

**The Minister of Local Government, Environmental and Development Planning**  
**Western Cape Government**  
**8th Floor, Waldorf Building**  
**80 St Georges Mall**  
**Cape Town**  
**8000**

**ATTENTION: The Honourable Minister Anton Bredell**

**NOTICE OF INTENTION TO INTERVENE IN TERMS OF SECTION 139 OF THE  
CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996: KNYSNA LOCAL  
MUNICIPALITY**

**1. Introduction**

The Knysna Infrastructure Group (KIG) takes note of the Honourable Minister Bredell's intentions regarding the potential dissolution of the Knysna Municipal Council. We appreciate the seriousness of such a decision and the implications that it may have on the residents of Knysna.

The KIG is an A-political residents' organisation which acts in the interest of the Greater Knysna, working towards a positive collaborative environment with all relevant role players, and is an active member of the Greater Knysna Business Chamber (GKBC)

The KIG's mission is a clear statement of commitment to the residents of Knysna:

- To work towards a BETTER KNYSNA through cohesive collaboration with ALL RELEVANT role players, across the GREATER KNYSNA AREA.

- To ensure SERVICE DELIVERY and the development of a PREFERRED DESTINATION for LOCAL and INTERNATIONAL visitors, to the benefit of the PEOPLE in the GREATER KNYSNA AREA.
- To work towards a GROWING ECONOMY and JOB CREATION.
- To improve the QUALITY OF LIFE and PROSPERITY for all its RESIDENTS.

The KIG has been involved in supporting both the Provincial and Local Government since December 2023. We have been working actively with the HOD, Mr Graham Paulse, Marius Brand and the Knysna Municipality, in supporting and facilitating service delivery within the Knysna Local Municipality.

The KIG has a proven record of success in our collaboration and active involvement in overcoming the challenges in Knysna. The recent Water Emergency experienced in Knysna is a very good example of how a Public/Private partnership can benefit the Local Authority and its residents in turning the fortunes around in the shortest possible time. Some of our work may be worth mentioning:

- The KIG and the GKBC submitted support plans to WCPG in March 2024, focusing on the Section 154 support plan.
- The KIG's focus was specific to the water and sewerage infrastructure, supporting Mr Marius Brand with reports and recommendations.
- As the KIG, we have assisted the WCPG and the Municipality during the water crisis in April, October and December 2024 as well as the recommissioning of the Wastewater Treatment Plant in Knysna on a continual basis.
- The KIG funded ten engineers to re-commission the WWTP in September 2024, and the KIG has been supporting the WWTP in Knysna and Sedgefield ever since.
- KIG during the recent water emergency in May 2025, actively supported the Municipality by facilitating operational and logistical support, ensuring the repair and installation of the pump at the Charlesford pump station. It may be added that the KIG, through the contributions of our 602 residents, supported the suppliers, the manufacturer of the motor and, by agreement, pre-funded R400K to the suppliers thereby ensuring that the work would continue without any delay, as the Municipality in terms of the MFMA is not allowed to pre-fund the suppliers. Without such support, the proactive replacement of "pump one" would not have been possible.

It is fair to assume that the KIG has the best independent insight into the true status of the infrastructure as well as the progress that has/has not been made in terms of the Section 154 support plan which, was adopted by the Knysna Council

in March 2024. We again offer our availability to any interested party to share our knowledge and views.

Nationally we recognise the overall challenges experienced by Local Government Institutions. The KIG acknowledges that the Knysna Municipality is not immune to these challenges.

The main question is how these challenges can be addressed and establishing the way forward to a successful turnaround strategy. Several aspects need to be considered:

- It is common knowledge that the Knysna Council has been politically dysfunctional due to political differences and that there is no clear majority in the Council, which has resulted in unstable Coalitions governing the Knysna Municipality since the 2021 elections.
- It is also common knowledge that for the last two years the Management within the Council has been a major problem with all positions at the Municipal Manager and Director levels being filled as Acting roles, resulting in a lack of cohesive management, with little to no continuity in execution of tasks.
- General staff moral has been very low because of the above, with negative results on service delivery.

## **2. General overview of 2024 and Section 154 impact.**

On the 29 February 2024, after several oversight visits by the Western Cape, Provincial Government (WCPG) issued two directives to the Knysna Municipality (KM):

- 14/1/1/E3/7/2/4/L1349/23 – Directive Final Waste Station
- 14/1/1/E3/7/7/1/L1352/23 - Directive Sewage

The Greater Knysna Business Chamber (GKBC) and the Knysna Infrastructure Group (KIG) submitted support plans on both these directive to the WCPG, KM, and National Government

In March 2024, the Honourable Deputy President Paul Mashatile visited Knysna, whereupon the **Knysna Council unanimously accepted the WCPG's Section 154 Support Plan.**

The GKBC and the KIG, based on our support plans, were included in the Section 154 Project Team which was then headed up by Mr Marius Brand from WCPG.

