

JULY 2024

Bulletin

#overstrand4all

Official newsletter of the Overstrand Municipality

#C4ourself



BALANCING COST AGAINST REVENUE

RATES AND TAXES TO INCREASE
BY BETWEEN 6 & 11%

ITEM	% INCREASE	NOTES
Electricity 	10.04% NERSA APPROVED	The following subsidies with regards to essential services will apply to all whose registration as indigent is current on Overstrand Municipality's database: <ul style="list-style-type: none"> 100% of basic levy for electricity for one service point per month 100% of basic levy for water for one service point per month 100% of basic levy for sewage for one service point per month 100% of one after-hour tanker service per annum 100% of basic levy for refuse removal for one service point per month 70 kWh free electricity in tariff block 0-350 per month 10 kℓ free water for household use plus an additional 7 kℓ water for sewerage purposes
Refuse 	11%	
Sewerage 	8.9%	
Water 	6%	
Property rates 	8%	The following rebates are applicable to all residential properties: <ol style="list-style-type: none"> R15 000 on the rateable value of the property An additional rebate of R35 000 on improved residential properties A further 20% rebate on calculated property rates if improved properties are used for residential purposes only

COUNCIL APPROVES MUNICIPAL BUDGET FOR 2024/25

"NEW REALITY" DICTATES INCREASED RATES AND TAXES

During a special meeting on Friday, 31 May 2024, Council approved Overstrand Municipality's budget and tariffs for the 2024/2025 financial year as well as the associated reviewed Integrated Development Plan.

Effective from 1 July, the 2024/2025 budget reflects an operational expenditure budget (including non-cash items such as depreciation) amounting to R1.944 billion and a total revenue budget (excluding capital grants received) amounting to R1.837 billion. This leaves an accounting deficit of R106.9 million.

In her budget address, Executive Mayor, Dr Annelie Rabie, thanked all who partook in and worked tirelessly to finalise the revised IDP and the 2024/25 budget.

"What we appreciate most is that all who partook understood that we are dealing with a new reality here and that if Overstrand Municipality is to maintain its sustainable position over the long term, the focus should be on prioritising pressing needs and containing costs related to the delivery of essential services," the Mayor said.

"Hence, the bulk of the capital budget (R184.6 million) will go towards upgrading or refurbishing the essential services infrastructure.

"The current reality, though, is that around 64.5 per cent of this budget will have to be covered by own funds, given that total grants payable by both the national and provincial government dropped by around R11.698 m from the previous year

"On top of that, several uncontrollable cost factors ascribable to the impact of power outages (e.g. fuel, maintenance, overtime) have a direct impact on the cost-effective delivery of the four basic services (water, electricity, refuse removal and sewerage)

"Given this scenario, if Overstrand is to retain its position as a sustainable, viable entity, we will have no option but to resort to our own cash reserves to partly fund critical capital projects.

"Building up those reserves are contingent on us improving our financial position in as far as rendering basic serves are concerned.

"Despite every effort to balance the cost of providing basic services against income, rendering sewerage services still reflects a deficit of R142.478 m and waste management services a deficit of R2.508 m.

"Clearly, this situation will have to be strictly monitored in the coming years, but do note that several plans are afoot to reduce households' dependency on tanker services.

"We are also all too aware of the impact the seemingly unchecked hikes in the cost of electricity has on households and businesses, not to mention the havoc caused by load shedding.

"In this regard, having weighed all the pros and cons, Council is of the opinion that its proposed renewable energy strategy is the best option for the time being," the Mayor said.

By way of conclusion, she gave the assurance that Overstrand Municipality will continue to offer relief to vulnerably groups and appealed to all who qualify for subsidised municipal services and rebates to register as such on the municipality's database as soon as possible.

For the sake of convenience, abbreviated details on the budget are provided overleaf along with a summary of the relief available to qualifying individuals/entities. Should you wish to peruse Mayor Rabie's budget address in full, use the following link: <https://www.overstrand.gov.za/council-approves-municipal-budget-for-2024-25/>

Note that pensioners, the disabled, bona fide farmers and operators of registered B&B establishments/guesthouses can also qualify for rebates on property rates. See details elsewhere.

