



**ORDINARY MEETING OF THE COUNCIL**

**GEWONE VERGADERING VAN DIE RAAD**

**INTLANGANISO YESIQHELO YEBHUNGA**

**MINUTES / NOTULE /**

**IMIZUZU**

**DATE / DATUM / UMHLA : 29 MAY / MEI / MEYI 2025**

**VENUE / PLEK / INDAWO : BANQUETING HALL /  
BANKETSAAL**

**CIVIC CENTRE / BURGERSENTRUM / IZIKO LOLUNTU  
HERMANUS**

**TIME / TYD / IXESHA: 10:00**

# OVERSTRAND

MUNICIPALITY / MUNISIPALITEIT / U-MASIPALA

**MINUTES OF AN ORDINARY COUNCIL MEETING  
HELD IN THE BANQUETING HALL, CIVIC CENTRE,  
HERMANUS, ON 29 MAY 2025 AT 10:00**

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**PRESENT:** Councillors were present as per attached attendance register.

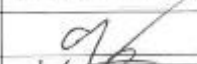
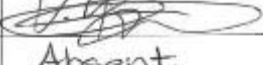
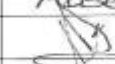

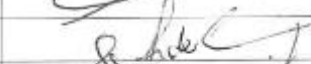

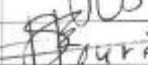
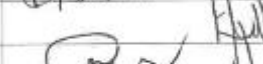
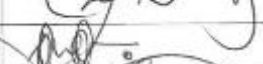


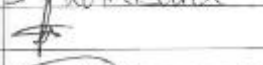
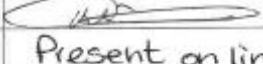
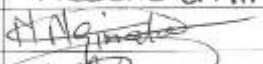


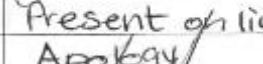
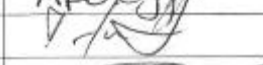




**OFFICIALS PRESENT:** Dr D O'Neill, Municipal Manager  
Mr D Louw, Acting CFO  
Ms D Arrison, Director : Corporate Services  
Mr N Michaels, Director : Municipal Public Safety  
Mr S Müller, Chief Engineer : Infrastructure Services  
Mr R Kuchar, Divisional Manager : Town & Spatial Planning  
Ms R Louw, Divisional Manager : Strategic Support Services  
Mr B King, Financial Accounting  
Mr R Fraser, Chief: Traffic  
Ms B Plaatjies, Divisional Manager : Facilities, Halls and Building Maintenance  
Ms G Bucchianeri, Manager : Budgeting  
Mr L Tait, Accountant : Budget Office  
Ms K Johnson, Accountant : Budget  
Ms M Carelse, Principal Administrator: Incident Command Centre, Emergency Control & Support Services  
Ms H van Tonder, Manager : Administrative Support Services  
Ms R Steenekamp, Assistant Media & Social Media Liaison Officer  
Mr A Lekay, Senior Clerk  
Ms G Erasmus, Facilities Administrator  
Mr J Vogel, Technical Support : Auditorium  
Ms S Swart, Senior Committee Officer

**ALSO PRESENT:** Members of the Public

**MINUTES/....**

OVERSTRAND MUNICIPALITY  
ATTENDANCE REGISTER

COUNCIL MEETING  
29 MAY 2025

ALDERMEN/COUNCILLORS	SIGNATURE
AFRICA, F	
BANDEZA, V	
BEYI, S	Absent
BRICE, KD	
COETZEE, DP	
COHEN, G	
DE CONING, CA	
DEES, RM	
ELS, T	
FOURIE, SH	
GILLION, E	
GRIMBEEK, MD	
KLAAS, AG	
KOMANI, AS	
LERM, CH	
LOMBARD, H	
NGQANDANA, K	
NOMATITI, M	
NOMBULA, BG	Present on line
NQINATA, NNT	
NTSABO, L	
NUTT, R	
RESANDT, CT	By out
SIHLAHLA, M	Present on line
TAFU-NWONKWO, CC	Apology
VAN STADEN, JA	
WILLIAMS, SH	

**1. OPENING**

The Speaker, Ald G Cohen, opened the meeting and welcomed those present. Ald F Africa opened with prayer and the Municipal Manager, Dr D O'Neill, read the convening notice.

**2. APPLICATIONS FOR LEAVE OF ABSENCE**

**Cllr C Tafu-Nwonkwo**

**RESOLVED:**

that the above-mentioned application for leave of absence **be granted**.

**Cllr S Beyi**

**RESOLVED:**

that it be noted that **Cllr S Beyi** is **absent without leave**.

**3. CONFIRMATION OF MINUTES**

- 3.1 Minutes of an **Ordinary Meeting** of the **Overstrand Municipal Council** held on **Wednesday, 30 April 2025** at **10:00**

**RESOLVED:**

that the Minutes of an **Ordinary Meeting** of the **Overstrand Municipal Council** held on **Wednesday, 30 April 2025** at **10:00** **be confirmed**.

