

# Bulletin

Official newsletter of the Overstrand Municipality

## PROPOSED PROPERTY RATE INCREASE SPARKS DEBATE

During the process to review Overstrand Municipality's draft Integrated Development Plan along with the proposed 2025/26 budget, several public meetings and roadshows took place throughout Overstrand.

In an attempt to balance expenditure against revenue, the current proposal is to increase water tariffs by 6.2%; sewerage and refuse removal tariffs by 6%; and electricity tariffs by 9.96%. Property rates are also set to increase by 9.7% on the cent in the rand value. Understandably, residents raised concerns regarding the proposed increase in property rates and wanted to know whether they are not perhaps being overcharged compared to other municipalities in the Western Cape in general.

In this regard, property owners should keep in mind that several of the services residents expect Overstrand Municipality to deliver resort either under "unfunded" or "underfunded" mandates. These are responsibilities passed down from national or provincial government without the necessary financial support.

For example, the cost of baboon management is fully carried by the municipality, with no financial assistance from other spheres of government. The same goes for housing administration services, which are run by the municipality without receiving any funding.

Library services are underfunded (a grant shortfall

of over R2.5 million for the 2025/26 financial year alone), while Fire and Rescue Services are often called upon to assist outside urban boundaries but the cost to render such assistance is not shared.

If the municipality is to continue meeting its obligations in terms of both unfunded and underfunded mandates, it has no other option but to turn to revenue generated through property rates.

Of importance here is to note that even though the projected revenue from property rates reflected in the draft 2025/26 budget is just under R384 million, that revenue still falls short of the costs the municipality has to incur to deliver on its underfunded/unfunded mandates.

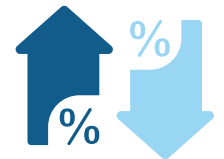
### AFFORDABILITY

## Comparing apples with apples, or apples with pears?

With regards to the contention that Overstrand residents are being "overcharged" compared to the rates and taxes levied by other municipalities in the Western Cape, the answer is not all that simple.

When comparing one municipality with another, it is important to keep the differences in size, population, local economies and the mix of residential vs. industrial properties in mind -

- ❖ All properties within a municipality are categorised according to that property's actual or permitted use (e.g. a residential homes, a business/commercial property, a *bona fide* farm, a vacant plot, premises used by a public benefit organisation, etc.) and are rated differently depending on the category they resort under.
- ❖ **The Municipal Property Rates Act** stipulates that rates for residential properties must be calculated based on the market value of that property - a valuation that is derived by taking into account what a willing buyer would pay a willing seller.



Thus, when comparing apples with pears, a case in point would be Mossel Bay that, thanks to its strong industrial base, has historically been able to keep its overall property rates the lowest in the province.

Surprisingly, though, when comparing **affordability**, a whole new picture emerges.

In terms of its mandate, the Western Cape Department of Local Government is required to publish data pertaining to the affordability of municipalities each year.

Based on the figures reflected in the table below, the affordability of a residential property in the Overstrand valued at R2 million was well below that of our coastal counterparts when taking 2023/24 rates and taxes into account.

### Overstrand property rates vs. other coastal towns

Municipality	2023/24 residential market value of R2 mil	
Bitou	R9 933	(R827 p/m)
Knysna	R14 664	(R1 222 p/m)
George	R10 347	(R862 p/m)
Mossel Bay	R6 815	(R567 p/m)
Overstrand	R6 568	(R547 p/m)
Cape Agulhas	R13 567	(R1 131 p/m)
Saldanha Bay	R12 211	(R1 018 p/m)

### HAVE YOUR SAY

Overstrand Municipality made every attempt to avoid increases in rates and taxes, but given rising costs and limited funding as well as the need to maintain a fair balance between the cost of delivering services and what residents can reasonably afford, tariff hikes seem to be unavoidable.

If you wish to comment on the draft 2025/26 budget, please submit your comments to [cfo@overstrand.gov.za](mailto:cfo@overstrand.gov.za) or [mm@overstrand.gov.za](mailto:mm@overstrand.gov.za) before **6 May 2025**.

The municipality will consider all concerns and feedback before adopting the final budget on 28 May 2025.

No need to search through multiple tabs - all documents open for public comment are available in one central place: <https://www.overstrand.gov.za/document/documents-open-for-public-comment/>

## LISTENING, VISITING, REPORTING BACK



Stormwater  
Kleinmond



Stormwater  
Mountain View



Water network upgrades - Pringle Bay

Ahead of public ward committee meetings, it is customary for ward councillors to (along with municipal officials and ward representatives) assess the progress that has been made with addressing those issues the community has brought to their attention.

Most importantly, for the sake of providing accurate feedback during the upcoming meeting, on-site visits are also paid to projects that have been commissioned to address critical service delivery issues to see first-hand how those projects are coming along.

A case in point would be **Ward 9** where the demand experienced during the past holiday season brought issues pertaining to **water-related infrastructure** to a head.

To address this issue, apart from the stormwater system in Beverly Hills being upgraded, the water pipe in 13th Avenue in Kleinmond will be replaced and upgraded to a larger 355 mm-diameter pipe. Additionally, the water pipes in Proteadorp and 6th Street in Kleinmond will be replaced.

In this regard, it is important to note that Kleinmond's water system was split into two pressure zones about a decade ago, the intention being to control high pressure (especially at night) with the aid of pressure-reducing valves (PRVs).