COUNTERING THE IMPACT OF INCREASED RATES AND TAXES



Given the need to balance expenditure against revenue, Mayor Rabie gave the assurance that several plans are afoot to counter Eskom's seemingly unchecked price hikes and the devastating impact load shedding has on overheads in general (see *Renewable Energy Strategy*). She also urged all who qualify for indigent support to register on Overstrand Municipality's database as soon as possible. Overstrand Municipality has also updated its policies on rebates available to pensioners/the disabled; operators of registered accommodation facilities; and *bona fide* farmers (see details published elsewhere).

2024/2025 BUDGET IN A NUTSHELL

**Budgeted revenue (excluding capital grants)
against projected operational expenditure**

Functional classification	Revenue	Expenditure
Governance and administration	R534.699 m	R247.182 m
Community and public safety	R193.553 m	R353.370 m
Economic and environmental services	R14.207 m	R219.096 m
Trading services	R1.160 billion	R1.120 billion
Other	-	R3.923 m
TOTAL	R1.837 billion	R1.944 billion
Nett deficit = R41.415 m		

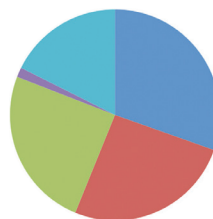
APPLICATION FOR TARIFF "FARMS"

"Agricultural properties **outside the municipal service area which are on the tariff (RESO)** may apply for the "FARMS" tariff, subject to the owner/farmer providing the municipality with proof that the property is used for bona fide agricultural purposes.

If you are on the "FARMS" tariff already, there is no need to re-apply. Although it is the responsibility of the owner/farmer to inform the Municipality of any changes.

Please send the completed application form to enquiries@overstrand.gov.za or hand it in at your nearest administration office. Feel free to contact us if you need assistance with completing the application form. **Applications should ideally be received by 20 July, but no later than 30 September.**

78.6% OF R184.6 M CAPITAL BUDGET EARMARKED FOR BASIC SERVICES



- Electricity
- Sewerage
- Water
- Refuse
- Housing infrastructure

With the exception of the R9.9 million allocated for the upgrading of the Hawston Sports Complex, the bulk of expenditure on large capital projects planned for the 2024/25 financial year will go towards the electrification of low-cost housing (R22.3 m) and delivering services to those areas (R13.1 m).

A further R11 million will go towards the upgrading of pump stations and rising mains, with an additional R10.7 m earmarked for the refurbishment/upgrading of Kleinmond's waste-water treatment works.

PROPOSING A RENEWABLE ENERGY STRATEGY



Having contemplated the current constraints and issues pertaining to the renewable energy industry, Overstrand Municipality decided as follows:

- Since a policy and tariff structure for **small-scale embedded generation (SSEG)** are already in place, the municipality will continue to focus on how excess units can be fed back into the municipal network.
- Based on Overstrand Municipality's current capacity requirements, investing in the establishment of an **Independent Power Producer** cannot be justified. Hence such an option should only be considered once the industry has developed a strategy that allows IPP's to supply an entire area, rather than just a single municipality.
- Even though **wheeling** by compliant and approved energy producers/traders via municipal networks seemingly poses the same challenges as those IPP's are confronted with, the municipality is of the opinion that pursuing this option would be the best avenue to follow.

NEW MUNICIPAL BANK DETAILS

As from 1 July 2024, Overstrand Municipality has new bank accounts. This came about because the municipality's banking service providers are appointed according to five-year tender agreements, and ABSA Bank met the latest tender's terms and requirements.

While the old accounts will remain open for a while, we strongly encourage all ratepayers to switch to the new accounts as soon as possible.

- If you make use of a debit order to settle your municipal account, the banking details will be updated automatically.
- Also, those clients who make use of EASYPAY, PAY@ or SAPO to settle their accounts need only to present their latest municipal statement at the pay point.
- However, if you make use of online banking to settle your municipal account, please delete the old recipient and create a new one as per the details provided below.