- 3.2 Minutes of a **Special Meeting** of the **Overstrand Municipal Council** held on **Monday, 12 May 2025** at **12:00**

**RESOLVED:**

that the Minutes of a **Special Meeting** of the **Overstrand Municipal Council** held on **Monday, 12 May 2025** at **12:00** **be confirmed**.

- 3.3 Minutes of a **Special Meeting** of the **Overstrand Municipal Council** held on **Friday, 23 May 2025** at **13:00**

**RESOLVED:**

that the Minutes of a **Special Meeting** of the **Overstrand Municipal Council** held on **Friday, 23 May 2025** at **13:00** **be confirmed**.

#### 4. MATTERS ARISING FROM THE MINUTES

None

#### 5. STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE SPEAKER/EXECUTIVE MAYOR

- Salga Matters:

Cllr H Lombard, Ald L Ntsabo, Ald D Coetzee, Cllrs S Williams, T Els, R Nutt and Ald F Africa gave feedback on the respective Salga Working Group meetings they had attended.

- Nominations to serve on the respective clinic committees: Dept of Health, Overberg District:

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

that Cllr H Lombard **be nominated** to present Overstrand Municipality on the Main Clinic and Hospital Committees.

The Speaker requested that it be confirmed that Ald K Brice represents the Overstrand Municipality on the Cliff Path Management Committee as well as the Old Harbour Museum Committee.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

that it **be confirmed** that Ald K Brice represents the Overstrand Municipality on the Cliff Path Management Committee as well as the Old Harbour Museum Committee.

The Speaker, Ald G Cohen, draw the attention of Councillors to the Declaration of Interest forms which were handed out to them and requested that it be completed and handed in at the Municipal Manager's office on or before Monday, 30 June 2025.

- Rescheduling of June 2025 council meeting:

The Speaker, Ald G Cohen, informed Council that its meeting which was scheduled for Wednesday, 25 June 2025 has been rescheduled to take place on Friday, 27 June 2025 at 10:00, after which Council will go into recess (recess item included in agenda as Item 6.2).

The Speaker, Ald G Cohen, informed Council that a meeting will be arranged for the following week between himself, the Executive Mayor, Deputy

Executive Mayor and the various party whips in order to touch base with the Executive Mayor.

The Speaker, Ald G Cohen, reminded councillors of the ward committee training, which is taking place on Saturday, 31 May 2025 at the Thusong Centre, Hawston.

The Municipal Manager, Dr D O'Neill, gave feedback on the matter of theft of diesel and electrical equipment.

The Speaker, Ald G Cohen, confirmed that he had appointed an Ad Hoc Disciplinary Committee consisting of Ald D Coetzee, Cllrs T Els and R Dees, to investigate alleged breaches of the Code of Conduct for Councillors by Cllr S Beyi and Ald E Gillion. A report from the Committee will be submitted at the next Council meeting.

The Executive Mayor, Cllr A Klaas, reported that he is currently attending the 12<sup>th</sup> Annual Smart Procurement World Conference at Goudini Spa, Worcester. He also reflected on an invitation he received from Kidbrooke Retirement Village to attend the grand opening of their Wellness Hub, as well as an invitation from the Roadhouse Cinema at Whale Coast Mall, to attend the screening of the documentary by David Attenborough, *Ocean*. The Executive Mayor also voiced his appreciation for the outstanding work the Municipality's Environmental Department is doing, especially the concept of looking at the flow of water streams between the mountain and the ocean, for which they get international recognition.

**6. CONSIDERATION OF REPORTS****6.1****MONTHLY REPORT TO COUNCIL ON THE SUPPLY CHAIN MANAGEMENT (SCM) POLICY FOR APRIL 2025****C Le Roux  
05 April 2025****Divisional Manager: Supply Chain Management  
(028) 313 8107**

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**EXECUTIVE SUMMARY**

The purpose of this report is to inform Council of procurement by the delegated authority in terms of the Supply Chain Management Policy for April 2025.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

1. that the deviations from the procurement processes, approved in terms of the delegated authority for April 2025, **be noted**;
2. that the awards made in terms of Paragraph 17(1)(c), approved in terms of the delegated authority for April 2025, **be noted**; and
3. that the awards made through the Bid Committee system and formal written price quotations for April 2025, **be noted**.

**RESPONSIBLE OFFICIAL :****C LE ROUX****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

**6.2****RECESS: JUNE/JULY 2025****H van Tonder  
14 May 2025****Manager : Administrative Support Services****(028) 313 8037**

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**EXECUTIVE SUMMARY**

The purpose of the report is to obtain confirmation of Council's recess from **27 June 2025 (directly after the Council meeting)** to **22 July 2025** and related matters.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

1. that Council confirms a period of recess, ie **27 June 2025 to 22 July 2025 (the latter included)**;
2. that, during the period of recess, all urgent matters / emergency situations be dealt with by the Executive Mayor in consultation with the Municipal Manager, except those reserved by law for full Council; and
3. that it be noted that an **Ordinary Council Meeting** will be held on **Wednesday, 30 July 2025 at 10:00**.

