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Knysna Council 2026/2027 approved budget: a strategic plan to restore the Jewel of the Garden Route

Knysna's Council has officially approved the 2026/2027 Annual Budget, marking a decisive shift toward financial stability and a massive reinvestment in the town's crumbling infrastructure. Following a Special Council Meeting held on Friday 29 May 2026, the R1.57 billion budget was passed by a majority vote, ushering in a new era of cash preservation and essential service delivery.

The approved budget includes a total revenue budget of R1.57 billion and an operating expenditure budget of R1.53 billion, resulting in a projected surplus of R42.1 million. Most notably, the capital expenditure budget has seen a significant increase to R249.3 million, up from R137 million in the previous year.

Knysna Executive Mayor Thando Matika explained that restoring the municipal infrastructure backbone takes priority in the 2026/2027 budget. "We are unapologetically focused on fixing the basics. Approximately 80% of the capital budget, roughly R200 million, is dedicated to infrastructure projects that include electricity, roads, stormwater, water and sewerage," he said.

Key projects funded in this cycle include:

- R15 million over the Medium-Term Revenue and Expenditure Framework period for the refurbishment of the Knysna Wastewater Treatment Works.
- R30 million for network pumpstation upgrades across Greater Knysna.
- R11.6 million for the urgent upgrade of the CBD sewer pumpstation and sewers.
- Water security initiatives including pipe replacements in Westhill and Old Place to reduce non-revenue water losses, and the installation of 8,000 new water meters to ensure fair billing.
- Road rehabilitation, specifically the resurfacing of George Rex Drive and flood-damaged access routes R5 million 2026/2027, R8,9 million 2027/2028 and R8 million for 2028/2029 financial year.
- R2,8 million for the Homeless shelter construction.

"Greater Knysna stands at a crossroads," said Matika. "The fiscal and operational deterioration we have faced is significant, but it is not insurmountable. We are moving away from simply managing symptoms and are now addressing the underlying causes of our distress. This is a cash preservation budget, designed to manage our cash flow while moving critical infrastructure projects forward. We will rebuild this municipality brick by brick, focusing on stability, accountability and an unwavering dedication to our residents."

To address service delivery challenges and rising costs, and to ensure the municipality remains a going concern capable of providing sustainable services, Council approved the implementation of cost-reflective tariffs.

The tariff increases effective from 1 July 2026 are:

- Property Rates: 5%
- Electricity: 11.5%
- Water and Sanitation: 12%
- Refuse: 25%

While these increases reflect the rising cost of doing business, Matika acknowledged the burden on residents, particularly regarding refuse removal. “The steep 25% increase in refuse tariffs is a painful necessity driven by the escalating costs of outsourced truck hire, which currently costs the town R8.4 million. Our reliance on expensive, outsourced service delivery is a model we must move away from by rebuilding our internal capacity," he added. "By filling critical vacancies in our infrastructure department and the Project Management Office, we are ensuring that we have the warm bodies needed to implement these projects ourselves and save the taxpayers' money in the long run."

Addressing a social focus beyond infrastructure, the budget makes provision for ward-specific community needs. This includes R1 million for mayoral projects, R1 million for the Expanded Public Works Programme, and R2.25 million for housing rectification across several wards (including Wards 1 through 8 and Ward 11).

A commitment to progress, the approval of the budget and the 2026/2027 Integrated Development Plan signifies a dedication to improving and preserving the long-term health of the region. While the road to full recovery is littered with challenges, the municipality is now equipped with a funded, balanced budget to begin the hard work of restoration.

"Our goal remains unchanged: to restore Knysna as the Jewel of the Garden Route," Matika concluded. "The road ahead is long and the climb is steep, but we do not walk it alone. We walk it with the strength of our partners and the resilience of our people."

The approved budget and budget related policies are available on the municipal website at https://www.knysna.gov.za/government/important-documents/budget-and-related-documents/.

The Mayor’s full Budget Speech delivered during the Special Council Meeting held on 29 May 2026 is available at https://www.knysna.gov.za/government/mayors-office/executive-mayor/

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