For ease of reference, your monthly municipal account will also in future reflect Overstrand Municipality's new bank details.

The new details are as follows:

PRIMARY ACCOUNT

Use this account to make GENERAL payments (e.g. licence renewals, building plans, non-traffic violation fines, burial sites and the likes).

- Account name: Overstrand Municipality Primary Account
- Account type: Current
- Account number: 3220000035

- Branch code: 632005
- Swift code: ABSAZAJJ
- Reference: As provided by contact person

TRAFFIC FINES ACCOUNT

This account is exclusively for the payment of traffic fines.

- Account name: Overstrand Traffic Fines
- Bank: ABSA
- Account type: Current
- Account number: 4114285376
- Branch code: 632005
- Swift code: ABSAZAJJ
- Reference: Traffic fine number

RATES & TAXES ACCOUNT

Use this account to pay for UTILITIES (i.e. water, electricity, sewerage and refuse) and property rates.

- Account name: Overstrand Municipality Account Payments
- Bank: ABSA
- Account type: Current

- Account number: 4066578021
- Branch code: 632005
- Swift code: ABSAZAJJ
- Reference: 12-digit number as reflected on statement

ONRUS CARAVAN PARK ACCOUNT

This account is exclusively for the payment of Onrus Caravan Park camping fees.

- Account name: Onrus Caravan Park
- Bank: ABSA
- Account type: Current
- Account number: 4114285384
- Branch code: 632005
- Swift code: ABSAZAJJ
- Reference: Booking number

Should you have any query regarding the new bank details, please call 028 313 8000 or send an e-mail to enquiries@overstrand.gov.za.



WHAT 2024/2025'S MONTHLY MUNICIPAL ACCOUNTS WILL LOOK LIKE

SRA Rate as might be applicable to be added

MONTHLY BASKET OF TARIFFS – SINGLE RESIDENTIAL 2024/2025

High consumption with prepaid electricity meter Valuation: R3 500 000	Year 2023/24	Year 2024/25	Amount	% increase
Rates	968,30	1 045,76	77,46	8,00
Sewerage* Tariff Code: SE7A1+SE8A	381,06	414,97	33,91	8,90
Infrastructure basic charge: water, electricity & sewerage	53,54	53,54	0,00	0,00
Refuse Once per week	228,00	253,08	25,08	11,00
Water 20 kℓ	432,80	458,77	25,97	6,00
SUB TOTAL	2 063,70	2 226,13	162,43	7,87
VAT 15%	164,31	177,05	24,36	14,83
TOTAL	2 228,01	2 403,18	186,79	8,38

MONTHLY BASKET OF TARIFFS – SINGLE RESIDENTIAL 2024/2025

Sub-economic consumption (Indigent) Valuation: R50 000	Year 2023/24	Year 2024/25	Amount	% increase
Rates	0,00	0,00	0,00	0,00
Sewerage* Tariff Code: SE7A1	0,00	0,00	0,00	0,00
Infrastructure basic charge: water, electricity & sewerage	41,70	41,70	0,00	0,00
Refuse Once per week	0,00	0,00	0,00	0,00
Water 6 kℓ	0,00	0,00	0,00	0,00
SUB TOTAL	41,70	41,70	0,00	0,00
VAT 15%	6,26	6,26	0,00	0,00
TOTAL	47,96	47,96	0,00	0,00

MONTHLY BASKET OF TARIFFS – SINGLE RESIDENTIAL 2024/2025

Medium consumption with prepaid electricity meter Valuation: R2 500 000	Year 2023/24	Year 2024/25	Amount	% increase
Rates	687,63	742,64	55,01	8,00
Sewerage* Tariff Code: SE7A1+SE8A	322,65	351,36	28,72	8,90
Infrastructure basic charge: water, electricity & sewerage	53,54	53,54	0,00	0,00
Refuse Once per week	228,00	253,08	25,08	11,00
Water 15 kℓ	332,33	352,27	19,94	6,00
SUB TOTAL	1 624,15	1 752,89	128,75	7,93
VAT 15%	140,48	151,54	19,31	13,75
TOTAL	1 764,63	1 904,43	148,06	8,39