**RESPONSIBLE OFFICIAL :****H VAN TONDER****IMPLEMENTATION DATE :****27 JUNE 2025**

**6.3****APPLICATION TO EXTEND THE TERM OF THE HERMANUS SPECIAL RATING AREA FOR THE PERIOD 2025 - 2030****D Louw**  
**19 May 2025****Acting Chief Financial Officer****(028) 313 8040**

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**EXECUTIVE SUMMARY**

The purpose of the report is to submit an application to Council to consider the extension of the term of the Hermanus Special Rating Area for a further 5-year term from 1 July 2025 until 30 June 2030.

**THE MEMBERS OF THE LAND PARTY INDICATED THAT THEY ARE AGAINST THE RECOMMENDATION AND CLLR K NGQANDANA MADE A COUNTER PROPOSAL, SECONDED BY CLLR V BANDEZA.**

**WHEN PUT TO THE VOTE, 20 MEMBERS VOTED IN FAVOUR OF THE RECOMMENDATION, 2 AGAINST THE RECOMMENDATION AND 3 COUNCILLORS ABSTAINED FROM VOTING. THE RECOMMENDATION AS INDICATED IN THE REPORT WAS THUS CARRIED.**

**RESOLVED (SUPPORTED BY 20 COUNCILLORS):**

1. that the application to extend the term of the HSRA **be approved** for a further five years from 1 July 2025 until 30 June 2030;
2. that a Finance Agreement (which will set out the responsibilities, rights and obligations of the parties as prescribed in the relevant laws and regulations) be entered into between HPP NPC and Overstrand Municipality before 1 July 2025;
3. that the additional rate to finance the HSRA business plan be considered by Council during the annual budget process;
4. that the Municipal Manager be authorized to sign all documents to give effect to the extension of the term of the SRA; and
5. that payments to the SRA commence and be made in accordance with the Finance Agreement.

**RESPONSIBLE OFFICIAL :****D LOUW**  
**E HOONEBERG****TARGET DATE FOR IMPLEMENTATION :****2 JUNE 2025**

**6.4****APPLICATION TO EXTEND THE TERM OF THE ONRUS VERMONT SPECIAL RATING AREA FOR THE PERIOD 2025 - 2030****D Louw  
19 May 2025****Acting Chief Financial Officer****(028) 313 8040**

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**EXECUTIVE SUMMARY**

The purpose of the report is to submit an application to Council to consider the extension of the term of the Onrus Vermont Special Rating Area for a further 5-year term from 1 July 2025 until 30 June 2030.

**RSOLVED (SUPPORTED BY 25 COUNCILLORS):**

1. that the application to extend the term of the OVSRA **be approved** for a further five years from 1 July 2025 until 30 June 2030;
2. that a Finance Agreement (which will set out the responsibilities, rights and obligations of the parties as prescribed in the relevant laws and regulations) be entered into between OVSRA NPC and Overstrand Municipality before 1 July 2025;
3. that the additional rate to finance the OVSRA business plan be considered by Council during the annual budget process;
4. that the Municipal Manager be authorized to sign all documents to give effect to the extension of the term of the SRA; and
5. that payments to the SRA commence and be made in accordance with the Finance Agreement.

**RESPONSIBLE OFFICIAL :****D LOUW  
E HOONEBERG****TARGET DATE FOR IMPLEMENTATION :****2 JUNE 2025**

**6.5****APPLICATION TO EXTEND THE TERM OF THE KLEINMOND SPECIAL RATING AREA FOR THE PERIOD 2025 - 2030****D Louw  
19 May 2025****Acting Chief Financial Officer****(028) 313 8040**

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**EXECUTIVE SUMMARY**

The purpose of the report is to submit an application to Council to consider the extension of the term of the Kleinmond Special Rating Area for a further 5-year term from 1 July 2025 until 30 June 2030.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

1. that the application to extend the term of the KSRA **be approved** for a further five years from 1 July 2025 until 30 June 2030;
2. that a Finance Agreement (which will set out the responsibilities, rights and obligations of the parties as prescribed in the relevant laws and regulations) be entered into between KSRA NPC and Overstrand Municipality before 1 July 2025;
3. that the additional rate to finance the KSRA business plan be considered by Council during the annual budget process;
4. that the Municipal Manager be authorized to sign all documents to give effect to the extension of the term of the SRA; and
5. that payments to the SRA commence and be made in accordance with the Finance Agreement.

