

Bulletin

Official newsletter of the Overstrand Municipality

CAPITAL INVESTMENT IN OVERSTRAND

Major projects for the year ahead

Overstrand Municipality will spend R258.3 million in the 2025/26 fiscal year on, amongst others, the upgrading and improvement of infrastructure in the municipal area. Here's what residents and businesses can expect in terms of major projects aimed at developing our communities, improving service delivery and supporting long-term growth.

Projects at a glance

Building on the municipality's commitment to community wellness and youth development, a total of R33.9 million (comprised of both own funds and external grants) has been allocated for **sport and recreation projects**.

Included are the R12.2-million upgrade of the Mount Pleasant sports grounds, the R10.6-million upgrade of the Hawston Sports Complex and the R8.8-million upgrade of Kleinmond's sports facilities. A further one million will go towards upgrading Kleinmond's slipway.

In terms of **electrical infrastructure**, more than R60 million will be spent of which approximately R10 million will go towards the planning and construction of the new Still Street 66 kV/11 kV substation in Hermanus. Other major projects include upgrades to MV/LV networks in Gansbaai, Stanford, Hermanus, Hawston and Kleinmond.

Ninety-one million rand has been allocated for **water and sewerage infrastructure**, of which R30.4 million has been earmarked for the upgrade and refurbishment of the Buffelsrivier water treatment works, R12.7 million for the replacement of ageing water pipes across the municipality and R7 million for a new disinfection system at the Preekstoel waste-water plant.

Other major projects include upgrading of:





- pump stations and rising mains (R13 million),
- the Preekstoel water-treatment works and Hermanus wellfields (> R6 million),
- disinfection systems at waste-water plants (R6 million), and
- Pearly Beach's water system (R4.2 million).

Housing projects will benefit from a R24.5-million provincial grant for low-cost housing services, enabling better living conditions for qualifying residents.

A total of R17.4 million has been allocated to **roads**, with R11.4 million directed specifically towards road-related initiatives, including vehicles. In particular, R6 million in grant funding will go towards the rehabilitation of roads and storm-water systems in Zwelihle.

Funds allocated for **waste management** will mostly go towards the upgrading of landfill sites and transfer stations, with the inclusion of the Gansbaai weigh-bridge (R840 000) and the perimeter wall at the Hermanus Transfer Station (R3.3 million). A further R800 000 has been earmarked for improvements to drop-off facilities in Hawston (R600 000) and Pringle Bay (R200 000).

In support of improved service delivery and the safe and effective maintenance of infrastructure, a total of R24.150 million has been allocated to expand Overstrand Municipality's **fleet**. This will go towards the acquisition of:

			
2X REFUSE COMPACTORS	1X FIRE TRUCK	3X DIGGER LOADERS 3X TIPPER TRUCKS	2X HYDRAULIC CRANES
R6 million	R3.5 million	R8.25 million	R6.4 million

Although the municipality's financial year runs from 1 July 2025 till 30 June 2026, all planned projects are listed under the 2025/26 - 2027/28 capital budget. Full details can be viewed at www.overstrand.gov.za > Documents > Budget.





BUDGET FOR THE 2025/26 FISCAL YEAR

BUDGET OVERVIEW



Operational revenue (excl. capital grants):

R2.018 billion



• Operational expenditure:
R2.112 billion



• Accounting deficit:
R94 million



Capital budget:

R258.3 million



CAPITAL FUNDING SOURCES (Total: R258.3 million)

- **Own funds (surplus): R50.5 million (19.5%)**
Internally generated funds
- **Loans (borrowing): R106.3 million (41.2%)**
Includes roll-over borrowing for capital infrastructure
- **Capital grants: R101.5 million**
National government: R76.2 million (29.5%)
– **Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme (INEP), Water Infrastructure**
Provincial government: R25.3 million (9.8%)
– **Housing, Regional Socio-economic Programme (RSEP) projects**



RATES & TARIFF INCREASES (effective 1 July 2025 till 30 June 2026)

Property rates



9.7%

(cent in the Rand)

Water



6.2%

Sewerage



6%

Refuse removal



6%

Electricity



9.96%

(cost-of-supply model, pending NERSA approval)

Sundry tariffs



6%



Illustrative impact of 9.7% increase in property rates compared to previous year

Residential
Valuation: **R3.5 million**
R101.43
= **R1 147.24 p.m.**
(previous year: R1 045.81)

Residential
Valuation: **R1 million**
R27.93
= **R315.91 p.m.**
(previous year: R287.98)

