2026-2027 ANNUAL FINAL BUDGET

OF

UMUZIWABANTU MUNICIPALITY

MAYOR'S SPEECH

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SPEECH DELIVERED BY THE HONOURABLE MAYOR, CLLR LS ZUNGU ON THE OCCASION OF THE TABLING OF THE ANNUAL FINAL BUDGET FOR THE YEAR 2026/2027 HELD ON THE 29th OF MAY 2026, AT THE MUNICIPAL COUNCIL CHAMBER

Honourable Speaker.
Deputy Mayor.
Members of the Executive Committee.
Council Whip
Whips of All Political Parties in Council
Fellow Councillors.
Amakhosi Asendlunkulu.
Management team and officials.
The media
The People of Umuziwabantu
Ladies and gentlemen.

1. INTRODUCTION

Honourable Speaker, it feels like yesterday when this Council began its term in 2021. I still remember our inauguration meeting in November 2021, where we outlined the ambitions we had for this term of Council.

We committed ourselves to building a municipality that is people-centred, responsive, accountable, and determined to improve the lives of our communities.

At our first strategic planning session, this Council adopted a number of strategic objectives to guide the work of the municipality throughout the term.

Those objectives were not just administrative commitments. They were a promise to improve infrastructure, strengthen service delivery, promote local economic development, deepen public participation, support vulnerable groups, improve community safety, and build a municipality that serves its people with dignity.

Honourable Speaker, we assumed office during one of the most difficult periods in recent history.

We came in at the back of COVID-19, a pandemic that left not only society in ruins, but the economy in particular. Many families had lost income. Many people had lost jobs. Businesses were struggling, and the local economy was sluggish.

The truth is that after COVID-19, the local government sphere was never the same again. Municipalities were no longer enjoying the kind of financial support and certainty they were used to. Grant allocations became smaller and smaller, while the cost of delivering services continued to rise. Communities expected more, but municipalities had to do more with fewer resources.

But, Honourable Speaker, we did not despair.

We remained resolute in our resolve to improve the lives of the people of Umuziwabantu. We understood that leadership is not tested in times of comfort, but in times of difficulty.

Despite the challenging global economic landscape, reduced fiscal space and growing community needs, this Council forged ahead and delivered a remarkable service delivery record.

We built roads, bridges, halls, sport facilities and local economic infrastructure that improved mobility, strengthened access to services, supported economic activity and enhanced the quality of life of our people.

We built and upgraded key roads, including Madamini to Clinic Access Road, Ntunjini Access Road, Masimini Access Road, Field Street, Access Road to Kwa-C, Emazibukweni to KwaShabane Gravel Access Road, Fantini Access Road in Ward 6, Stafford Street, Gayiga Access Road, Mdulashe Access Road, and Nogumbe Access Road. Moreover, Conor, Gallaway, and Field are also approaching completion

These roads represent our effort to ensure improved access to clinics, schools, businesses, public facilities and places of work, while reducing isolation in rural and peri-urban communities.

We also built and improved bridges, including the Enduvini Access Roads and Bridge, Mhlwazini Bridge, and Emazibukweni Bridge. These projects strengthened all-weather access, improved community safety, and ensured that residents are not cut off from schools, clinics, workplaces and service points during heavy rains.

We built community halls, including Mazakhele Hall and Engele Community Hall, the facilities that provide dignified spaces for public meetings, community programmes, cultural activities, public participation and social development initiatives.

This Council also invested in sport and recreational infrastructure, including Harding Sport Precinct Phases, and Phumza Sportsfield, as part of its endeavor to support youth development, sport, recreation, and community events.

Honourable Speaker, we did not end there.

We supported over 330 learners with school uniforms, assisted 270 students with registration fees, provided playing kits to 330 football and netball teams, supported young people with basic computer skills, and continued career guidance programmes in local high schools.

We also supported senior citizens, cultural programmes, NPOs and vulnerable groups. Programmes such as the Mini Reed Dance, Isibaya saMadoda and support to senior citizens strengthened social cohesion, cultural identity and community participation.

We assisted communities with 280 Temporary Residential Units, supported the construction of 332 disaster houses through the Department of Human Settlements, and directly built 41 two-room houses for disaster victims.

