

eThekwini Tariff Increases From 1 July 2026

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INTRODUCTION

The adoption of eThekwini Municipality's 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) has generated considerable discussion among residents, businesses, and stakeholders across the municipality. While the approved budget seeks to address critical infrastructure challenges and improve service delivery, concerns remain regarding the impact of tariff increases on households and businesses already facing significant financial pressures.

The municipality has approved a total budget of R75.3 billion for the 2026/2027 financial year. The budget consists of approximately R69 billion allocated to operating expenditure and R6.3 billion dedicated to capital expenditure. The budget comes at a time when municipalities across South Africa are facing increasing financial constraints, rising operational costs, growing infrastructure maintenance requirements, and increasing demands for reliable public services. Against this backdrop, eThekwini Municipality has sought to strike a balance between ensuring financial sustainability and limiting the financial burden on residents and businesses.

One of the most significant developments during the budget approval process was the incorporation of public and stakeholder feedback. Following consultations with residents, businesses, organised stakeholder groups, and engagements with national government structures, the municipality revised several of the initially proposed tariff increases.

The revisions were introduced in response to concerns regarding affordability and the cumulative effect of rising living costs on consumers. Many residents and business owners expressed concern that the proposed increases would place additional strain on already stretched household and operational budgets. As a result, the municipality approved lower tariff increases than those originally proposed for several key municipal services.

The approved tariff increases for 2026/2027 is as follows:

Tariff Category	Original Proposal	Approved Increase
Domestic Water	15%	12%
Business Water	16%	13%
Domestic Sanitation	13%	8%
Business Sanitation	14%	9%
Property Rates	5%	2%
Refuse Removal	13%	9.5%
Electricity	10.5%	9%

The reductions have been welcomed by many stakeholders as evidence that public participation can influence municipal decision-making. The revised increases provide some measure of relief compared to the initial proposals and demonstrate a willingness by the municipality to respond to concerns raised during the consultation process. Nevertheless, the approved increases will still have a direct impact on monthly municipal accounts from July 2026 onwards, affecting both residential and commercial consumers.

Despite the downward adjustments, concerns regarding affordability remain at the centre of public debate. Several of the approved increases remain above the prevailing inflation rate, meaning that consumers may continue to experience real increases for the cost of municipal services. For many households, rising costs associated with food, fuel, transport, insurance, and other essential goods and services have already placed significant pressure on disposable income.

Businesses, particularly small and medium-sized enterprises, also face increasing operational costs. Higher utility charges can affect profitability, potentially resulting in reduced investment, slower expansion, or increased costs being passed on to consumers. Critics have argued that while tariff increases may be necessary to maintain municipal operations and infrastructure, residents expect to see corresponding improvements in service delivery. Questions continue to be raised regarding the municipality's financial management practices, revenue collection strategies, and ability to implement infrastructure projects efficiently and effectively.

There is also concern that many consumers remain in arrears on municipal accounts. Some stakeholders have questioned whether ongoing tariff increases represent a sustainable solution to financial pressures, when challenges relating to debt recovery and revenue collection persist. For many residents, the issue is not solely the level of the increase but whether they receive value for money through reliable municipal services.

A key focus of the 2026/2027 budget is the rehabilitation and upgrading of ageing infrastructure. Municipal infrastructure forms the backbone of service delivery, and years of underinvestment, maintenance backlogs, and increasing demand have placed significant strain on existing systems. Water networks, sanitation systems, electricity infrastructure, roads, and other municipal assets require substantial investment to ensure long-term sustainability. Investment in infrastructure is intended not only to improve service reliability, but also to reduce service interruptions, improve operational efficiency, and support future economic growth. Particular emphasis has been placed on strengthening water and sanitation infrastructure, areas that have attracted considerable public attention in recent years due to service interruptions, leaks, maintenance challenges, and infrastructure failures.

Electricity infrastructure upgrades also form part of the municipality's broader strategy to improve network reliability and reduce outages, while ensuring compliance with evolving regulatory requirements. Beyond infrastructure investment, the municipality has indicated that the budget seeks to improve overall service delivery across communities.

The approved budget prioritises:

- Upgrading and maintaining ageing infrastructure.
- Improving the reliability of water, sanitation, and electricity services.
- Advancing spatial transformation initiatives.
- Strengthening service delivery throughout municipal communities.
- Supporting local economic development and investment.

The municipality has described the budget as a funded and sustainable financial plan designed to achieve measurable outcomes. The emphasis has been placed on practical implementation and service delivery improvements rather than aspirational targets. Residents will undoubtedly be monitoring the municipality's progress closely to determine whether these objectives translate into tangible improvements on the ground. The success of the budget will ultimately depend on effective project implementation, sound financial management, and the municipality's ability to deliver services consistently and efficiently.

Recognising the financial challenges faced by many residents, the municipality has also approved amendments to its Indigent Support Policy. The revised policy aims to provide more targeted assistance to vulnerable households and ensure that support reaches those most in need. Such measures are intended to help low-income residents manage increasing living costs while maintaining access to essential municipal services. Effective implementation of indigent support programmes remains an important component of ensuring equitable access to basic services, particularly in communities where economic hardship continues to affect household finances.

The 2026/2027 MTREF represents an important step in shaping eThekweni Municipality's financial and service delivery priorities for the coming year. The reduction of several proposed tariff increases demonstrates the value of public participation and stakeholder engagement in the budgeting process. At the same time, the approved increases highlight the ongoing challenge of balancing affordability with the need to maintain and improve municipal infrastructure and services.

While the revised tariffs may provide some relief compared to the initial proposals, many residents and businesses will continue to feel the impact of higher municipal costs from July 2026. Consequently, public expectations regarding service delivery, infrastructure upgrades, and municipal accountability are likely to remain high. Ultimately, the true measure of the budget's success will not be the tariff increases themselves, but whether the municipality can deliver meaningful improvements in infrastructure, service reliability, economic development, and the overall quality of life for the communities it serves. As the new financial year unfolds, residents and businesses alike will be looking for evidence that the additional revenue generated through these increases translates into visible and measurable results.



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