Business
Valuation: **R3.2 million**
R205.87
= **R2 327.73 p.m.**
(previous year: R2 121.87)

Vacant erf
Valuation: **R3.5 million**
R193.08
= **R2 182.25 p.m.**
(previous year: R1 989.17)

INDIGENT SUPPORT & SOCIAL RELIEF

FREE/SUBSIDISED BASIC SERVICES FOR INDIGENT HOUSEHOLDS



Electricity 70 kWh free



Wastewater 7 kilolitres free



Water 10 kilolitres free



Refuse removal 100% subsidy

By offering free/subsidised essential basic services to registered indigent (low-income) households, Overstrand Municipality aims to ensure that one and all can preserve their dignity and take care of the basic needs of their dependants.

Any households with a total monthly income of less than four times the SASSA old-age grant + R1 (equivalent to roughly R9 321 p.m.) can apply for indigent support.

ADJUSTED PROPERTY VALUATIONS AND REBATES ON RATES

- In the case of developed residential properties, the valuation for that property will be reduced by **R15 000 plus an additional R35 000** before applying the cent-in-the-Rand principle to determine the property rates payable. In addition, 20% on the amount payable will be granted as a rebate, provided the property is solely used for living (residential) purposes.

By way of illustration, if the property value is R1.5 million, the calculation will be as follows: R1 500 000 - R15 000 - R35 000 = R1 450 000 × 0.004988 = R7 232.60 × 80% = R5 786.08 per annum

Note that *bona fide* farmers, owners of registered bed-and-breakfast establishments and guesthouses as well as retired and disabled property owners can apply for rates rebates, subject to certain conditions as outlined on page 4.

Capital budget allocation (= R258.3 million)

- Water infrastructure R63.7 million
- Electricity infrastructure R60.2 million
- Waste-water management R34.6 million
- Waste management R4.9 million
- Housing R24.5 million
- Sport & recreation R33.9 million
- Other projects R36.5 million

Key cost drivers

- **Employee & councillor remuneration:**
= R632.8 m (29.96%) of operational budget – driven by salary agreements negotiated nationally
- **Electricity (bulk purchases):**
= R26.32% of operational budget – driven by Eskom's 11.32% price hike

Expenditure: Efficiency focus areas

Overstrand Municipality aims to:

- improve cost efficiency in service delivery by, for example, upgrading sewer tankers;
- contain overtime and staff-related costs;
- enforce effective controls with regards to contracted services and fleet management; and to
- prioritise spending that will improve long-term assets

OTHER HIGHLIGHTS

- **Care projects:** As in the past, R50 000 will be allocated per councillor for community initiatives.
- **Ward allocations:** A total of **R378 571** will be allocated to each ward for ward-specific projects in accordance with priorities identified in the Integrated Development Plan.



It's plastic-free July

www.overstrand.gov.za

E2

DECODING MONTHLY MUNICIPAL STATEMENTS

Apart from merely stating your name and address, the size and number of your erf and the name of your councillor, the cost items reflected on your monthly municipal statement deserves careful scrutiny. On that statement, you can see what you have been charged for property rates; what you have to pay towards your consumption of the four essential services (water, electricity, sewer, refuse) for a particular month, as well as the fixed fees you are required to pay towards maintaining the basic infrastructure that is necessary to deliver all of the foregoing to your home.

As illustrated in the tables below, charges vary based on the value of your property and usage. The exception here is registered indigent households whose properties have been valued at less than R350 thousand.

In particular, we urge residents to pay attention to two major cost items reflected on their monthly municipal statements:

- **Water** is billed on a **sliding scale**: The more you use, the higher the cost per kilolitre (kℓ). For example, 0 - 6 kℓ is the cheapest, while 19 - 45 kℓ costs more per unit.
- **Electricity usage** is billed in accordance with the inclining block tariffs explained in detail on page 4, while connection size also impacts the capacity and basic charges levied each month. The comparison between charges levied in terms of single-phase residential properties who are pre-paid customers and those who make use of credit meters is noteworthy. Yet again, the less you use and the smaller your connection size, the less you pay.

Tips for managing your municipal account:

- Check your municipal statement regularly.
- Take your own meter readings, preferably on the same day each month, and submit those readings via the Collab Citizen app. Be sure to state your account or erf number and to attach a legible shot of the actual meter reading.
- Remember, Overstrand Municipality banks with **ABSA**!
- When making EFT payments, the **RECIPIENT** is **Overstrand Municipality** (not to be confused with Overberg District Municipality).
- Also, be sure to always use the correct reference number to avoid misallocated payments or penalties.

