executive Councillor Finance</b></p>	<p>ANC</p>	<p><b>Ward 6:</b> Hornlee, Sunridge, Hornlee Extension</p>
 <p><b>Andrew Finn</b></p>	<p><b>Executive Councillor Technical Services</b></p>	<p>ANC</p>	<p>Proportional Representative</p>

Name of councillor	Capacity	Political Party	Ward representing or proportional
 <p><b>Victor Molosi</b></p>	<p><b>Speaker</b></p>	<p>ANC</p>	<p><b>Ward 8:</b> Vermont, Fraaisig, Thessen Isle, Jood-se-Kamp, Concordia, Bongani</p>
 <p><b>Nompumelelo Koti</b></p>	<p><b>Executive Councillor Community Services</b></p>	<p>ANC</p>	<p><b>Ward 7:</b> Dam-se-Bos, Nekkies, Oupad, Hlalani, Hornlee (Fortuin Street &amp; Donkerhoek)</p>
 <p><b>Theodoris Naylor</b></p>	<p><b>Ward Councillor</b></p>	<p>DA</p>	<p><b>Ward 1:</b> Sedgefield, Smutsville &amp; Sizamile</p>

Name of councillor	Capacity	Political Party	Ward representing or proportional
 <p data-bbox="256 684 431 709">Lawrence Jule</p>	<p data-bbox="561 501 756 527">Ward Councillor</p>	<p data-bbox="951 501 997 527">ANC</p>	<p data-bbox="1240 447 1338 472"><b>Ward 2:</b></p> <p data-bbox="1149 491 1430 583">Karatara, Rheenendal, Buffel's Bay, Bibbie's Hoek, Agricultural areas</p>
 <p data-bbox="245 1125 443 1150">Amy Matungana</p>	<p data-bbox="561 936 756 961">Ward Councillor</p>	<p data-bbox="951 936 997 961">ANC</p>	<p data-bbox="1240 835 1338 861"><b>Ward 3:</b></p> <p data-bbox="1154 879 1425 1066">Town Hall, Lower &amp; Upper Old Place, Town East of Long Street, Khayaletu North &amp; South, Edameni; Brackenhill</p>
 <p data-bbox="245 1581 443 1606">Sonwabo Loliwe</p>	<p data-bbox="561 1381 756 1407">Ward Councillor</p>	<p data-bbox="951 1381 997 1407">ANC</p>	<p data-bbox="1240 1329 1338 1354"><b>Ward 4:</b></p> <p data-bbox="1170 1373 1409 1465">White Location, Flenters, Rhobololo, Qolweni, Ethembeni</p>

Name of councillor	Capacity	Political Party	Ward representing or proportional
 <p data-bbox="266 674 423 701"><b>James Botha</b></p>	<p data-bbox="561 499 756 527"><b>Ward Councillor</b></p>	<p data-bbox="956 499 992 527">DA</p>	<p data-bbox="1240 394 1338 422"><b>Ward 5:</b></p> <p data-bbox="1159 443 1419 625">Brenton, Belvidere, Knysna Town, Leisure Isle, Paradise, Sparrebosch, Knysna Heads, Rexford, Hunter's Home</p>
 <p data-bbox="245 1098 444 1125"><b>Richard Dawson</b></p>	<p data-bbox="607 919 711 947">Councillor</p>	<p data-bbox="956 919 992 947">DA</p>	<p data-bbox="1208 909 1370 966">Proportional Representative</p>
 <p data-bbox="277 1518 412 1545"><b>Winile Joyi</b></p>	<p data-bbox="607 1367 711 1394">Councillor</p>	<p data-bbox="948 1346 1000 1373">NPP</p>	<p data-bbox="1208 1329 1370 1386">Proportional Representative</p>

Name of councillor	Capacity	Political Party	Ward representing or proportional
 <p data-bbox="224 663 464 699"><b>Nofinish Gungubele</b></p>	<p data-bbox="605 491 716 520">Councillor</p>	<p data-bbox="951 491 997 520">ANC</p>	<p data-bbox="1146 491 1438 520">Proportional representative</p>
 <p data-bbox="248 1108 440 1138"><b>Henry McCombi</b></p>	<p data-bbox="605 945 716 974">Councillor</p>	<p data-bbox="956 945 992 974">DA</p>	<p data-bbox="1211 932 1370 987">Proportional Representative</p>
 <p data-bbox="261 1583 427 1612"><b>Edna October</b></p>	<p data-bbox="605 1428 716 1457">Councillor</p>	<p data-bbox="956 1428 992 1457">DA</p>	<p data-bbox="1211 1415 1370 1470">Proportional Representative</p>


Name of councillor	Capacity	Political Party	Ward representing or proportional
 <p><b>Georlene Wolmarans</b></p>	Councillor	ID	Proportional Representative

Table 8: Composition of the Council

During the year under review, the Speaker Mr Charl Botha resigned on 31 October 2008 as a councillor and was subsequently appointed as Director: Community Services Ms Lauren Waring on the other hand was appointed as Director: Planning and Development (A new Directorate that was established to deal with building control, town planning, environmental management, land reform and Integrated Human Settlements). With the resignation of Mr. Charl Botha as councillor, Ms. Nofinish Gungubele was inaugurated as a councillor for the ANC on 14 November 2008. On 11 December 2008 Councillor Victor Molosi was elected as the new Speaker of Council and Councillor Nompumelelo Koti as the Member of the Mayoral Committee responsible for Community Services.

