



Overstrand Local Municipality

Irrecoverable Debt Write-Offs – A Citizen Perspective

The Backdrop

Context

- During an Ordinary Council Meeting of the Overstrand Municipality on 29 October 2025, Council resolved to write-off irrecoverable consumer debt to the value of almost R54 million for the 2024|25 financial year
- This amount exceeds the budgeted amount of R20 million and translates into a projected over-spend of 170%
- The waiver only applies to debtors with a predicted annual income of R9 321 and property values not exceeding R500 000-00
- Only debt outstanding for more than 90 days will be written-off
- Verification of all residential property debt exceeding 90 days is currently underway

Irrecoverable Consumer Debt

- Refers to the inability or unwillingness of a ratepayer or service user to pay for services such as water, electricity, refuse removal or property rates for more than 90 days



About the Flash Poll

The Trigger

- Following the Municipality's announcement that circa R54 million in consumer debt would be written off, OCAN decided to conduct a flash poll

Poll Purpose

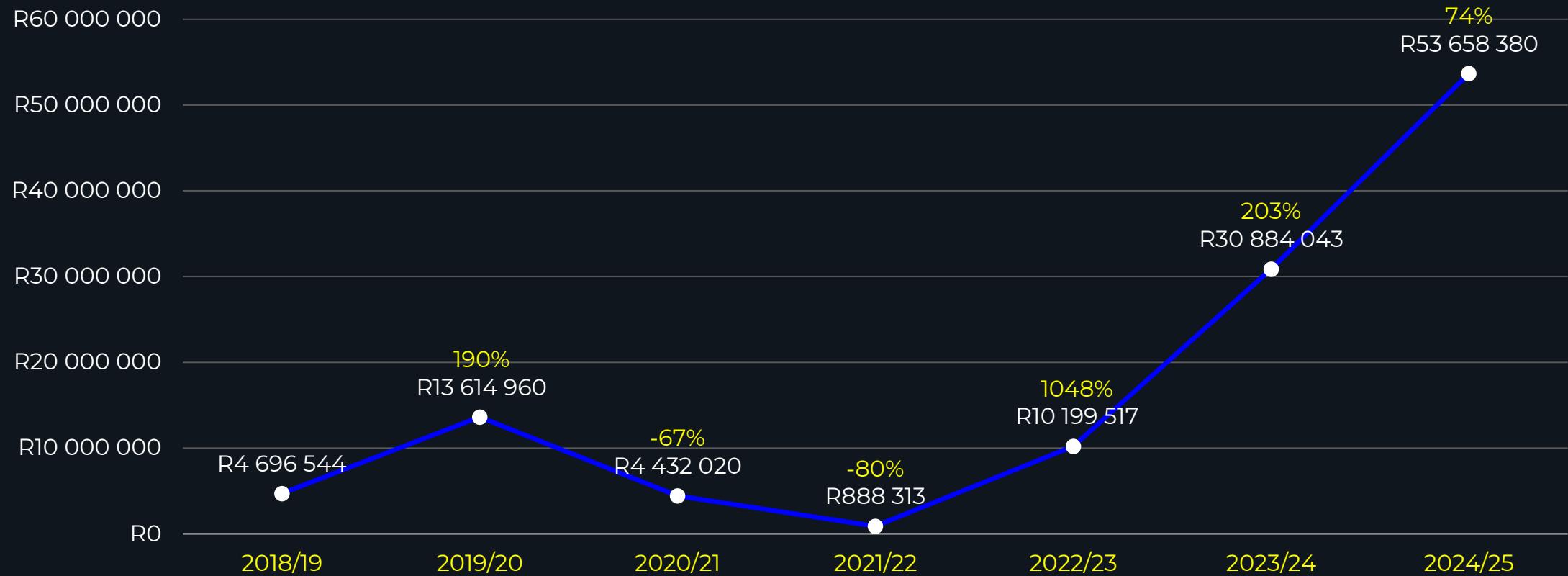
- To gauge the sentiment of ratepayers and residents in response to the dramatic increase in the write-off of irrecoverable consumer debt

Methodology

- The poll was conducted via social media platforms (WhatsApp and Facebook pages) during a 72-hour time frame during the period 7 – 10 November 2025
- People were asked to respond Yes or NO to six statements
- 1197 people completed the poll



Trend Analysis - Consumer Debt Write-Offs



Notes

- Percentages indicate increase (or decrease) from previous financial year
- Dramatic increase since 2021/22
- Alarming trajectory

Source: Audited Annual Financial Statements
Decision by OM-Council (29 October 2025)



Flash Poll Results (N = 1197)

Statement	No	Yes
1. The R54 million debt write-off is a wise business decision	92%	8%
2. The write-off demonstrates compassionate and community-centred governance	82%	18%
3. The write-off is an attempt by Council to avoid social unrest	9%	91%
4. The write-off will have unintended consequences	8%	92%
5. Action should be taken against leaders of political parties who threaten to destabilise the Overstrand	5%	95%
6. Rates and tariffs should be affordable for all consumer categories	2%	98%



Percentage Respondents by Ward (rounded)



In Their Words – Social Media Comments

- The picture is seriously misleading and without context (former Executive Mayor)
- Some of the debt is older than 5 – 6 years (former Executive Mayor)
- Writing off debt is concerning; the burden shifts to those who pay
- Municipal fees are high – now we know why
- If non-payment is written off, why should others keep paying?
- Who covers the shortfall? The paying ratepayers?
- This sets a precedent; some will never pay again
- Enforce credit control: cut or reduce services when accounts fall behind
- Accountability matters – there should be consequences for persistent non-payment
- Perceived political favour undermines trust
- Old, irrecoverable debt can be written off, but only with stronger controls
- Be transparent: verify need, do lifestyle audits, support the truly poor
- Focus funds on service reliability and infrastructure, not repeated write-offs
- Appease a political party at the expense of ratepayers who pay



Summary

- Residents voiced concern about the fairness of the Municipality's R54 million consumer debt write-off. A strong theme emerged around accountability and responsibility, with several noting that the burden now falls on those who consistently pay their rates and service accounts.
- Respondents questioned why non-payment appears to carry no consequence, warning that such actions may encourage future defaults. Others expressed frustration at rising municipal rates and tariffs, alleging that inefficiency and poor financial management contribute to the problem.
- Some comments linked the decision to political motivations, suggesting that write-offs could be used to gain favour among voters. A few emphasised that chronic debt should have been managed earlier through stricter enforcement and improved oversight.
- While a minority acknowledged that writing off old, irrecoverable debt is standard business practice, they stressed that it must be accompanied by stronger controls, lifestyle audits, and fair treatment for all residents.
- Overall, the feedback reflects deep frustration with perceived double standards, weak accountability, and a loss of trust in equitable municipal governance.



Whereto From Here

The results were shared:

- With the Executive Mayor, his Mayoral Committee, the Municipal Manager and the acting Chief Financial Officer
- In the public domain

The results call for reflection and appropriate action by Council.