WHAT MUNICIPAL STATEMENTS WOULD TYPICALLY REFLECT IN THE YEAR AHEAD

VALUATION UNDER R350 000						
RESIDENTIAL INDIGENT HOUSEHOLD:						
DESCRIPTION			2024/25	2025/26	Amount	%
RATES MONTHLY	MONTHLY	1	0.00	0.00	0.00	0.00
ELECTRICITY	EB1B - BASIC	1	0.00	0.00	0.00	0.00
ELECTRICITY	EF - INFRASTRUCTURE	1	16.65	16.65	0.00	0.00
ELECTRICITY	EC1 CAPACITY	30 amp	0.00	0.00	0.00	0.00
WATER	W1B - BASIC	1	0.00	0.00	0.00	0.00
WATER	0 - 10 kℓ	10 kℓ	0.00	0.00	0.00	0.00
WATER	W1A - INFRASTRUCTURE	1	15.45	15.45	0.00	0.00
SEWERAGE	SE8A - BASIC	1	0.00	0.00	0.00	0.00
SEWERAGE	SE8F - INFRASTRUCTURE	1	9.60	9.60	0.00	0.00
SEWERAGE	SE7A - CONSUMPTION	7 kℓ	0.00	0.00	0.00	0.00
REFUSE	SAN1A - MONTH	1	0.00	0.00	0.00	0.00
TOTAL (VAT INCLUDED)			47.96	47.96	0.00	0.00
RAND VALUE (EXCL. VAT) OF WATER & ELECTRICITY: • 10 kℓ water = 76.70; • 70 units electricity = 156.10						

VALUATION ABOVE R350 000 BUT BELOW R1.5 M						
RESIDENTIAL INDIGENT HOUSEHOLD:						
DESCRIPTION			2024/25	2025/26	Amount	%
RATES MONTHLY	MONTHLY	1	378.93	415.67	36.74	9.70%
RATES SRA	SRA	1	36.67	38.17	1.50	4.09%
ELECTRICITY	EB1B - BASIC	1	0.00	0.00	0.00	0.00%
ELECTRICITY	EF - INFRASTRUCTURE	1	16.65	16.65	0.00	0.00%
ELECTRICITY	EC1 CAPACITY	60 amp	74.70	164.40	89.70	120.08%
WATER	W1B - BASIC	1	0.00	0.00	0.00	0.00%
WATER	0 - 10 kℓ	10 kℓ	0.00	0.00	0.00	0.00%
WATER	7 - 18 kℓ	5 kℓ	74.05	78.65	4.60	6.21%
WATER	W1A - INFRASTRUCTURE	1	15.45	15.45	0.00	0.00%
SEWERAGE	SE8A - BASIC	1	0.00	0.00	0.00	0.00%
SEWERAGE	SE8F - INFRASTRUCTURE	1	9.60	9.60	0.00	0.00%
SEWERAGE	SE7A - CONSUMPTION	7 kℓ	0.00	0.00	0.00	0.00%
REFUSE	SAN1A - MONTH	1	0.00	0.00	0.00	0.00%
TOTAL (VAT INCLUDED)			634.62	781.30	146.69	23.11%
RAND VALUE (EXCL. VAT) OF WATER & ELECTRICITY: • 15 kℓ water = 155.35; • 200 units electricity = 447.94						

VALUATION R2.5 MILLION						
RESIDENTIAL HOUSEHOLD: MEDIUM CONSUMPTION						
DESCRIPTION			2024/25	2025/26	Amount	%
RATES MONTHLY	MONTHLY	1	742.68	814.71	72.03	9.70%
RATES SRA	SRA	1	71.87	74.81	2.94	4.09%
WATER	W1B - BASIC	1	175.68	186.58	10.90	6.20%
WATER	0 - 6 kℓ	6 kℓ	43.32	46.02	2.70	6.23%
WATER	7 - 18 kℓ	9 kℓ	133.29	141.57	8.28	6.21%
ELECTRICITY	EF - INFRASTRUCTURE	1	16.65	16.65	0.00	0.00%
ELECTRICITY	EB1B - BASIC	1	466.10	413.97	-52.13	-11.18%
ELECTRICITY	EC1 CAPACITY	60 amp	149.40	328.80	179.40	120.08%
REFUSE	SAN1A - MONTH	1	253.08	268.26	15.18	6.00%
SEWERAGE	SE8A - BASIC	1	160.52	170.15	9.63	6.00%
SEWERAGE	SE8F - INFRASTRUCTURE	1	13.03	13.03	0.00	0.00%
SEWERAGE	SE7A - CONSUMPTION	14 kℓ	254.52	269.78	15.26	6.00%
WATER	W1A - INFRASTRUCTURE	1	23.86	23.86	0.00	0.00%
TOTAL (VAT INCLUDED)			2 757.42	3 049.99	292.57	10.61%
RAND VALUE (EXCL. VAT) OF WATER & ELECTRICITY: • 15 kℓ water = 187.59; • 500 units electricity = 1 200.74						

