MATJHABENG LOCAL MUNICIPALITY

ENGINEERING DEVELOPMENT CONTRIBUTION POLICY 2026

Compiled for:

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MATJHABENG LOCAL MUNICIPALITY INFRASTRUCTURE DEVELOPMENT CONTRIBUTION POLICY

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1. PREAMBLE

1.1 The purpose of this policy is to establish responsibilities for the provision of Municipal Engineering services required by developments in Matjhabeng Local Municipality. Every development in the municipality should be provided with external services, and therefore, developers are responsible for the installation and providing internal services and liaison services, while they are also responsible for contributing to the cost of external services.

1.2 The purpose of the policy is to establish the engineering services for which contributions are required, the classification of internal, Links and external services, the responsibilities of the applicant or municipality, the methodology for determining contributions, and the purpose for which contributions may be used.

1.3 If the MLM does not have an effective and efficient system of recovering Development Charges, there will inevitably be two consequences. First, less capital will be available to develop new infrastructure or the upgrading of existing capacity. This will lead to a decline in private sector investment, reduced economic efficiency of MLM, and consequently a decline in economic growth. Second, the money that would have been recovered via Development Charges will have to be raised through an increase in municipal land taxes and services charges, external loans, or grants. This will result, first, in Matjhabeng households and businesses being further burdened, and second, in the money from municipal grants being used to subsidize new development. This is, of course, unfair, considering that these grants are usually earmarked for the provision of infrastructure and services to poor households and for certain types of infrastructure that municipalities cannot finance themselves.

1.4 This policy is applicable and enforced throughout the jurisdiction of Matjhabeng Local Municipality.

1.5 The policy will be revised as necessary (including revisions to formulas, units of measure, and capacity requirements for calculating the development fee). It is intended that the policy will be reviewed after 5 years. Otherwise, it will continue to apply until replaced by a revised policy.

1.6 Provincial and national roads are not included in municipal engineering services and are excluded from this policy.

2. DEFINITIONS

"MLM" means Matjhabeng Local Municipality.

"Applicant" means any person or entity legally empowered to apply for a development, as defined hereunder.

"Application" means the person making the application for a change in land use rights. The applicant is often referred to as the developer and the two words are used interchangeably in this policy.

"Condition of approval" means a condition prescribed by the Municipality with regards to the approval of a development application in terms of land use planning legislation.

Connection means the connection between two services. In the case of roads, this is the junction or intersection between different roads.

"Consent" means special permission granted by the Municipality, after due consideration of all relevant facts and after following the lawful process, in terms of which a specific type of land use or activity is permitted, in addition to the primary uses applicable to the property concerned.

"Consent use" means the secondary use right that is permitted in terms of the provisions pertaining to a particular zone, only with the consent of the Council.

"Constitution" means the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

"**Counci**l" means the Council of the Matjhabeng Municipality, the Municipal Manager, a committee, or an official where delegated authority is granted to decide a matter on behalf of the Council.

"Coverage" means the total area or percentage area of a land unit which may be covered by buildings and covered by a roof, provided that the following portions of buildings shall be disregarded in the calculation of coverage:

i. Entrance steps and landings less than 1 m².
ii. Retractable awnings.
iii. Cornices, chimney breasts, pergolas, flower boxes, water pipes, drainpipes and minor decorative features not projecting more than 500 mm from the wall of the building.
iv. Eaves not projecting more than 1 m from the wall of the building.
v. A portion of a building where the ceiling is at ground level or lower.

"Design Standards" means the standards for the provision of a specific engineering service as specified in this policy.

"Developer" means the person, including an organ of state, applying for approval to develop or change the use of land.

"Development" means the changing of use and/or of cadastral boundaries in order to increase the use of land.

"Development Charge" means a once-off charge enforced by the Municipality on a developer as a condition of approval of a land development application to cover the cost of municipal engineering services required as a result of an increase of land use.

"Engineering services" means the infrastructure required to supply water, sewerage, electricity, municipal roads, stormwater drainage and solid waste collection and removal required for the purpose of land development.

"External engineering services" means municipal engineering services infrastructure external to the development site boundary and includes both:

1. bulk engineering services, which means municipal services infrastructure external to the development required to provide engineering services to users in the boundaries of the municipality; and

2. link engineering services, which means municipal services infrastructure external to the development site boundary required to connect internal engineering services of the proposed development to existing or proposed bulk engineering services.