We had several Teams calls and two Project meetings, the last of which was convened on the 19 April 2024 in the KM Council Chambers, at which time we

specifically called for an exhaustive Project Management Program to ensure adequate management of the process. Unfortunately, that was where it ended and we were never included in any further programs, notwithstanding several submissions that were made by the KIG to the Provincial Government and the KM.

The KIG specifically focussed on the support plan on Water Security, the Wastewater Treatment Plant (WWTP) and the sewerage network.

Since Dec 2023, the KIG has offered support to the KM and the WCPG on the WWTP and to restore its operation, which at that point in time was completely derelict and dysfunctional.

In March 2024, the KIG submitted a full Engineering Assessment Report (at our own cost) to the WCPG and the KM, referred to by the Honourable Minister Bredell in his document paragraphs 82 and 83. It was from this report that the estimated cost off R 3,3 million originated.

Mr Marius Brand and the HOD at the time committed to the funding of the R 3,3m through a MIG grant in the 2024/25 financial year, enabling the repair of the reported defects. This commitment would have made these funds available in August 2024.

During April and May 2024, the KIG urged the WCPG and the KM to provide funding for R 410K, so that some functionality could be restored by June 2024. The KM funded R110K, with the WCPG committing to support the remaining R300K. The KIG and its partner – Regional Wastewater (RWW) – completed the work after the KM funded the R110K. The balance of the costs was carried by the KIG and RWW as the WCPG funding was never made available.

In August 2024, we requested funding support for the R3,3M work required on the WWTP so that full operation could be restored.

After numerous mails, calls and follow-ups with both the WCPG's Mr Marius Brand, and the then Acting Municipal Manager, CFO and Acting Director Technical during August and September 2024, no funding was made available, and it became clear that the MIG Grant for the R3,3m would not be made available in the 2024/25 financial year. **The KIG felt compelled to intervene and facilitate the recommissioning of the WWTP. The result was that, with agreement from the KM, the KIG (along with the assistance of RWW) deployed 10 engineers for a full week and raised funding of R500K to restore the functionality of the WWTP.**

Since September 2024, a full-time engineer has been employed by the KIG to assist the KM to manage and run the WWTP, WTP and other works, all funded by the residents of Knysna. We have received no assistance from the WCPG. The only form of support was provided by the KM.

**During this period of uncertainty, we had to endure the following lack of consistency and continuity in Management:**

- We had **three Municipal Managers** in 2024
- We had **six Acting Technical Directors from Jan 2024 until the end of Jan 2025, not counting the Resource that the WCPG was going to second to the KM. Very important to note; this position would be the main custodian of the Section 154 Support Plan execution**, as it falls within the technical department.
- The WCPG was going to second an Acting Technical Director at the end of April 2024. It was, however, later discovered that the individual did not possess the appropriate qualifications to be legally appointed, resulting in the loss of another 2 months, with no Acting Technical Director
- In terms of the KM's full complement of Directors, all were Acting appointments in 2024, with a limit of 6 months per term.

We had challenges on debt collection specifically related to GEI (Gray Elephant Investments) and associated companies, that at the time were indebted to the KM to the value of an estimated R50 to R60 million, which has accumulated over many years.

The Previous MM and Coalition pushed to have 50% of this debt written off and, on the 22 August 2024, the Council resolved, contrary to the advice of the then Acting MM and CFO, to write off 50% of the debt (estimated at R32m). At the same time the Council entered into an irregular Office Lease Agreement with the same GEI, which was also contested. Some staff, however, did take occupancy of the offices.

**Clearly at this time, the KM was battling to make any constructive progress with the Section 154 Support Plan due to the following shortcomings:**

- **Poor cash flow**
- **Bad Council decisions**
- **Lack of any Management continuity**
- **Lack of any proper support or project management of the Section 154 Support plan.**

In October 2024, The Honourable Premier Alan Winde and several of his staff visited the KM and had an information meeting with the GKBC and other organisations. During the meeting, a number of Resident Organisations presented an oversight from their perspective, including:

- KIG
- TAG

- GKBC
- Afriforum

The Premier also addressed the meeting and stated clearly.

- The WCPG is not going to make any more funding available to the KM.
- They opposed the concept of the KIG, in collaboration with all relevant stakeholders to facilitate the fixing of service delivery failures, as it is tantamount to “putting on plasters”, and would cover the Coalition’s inabilities and shortcomings.
- **That the WCPG will not enforce the Section 139 and will not put the KM under administration, as the past has shown it does not work.**
- That the WCPG will support TAG’s action to submit a Mandamus Court Application to force the Minister of COGTA to fulfil his functions and place the KM under administration. Note: The Honourable Minister Bredell would also be cited in the Count Papers as a defendant.
- Recommended that the residents “Vote right and give the DA a majority”.