VALUATION R5 MILLION						
RESIDENTIAL HOUSEHOLD: HIGH CONSUMPTION						
DESCRIPTION			2024/25	2025/26	Amount	%
RATES MONTHLY	MONTHLY	1	1 500.51	1 646.04	145.53	9.70%
RATES SRA	SRA	1	145.20	151.14	5.94	4.09%
WATER	W1B - BASIC	1	175.68	186.58	10.90	6.20%
WATER	0 - 6 kℓ	6 kℓ	43.32	46.02	2.70	6.23%
WATER	7 - 18 kℓ	11 kℓ	133.29	141.57	8.28	6.21%
WATER	19 - 45 kℓ	8 kℓ	248.32	263.68	15.36	6.19%
ELECTRICITY	EF - INFRASTRUCTURE	1	16.65	16.65	0.00	0.00%
ELECTRICITY	EB1B - BASIC	1	466.10	413.97	-52.13	-11.18%
ELECTRICITY	EC1 CAPACITY	60 amp	149.40	328.80	179.40	120.08%
REFUSE	SAN1A - MONTH	1	253.08	268.26	15.18	6.00%
SEWERAGE	SE8A - BASIC	1	160.52	170.15	9.63	6.00%
SEWERAGE	SE8F - INFRASTRUCTURE	1	13.03	13.03	0.00	0.00%
SEWERAGE	SE7A - CONSUMPTION	17.5 kℓ	318.15	337.25	19.10	6.00%
WATER	W1A - INFRASTRUCTURE	1	23.86	23.86	0.00	0.00%
TOTAL (VAT INCLUDED)			3 947.32	4 338.47	391.15	9.91%
RAND VALUE (EXCL. VAT) OF WATER & ELECTRICITY: • 25 kℓ water = 451.27; • 1 000 units electricity = 2 754.52						



Helping you to keep a lid on your Electricity Bill



Given that NERSA year after year consents to Eskom's demands for higher tariffs, Overstrand Municipality has little option but to up its rates each year too.

Nevertheless, given our commitment to deliver services as fairly and as cost-effectively as possible, Council agreed to implement the new cost-of-supply tariff structure over a four year period, with 2025/26 marking the second year of implementation.

In keeping with national prescripts for the fair recovery of the costs associated with selling electricity to consumers on behalf of Eskom, all consumers within Overstrand's electricity supply area must pay a basic monthly charge (EB) and a monthly capacity charge (EC). Of course, they must also pay for the energy (measured in kWh) consumed during a single month. This is where the inclining block-tariff system kicks in.

LET'S TALK ABOUT INCLINING BLOCK TARIFFS

It's actually quite straightforward: The more electricity you use in a single month, the more expensive it gets.

- The first 350 kWh (Block 1) used is charged at the lowest rate. As usage increases, the rate moves automatically to Block 2 (from 351-600 kWh) and then to Block 3 (above 600 kWh), each time at higher rates.
- At the start of each new month, the system automatically resets to Block 1.

Of importance here is to note that prepaid customers pay 10c less per unit than those on credit meters when moving from Block 1 to the next block(s), **and** they have the option to downsize their connection size.

TIP FOR PREPAID CUSTOMERS

- ❖ Don't buy in bulk.
- ❖ Buying more than what you need for the month might push you into a higher block.

NOW, LET'S TALK ABOUT WHY IT'S ADVISABLE TO SWITCH FROM METERED TO PREPAID

Clearly, residential customers with a **single-phase, prepaid connection** stand to gain: They not only have the option to downsize, but also pay 10c less per unit when they move from one inclining block to the next. **By way of comparison, consider the 2025/2026 figures (VAT excluded) presented in the table below:**

ELECTRICITY: SINGLE PHASE (residential)			
Prepaid		Credit meter	
Basic	R413.97	Basic	R413.97
<i>Illustrative connection size</i>		<i>Connection size</i>	
30 amp	R164.40	60 amp	R328.80
40 amp	R219.20		
50 amp	R274.00		
60 amp	R328.80		
<i>Illustrative consumption</i>		<i>Illustrative consumption</i>	
0 - 350 kWh	R2.24	0 - 350 kWh	R2.33
351 - 600 kWh	R2.78	351 - 600 kWh	R2.88
> 600 kWh	R3.18	> 600 kWh	R3.27

LET'S TALK ABOUT CONNECTION SIZES

Residential customers with a single- or three-phase prepaid connection can choose between a 30-, 40-, 50- or 60-ampere connection. Commercial customers can also opt to change their connection size, always keeping in mind that the higher the amps, the more the appliances that can be run simultaneously, but also the higher the charge.