Our municipality also made progress in cleansing and waste management. We won the Cleanest Municipality Competition in 2023, with prize money of R800 000. We also began piloting the internal management of the landfill site after years of outsourcing, creating opportunities for local waste pickers while improving municipal capacity, compliance and cost savings. Already, at least 55 waste pickers are benefiting from opportunities at the landfill site.

Honourable Speaker, this Council also sustained unqualified audit outcomes, demonstrating that service delivery was accompanied by improved governance, accountability and financial discipline.

These achievements show that even under difficult conditions, this Council has not been idle. We have worked. We have planned. We have delivered. We have remained focused on the people of Umuziwabantu.

As we present the 2026/2027 Budget today, we do so with humility, but also with pride. Humility because we know that much work still lies ahead.

Pride because, despite limited resources and difficult economic conditions, this Council has built a strong record of service delivery, sustained governance improvements, and laid a foundation for continued progress.

This budget is therefore not just a financial document. It is a continuation of the journey we began in 2021. It is a statement of commitment that, until the last day of this Council term, we will continue working to build a better, cleaner, safer and more inclusive Umuziwabantu.

2. BUDGET OVERVIEW

Honourable Speaker,

The Medium-Term Expenditure Framework proposes a total budget of R301 million for the 2026/2027 financial year, comprising R272 million for operating expenditure and R29 million for capital expenditure.

This reflects a decrease from the 2025/2026 Adjustments Budget, which stood at R320 million, comprising R280 million in operating expenditure and R40 million in capital expenditure.

This outlook presents a financially constrained environment and requires the municipality to exercise strict fiscal discipline, strengthen revenue collection, prioritise essential services, and contain non-core expenditure to ensure long-term financial sustainability.

3. MUNICIPAL REVENUE SOURCES: BUDGET FUNDING REPORT

About the sources of our revenue, the 2026/2027 budget is funded through a mix of national transfers and municipalities' own revenue sources.

Transfer-recognized operational remains the largest revenue source, followed by electricity service charges, property rates, interest on investments, and refuse removal.

In this regard, our revenue budget comprises the:

- **Equitable Share** with the allocation of R120,5 million, representing a R2,4million when compared with the adjustment budget allocation.
- **MIG** allocation is R28 million, decreased by R13 million which was allocated for Harding Sport precinct last financial year
- **EPWP** allocation is R1 588 000, which has been increased by R63 000.
- **FMG** allocation is R2,2 million which has been increased by R300 000.
- **Library Grant** allocation of R2,5 million which has increased by R 284 000.
- And **INEP Grant** of R553 000 this financial year.

This revenue picture shows that grants from national and provincial government are declining, while service delivery needs continue to grow. As a result, pressure is placed on municipal reserves, requiring us to strengthen revenue collection and exercise fiscal discipline in order to secure long-term financial sustainability.

Property Rates and Household Tariffs

Property rates and electricity tariffs remain key sources of own revenue, enabling the municipality to fund general municipal services.

Property rates are levied in compliance with the Municipal Property Rates Act and guided by MFMA Circular No. 51, which outlines permissible ratios for different property categories.

Accordingly, in the 2026/2027 budget, property rates and refuse removal charges have been increased by 3.7 percent, while Electricity Tariffs have been adjusted by 11 percent, in line with the guidelines of the National Energy Regulator of South Africa.

These adjustments are necessary to ensure that municipal services are adequately funded and continue to be delivered effectively to households and businesses.

4. OPERATING EXPENDITURE FRAMEWORK

Ladies and gentlemen,

In terms of operating expenditure, the 2026/2027 budget continues to allocate funding to strategic expenditure areas that prioritise service delivery, infrastructure maintenance and institutional sustainability. These include employee-related costs, councillor allowances, depreciation and debt impairment, repairs and maintenance, and community-oriented programmes.

Employee-Related Costs and Councillor Allowances

The budgeted allocation for salaries and wages for the 2026/2027 financial year amounts to R130 million. This allocation is informed by the 4.75 percent salary adjustment guideline contained in SALGBC Circular No. 04/2026, dated 13 March 2026, as well as a 2.8 percent CPI provision for notch increases.

The remuneration of councilors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998.