**If ever there was a time to put the KM under administration that was the time. The WCPG, however, refused.**

**To add; when the Count Papers were served, The Honourable Minister Bredell immediately gave notice that the WCPG would contest the TAG application to put the KM under administration.**

In September 2024, The Honourable Minister Bredell also received the report from the **COMMITTEE INVESTIGATION INTO THE CONDUCT OF COUNCILLORS AT THE KNYSNA MUNICIPALITY - Final Report September 2024.**

This report focused on the misconduct of the then Mayor, Deputy Mayor, and the Speaker, in conjunction with the Coalition Councillors. Important to note; it was recommended that The Honourable Minister Bredell should remove the Mayor, Deputy Mayor and the Speaker. He gave them 30 days to respond, until end of January, why he should not remove them from the Council. This period was then extended by a further 30 days. Both the Mayor and Deputy Mayor resigned before The Honourable Minister Bredell acted, with the Speaker being removed from office in March 2025.

### **3. Current status and impact on Knysna Residents**

**In 2025 we believe major progress has been made to resolve the above problems:**

- First, the Council appointed a permanent Municipal Manager, who commenced his service in November 2024.
- The Council made permanent appointments in the vital roles of Director Technical Services and Director Community Services who commenced their services 1 February and 1 April 2025 respectively.
- As of April 2025, all Director level positions are filled with permanent appointments – *the first time in years*.
- In February the Council removed the Ex Mayor.
- **The Council elected a new Mayor (Cllr Thando Matika), who in our opinion and from experience of collaborating with him since March 2025, is doing an excellent job and is committed to change the fortunes of Knysna.** His decisive management with that of the Municipal Manager was evident during the recent water emergency experienced in Knysna.
- **The Council rescinded the 22 August 2024 Council Resolution to write off the 50% debt of GEI and all debt is now recoverable.**
- **MM and CFO acted against GEI in terms of the Credit Policy and discontinued their electrical connection.** GEI then acquired a court interdict to have power restored. However, after the KM responded to the Court Order, GEI was ordered to pay R12,1m immediately with an additional R1m per month until the dispute is resolved.
- **Debt collection has improved to 94,5%**
- **The Council and Management have taken steps to reverse the irregular Lease Agreement with GEI.** The CFO also refused to make any rental payments in terms of the agreement as it would have been irregular expenditure. They have moved out of the premises on the 31 July 2025.
- **The KM received a clear audit report for the last fiscal year from the Auditor General's Office.**
- Council have appointed a new Speaker clearly overseeing Council meetings in a structured and proper manner. This can be noted by listening to the last three Council meetings.
- The Council also appointed a new MPAC Chair, responsible for investigating irregular and fruitless expenditure. She has only been in the position for a month, and we have already had three meetings; and oversight meetings, looking into possible recoveries of such expenditure.
- Section 80 Oversight Committees are taking up the tasks of consequence management and keeping Officials accountable for service delivery.
- **In March 2025 the KIG again submitted a full Engineering report on the WWTP to the KM. We are pleased to confirm that the full R3,5m estimated cost has been approved in the Budget for 2025/26, allowing the KM to make the progress required in the Section 154.**

It is critical to review the current state and progress based on absolute facts and requirements of Knysna and its residents.

The recent oversight visits by the **Deputy Minister of Water and Sanitation, The Honourable Seithloho**, summed up the situation very well. **The major issue is to get the Officials to perform their duties diligently, as currently they, the Officials, are failing the Council, Knysna and its Residents.**

The recent water emergency is a direct result of the failure of the Officials, not Councillors. Councillors in fact were not briefed and were kept in the dark. **The water emergency was unnecessary and preventable, exacerbated by the Officials' failure to act, to respond timeously, ignoring warnings, and deny assistance when offered.** This lack of a sense of urgency, which the Deputy Minister referred to, was the sole reason Knysna ended up in the emergency.