**RESPONSIBLE OFFICIAL :****D LOUW  
E HOONEBERG****TARGET DATE FOR IMPLEMENTATION :****2 JUNE 2025**

**6.6****VAT ON MUNICIPAL LIBRARY GRANTS: CONSIDERATIONS TO RESOLVE SARS DISPUTE****B King**  
**17 April 2025****Divisional Manager: Financial Accounting****(028) 313 8154**

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**EXECUTIVE SUMMARY**

To inform Council of the progress regarding the dispute with SARS on VAT treatment of grants received from the Western Cape Department of Cultural Affairs and Sport (DCAS) for Library services and to obtain approval on the way forward.

**THE MEMBERS OF THE LAND PARTY INDICATED THAT THEY ARE AGAINST THE RECOMMENDATION AND CLLR V BANDEZA MADE A COUNTER PROPOSAL, SECONDED BY CLLR K NGQANDANA.**

**WHEN PUT TO THE VOTE, 23 MEMBERS VOTED IN FAVOUR OF THE RECOMMENDATION AND 2 MEMBERS VOTED AGAINST THE RECOMMENDATION. THE RECOMMENDATION AS INDICATED IN THE REPORT WAS THUS CARRIED.**

**RESOLVED (SUPPORTED BY 23 COUNCILLORS):**

that the Council **approves** the process to commence legal action against interpretation of SARS with the issuing of GBR 74 dated 4 October 2024.

**RESPONSIBLE OFFICIAL :****B KING****TARGET DATE FOR IMPLEMENTATION :****IMMEDIATELY**

**6.7****MUNICIPALITY TO FUND ADDITIONAL OFFICIAL TO THE RAMSAR COP15 IN ZIMBABWE FROM 24-27 JULY 2025 TO ACCOMPANY AND ADVISE THE EXECUTIVE MAYOR ON DISCUSSIONS RELATING TO THE ONRUS CATCHMENT-TO-COAST PROJECT**

**L De Villiers Divisional Manager: Environmental Management & Conservation  
21 May 2025 (028) 316 5615**

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**EXECUTIVE SUMMARY**

The purpose of this report is to obtain approval from Council to fund an additional official to the RAMSAR COP15 in Zimbabwe from 24 to 27 July 2025 to accompany and advise the Executive Mayor on discussions relating to the Onrus Catchment-to-Coast Project, and to present on the project.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

1. that Council **approves** for the Municipality to fund a Municipal Official (Project Coordinator) to accompany the Executive Mayor to attend, present and advise the Mayor on queries and discussions related to the Onrus Catchment-to-Coast Project at the COP15 in Zimbabwe from 24 to 27 July 2025; and
2. that the attendance of the Executive Mayor at COP15 in Zimbabwe **be approved**.

**RESPONSIBLE OFFICIAL :****L DE VILLIERS****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2025**

**6.8****FINAL INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW AND AMENDMENT FOR 2025/26****R Louw                      Divisional Manager: Strategic Support Services****13 May 2025****(028) 313 8071**

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**EXECUTIVE SUMMARY**

The purpose of this report is to present the final reviewed and amended Integrated Development Plan (IDP) for the 2025/26 financial year. This will be the 3<sup>rd</sup> reviewed document and 4<sup>th</sup> amendment for the 2022/2027 IDP cycle.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

that the final IDP review and amendment for 2025/26 **be approved.**

**RESPONSIBLE OFFICIAL :****R LOUW****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2025**

**6.9**

**FINAL DRAFT DISASTER MANAGEMENT PLAN FOR 2025/2026**

**N Michaels  
6 May 2025**

**Director: Municipal Public Safety**

**(028) 313 8054**

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**EXECUTIVE SUMMARY**

The purpose of this report is for Council to approve the final draft Disaster Management Plan for 2025/2026.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

that the Final Draft Disaster Management Plan for 2025/2026 **be approved.**

**RESPONSIBLE OFFICIAL:**

**NJ MICHAELS  
L SMITH**

**TARGET DATE FOR IMPLEMENTATION:**

**1 JULY 2025**

**6.10****REVISION OF ALL BUDGET RELATED POLICIES OF THE OVERSTRAND MUNICIPALITY****Davy Louw  
20 May 2025****Acting Chief Financial Officer****(028) 313 8040**

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**EXECUTIVE SUMMARY**

The purpose of the report is to present council with the amended budget related policies for approval and implementation with effect from 1 July 2025.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

that the budget related policies attached to the item and amended as indicated in the report, **be approved** and implemented with effect from 1 July 2025.

**RESPONSIBLE OFFICIAL :****D LOUW****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2025**

## 6.11

**FINAL BUDGET FOR OVERSTRAND MUNICIPALITY : 2025/2026 MTREF**

BA King  
20 May 2025

Divisional Manager: Financial Accounting

(028) 313 8154

**EXECUTIVE SUMMARY**

This report presents the proposed budget of Overstrand Municipality for the 2025/2026 to 2027/2028 MTREF (Medium Term Revenue and Expenditure Framework) period.