The Director Strategic Services Mr Lubabalo Gwintsa resigned in May 2009 and left the services of Knysna Municipality at the end of June 2009. Mr Ed Hill, Chief Town Planner, left the services of Council on 31 December 2008 after a successful career in local government.

## 1.9 EXECUTIVE MAYORAL COMMITTEE <sup>6</sup>

The Executive Mayor of the Knysna Municipality, Councillor Eleanore Bouw-Spies, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as

<sup>5 & 6</sup> Circular 11 refers to this section as Exeysntive Summary which mainly focuses on the planning process followed by municipal overview, the geographic and demographic information, challenges and planning priorities and the governance structure. The municipality preferred to document the information under the respective topical headers.

the powers assigned by legislation. Council is political stable for the last year and half and this contributed to the success of the Municipality and moral of staff.

Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee. Each member is responsible for a portfolio whilst remaining accountable to the Mayoral Committee and the Executive Mayor, in particular. The name of each Member of the Mayoral Committee is listed in the table below:

Name of member	Capacity
Eleanore Bouw-Spies	Executive Mayor
Donald Kemoetie	Deputy Mayor (MMC - Finance)
Andrew Finn	Member (MMC - Technical Services)
Nompumelelo Koti	Member (MMC - Community Services)

Table 9: Composition of Mayoral Committee

Councillor Molosi resigned as Portfolio Chairperson for Community Services to take up the position as Speaker. His resignation as the portfolio chairperson left a vacancy on the Mayoral Committee that was filled Nompumelelo Koti.

### 1.10 PORTFOLIO COMMITTEES <sup>7</sup>

The portfolio committees' primary responsibility is to exercise oversight over the executive arm of the municipality's governance structure. These committees monitor the delivery and outputs of the executive and may request Directorates to account for the outputs of their functions. Executive Councillors account for executive decisions and operations performed in general policy framework agreed to by Council and although the portfolio committees play an oversight role, they do not have any decision-making powers. These committees are responsible for submitting their reports to Council as the Legislature. The portfolio committees for the 2006/11 Mayoral Term and their Chairpersons are as follows:

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Committee	Chairperson	Number of reports submitted to council in 2008/09
<b>Finance, Economic Development &amp; Governance</b>	Donald Kemoetie	<ul style="list-style-type: none"> <li>• 9 meetings were held</li> <li>• 585 agendas were distributed and 64 reports were received</li> </ul>
<b>Infrastructure Development &amp; Integrated Human Settlements</b>	Andrew Finn	<ul style="list-style-type: none"> <li>• 9 meetings were held</li> <li>• 585 agendas were distributed and 204 reports were received</li> </ul>
<b>Community Services</b>	Victor Molosi/Nompumelelo Koti	<ul style="list-style-type: none"> <li>• 8 meetings were held</li> <li>• 585 agendas were distributed and 57 reports were received</li> </ul>

Table 10: Section 80 Portfolio Committees

### 1.11 SENIOR MANAGEMENT PROFILE

The Municipal Manager is the Chief Accounting Officer of the Municipality and head of the administration. He primarily serves as chief custodian of service delivery and implementation of political priorities. Mr Johnny Douglas brought stability and visionary leadership to the management of Knysna Municipality. He is assisted by a management team, which consists of the following members:

Name	Directorate
 <p data-bbox="297 982 488 1010"><b>Johnny Douglas</b></p>	<p data-bbox="878 785 1166 863">Municipal Manager (1 Jan 2007 – currently)</p>
 <p data-bbox="310 1409 474 1436"><b>Reginald Smit</b></p>	<p data-bbox="878 1205 1166 1283">Corporate Services (1 Jan 2008 – currently)</p>
 <p data-bbox="315 1843 469 1871"><b>Grant Easton</b></p>	<p data-bbox="769 1640 1276 1717">Financial Services (1 July 2007 (second contract) – currently)</p>

Name	Directorate
 <p><b>Charl Botha</b></p>	<p>Community Services (1 November 2008 – currently)</p>
 <p><b>Lauren Waring</b></p>	<p>Development &amp; Planning (1 Nov 2008 – currently)</p>
 <p><b>Neale Perring</b></p>	<p>Technical Services (1 May 2006 – currently)</p>

Name	Directorate
 <p data-bbox="285 674 501 701"><b>Lubabalo Gwintsa</b></p>	<p data-bbox="846 422 1198 495">Strategic Services (17 Jul 2006 – 30 June 2009)</p>
 <p data-bbox="354 1100 428 1127"><b>Ed Hill</b></p>	<p data-bbox="846 898 1198 972">Town Planning (resigned 30 November 2008)</p>
 <p data-bbox="302 1541 487 1568"><b>Len Richardson</b></p>	<p data-bbox="854 1331 1190 1404">Electro-technical Services (since 1 May 1983 – to date)</p>

Table 11: Management Team