



THE SUPREME COURT OF APPEAL
REPUBLIC OF SOUTH AFRICA

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal

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Status: Immediate

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal

STRATA INTERNATIONAL (PTY) LTD v EKURHULENI METROPOLITAN MUNICIPALITY

1. The Ekurhuleni Metropolitan Municipality (the municipality) is the owner of a proclaimed township named Selcourt Extension 4 (the property). The municipality was approached with a proposal to develop the property as an industrial park. In terms of the proposal the property would be alienated to the developer. An agreement to this effect was placed before a committee to which the council of the municipality delegated the power to dispose of its immovable property. On 30 August 2004 the committee accepted the unsolicited private bid of the developer and resolved to dispose of the property in terms of the agreement, without any public participation or transparency. The agreement was subsequently signed.

2. The trial court held that the agreement was invalid and the appellants accepted this finding. They nevertheless argued on appeal that the resolution gave rise to enforceable rights independently of the agreement. Today the Supreme Court of Appeal dismissed the appeal. It held that the resolution fell foul of the Constitutional imperatives of accountability and transparency. The SCA found that the resolution was fatally flawed and incapable of giving rise to enforceable rights.

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