"Floor space" in relation to any building means the area of a floor which is covered by a slab, roof or projections, provided that:

i. any area, including a basement, which is reserved solely for parking or loading of vehicles shall be excluded.

ii. external entrance steps and landings, any canopy, any stoep and any area required for external fire escapes shall be excluded.

iii. a projection of eaves, and a projection which acts as a sunscreen or an architectural feature, which projection does not exceed 1,0 m beyond the exterior wall or similar support, shall be excluded.

iv. Any common pedestrian thoroughfare which is not covered by a roof, which provides access through a building concerned from parking, public street or open space to some other parking, public street, or open space, and which is accessible to the general public during normal business hours, shall be excluded.

v. Any covered area outside and immediately adjoining a building at or below the ground floor level, where such paved area is part of a forecourt, yard, external courtyard, pedestrian walkway, parking area or vehicular access, and which is permanently open to the elements on at least the front or either side(s), shall be excluded.

vi. Subject to clause (vii), any stairs, stairwells and atriums that are covered by a roof, shall be included.

vii. In the case of multi-level buildings, any stairwells, lift wells, light wells or other wells, and any atrium, shall only be counted once.

and provided further that floor space shall be measured from the outer face of the exterior walls or similar supports of such building, and where the building consists of more than one level, the total floor space shall be the sum of the floor space of all levels, including that of basements.

"Gross Leasable Area (GLA)" means the area of a building designed for, or capable of, occupancy and/or control by tenants, measured from the center line of joint partitions to the inside finished surface of the outside walls, and shall exclude the following:

(i) all exclusions from the definition of floor space.

(ii) toilets

(iii) lift shafts, service ducts, vertical penetrations of floors

(iv) lift motor rooms and rooms for other mechanical equipment required for the proper functioning of the building

(v) Interior parking and loading bays

"IDP" means the Integrated Development Plan from time to time of the Municipality, inclusive of applicable Spatial Development Frameworks.

"Internal engineering services" means infrastructure within the boundary of the development to service that development; these services are the responsibility of the developer. They are required for the "exclusive" use of the development, e.g., the Class 4, 5 and 6 "access" streets serving Erven within the development. Internal services are usually handed over to the municipality (free of charge) when the development is completed and therefore must be provided to municipal standards.

"LUPO" means the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985);

"Master plans" means infrastructure plans prepared for the Municipality to cater for potential future development. For example: Bulk Water and Sanitation Master Plans.

"MLM" Matjhabeng Local Municipality.

"Municipality" has the same meaning as Council.

"Services Agreement" means an arrangement between the Municipality and the developer in cases where the developer constructs or installs bulk engineering services in lieu of the payment of a Development Charge (full or in part) and in which the parties agree on their different roles in the construction, installation, and financing of infrastructure.

"SPLUMA" means the Spatial Planning and Land Use Planning Act, 2013 (Act 16 of 2013); and

"Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

3. DEVELOPMENT CHARGE COMPONENTS

3.1 The scope of this policy covers only the following Engineering services: roads, Stormwater, Sewer, and Water. Contributions to other engineering services will be determined by other Council policies.

3.2 The policy covers external services and Link services only, not internal engineering services. Unless otherwise agreed with the Municipality, the installation of internal engineering services and Link services is the direct responsibility of the developer.

3.3 The cost of required Provincial and national infrastructure is not covered by the Development Charge. These costs may have to be paid by the authority responsible for providing the specific services.

3.4 In terms of section 49 of the Spatial Planning and Land use Management Act of 2013, the Municipality is responsible for providing all bulk engineering services. However, the municipality's responsibility for the provision of external engineering services is not unlimited. The municipality is not obliged to provide infrastructure where it is not in line with the relevant IDP and capital budgets.

3.5 The developer may be required to provide some of the required external engineering services if the required infrastructure is not consistent with the applicable IDP and capital budgets, should the municipality still approve the development application.

3.6 The exclusion of engineering services or other facilities from the scope of the policy means that contributions for such services or facilities cannot be levied in terms of this policy. It also means that contributions that are levied in terms of this policy cannot be used to provide such services.

3.7 To maintain the functionality of the Municipality's engineering service network in accordance with the Master Plan, the municipality may require that the developer install services with greater capacity than required for the specific development. The cost of the additional internal engineering services may then be set off against the developer's overall Development Charge.

4. RESTRICTIONS

4.1 The Municipality shall not approve an engineering service connection for a building prior to compliance with all conditions of an application and the subsequent approval of site development plans and building plans.

4.2 No building shall be erected on a development site prior to:

4.2.1 Conclusion of a bulk services agreement between the Municipality and the applicant.

4.2.2 The payment in full of the development contribution for engineering services and any engineering services connection fee.

4.2.3 the approval of SDP Where applicable.

4.2.4 The approval of building Plans.

4.2.5 Compliance with relevant conditions of approval and or bylaws, legislation and requirements of all internal departments and external bodies.