MONTHLY BASKET OF TARIFFS – BUSINESS 2024/2025

Business – Medium (Three Phase) Valuation: R3 200 000	Year 2023/24	Year 2024/25	Amount	% increase
Rates	1 964,80	2 121,98	157,18	8,00
Sewerage* Tariff Code: SE7A1+SE8A 1	447,82	487,68	39,86	8,90
Infrastructure basic charge: water, electricity & sewerage	53,54	53,54	0,00	0,00
Refuse Once per week 3	684,00	759,24	75,24	11,00
Water 20 kℓ	513,64	544,46	30,82	6,00
SUB TOTAL	3 663,80	3 966,90	303,10	8,27
VAT 15%	254,85	276,74	45,46	17,84
TOTAL	3 918,65	4 243,64	348,56	8,89

MONTHLY BASKET OF TARIFFS – SINGLE RESIDENTIAL 2024/2025

Low consumption with prepaid electricity meter Valuation: R1 000 000	Year 2023/24	Year 2024/25	Amount	% increase
Rates	266,63	287,96	21,33	8,00
Sewerage* Tariff Code: SE7A1+SE8A	322,65	351,36	28,72	8,90
Infrastructure basic charge: water, electricity & sewerage	53,54	53,54	0,00	0,00
Refuse Once per week	228,00	253,08	25,08	11,00
Water 15 kℓ	332,33	352,27	19,94	6,00
SUB TOTAL	1 203,15	1 298,21	95,07	7,90
VAT 15%	140,48	151,54	14,26	10,15
TOTAL	1 343,63	1 449,75	109,33	8,14

MONTHLY BASKET OF TARIFFS – VACANT ERVEN 2024/2025

Valuation Average Valuation: R250 000	Year 2023/24	Year 2024/25	Amount	% increase
Rates Availability	131,56	142,09	10,53	8,00
Sewer can count Availability	147,39	160,51	13,12	8,90
Refuse Availability	113,99	126,53	12,54	11,00
Electricity Availability	504,90	578,11	73,21	14,50
Water Availability	165,74	175,68	9,94	6,00
Infrastructure basic charge: water, electricity & sewerage	53,54	53,54	0,00	0,00
SUB TOTAL	1 117,12	1 236,46	119,34	10,68
VAT 15%	147,83	140,08	17,90	12,11
TOTAL	1 264,96	1 376,54	137,24	10,85

REBATES FOR PENSIONERS & DISABLED PERSONS

Based on **total gross monthly income**, retired and disabled property owners can qualify for a rebate on property rates.

"Total gross monthly household income" means the income of all the persons normally residing on the property resulting from salaries/stipends, wages, dividends, pensions, disability grants, rentals, board and lodging, interest received, capital transfers/deposits and any investment income.

To qualify for the rebate, a property owner must:

- be a South African citizen;
- occupy the property as his/her primary residence (absence of up to three months per year from the property will be disregarded for the purposes of this requirement), provided that where the owner is unable to occupy the property due to circumstances beyond his/her control, the spouse or minor children may satisfy the occupancy requirement;
- be at least 60 years of age or in receipt of a disability pension from the State;
- be in receipt of a total monthly income not exceeding R17 440.00; and
- not be the owner of more than one property.

REBATE PERCENTAGES APPLICABLE: 1 JULY 2024 – 30 JUNE 2025

Rebate percentages are based on limits set for total gross monthly income. Accordingly, pensioners and disabled persons who are approved in terms of Overstrand Municipality's policy can qualify for the following rebates:

Gross monthly household income limit	Percentage rebate	Additional qualifying criteria
R4 360 (i.e. 2 x monthly state-funded social pension)	100%	None
R8 720 (i.e. 4 x monthly state-funded social pension)	70%	None
R17 440 (i.e. 8 x monthly state-funded social pension)	40%	Applicants must be older than 60 years

To apply, applications (along with the requisite documentation) must be forwarded to enquiries@overstrand.gov.za or handed in at the nearest administration office by no later than 30 September.

