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COUNCIL APPROVES R674.8 MILLION BUDGET

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UMngeni Municipality has approved a R674.8 million budget for the 2025/26 financial year.

"A budget that reflects the municipality's values and priorities in every line item," said Mayor Chris Pappas, tabling the budget before a full council sitting yesterday.

The municipality projects R674.8 million in operating revenue against R674.4 million in expenditure yielding a surplus of R384 000.

The capital budget has been increased from R98.3 million to R117.5 million, and is geared toward infrastructure that unlocks growth and improves quality of life.

He cited high electricity costs, ageing infrastructure, and the limitations of local government revenue streams as ongoing challenges.

"Electricity is both a vital source of revenue and a growing financial burden for residents and the municipality alike," he said.

The electricity tariffs has increased to 12.7%.

The budget includes expanded indigent support, with R4.1 million allocated to cover free waste collection and 200kWh of electricity for qualifying households.

A new tiered support model will raise the qualifying income threshold to R7 500, offering scaled benefits, while pensioner rebates are being adjusted upward to an income cap of R13 500.

Employment is also a key focus in the budget with the municipality topping up the provincial Expanded Public Works Programme (EPWP) grant of R1.3 million with R2 million from municipal funds, providing short-term jobs in road repair, cemetery maintenance, and cleaning services, with additional benefits in skills development and youth empowerment.

To sustain services, property rates will rise by five percent, and electricity tariffs will increase in line with Eskom's annual adjustment, which municipalities cannot control.

Revenue from property rates and services is projected at R510.5 million.

"Services must pay for themselves. That's a principle we cannot afford to ignore. This is a difficult but necessary adjustment to sustain



uMngeni Mayor, Chris Pappas, presented the budget for 2025/2026 at the council chamber last week.

core services," said Pappas.

A significant reform in the 2025/26 budget is the introduction of development charges, or infrastructure contributions, targeting new developments and densification projects, designed to ensure that developers contribute their fair share to roads, water, electricity, and stormwater infrastructure.

"Growth must fund growth. And to incentivise sustainable behaviour, we are introducing a recycling surcharge on gated estates, businesses, and industrial users who fail to implement appropriate waste separation and recycling measures. The days of landfill dependency are over. We must build a culture of responsible waste management, embrace the circular economy and reduce wastage," Pappas said.

He cited a drop in the local unemployment rate by two percent, with black youth unemployment decreasing by seven percent since the current administration took office.

"We will not promise what we cannot deliver. We will focus our energy on the fundamentals: getting the basics right, building capac-

ity internally, and creating space for innovation and partnership," said Pappas.

Key allocations include:

- R60 million for Phase 1 of Africa's first Olympic-class rowing facility — a tourism and youth development flagship.
- R44 million to complete the long-delayed Mthinzima Substation in Mpophomeni, a project expected to drastically improve energy reliability.
- R19.5 million for strategic road upgrades to connect farms, communities, and key economic nodes.
- R4 million for upgrades at the Curry's Post landfill to ensure continuity and compliance.
- R500 000 to establish waste sorting facilities, part of a broader environmental sustainability drive.
- R550 000 for phase three of the CCTV surveillance network, expanding to Hilton and Nottingham Road.
- R25 million in MIG (municipal infrastructure grant) allocations for basic services in previously underserved areas.