4.2.6 Submission by the applicant to the municipality of as built details, commissioning certificates, operating manuals/ instructions, and an operating plan for the internal and link services (where applicable) and acceptance by the municipality of such as-built details, Commissioning certificates, operating manuals/ instructions, and operating plan.

4.2.7 Approval of the Development application.

4.3 The municipality is entitled to limit the quantity of an engineering service it renders to a premises to the capacity of the engineering services for which the municipality has received payment for

development contribution in respect of that premises and shall not increase the quantity of an engineering service rendered to the premises that is the subject of an application for a greater allocation of the capacity of an engineering service prior to:

4.3.1 Conclusion of a bulk service agreement between the municipality and the applicant.

4.3.2 the approval of SDP (where applicable)

4.2.3 The payment in full of the development contribution for engineering services and any engineering services connection fee and the applicant lodging with the municipality any guarantee required by the approved application.

4.2.4 Compliance with relevant conditions of approval and or bylaws, legislation and requirement of all internal departments and external bodies.

4.2.5 Proof to the satisfaction of the Municipality that an applicant complies with all efficiency measures and or requirements that the council may introduce from time to time in respect of any engineering services.

4.2.6 Submission by the applicant to the municipality of as built details, commissioning certificates, operating manuals/ instructions, and an operating plan for the internal and link services (where applicable) and acceptance by the municipality of such as-built details, Commissioning certificates, operating manuals/ instructions, and operating plan.

4.2.7 The approval of building Plans.

5. PRINCIPLES GUIDING THE ENGINEERING DEVELOPMENT POLICY

The principles set out in this section will guide the MLM in the implementation of this policy. These principles closely reflect those in the draft National Policy Framework for Municipal Development Charges, National Treasury, 2018.

5.1 EQUITY AND FAIRNESS

Development Charges should be reasonable, balanced, and practical to be equitable to all stakeholders. In recognition of this principle:

a) The MLM should, as far as possible, recover from the developer the full and actual costs of the essential municipal services infrastructure that results from types of land development.

b) The Development Charge associated with new land development can be related –

   i. to pre-install municipal services infrastructure resulting from historical municipal investments in excess (spare) capacity; and

   ii. to provide new infrastructure to meet additional capacity requirements; and

   iii. cannot be used to compensate for inherited backlogs.

c) Funds recovered through Development Charges should be dedicated only to the purpose for which they were raised, i.e., investment in external infrastructure.

5.2 PREDICTABILITY

a) Development Charges should be a predictable, legally certain, and reliable source of revenue for the municipality to provide necessary infrastructure. **These revenues should therefore be treated**

as a formal obligation of the municipality to provide or improve the relevant municipal service infrastructure and should be clearly and transparently accounted for.

b) To promote predictability and coordination, the costs associated with municipal infrastructure must be established before capital grants from the national or provincial government or other funding sources are applied so that there is full transparency.

5.3 SPATIAL AND ECONOMIC NEUTRALITY

A primary role of the Development Charge is to ensure the timely, sustainable financing of the required municipal infrastructure to support land development in line with municipal planning. Therefore, Development Charges should:

a) be determined based on identifiable and measurable costs in a manner that avoids distortions in the economy and in patterns of spatial development.
b) not to be used for the purpose of achieving spatial planning or economic development objectives; and,
c) Where appropriate, it should be raised on a sectoral or geographic basis, as appropriate, to recover costs more accurately within a specific impact zone.

5.4 ADMINISTRATIVE EASE AND UNIFORMITY

The determination, calculation and operation of Development Charges should be administratively simple and transparent. This will necessarily detract from the accuracy of individual charges, but this is a necessary trade-off. Development Charges thus only estimate the actual costs for the provision of proportionate new municipal infrastructure capacity to support the land development.

6. LEGISLATIVE FRAMEWORK

This policy is established in terms of the following legal framework and must be read together therewith:

a) Constitution of the Republic of South Africa. Section 229 of the Constitution empowers a municipality to impose rate on property and surcharges on fees for service provided by or on behalf of the municipality and, if authorized by National Legislation, other taxes, levies, and duties appropriate to Local Government.

b) This policy is consistent with the Draft Policy Framework for Municipal Development Charges issued by the National Treasury in 2018 and which reflects a broadly shared understanding of the role, purpose, and legal nature of Development Charges across the country.

c) Municipal Systems Act, Act 32 of 2000. The following sections and chapters of the Act:

i) Section 4(1) (c) contains provisions like the constitutional provision referred to in a) above.

ii) Section 74 and subsections 2(e), (f) and (g), makes specific provision for the generation of income by the municipality over and above recovering actual costs, the structuring of a tariff structure as a policy instrument to promote local economic development and the introduction of special tariffs for certain categories of commercial and industrial uses.

