



NOTICE TO MEMBERS & PRESS RELEASE: CITY OF CAPE TOWN BUDGET 2025/26

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RE CITY OF CAPE TOWN: JUDICIAL REVIEW OF 2025/26 BUDGET

The 2025/26 Budget adopted by the City of Cape Town in 26 June 2025 has, since publication of its first draft in March 2025, elicited a substantial public response, most of which was severely critical of the budget. Since publication of the first draft of the Budget, SAPOA has engaged with the City throughout the budget adoption process, highlighting serious legal concerns which SAPOA had regarding the proposed Budget. These concerns focused on three key areas:

- Introduction of a city-wide cleaning tariff;
- Introduction of a basic fixed sanitation charge linked to property values; and
- Amending the basic fixed water charge to a fixed charge linked to property value.

Notwithstanding these engagements, the City nevertheless adopted a budget containing these impugned charges, albeit that implementation thereof in respect of business and commercial properties was delayed for one year, until 1 July 2026. The tariffs are, however, already applicable to all vacant and residential properties.

Based on legal advice received, SAPOA remains of the firm view, however, that the impugned tariffs as set out above are unlawful, as they offend against the legislative provisions that apply to local government. Despite the engagements as aforesaid, SAPOA and the City have been unable to agree on the correct legal position.

As a result thereof, SAPOA, represented by GVS Attorneys, launched an application to the Western Cape High Court early in July 2025, challenging the legality of the impugned tariffs, and requesting the Court to set these tariffs aside.

The case has since garnered significant public attention. The Cape Town Collective Ratepayers' Association and the South Africa First Forum have both been admitted as friends of the court, and the Good Party has applied to be admitted as an intervening party. Afriforum has launched a separate, but related, application, which will be heard simultaneously with SAPOA's application. SAPOA's application will be heard by a full bench of three senior judges of the Western Cape High Court, consisting of Judge President Mabindla-Boqwana, Judge Savage and Judge La Grange over

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a period of three days from Tuesday 2 December to Thursday 4 December 2025. A strict timeline has been set regarding the submissions to be made by the different parties.

Even though the litigation has been instituted, SAPOA has indicated a desire to keep its good relationship with the City intact, and has stressed that it intends approaching the litigation in a non-confrontational manner: the parties have a difference of opinion, and are asking the Court to adjudicate this difference. SAPOA has faith in the legal process to resolve this difference of opinion as expeditiously as possible in the circumstances.

NEIL GOPAL

Chief Executive Officer