**THE MEETING STOOD DOWN AT 11:10**

**THE MEETING RESUMED AT 11:25**

**THE SPEAKER AFFORDED THE EXECUTIVE MAYOR, CLLR A KLAAS, TIME TO DELIVER HIS BUDGET SPEECH, A COPY OF WHICH IS ATTACHED AS ANNEXURE A TO THESE MINUTES.**

**CLLR R NUTT MADE THE FOLLOWING PROPOSAL, WHICH PROPOSAL WAS UNANIMOUSLY SUPPORTED:**

In addition to the ward specific amount of R250 000 for each ward, two (2) capital budget line items, ie R1m for speed calming and R800 000 for playparks, be divided between all 14 wards which will amount to approximately R378 572,00 per ward.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

1. that, in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), the annual budget of the Municipality for the 2025/2026 to 2027/2028 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:

<b>Schedule 1:</b>	Budgeted financial performance (revenue & expenditure by municipal vote)
<b>Schedule 2:</b>	Budgeted financial performance (revenue by source & expenditure by type)
<b>Schedule 3:</b>	Budgeted multi- and single year capital appropriations by standard classification (vote) and funding by source
<b>Schedule 4:</b>	Budgeted financial position
<b>Schedule 5:</b>	Budgeted cash flow
<b>Schedule 6:</b>	Cash backed reserves and acc. surplus reconciliation
<b>Schedule 7:</b>	Asset management
<b>Schedule 8:</b>	Basic service delivery measurement

2. that the property rates reflected in **Annexure A** to the item, **be imposed** for the budget year 2025/2026;
3. that tariffs and charges reflected in **Annexure A** to the item, **be approved** for the budget year 2025/2026;
4. that the Municipal Manager be authorised to sign the necessary documents to give effect to the 2<sup>nd</sup> draw down of the proposed three-year borrowing programme for external loans amounting R90m;
5. that the following schedules be noted:  
  
**Schedule 9:** Budgeted financial performance (revenue & expenditure by standard classification)  
**Schedule 10:** Budgeted capital appropriations by municipal vote
6. that **cognisance be taken** of the schedule of comments from the community and the SIME: LG MTEC Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in Annexures K and L respectively of the budget report;
7. that the grant allocations in the 2025 Division of Revenue Bill published on 21 May 2025 were included in the 2025/26 MTREF budget, **be noted**; and
8. that the Final Budget Report for 2025/2026 **be noted**.

**RESPONSIBLE OFFICIALS:**

**D LOUW  
BA KING**

**TARGET DATE FOR IMPLEMENTATION:**

**1 JULY 2025**

**THE SPEAKER CHANGED THE ORDER OF BUSINESS IN ORDER FOR THIS ITEM TO BE DEALT WITH AT THE END OF THE MEETING.**

**6.12****WRITING OFF OF IRRECOVERABLE DEBT**

This item was distributed under separate cover.

In terms of Section 20(1) of the Local Government: Municipal Systems Act, No 32 of 2000, read with Rule 17 of the Overstrand Municipality's By-law on Rules of Order for Internal Arrangements, this item was considered "in committee".

The resolutions under this item shall be minuted in a separate minute book in terms of section 20(1) of the Local Government: Municipal Systems Act, No 32 of 2000 read with Rule 17 of the Overstrand Municipality's By-law on Rules of Order for Internal Arrangements.

**6.13****APPROVAL TO START HEADHUNTING PROCESS IN FILLING OF VACANCY:  
DIRECTOR: COMMUNITY SERVICES****D Arrison  
26 May 2025****Director: Corporate Services****(028) 313 8001**

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**EXECUTIVE SUMMARY**

The purpose of this report is to obtain Council's approval to start a headhunting process to fill the vacancy of the Director Community Services.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

that the headhunting process to recruit potential candidates to fill the vacancy of Director: Community Services, **be approved**.

**RESPONSIBLE OFFICIAL :****DS ARRISON****TARGET DATE FOR IMPLEMENTATION :****IMMEDIATELY**

**6.14****MIG DETAILED PROJECT IMPLEMENTATION PLAN (DPIP) FOR 2025/2026****D. Hendriks  
26 May 2025****Principal Engineer: Project Management Unit****(028) 313 5059**

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**EXECUTIVE SUMMARY**

The purpose of this report is to submit the MIG Detailed Project Implementation Plan for the 2025/2026 financial year, for Council approval.

**RESOLVED (SUPPORTED BY 25 COUNCILLORS):**

that the MIG Detailed Project Implementation Plan (DPIP) for the 2025/2026 financial year **be approved**.