iii) Chapter 5 that makes provision for the establishing of objectives and plans applicable to sustainable development and, more and plans applicable to sustainable development and, more specifically, the provision of infrastructure. The chapter also deals with the statutory status of the said objectives and plans when development applications are considered.

d) Development Facilitation Act (No. 67 of 1995). Where an application is submitted in terms of this Act:

   i) Section 40 of the Act that provides for the basic principles as far as contributions are concerned and for a deviation from the basic principles, subject thereto that such a deviation be either specifically authorized by a development tribunal in terms of Section 33(2) of the Act, or alternatively, incorporated in a services agreement and approved by the said development tribunal.

   ii) Chapter 1 of the Act establishes general development principles.

   iii) Chapter 4 of the Act makes specific provision for the setting of objectives and plans applicable to sustainable development and, more specifically, the provision of infrastructure. The chapter also deals with the statutory status of the said objectives and plans when development applications are considered.

e) Town Planning and Township Ordinance (No. 15 of 1986). Where an application is submitted in terms of this Ordinance, the provisions of the Ordinance according to which an Applicant is required to contribute towards Engineering Services.

f) Division of Land Ordinance, 20 of 1986, as amended by Act 36 of 1992. Where an application is submitted in terms of this Ordinance, the provisions of the Ordinance according to which an Applicant is required to contribute towards Engineering Services.

g) National Environmental Management Act, Act 107 of 1999. Section 2 of the Act provides general principles for development.

h) Development Charges are currently provided for in terms of Section 42 of the Land Use Planning Ordinance (LUPO), 15 of 1985. When an approval is granted for a land use change in terms of LUPO, then the MLM is empowered to impose conditions in terms of section 42(2).

   These conditions can include:

   i. The payment of money which is directly related to requirements resulting from the changed land use in respect of the provision of necessary services to the land concerned.

   ii. The new Land Use Planning Act (LUPA) as approved on 31 March 2014 and gazetted on 10 April 2014 will be brought into effect on a date which has yet to be determined by proclamation in the Provincial Gazette. Development Charges will then be provided for in terms of section 40 of LUPA.

   iii. The enabling planning legislation can give this power to a municipality through the province's legislative power to regulate, concurrently with the national legislature, issues relating to '*municipal planning*', which includes land use and land development (see Section 104 together with Schedule 4 of the Constitution). National legislation, through Section 75A of the Municipal Systems Act, further empowers a municipality '*to levy and recover fees, charges or tariffs in respect of any function or service of the municipality*'.

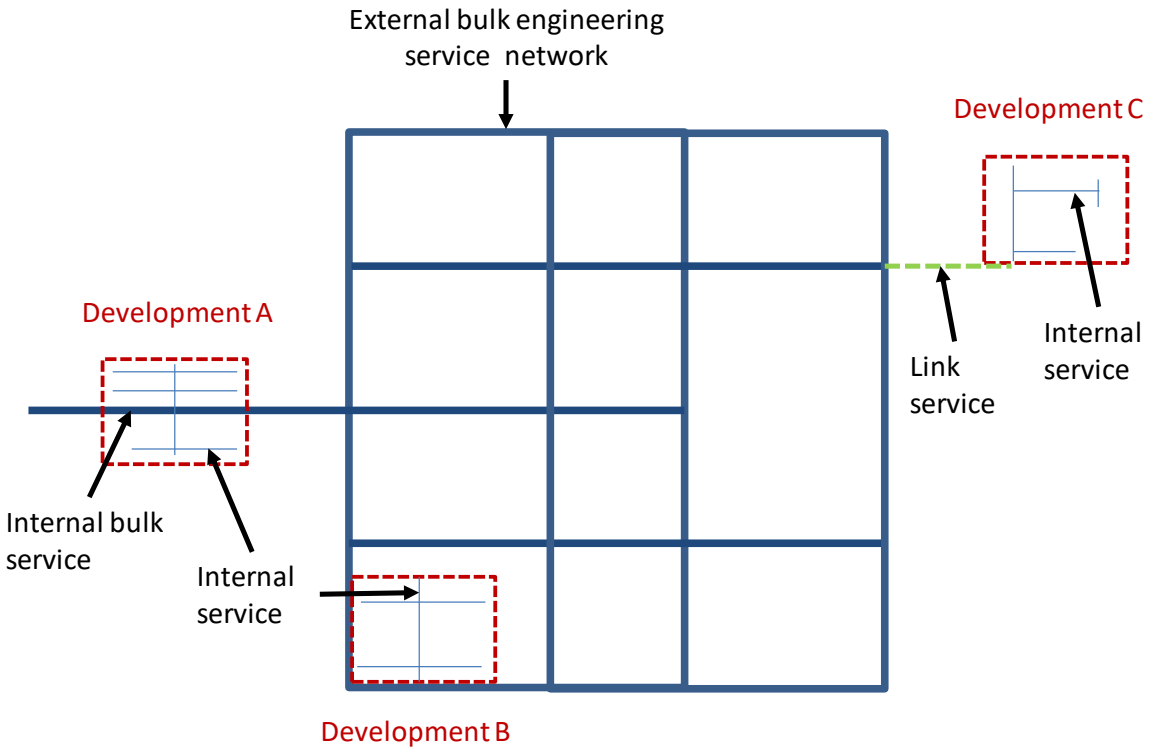
i) The Financial Framework for the management and control of Engineering Service Contributions have been established in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