In this regard, note that proof of a right to occupancy/habitation or proof of appointment as an executor or administrator of a deceased estate will be regarded as proof of ownership for the purposes of a rebate application. In instances such as these, the applicant must produce an affidavit or a letter from the Master of the High Court to substantiate his/her right or appointment.

Note, too, that submission of an application will not necessarily result in a rebate and that Overstrand Municipality reserves the right to, in the case of misrepresentation or a false declaration, refuse approval of the rebate, recover all rebates already granted and to institute appropriate legal action if necessary.

APPLICATION FOR DISCOUNT ON PROPERTY RATES: GUESTHOUSES and B&B ESTABLISHMENTS

Registered bed-and-breakfast establishments and guesthouses with three (3) to five (5) lettable rooms can apply for the following rebates on property tax based on the difference between business and residential tariffs:

- 3 x lettable rooms: 75%
- 4 x lettable rooms: 50%
- 5 x lettable rooms: 25%

Note that one (1) and two (2) rooms are no longer rated as "BUSINESS" and are, therefore, not eligible for discounts. Please send your application to enquiries@overstrand.gov.za or hand it in at your nearest administration office. The application period is open from end-July and **closes on 30 September**. No applications will be accepted thereafter.

BILLING DELAY

You may have noticed that your monthly municipal account for June arrived late. This is because of the accounting procedures that had to be followed to close off the 2023/24 financial year.

Overstrand Municipality apologises for any inconvenience caused and appeals to all ratepayers who have not received their June statements yet to please alert the Finance Department.

Simply send an e-mail to enquiries@overstrand.gov.za stating your municipal account number and requesting that your June statement be forwarded as soon as possible.

Please note, too, that the annual increase in rates and tariffs will only reflect on your July account, payable by 20 August.

KEEPING EMPLOYEE-RELATED COSTS IN CHECK

Amounting to 30.86% of total operating expenditure, Overstrand Municipality's remuneration of staff and councillors remains well within the National Treasury's norm of 25-40%.

Having recently approved a revised organisational structure that is only now entering its first phase of implementation, all staff vacancies will remain frozen for the time being.

Council is fully aware that remuneration for overtime has increased considerably compared to previous years.

This can partially be ascribed to incidences arising from the recent spate of natural disasters that befell Overstrand as well as the need to address critical issues that arose as a result of load shedding.

Since a process has already been instituted to contain overtime costs, the municipality is of the opinion that the situation will normalise soon.

The new 2024/2025 electricity tariff scale



(NERSA approved)

Please take note of the new electricity tariff scale as from 1 July 2024

0 – 350 Units = 2.3038 (vat incl) per unit
350 Units = R806.33

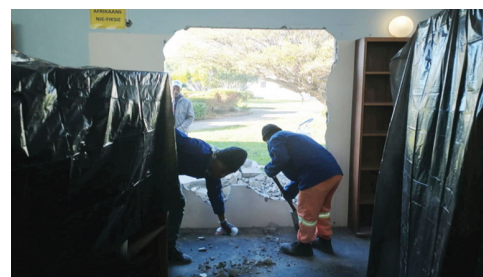
351 – 600 Units = 3.1502 (vat incl) per unit
250 Units = R787.55

600+ Units = 4.2522 (vat incl) per unit

Indigents now get **70 free** units and may buy 430 units:

280 Units = R 645.06
150 Units = R 472.53
Total = R1 117.59

GANSBAAI LIBRARY



For a couple of weeks, patrons found the **GANSBAAI LIBRARY** to be a little noisier and dustier than they came to expect. The slight inconvenience despite, the library managed to remain fully functional while the installation of an emergency exit for the sake of complying with health and safety regulations was underway. Thankfully, the customary peace and quiet has now been restored.