**RESPONSIBLE OFFICIAL :****D. HENDRIKS****TARGET DATE FOR IMPLEMENTATION :****01 JUNE 2025**

**THE SPEAKER CHANGED THE ORDER OF BUSINESS IN ORDER FOR THIS ITEM TO BE DEALT WITH AT THE END OF THE MEETING.**

**ITEM 6.15**

**APPOINTMENT OF CHIEF FINANCIAL OFFICER (CFO)**

This item was distributed under separate cover.

In terms of Section 20(1) of the Local Government: Municipal Systems Act, No 32 of 2000, read with Rule 17 of the Overstrand Municipality's By-law on Rules of Order for Internal Arrangements, this item was considered "in committee".

The resolutions under this item shall be minuted in a separate minute book in terms of section 20(1) of the Local Government: Municipal Systems Act, No 32 of 2000 read with Rule 17 of the Overstrand Municipality's By-law on Rules of Order for Internal Arrangements.

**7. URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER (IF ANY)**

Cllr C Lerm requested that the matter of him undertaking private work after his appointment as a Member of the Mayoral Committee, be considered.

**CLLR C LERM LEFT THE MEETING AT 12:17 AND WAS NOT PRESENT DURING THE CONSIDERATION OF THE FOLLOWING MATTER:**

Cllr C Lerm was appointed as a Member of the Mayoral Committee during a Special Council meeting on 23 May 2025 and he wishes to undertake private work. Council then

**RESOLVED (SUPPORTED BY 24 COUNCILLORS):**

that **approval be granted** for Cllr C Lerm to undertake other paid work.

**CLLR C LERM REJOINED THE MEETING AT 12:21**

**8. CONSIDERATION OF NOTICES OF MOTIONS / QUESTIONS**

None

**9. CONSIDERATION OF MOTIONS OF EXIGENCY (IF ANY)**

None

**THE MEETING STOOD DOWN AT 12:22 IN ORDER FOR OFFICIALS AND THE PUBLIC TO LEAVE THE BANQUETING HALL.**

**THE MEETING RESUMED AT 12:26 AND ITEMS 6.12 AND 6.15 WERE THEN DEALT WITH**

**The meeting adjourned at 12:57**

\_\_\_\_\_  
DATE

\_\_\_\_\_  
THE SPEAKER – G COHEN

**2025/2026 BUDGET SPEECH BY EXECUTIVE MAYOR – CLLR ARCHIE KLAAS****Date: Thursday 29 MAY 2025**

\*a short prayer, calling on God's wisdom\*

Speaker of Council, Alderman Grant Cohen; Deputy Executive Mayor, Alderman Elnora Gillion; Members of the Budget Steering Committee (BSC) as chaired by the Executive Mayor, that is, the Members of the Mayoral Committee (MMCs), the Finance Portfolio Committee as led by the Municipal Manager, Dr Dean O'Neill, All Directors, the Acting CFO, the Staff from the Budget office and Strategic Services for the IDP; the Public Representative (PR) Councillors; Wards Councillors; Ward Committee Members present; the public; the Media and all those who can hear my voice. Please receive my warm greeting. Molweni. Goeie dag.

I stand in front of you, voor jou, phambi kwakho, to deliver the 2025 to 2026 Budget Speech in the wake of geopolitical tensions and global economic uncertainty and even fears of a recession. We are indeed facing unprecedented times in the history of our beloved South Africa. For the first time since the dawn of democracy, the National Assembly failed to adopt a Budget until the 21st of May 2025, after a third attempt. Evidently, this was because of fiscal pressures and the difficulty being experienced in trying to strike a balance between the needs of society at large and the limited revenue sources with which to deliver services.

Speaker, the compilation of the Budget was undertaken at a time when global economic uncertainty prevailed, and trade tensions are being experienced globally. Need I to share the President Donald Trump most recent experience? Global growth estimates have been adjusted downwards with inflation expectations in many economies harbouring above central bank targets. It is also uncertain when the tide will turn in respect of lowering interest rates considering the inflationary impact of trade barriers.

The South African economy is exposed to all the global macro-economic uncertainties. The Minister of Finance recently announced in his Budget Speech that the GDP growth forecasts were adjusted downwards and are projected at 1.6% in 2026 and 1.8% in 2027. The South African economy is further constrained by high debt levels with rising borrowing costs. Accordingly, the fiscal pressure on local municipalities and the risk of reduced grant allocations remains a stark reality. The

National Treasury's inflation projections are set to be 4.4% in 2025/26, increasing to 4.5% in 2026/27 before seeing a decline to 2.5% in 2027/28.

Speaker, our focus should be on economic development and job creation. The finance, the insurance and business services are the largest contributor to our GDP, accounting for 32.2% of real GDP of R6,3 Billion in 2023. With the 2nd largest sector being manufacturing, contributing R902 Million (accounting for 14.2%). Overstrand has maintained a very strong and positive trade balance with exports amounting to R1,1 Billion compared to imports of only R154,5 Million with the Top 3 export destinations being Hong Kong, the United Arab Emirates and Taiwan. Now you tell me, can we not improve these export growth if Overstrand can attract the Hong Kong Consulate to have offices in our area?