7. DEFINITION OF DEVELOPMENT CHARGE COMPONENTS

Section 7 of the **National Treasury Guidelines for Implementation of Municipal Development Charges** in South Africa sets out the various components to be considered when calculating development charges in the municipality. The most important rule is that Development Charges are used to pay for external services: i.e., municipality-wide services that must be increased by the municipality to account for the impact of new land use. Internal services, i.e., services constructed on the developer's property for the sole purpose of development, are charged to the developer itself. External services, for which the Development Charges are used, are divided into bulk and link services. The bulk services are provided by the municipality but paid for by the developer's payment of Development Charges. The link services must be installed by the developer. Table 1 below illustrates the approach to bulk and link services in the Development Charges policy.

Table 1: Definition of infrastructure components

Component			Definition	Paid for by
External engineering service	Bulk	External bulk	Services external to the development site boundary serving multiple users at a municipality-wide scale as indicated in the relevant master plans	Developers through DC – **calculated by formula**
		Internal bulk	As above, but passing through the site boundary	
	Link		Services external to the development site boundary are required to connect internal engineering services within the proposed development to existing or proposed bulk engineering services	Developer as part of development cost
Internal engineering service			Services within the development site boundary to service that development and which will be transferred to the municipality	Developer as part of development cost



8. DEVELOPMENT APPLICATIONS REQUIRING DEVELOPMENT CHARGES

Changes in land use or zoning give rise to a Development Charge where there is a more intensive use of the land and a resulting increase in the burden on the infrastructure. Development fees are imposed on all such applications where the municipality is incurs additional capacities from a development application in terms of the applicable land use or planning legislation.

8.1 DEVELOPMENT CHARGES APPLY TO THE FOLLOWING:

a) Rezoning Applications

b) Subdivision Application

c) Consent use Application

d) Any Application for the revision of conditions of a previous approval where the condition restricted the land use, floor space, GLA or coverage.

8.2 DEVELOPMENT CHARGES DO NOT APPLY:

a) Rezoning applications from one zoning to another with less or no impact on engineering services.

b) Subdivisions with less or no additional impact on engineering services.

c) Departure applications for building lines, height, or other similar factors, which do not result in additional impact on Engineering Services.

d) Consolidation applications not accompanied by rezoning or additional rights applications.

e) Consent use applications if there is lesser or no impact on the infrastructure of the property's previous rights applicable.

8.3 SERVICE LEVEL AGREEMENT

8.3.1 In agreement with the municipality, a developer may install bulk engineering services in lieu of Development Charges.

8.3.2 The Developer may deduct the cost of the bulk infrastructure to be installed from the developer Charges for that specific development, provided that:

a) a written service agreement shall be entered into between the developer and the municipality. The service agreement must specify the infrastructure to be provided in lieu of Development Charges and the standards by which the infrastructure will be constructed. It should also specify the cost of the infrastructure and the assets to be transferred to the municipality,

b) Cost of bulks are less than 30% of the Development contribution and the scope of works can be written in the approval letter as conditions of approval,

c) the developer and the municipality sign the service agreement prior to the commencement of the work to be provided in lieu of development fees,

d) the implementation program and expected handover date are documented,

e) in terms of local government legislation, the Municipality shall not otherwise issue any clearance otherwise outstanding to the developer or approve a building plan related to the development prior to the fulfilment of the commitment and a guarantee has been provided.

f) procurement of a service provider to construct and install the infrastructure specified in the service agreement must comply with the following:

i. The process followed by the developer for calling for bids from infrastructure providers must be fair and competitive. The developer should appoint the bidder offering the most cost-effective bid.

ii. the Municipality reserves the right to participate as an observer in the bidding process to ensure that it is fair, and a sensible selection is made.

iii. the developer shall keep accurate records of payment to verify final payment certificates.

iv. the Municipality may have access to all applicable records relating to the construction process.