These valves are serviced regularly, and it is anticipated that the installation of the larger pipes will go a long way towards improving water flow and alleviating the pressure issues experienced during peak demand.

## Ward committees in action

By way of background, Overstrand Municipality manages approximately 830 km of water pipelines, of which 215 km serve the areas of Kleinmond, Betty's Bay, Pringle Bay and Rooiels.

Given the challenges posed by aging infrastructure exacerbated by a growing population, the municipality adopted a phased water pipe replacement programme some 15 years ago. Budgetary constraints despite, an attempt is made to allocate as much funds as possible to this programme each year.

Amongst others, prioritising pipe replacements is based on statistics (e.g. the frequency of pipe bursts), the need for upgrades as outlined in the municipality's Water Master Plan and the input provided by operational departments.

Currently, the available budget has mostly been allocated to attend to the critical areas in Pringle Bay, Betty's Bay and Kleinmond. To date, over the past 15 years, the water pipe replacement programme has cost approximately R23 million in Rooiels and Pringle Bay, R41 million in Betty's Bay, R36 million in Kleinmond and R122 million across all other areas of the Overstrand.

Other long-term major water-related infrastructure projects in the Overstrand include the planned construction of an additional reservoir along with bulk feed pipes at Onrus River and Betty's Bay, for which the environmental impact studies are still underway, as well as an upgrade of the Onrus main sewerage pump station to reduce associated risks. The upgrade of the Onrus sewerage pump station is expected to begin in 2025/26, pending environmental approval. That process is also still ongoing.

Looking ahead, the municipality is in the process of updating its 20-year Water and Sewer Master Plans. Naturally, these updates will take anticipated future water demand based on current development patterns into account as well as consider the environmental impact of any anticipated project.

## BE SCAM SAVVY

Many scams are doing the rounds, but two are particularly worrying to Overstrand: One threatens the imminent disconnection of municipal services, and the other offers "fictional jobs".

### Disconnection of services

Do note that we will never inform you via WhatsApp that your account is in arrears and that we are about to disconnect your municipal services.

In instances where accounts are in arrears, the following procedure is strictly adhered to:

1. If we have a client's cell phone number on record, we will send an SMS to inform the client that his/her account is in arrears and that he/she has two days to make a payment.
2. If payment is not made within two days, a 14-day notice will be delivered to the client's physical address as well as sent via e-mail where an e-mail address is on record.
3. Only when payment has not been made within the 14-day period will municipal services be restricted and/or disconnected.

Note, too, that municipal officials will never demand payment upfront to keep you connected. If any money (e.g. reconnection fees) is to be paid, payments must be made directly to Overstrand Municipality's official bank account, either via EFT or at a rates hall.

### Job scams

1. We strongly advise residents not to respond to unsolicited job offers.
2. Overstrand Municipality advertises **all vacancies** (be they permanent, fixed-term or temporary) in newspapers and on our official website.
3. Thus, if you did not see it there, it doesn't exist.

*Please remain alert and be sure to report any suspicious activity to the relevant authority and the SAPS immediately.*

### LAST REMINDER!

## Closure of Nedbank Accounts

Overstrand Municipality will officially close all of its Nedbank accounts on 30 June 2025, marking the final step in its transition to ABSA as its official banking service provider. This change follows the appointment of ABSA Bank (Branch code: 632005 / Swift code: ABSAZAJJ) last year in line with legislation requiring municipalities to renew their banking services contracts every five years.

Until the next tender process, all municipal payments must be made to one of the four designated ABSA Bank accounts: Primary Account, Traffic Fines, Account Payments or Onrus Caravan Park. For the details of these accounts, go to <https://www.overstrand.gov.za/pay-and-purchase-2/>

*Residents and businesses are urged to double-check the account name when making payments, as some ratepayers have mistakenly paid Overberg District Municipality (ODM) instead of Overstrand Municipality.*



## CALLING ON ALL RECIPIENTS OF INDIGENT GRANTS: BE SURE TO REAPPLY

Through its Indigent Policy, Overstrand Municipality offers financial assistance to low-income households by covering the cost of basic services. However, to continue receiving these grants, **all recipients of indigent support must reapply annually.**

- Residents can visit any municipal office in Gansbaai, Stanford, Hermanus or Kleinmond during the week for assistance.
- Municipal officials will also be available at various community halls across the Overstrand on selected weekdays (10:00 – 18:00) and certain Saturdays (09:00 – 12:00) to assist with applications for free basic services and electricity units. Contact your ward councillor for the scheduled dates and venues.

## HAWSTON RESIDENTS CELEBRATE SIGNIFICANT MILESTONE



Early in April, the second batch of title deeds to 107 serviced sites was handed to FLISP housing beneficiaries. This initiative forms part of an ongoing partnership between Overstrand Municipality and the Western Cape Department of Infrastructure: Human Settlements.

The intention is to provide affordable housing solutions to those first-time homeowners who, based on their household income, are excluded from qualifying for government-subsidised Breaking New Ground housing opportunities.

To address this gap, the Finance Linked Individual Subsidy Programme (FLISP) offers a subsidy to qualifying beneficiaries who have secured mortgage finance to either purchase an existing home or a vacant, serviced residential stand.

Acting Executive Mayor Ald. Lindile Ntsabo used this opportunity to encourage residents to make sure that their names are on the housing database and to go to the trouble of finding out which housing programmes they are eligible to apply for.