In short, it's yet again quite straightforward: The less we deliver, the less you pay.

- ❖ Note that indigent households and customers residing in low-cost housing areas are excluded from the option to change their connection size. The same exclusion applies to undeveloped erven.
- ❖ Small-scale embedded generation customers wishing to change their connection size should consult the electricity department beforehand.

Understandably, deciding on the appropriate connection size for a household or a business can be a daunting task. For help in this regard, refer to the "Electrical Services: How-to Guide" available on www.overstrand.gov.za under Documents > Electricity.

Do note, too, that Overstrand Municipality is more than willing to assist anyone who needs assistance to switch from metered to prepaid electricity. Feel free to contact your nearest municipal office in this regard.

STAY ON TOP OF YOUR BILL

In instances where prepaid customers' accounts are in arrears because they have not paid the basic and capacity charges due each month, the next time they buy electricity, 60% of the amount paid will go towards reducing the arrears on their account.

- Quite simply, this implies that they will end up buying fewer units than they intended to.
- This debt-collection tool (**reflected as ELECT AUX on tokens**) has been in effect for many years.
- If you are battling to meet your financial obligations, don't stop paying. Please talk to us first.
- Down payments can be arranged and, if you meet certain criteria, you might even qualify for indigent support which means that you could qualify for a subsidy to help cover monthly basic and capacity charges.

QUALIFY FOR A REBATE ON PROPERTY TAX? APPLY NOW!

In terms of Overstrand Municipality's Rates Policy,

- owners of registered bed-and-breakfast establishments and guesthouses,
- **bona fide farmers** as well as
- **retired and disabled property owners can apply for rebates on property tax, subject to certain conditions.**

Should you resort under any of these qualifying categories, be sure to submit your application as soon as possible but definitely by no later than **30 September 2025**. The relevant application forms are available at all municipal offices and can also be downloaded from Overstrand Municipality's website: www.overstrand.gov.za > Documents > Forms.

Completed application forms, along with the specified supporting documentation that must accompany the application, can either be forwarded to enquiries@overstrand.gov.za or handed in at your nearest municipal office. Should you require assistance with submitting your application, feel free to contact the Finance Department at your local municipal office.

- ❖ Please note that the mere submission of an application does not guarantee approval.
- ❖ Also do note that submitting false or misleading information could result in legal action being instituted against the applicant.

Stipulations per category

GUESTHOUSES AND B&Bs

Registered B&Bs and guesthouses with **three to five lettable rooms** can apply for property tax rebates of between **25%** and **75%**, based on the number of rooms. If approved, rebates will apply for the full financial year.

Note that establishments with one or two rooms are not regarded as "businesses". Therefore, the tariffs applicable to businesses do not apply.

BONA FIDE FARMERS

Owners whose properties fall outside the municipal service area and are currently rated as "RESO" can apply to be rated at the "FARMS" tariff provided that they can provide irrefutable proof that the property is, indeed, used for genuine agricultural purposes.

If your property is already rated as "FARMS" and its primary use remains unchanged, you do not need to reapply. However, it remains your responsibility to notify the municipality of any changes in land use.

RETIRED AND DISABLED PROPERTY OWNERS

To qualify for a rebate, applicants must ■ be South African citizens, ■ own only one property, which must be their primary residence (temporary absences of up to three months are allowed), ■ be at least 60 years old or receive a state disability pension, and ■ have a total gross monthly household income of R18 640 or less.

Gross monthly household income includes all sources of income (such as salaries, pensions, grants, rentals and investments) of everyone normally residing on the property.

Rebate percentages based on monthly household income:

- **100%** rebate for income up to **R4 660**
- **70%** rebate for income up to **R9 320**
- **40%** rebate for income up to **R18 640**
(applicants must be 60+)

- ❖ In instances where applicants cannot personally occupy the property due to circumstances beyond their control, a spouse or minor children might still meet the requirements with regards to occupancy.
- ❖ In relevant cases, proof of right to occupancy, or letters from the Master of the High Court, will be accepted as proof of ownership.