8.3.3 The final value of the transferred assets transferred must be verified in correlation with the original development charges, and the balance owed by the developer must be paid in full.

8.3.4 Where the developer installs external infrastructures, whose value is higher than the Development Charge required by the municipality, the additional amount can be offset against the development fees for the subsequent phases of the same development.

9. METHODOLOGY FOR DETERMINING UNIT COST

A developer's overall Development Charge liability is calculated based on the impact on municipal services infrastructure that a development will have, multiplied by a pre-determined unit cost. This can be illustrated as:

J.4

Water supply
Design considerations

Equation J.3: Per capita method for calculating AADD

AADD (kL/d) = Unit Water Demand per capita (L/c/d) × population ÷ 1 000

Table J.2: Recommended unit Average Annual Daily Demands

Land use		Density #1 units/ha	Stand size #1 m²	Unit of measure	Water demand (AADD)	
					kL/ha/d #1	kL/unit/d #3
Residential stands	High density, small sized	20 to 12	400 to 670	kL/unit	11	0.60 to 0.80
	Medium density, medium sized	12 to 8	670 to 1 000	kL/unit	9	0.80 to 1.00
	Low density, large sized	8 to 5	1 000 to 1 600	kL/unit	8	1.00 to 1.30
	Very low density, extra large sized	5 to 3	1 600 to 2 670	kL/unit	7	1.30 to 2.00
Stands for low-income housing (waterborne sanitation)	High density, small sized	30 to 20	270 to 400	kL/unit	9	0.30 to 0.40
	Medium density, medium sized	20 to 12	400 to 670	kL/unit	7	0.40 to 0.50
	Low density, extra large sized	12 to 8	670 to 1 000	kL/unit	6	0.50 to 0.60
Stands for low-income housing (dry sanitation)	High density, small sized	30 to 20	270 to 400	kL/unit	7	0.25 to 0.30
	Medium density, medium sized	20 to 12	400 to 670	kL/unit	6	0.30 to 0.35
	Low density, extra large sized	12 to 8	670 to 1 000	kL/unit	4	0.35 to 0.40
Group/cluster housing	High density	60 to 40	130 to 200	kL/unit	21	0.40 to 0.45
	Medium density	40 to 30	200 to 270	kL/unit	17	0.45 to 0.50
	Low density	30 to 20	270 to 400	kL/unit	14	0.50 to 0.60
Flats	Very high density	100 to 80	80 to 100	kL/unit	25	0.25 to 0.30
	High density	80 to 60	100 to 130	kL/unit	23	0.30 to 0.35
	Medium density	60 to 50	130 to 160	kL/unit	21	0.35 to 0.40
	Low density	50 to 40	160 to 200	kL/unit	19	0.40 to 0.45
Agricultural holdings	Including irrigation	< 3	< 2 670	kL/unit	12	4.00
	Domestic water only	< 3	< 2 670	kL/unit	6	2.00
Golf estate - excluding golf course water requirements		< 3	< 2 670	kL/unit	9	3.00

J.4

Water supply
Design considerations

Table J.4: Typical AADD unit demands for special land use categories

Land use		Unit demand	Unit of measure
Residential type of development			
Living units, student housing, tenement buildings, orphanages and hostels (units between 20 m² and 40 m²)	According to bed	0.30	kL/bed
	Building according to FAR	1.20	kL/100m²
	Grounds only	12	kL/ha
Business type of development			
Abattoir	Cattle	0.80	kL/cattle head
	Pig	0.40	kL/pig head
	Sheep	0.14	kL/sheep head
	Fowl	0.80	kL/100 fowl
Brewery (usage for the production of 1 L of beer)		10	L/1 L of beer
Car wash facility	Wash bay	10	kL/wash bay
	Cars	0.20	kL/car
Fuel depot		0.40	kL/100 m²
Garage or filling station		0.80	kL/100 m²
Industrial (wet)	Development specific	-	kL/100 m²
Motor city/retail park as a single zoning (car sales + limited offices 100 m²)		0.60	kL/100 m²
Taxi rank (with ablution facilities)		0.30	kL/100 m²
Wellness centre, gymnasium		2.40	kL/100 m²
General type of development			
Cemetery		12	kL/ha
Club	Buildings only	2.40	kL/100 m²
	Grounds only	12	kL/ha
Church	Buildings only	0.30	kL/100 m²
	Grounds only	12	kL/ha
Nursery	Buildings only (sales area)	0.80	kL/100 m²
	Planting and production area	12	kL/ha
Park	Buildings only	0.40	kL/100 m²
	Grounds only	12	kL/ha
Parking grounds (car park)		3	kL/ha
Private open space		12	kL/ha
Roads		0	kL/ha
School, crèche, educational	Buildings only	60	L/student
	Grounds only	12	kL/ha
Sport grounds	High intensity < 2 ha	50	kL/ha
	High intensity 2 to 10 ha	40	kL/ha
	High intensity >10 ha	30	kL/ha
	Low intensity	12	kL/ha
Stadiums	Buildings only	1.50	kL/1000 seats
	Grounds only	12	kL/ha
Zoological activities	Buildings only	0.60	kL/100 m²
	Grounds only	12	kL/ha