Depreciation and Debt Impairment

Debt impairment has been budgeted at R1.6 million for the 2026/2027 financial year. This is a non-cash expenditure item, based on projected municipal debt-collection rates, that reflects anticipated revenue-recovery risks.

Depreciation and asset impairment are informed by the municipality's Asset Management Policy, which recognises depreciation as a measure of asset consumption over time. An amount of R28.5 million has been allocated to cover depreciation expenses in the final budget.

Repairs and Maintenance

For repairs and maintenance, the municipality has allocated 1.9 percent of the budget, which remains below the National Treasury norm. However, we remain committed to progressively improving this allocation and moving towards the 40 percent infrastructure renewal target in future budgets.

SPECIAL PROGRAMMES

Honourable Speaker

Despite the limited financial resources at our disposal, we have retained the seed-funding approach for Special Programmes, in recognition of the important role these programmes play in supporting vulnerable groups.

The municipality will continue to leverage Intergovernmental Relations more aggressively and proactively pursue strategic partnerships. We remain the coordinating link between the needs of our people and the programmes, resources and support available from other spheres of government, the private sector and civil society.

In this regard, for vulnerable groups and sector support, a total of R414 000 has been allocated in this budget, comprising the following:

Programme	Allocation
People with Disabilities	45 000
Gender	49 000
Arts and Culture	30 000
HIV & AIDS	30 000
Senior Citizens	100 000, increased from R82 152.00
Heritage Support	120 000, increased from R60 000
Religious Support	40 000

Under Youth Development, a total amount of R1 720 000 has been allocated in the 2026/2027 budget. With this budget, the municipality aims to support youth empowerment, skills development, participation, and opportunities for young people across the Umuziwabantu.

The allocation under Youth Development comprises the:

PROGRAMME	ALLOCATION
SALGA	1 030 000.00
Mayoral Cup Games	160 000.00
Back To School	430 000.00
Youth Day	100 000.00

Local Economic Development is allocated R1 720 000, comprising R850 000 for poverty alleviation and SMME support initiatives aimed at supporting local enterprise development, job creation, and community-based economic participation.

The remaining R870 000 is allocated to South Coast Development, our vital partner in positioning Umuziwabantu as a preferred destination for tourism, trade and investment.

5. CAPITAL EXPENDITURE: 2026/2027 FINANCIAL YEAR

Ladies and gentlemen,

Capital expenditure remains a cornerstone of inclusive development, economic growth and improved service delivery. Through strategic capital investment, the municipality continues to expand infrastructure and improve public amenities that serve the people of Umuziwabantu.

Critically, the capital budget of R29 268 601 allocated for the 2026/2027 financial year will be instrumental in driving our infrastructure programme, with a strong emphasis on improving the condition of our roads in rural wards, Harding town and surrounding residential areas.

Honourable Speaker, the projects included in our capital budget for the year are as follows:

- Upgrade of Conor Street in Ward 3: R5,483,124.27
- Upgrade of Mhlwazini Access Bridge: R2,887,192.80
- Construction of Madamini to Clinic Access Road in Ward 8: R1,908,170.45
- Construction of Masimini Access Road in Ward 5: R1,849,950.83
- Construction of Ntunjini Access Road in Ward 6: R2,232,269.64
- Upgrade of Gallaway Street in Ward 3: R4,337,820.87
- Construction of Nciya to Sganseni Road: R1,208,546.46
- Construction of Eskhulu to Nhlanjeni Access Road: R2,545,985.88
- Construction of Ntaba SP Access Road and Causeway: R1,889,205.00
- Construction of Harding Precinct Phase 2: R 2 126 334.91

SiwuMasipala woMuziwabantu sizimisele kakhulu ngokuphucula ingqalasizinda yemigwaqo, ikakhulukazi ezindaweni zasemakhaya. Sifuna abantu bakithi baphephe emigwaqeni, bakwazi ukufinyelela ezindaweni abaya kuzo ngaphandle kwezihibe.

In addition to road infrastructure, this budget allocates R2 126 334.91 towards Phase 2 of the Harding Sport Precinct. Upon completion, this multi-purpose facility will serve as an inclusive sporting hub, accommodating various sporting codes and providing accessible amenities for athletes, young people and the broader community.

The project is expected to contribute significantly to social development, recreation and local talent development in Umuziwabantu.

