



HON.DR VICKY KNOETZE

LLB – Nelson Mandela Metropolitan University

MPA – University of Pretoria

PhD – University of Pretoria



LEADER OF THE OPPOSITION - EASTERN CAPE PROVINCIAL LEGISLATURE

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Hon Z. Williams
MEC: COGTA
Eastern Cape Provincial Legislature
Bhisho

Dear Hon. Williams,

RE: PROPOSED 342% TARIFF INCREASE FOR THE 2026/2027 – CHRIS HANI DISTRICT MUNICIPALITY

I am writing to you regarding the proposed **CHDM Draft Tariff Schedule Proposal 2026/2027** which will severely affect residents, businesses, institutions and all communities within the Chris Hani District.

Amongst other increases, the Draft Tariff Schedule proposes a 342% increase for water. This proposed increase is excessive, unreasonable, economically harmful and completely out of proportion as it relates to the current financial realities faced by households and businesses. Municipal tariff increases across South Africa generally range between **5%** and **15%**, often linked to inflation, bulk supplier costs or National Treasury guidelines. A **342%** increase in water tariffs cannot reasonably be justified under prevailing economic conditions.

These proposed increases would result in the 6 municipalities in the CHDM facing a water rate of R61.00 per kl for the lowest domestic block, this exceeds the Joe Gqabi District rate at +/- 2.8 times and would be roughly 18.8 times higher than the rates charged in Alfred Nzo District. Further, I must emphasise that the proposed water tariffs must be specific to the particular local municipality and must cover that municipality's own cost for water.

The proposed increase will have severe consequences, including increased financial hardship for already struggling households; closure or downsizing of small businesses; job losses, reduced economic activity in the district, increased non-payment and municipal debt, increased inequality and poverty and further erosion of public trust in municipal governance. Residents are already experiencing serious economic pressure due to high unemployment, the rising cost of living, increased transport costs, inflation and ongoing service delivery challenges.

It is deeply concerning that such an extreme tariff increase is proposed while many residents continue to experience intermittent water supply interruptions, infrastructure failures and leaks, poor maintenance, delayed service response times and inconsistent service delivery in several communities.

In terms of **Section 74** of the Municipal Systems Act, municipal tariffs must be ***fair, equitable, transparent and proportionate to the cost of providing services***. Tariffs should also consider the ***financial sustainability of households and the local economy***. Public participation must be meaningful and not merely procedural.

Concerns have previously been raised nationally regarding unjustified tariff increases and lack of proper cost analysis by municipalities. **In lieu of the above-mentioned concerns, kindly provide me with the following information:**

1. **Full tariff calculation model** inclusive of the **cost-of-supply study**, the National Treasury tariff tool output, and/or the Provincial Treasury analysis used to justify the increase.
2. **Affordability assessment**, with full particularity of how CHDM assessed the impact on poor households, pensioners, indigent households, schools, clinics, churches, NPOs and small businesses.
3. **Mechanisms for protection of the 0–6 kℓ domestic block**, with full particulars as to why the lowest domestic block increases from **R13.80 to R61.00** and how this complies with affordability and free basic water principles.
4. A full copy of the **indigent and subsidy disclosure** inclusive of the indigent policy, number of registered indigent households, free basic water allocation and how subsidies are funded.
5. Full particulars on the **metering** and estimated fairness, considering the high estimated-consumption charges where meters are absent, faulty, unread, or not maintained by the municipality.
6. Details as why there is no consideration for a move to cost-reflective tariffs to be phased **over the MTREF period** rather than imposed in one step, especially for domestic and public-benefit categories.
7. A **schedule of the public hearings** that was conducted in affected towns together with proof that notices thereof were properly communicated through ward committees, local newspapers, radio and municipal offices.

The people in the Chris Hani District deserve affordable, transparent, and accountable municipal governance. Any tariff adjustment must be ***lawful, reasonable, and socially sustainable***.

I trust that this will be seriously considered in the interests of fairness, economic stability, and the wellbeing of all residents within the district.

Yours sincerely,



DR VICKY KNOETZE MPL
LEADER OF THE OPPOSITION
MEMBER OF THE EC PROVINCIAL LEGISLATURE
076 070 5712
vknoetze@yahoo.com