Land use	Density #1 units/ha	Stand size #1 m²	Unit of measure	Water demand (AADD)	
				kL/ha/d #1	kL/unit/d #3
Retirement village	20 to 12	400 to 670	kL/unit	11	0.60 to 0.80
Business/commercial	FAR = 0.4	n.a.	kL/100 m² #2	21	0.65
Industrial	FAR = 0.4	n.a.	kL/100 m² #2	13	0.40
Government institutions	FAR = 0.4	n.a.	kL/100 m² #2	13	0.40
Warehousing	FAR = 0.4	n.a.	kL/100 m² #2	10	0.30
Institutional	FAR = 0.4	n.a.	kL/100 m² #2	20	0.60
Municipal services	FAR = 0.4	n.a.	kL/100 m² #2	20	0.60
Educational	FAR = 0.4	n.a.	kL/100 m² #2	20	0.60

#1 - Assumed net area factor = 0.8 x gross area (20% allowance for roads, servitudes and public open spaces)

#2 - FAR (Floor Area Ratio) is the ratio of the floor area of a building to its site area. Also referred to as FSR (Floor Space Ratio).

#3 - Unit type as defined in the column "unit of measure"

d = day

Table J.3: Residential AADD (per capita)

Land use		Persons per unit	Typical AADD #1 L/c/d	AADD range #1 L/c/d
Standpipe		5	25	10 to 40
Yard connection	With dry sanitation	5	50	40 to 60
	With low-flow (LOFLOs) sanitation	5	60	50 to 70
	With full-flush sanitation	5	70	60 to 80
House connection	Low-income housing	5	90	60 to 120
	Residential	5	230	120 to 400
	Group/cluster housing	3 to 5	120	130 to 120
	Flats	1 to 4	150	250 to 110

#1 - per capita calculated on persons per unit

Table J.4: Typical AADD unit demands for special land use categories

Land use		Unit demand	Unit of measure
Residential type of development			
Frail care centres and hospitals	According to bed	0.60	kL/bed
	Building according to FAR	1.20	kL/100m²
	Grounds only	12	kL/ha
Gate house for security villages		0.30	kL/unit
Guest houses, boarding houses, lodges	Single room	0.30	kL/single room
	Double room	0.60	kL/double room
Hotels, guest houses, lodges, boarding houses, retirement centres & villages	Buildings according to FAR	0.90	kL/100m²
	Grounds only	12	kL/ha

J.4.1.5 Peak demand

Where a peak demand is required for design purposes as per design requirements set out in Section J.4.5, calculate this as the product of the Total Average Annual Daily Demand (TAADD) and a Peak Factor (PF). Peak factors for the peak hour, day and week are provided in Table J.9. Use the TAADD for a supply zone to select the appropriate peak factors for different land use categories.

Table J.9: Recommended peak hour, day and week factors, based on land use

Predominant land use	TAADD (kL/d) in supply zone	PF_{week}	PF_{day}	PF_{hour}
Low-income housing (LIH)	<1 000	1.50	1.90	3.60
	1 000 - 5 000	1.40	1.80	3.40
	5 000 - 10 000	1.35	1.70	3.30
	10 000 - 15 000	1.30	1.50	3.20
	15 000 - 20 000	1.25	1.40	3.10
	>20 000	1.25	1.40	3.00
Residential (RES)	<1 000	1.80	2.20	4.60
	1 000 - 5 000	1.65	2.00	4.00
	5 000 - 10 000	1.50	1.80	3.60
	10 000 - 15 000	1.40	1.60	3.50
	15 000 - 20 000	1.35	1.50	3.30
	>20 000	1.30	1.50	3.00
Business/commercial/ industrial (BCI)	<5 000	1.45	1.70	3.30
	5 000 - 10 000	1.30	1.60	3.15
	>10 000	1.25	1.50	3.00
Large single users (LRG)	>500	1.45	1.70	2.50
Inner city (CBD)	<5 000	1.30	1.60	2.00