Speaker, in the current economic climate, consumer spending is constrained and the ability of households to pay for municipal services is a real threat to sustainability. This, coupled with reduced fiscal transfers in real terms, must be managed through optimal revenue collection and spending efficiencies without compromising on the quality of our service delivery.

Whilst we have noted concerns and a public outcry that municipal tariff increases are above inflation, it is important to understand the concept that municipal cost drivers are different, and therefore the CPI is not representative of increases in municipal cost. Employee related costs, which represent roughly 29.3% of the total budget has seen an increase of 7.5% which has been agreed upon at national bargaining council level. Electricity bulk purchases representing about 26% of total operating expenditure has increased by 11.32%.

Speaker, before I turn to the new Budget and tariffs for the next financial year, allow me to briefly reflect on our Budget preparation process. And in particular the comments, objections and representations received after the tabling of the Draft Budget on 31 March 2025.

Speaker, we have held public meetings in all our wards where the budget was discussed, and the community was afforded the opportunity to submit comments on the Draft Budget and the IDP by no later than 6 May 2025. A total of 164 written comments were received by the closing date. And these were all subsequently considered by the Budget Steering Committee (BSC).

The comments and objections were in the main focussing on the proposed tariff increases, the affordability of the municipal bill, baboon management, squatter control and indigents.

Speaker, I have already alluded to the cost drivers impacting on the municipal tariffs. And wish to further emphasize that an important consideration in compiling the Budget was to ensure cost reflective tariffs, while at the same time limiting the increases to soften the blow on our consumers and the community at large. We have an Indigent Support programme in terms of which households with an income of less than 4 times the old age SASSA grant plus R1 will qualify for a basket of free basic services consisting of 70kwh of electricity, 10kl of water, 7kl of wastewater and free refuse removal services. With regards to electricity tariffs, it must be noted that the Overstrand Municipality's tariffs are informed by a detailed cost of supply study as required by the regulatory body NERSA and the proposed increase is based on a phasing in of the cost of supply study. The primary aim of the cost of supply study is to ensure fair apportionment of costs among the different categories of consumers while ensuring cost reflective tariffs. In respect of the comments received on the baboon management programme, I can confirm that the current baboon management programme has been extended until January 2026 and the Municipality will engage Cape Nature as part of the review of the baboon management programme. This review process will allow for public participation before a final decision is taken.

In addition to the comments and objections received from the public, the Provincial Treasury also conducted an assessment of the Budget and IDP. The full report is included in the Budget report.

#### FINAL BUDGET 2025/2026

A The budget for the 2025/2026 financial year:

1. The budgeted Revenue, excluding Capital Grants received, amounts to R2,018 Billion.
2. The budgeted Operational Expenditure amounts to R2,112 Billion – this includes non-cash items like depreciation.
3. The Capital budget amounts to R258,3 Million. It is to be used for very specific Capital projects.

B. Employee and Councillor related remuneration:

In the Budget, a provision of R632,8 Million is made for employee related costs and the remuneration of Councillors. This is 29.96% of the total operating expenditure and is within the National Treasury norm of 25 – 40%.

The proposed increase in the salary budget is 5,07% and a further 2.5% for notch increases have also been provided for.

Staff vacancies are still frozen and may only be filled following a motivation to the Municipal Manager.

Overtime –

The overtime budget has increased over the past few years with more, in comparison with the salary budget increases for various reasons including disasters, demolishing illegal structures and other law enforcement related functions.

The municipality is currently implementing controls to contain spending on overtime including monthly monitoring and reporting on stand-by and overtime.

C. Before announcing the new tariffs on services for the next financial year, we need to provide background on the cost of rendering services.

With regards to electricity, our total expenditure (including overheads) is R753,095 Million and our income R789,871 Million which allows for a surplus of R36,776 Million or a surplus margin of only 4.66% which is considered as very low and has been decreasing over the past number of years.

In the case of water, our expenditure is R203,332 Million against an income of R225,763 Million resulting in a surplus margin of 9.94% or R22,431 Million.

Wastewater management are now reflecting a surplus of 4.14% compared to a budgeted deficit in the previous budget. This is an improvement directly attributable to improved efficiencies and the acquisition of critical vehicles for the sewerage tanker service. The budgeted income amounts to R151,5 Million with the expenditure budget at R145,235 Million.

Waste management, is projected to realize a surplus of R5,740 Million or 4.28% with a total income of R134,170 Million against an expenditure of R128,430 Million.