**Our challenge is to induct the new management into a complex environment, so that they gain the knowledge and understanding of the history and current situation.**

#### **4. Suggested way forward.**

**The Knysna Infrastructure Group is opposed to the idea of putting the Knysna Municipality under administration and dissolving the Council. We strongly believe that now is not the time, due to the following:**

- **The Knysna Municipality, for the first time since the adoption of the Section 154 in March 2024, has stability in its Council and Officials, enabling the KM for the first time to develop and act in an environment of continuity and stability.**
- **Administration will only reintroduce uncertainty, and Knysna will lose all the momentum that has been gained in the last four to five months.**
- **The residents of this town are the people who will suffer and who stand the most to lose.**
- **Added to this uncertainty, we would end up having by-elections within 90 days from the date of administration, resulting in 15-17 of the existing Councillors returning, and after this extended period of uncertainty, place us right back where we are now.**
- **Based on current by-election results and Knysna's demographics, it is evident that no political party will gain a majority, and that we will see seats being split more evenly between three parties; the ANC, the DA and the PA. Knysna will more than likely end up with a similar Coalition Council, with the dynamics being different due to the new composition.**



**After all this, we the residents, are the ones who will continue with service delivery challenges, continued political discourse and then end up with another disruptive local election in 2026, which again will remove the focus off service delivery, to party politics.**

**The Knysna Infrastructure Group calls all stakeholders to action, in the interest of Knysna and its residents:**

- **We call on all political leadership, National, Provincial and Local, to put the political discourse aside, and for once live up to their commitment to the residents; that they will “PUT THE RESIDENTS AND KNYSNA FIRST”.**
- **Stop using Knysna and its residents for political grandstanding.**
- **We call on all Councillors to keep Officials accountable and ensure consequence management** of those Officials that do not perform their duties diligently and with a sense of urgency.
- **We call on all Officials to standup, to fulfil their duties as expected, to have a sense of urgency, remember the Residents and Knysna are YOUR customers, serve them as you wish to be served!**
- We call on all to “park your ego’s” at the door and stand together for the people of Knysna.
- **We call on all stake holders, including the GKBC and the KIG to collaborate in a strong Public/ Private partnership, as no Municipality in South Africa will survive if we do not stand together and work towards one common goal, a better life for all!**
- Implement a proper managed **project charter and plan**, to ensure the Section 154 can be implemented.
- **The GKBC and the KIG will make every single professional skill that may be required available within our support structures.**
- **The only road to success is COLLABORATION between all STAKE HOLDERS including all Political Leadership.**

## **5. Conclusion**

**Now is not the time! Logically, one does not liquidate a company and then try to revive it. One must implement business rescue and, for a Municipality this is the only way forward.**

We wish to refer you to a research paper by the Public Affairs Research Institute, **“Mind The Gap: Section 139 interventions in theory and practice”**, September 2019.

In the paper they reference 140 cases of Municipalities that have been put under administration. Some of those, as many as four to five times, and in essence, no administration has been a success and all 140 cases mainly failed. **Knysna does not need to become another statistic.**

**Placing Knysna under Administration, in view of all the above will prolong the recovery period for Knysna, will bring more uncertainty and discourse just before the 2026 local elections.**

**We appeal to all to:**

- Allow us the voters, to vote our conscience in 2026 in the planned local election.
- **Let us now focus on service delivery, making a difference as it is now within our grasp,**
- Let us build on the current stability! That is what Knysna needs most!

**DO NOT LIQUIDATE OUR COMPANY “KNYSNA” FOR POLITICAL GAIN! LET US INSTEAD COLLABORATE IN THE RESCUE PLAN “SECTION 154” AND REAP THE BENEFITS.**

**The Knysna Infrastructure Group reaffirms our commitment to:**

- Work towards a BETTER KNYSNA through a cohesive collaboration with ALL RELEVANT role players, across the GREATER KNYSNA AREA.
- Act in the Interests of the GREATER KNYSNA AREA as a whole and not for individual personal gains
- Work A-politically, not in the interest of any political party or organisation, but in the interest of the People of Knysna.
- Work in a POSITIVE COLLABERARTIVE environment with all relevant role players
- Allow for open discussion, respecting all people’s opinions and dignity.
- Leverage the skills, knowledge and resources within the community.
- TAKE ACTION rather than sitting on the side lines COMPLAINING

**KIG will in the spirit of the above, work with all government structures and officials to ensure Knysna is served as deserved.**

**As a collective, National, Provincial, Local Government, political parties, officials (including resident organisation), we have all failed the residents and Knysna in 2024. Let us not make the same mistakes in 2025 and beyond. Let’s**

put all out differences aside, collaborate as only South Africans can do in times of adversity.

The Knysna Infrastructure Group will support Administrative Support that will bridge the current gap in our Administration and support the Management Structures currently deployed and to induct them into their roles where the Residents of Knysna and Knysna as a town will shine.

It is in our grasp, let's make this opportunity count.

**Best Regards**

A handwritten signature in black ink, appearing to read 'Eugene Vermaak', with a stylized flourish at the end.

**Eugene Vermaak**

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**On behalf of the Directors**

**Knysna Infrastructure Group**

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