Last but not least, the municipality has budgeted for transport assets and computer equipment, with allocations of R2 500 000 and R300 000, respectively, in preparation for the next cohort of councilors who will join the municipality as part of the 7th Administration.

6. THE WORK CONTINUES

Honourable Speaker, although this Council is approaching the end of its term, the work of serving our people does not stop.

The remaining six months of this term will be defined by continued implementation, continued service delivery, and continued commitment to the people of Umuziwabantu.

Umuziwabantu will remain a construction site as we continue implementing key capital projects already provided for in this budget.

We are also pleased to report that negotiations have begun with Esayidi TVET College to revive the Harding Campus. The community of Umuziwabantu can look forward to a major announcement soon, because this Council believes that development must also mean opening doors of learning, training, and opportunity closer to our communities.

The work also continues in stabilising electricity supply in Harding. We appreciate the efforts of municipal officials to improve electricity reliability, respond to faults, and protect local economic activity.

However, we must be honest with our residents and businesses: the municipality cannot sustain service delivery without payment.

We therefore urge all residents, businesses and institutions to work with us, pay for municipal services, and support the municipality’s efforts to maintain and improve infrastructure.

We will also intensify joint law enforcement operations in Harding and across Umuziwabantu. Harding is not a playground for lawlessness.

We will continue to deal decisively with those who trade without permits, those who sell expired or illicit goods, those who occupy trading spaces illegally, and those who undermine public health, consumer safety, and the rule of law.

Importantly, our municipality will intensify its campaign against illegal immigration in our town. **Sizoqhubeka nomkhankaso wethu, esiwenza ngokubamnisana nezinhlaka zomthetho ukuqinisekisa ukuthi bonke abakufika abakuleli ngaphandle kwamaphepha asemthethweni bayabanjwa, baboshwe, bese babuyiselwa emazweni abo.**

We will do this within the law, working with the relevant law enforcement agencies and responsible departments, because a lawful town is a safer town, a cleaner town and a better town for residents, businesses and visitors.

Honourable Speaker, the message is clear: the work continues. We are not slowing down. We are not waiting for the end of the term. We will continue to build, repair, enforce, collect revenue, support communities and strengthen governance until the final day of this Council’s mandate.

7. CONCLUSION

Honourable Speaker, as I conclude, allow me to thank the people of Umuziwabantu for their patience, support, guidance and constructive criticism throughout this term. Your voices shaped our priorities, your needs guided our planning, and your resilience kept us working even under difficult conditions.

I extend my gratitude to you, Honourable Speaker, the Deputy Mayor, Members of EXCO, the Chief Whip, all Councillors and all political parties represented in Council. We may not always agree on every matter, but we share one responsibility: to serve the people of Umuziwabantu.

My sincere appreciation also goes to the Municipal Manager, Senior Management and all municipal employees for their continued commitment to service delivery. Even in a constrained financial environment, your dedication has kept this institution moving.

Amakhosi Asendlunkulu, sibonga kakhulu ngokuba nathi kuzo zonke izimo esibhekane nazo kule term, niseseka kukho konke. Your wisdom, guidance and support have been invaluable.

To government departments, law enforcement agencies, businesses, civil society, faith-based organisations, community structures and all stakeholders who continue to partner with us in building a better Umuziwabantu. Siyabonga.

Honorable Speaker, the 2026/2027 Budget is a budget of continuity, responsibility, and commitment. It recognises our financial constraints, but does not surrender our development agenda. It protects essential services, advances infrastructure, supports vulnerable groups, strengthens governance and keeps our people at the centre.

As this Council enters the final stretch of its term, we do so with a clear conscience. We have worked. We have delivered. We have laid a foundation. Until the last day, we will continue to serve.

I therefore table the 2026/2027 Final Budget before this Council for consideration and approval.

8. RECOMMENDATION

Honourable Speaker,

I hereby table the 2025/2026 Annual Budget of Umuziwabantu Municipality and formally recommend that Council approves this budget, together with all related policies and recommendations as outlined in the item titled "mSCOA Annual Budget 2026/2025 MTREF", in accordance with the provisions of the Municipal Finance Management Act (MFMA) and the applicable budget regulations.

I THANK YOU.