D. We now deal with the tariffs for the next financial year.

The Final Budget for 2025/26 Medium Term Revenue and Expenditure Forecast (MTREF), provides for tariffs increases for the respective municipal services ranging between 6% and 10%, the details as follows:-

- Property Rates: 9,7% (applied as a percentage increase in the cent in the Rand based on the property valuation from 0.004547 to 0.004988 for residential properties)
- Water: 6,20%
- Sewerage: 6%
- Refuse Removal: 6%

Electricity tariffs, with the new Cost of Supply (Cos) tariffs, as follows:-

- Electricity tariffs should be considered as a newly introduced, phased, cost reflective set of tariffs, in combination with the indicative NERSA increase of 9.96%.

An important principle of the Cost of Supply (CoS) tariffs will be the flexibility for individual consumers to choose the most cost-effective capacity charge tariff, allowing consumers to manage this portion of electricity costs, as well as consumption levels. This will in turn also assist the municipality to manage its load and maximum demand.

The Municipality has approved a Wheeling Policy which will be implemented with effect from 1 July 2025.

The final approval of tariffs by NERSA is still awaited, where the final increase of tariffs will be in accordance with this approval.

Sundry tariffs will increase with 6%, unless circumstances indicate either a lesser Increase, or cost reflective tariff, or alternatively a punitive tariff level.

Availability charges are needed to ensure that the fixed costs to have a 365-day operational service and networks in place to provide a service to every property across the Overstrand at any time that the service is required and at the capacity and place where it is needed.

Improved Additional relief to vulnerable groups. As part of the drive to protect the vulnerable and to provide some form of relief to the poor, the municipality has considered the following:

- Owners of residential properties with a total municipal valuation below R300 000 (Three hundred thousand Rand), to be increased to R350 000 (Three hundred and fifty thousand Rand). This will in effect mean that no property rates will be payable on residential properties with a total municipal valuation up to R350 000 (Three hundred and fifty thousand Rand). Please note that vacant properties do not qualify for this relief.

The following rebates on Property Rates will also be maintained: -

- i. A rebate of R15 000 on the rateable value of on all residential properties is awarded.
- ii. An additional rebate of R35 000 on improved residential properties is awarded.
- iii. A further 20% rebate on the calculated property rates as calculated, if improved properties are used for residential purposes only.

E. Division of Revenue Allocation (DORA) grants have been published and are therefore receivable from the National and/or Provincial Governments in total R347,321 Million, thus an increased allocation in comparison with the final budget allocations published for the 2024/2025 final budget a year ago (R339,906 Million).

The contributions is as follows:

National

- Equitable Share 179,268,000
  - FMG 1,800,000
  - EPWP 2,588,000
  - MIG 34,082,000
  - INEP 13,908,000
  - Water Infrastructure Grant 28,427,000
- TOTAL 260,073,000

#### Provincial

Resource Funding for Establish & Support of K9 Unit	4,350,000
Law Enforcement Reaction Unit	4,317,000
Human Settlements Development Grant	44,090,000
Informal Settlements Upgrading Partnership Grant	23,242,000
Construction Of Transport Infrastructure	130,000
Provincial Library Services Grant	8,824,000
Community Development Workers	76,000
Western Cape Financial Management Capability Grant	672,000
Title Deeds Restoration Grant	
Municipal Fire Services Capacity Support Grant	
Thusong Service Centres Grant	
Regional Socio Economic Projects (RSEP)	97,000
	500 000
	150 000
	800 000
<b>TOTAL</b>	<b>87,248,000</b>

**TOTAL (NATIONAL & PROVINCIAL) 347,321,000**

It is important to note that these amounts consist of both operational and capital budget transfers.

MIG, INEP, Water Infrastructure grants and a portion of the Housing grant are examples of capital grants.

#### H. CAPITAL BUDGET.

The Overstrand Capital budget amounts to R258.3m for 2025/26. The increased own funding from surplus is due to availability of cash for capital investment for the 2025/26 capital budget.

The dedicated infrastructure upgrading and/or replacement project for water and sewerage networks had a 3 year lifespan, which came to an end on 30 June 2021. The municipality however continues with the water pipe replacement programme, albeit at a slightly lower pace, with a R12.7m allocation for 2025/26.

Our own funding (Borrowing – R106,3m and Internally generated funds/ Own Surplus – R50,4m) is anticipated at a total of R156,7m (60.7 per cent) and capital grants amount to R101,5 million (39,3%).

For 2025/26 borrowing has been provided at R106,3 million (inclusive of roll-over borrowing).

For 2025/26 an amount of R163,4m has been appropriated for the development of services infrastructure which represents 63.3 per cent of the total capital budget of R258.3m –

- electricity infrastructure has the second highest allocation at R60,2m in 2025/26 which equates to 36.9 per cent of the basic services infrastructure allocation,

- waste water management followed at 21.2 per cent, R34.6m,

- waste management 3 per cent, R4.9m and

- water as the highest allocation at 38.9 per cent, R63,7m.

Over the 3-year MTREF, the capital housing grant expenditure relating to housing infrastructure provision, amounts to R50,5m.

ENKOSI! BAIE DANKIE! THANK YOU!