Example: Determine the relevant peak factors for each land use based on the total zonal demand. For instance, in a zone comprising of 4 000 kL/d of BCI and 4 000 kL/d of residential use, the total demand is 8 000 kL/d, and the appropriate PF_{hour} for the two land use classes are 3.15 and 3.6 respectively. The Peak Hour Demand is then calculated as follows, converted from kL/d to L/s:

BCI: 4 000 kL/d × 3.15 = 12 600 kL/d ÷ (60 min × 60 sec × 24 h ÷ 1 000) = 145.83 L/s

RES: 4 000 kL/d × 3.6 = 14 400 kL/d ÷ (60 min × 60 sec × 24 h ÷ 1 000) = 166.67 L/s

Total Peak Hour Demand = 312.50 L/s

K.4 Sanitation

Design considerations

Table K.4: Demands and hydrographs for different land use categories

Land use		Density #1 units/ha	Stand size #2 m²	Unit of measure	Water demand (AADD)		Sewer flow (excl. infiltration) (Unit PDDWF) #4		
					kL/ ha/d	kL/ unit/d #3	% AADD	kL/ unit/d #3	Unit Hydro-graph (UH)
Residential stands	High density, small sized	20 to 12	400 to 670	kL/unit	11	0.60 to 0.80	80% to 70%	0.48 to 0.56	UH5
	Medium density, medium sized	12 to 8	670 to 1 000	kL/unit	9	0.80 to 1.00	70% to 60%	0.56 to 0.60	UH3
	Low density, large sized	8 to 5	1 000 to 1 600	kL/unit	8	1.00 to 1.30	60% to 55%	0.60 to 0.72	UH2
	Very low density, extra-large sized	5 to 3	1 600 to 2 670	kL/unit	7	1.30 to 2.00	55% to 40%	0.72 to 0.80	UH1
Stands for low-income housing (waterborne sanitation)	High density, small sized	30 to 20	270 to 400	kL/unit	9	0.30 to 0.40	95% to 90%	0.29 to 0.36	UH4
	Medium density, medium sized	20 to 12	400 to 670	kL/unit	7	0.40 to 0.50	90% to 85%	0.36 to 0.43	UH4
	Low density, extra-large sized	12 to 8	670 to 1000	kL/unit	6	0.50 to 0.60	85% to 80%	0.43 to 0.48	UH4
Stands for low-income housing (dry sanitation)	High density, small sized	30 to 20	270 to 400	kL/unit	7	0.25 to 0.30	n.a.	n.a.	n.a.
	Medium density, medium sized	20 to 12	400 to 670	kL/unit	6	0.30 to 0.35	n.a.	n.a.	n.a.
	Low density, extra-large sized	12 to 8	670 to 1 000	kL/unit	4	0.35 to 0.40	n.a.	n.a.	n.a.
Group/ cluster housing	High density	60 to 40	130 to 200	kL/unit	21	0.40 to 0.45	95% to 90%	0.38 to 0.41	UH5
	Medium density	40 to 30	200 to 270	kL/unit	17	0.45 to 0.50	90% to 85%	0.41 to 0.43	UH5
	Low density	30 to 20	270 to 400	kL/unit	14	0.50 to 0.60	85% to 80%	0.43 to 0.48	UH5

Table K.4: Demands and hydrographs for different land use categories

Land use		Density [#1] units/ha	Stand size [#2] m²	Unit of measure	Water demand (AADD)		Sewer flow (excl. infiltration) (Unit PDDWF) [#4]		
					kL/ ha/d	kL/ unit/d [#3]	% AADD	kL/ unit/d [#3]	Unit Hydro-graph (UH)
Flats	Very high density	100 to 80	80 to 100	kL/unit	25	0.25 to 0.30	100% to 98%	0.25 to 0.29	UH6
	High density	80 to 60	100 to 130	kL/unit	23	0.30 to 0.35	98% to 97%	0.29 to 0.34	UH6
	Medium density	60 to 50	130 to 160	kL/unit	21	0.35 to 0.40	97% to 96%	0.34 to 0.38	UH6
	Low density	50 to 40	160 to 200	kL/unit	19	0.40 to 0.45	96% to 95%	0.38 to 0.43	UH6
Agricultural holdings	Including irrigation	< 3	< 2670	kL/unit	12	4.00	40%	1.60	UH1
	Domestic water only	< 3	< 2670	kL/unit	6	2.00	80%	1.60	UH1
Golf estate - excl. golf course water requirements		< 3	< 2670	kL/unit	9	3.00	40%	1.20	UH2
Retirement village		20 to 12	400 to 670	kL/unit	11	0.60 to 0.80	80% to 70%	0.48 to 0.56	UH5
Business/commercial		FAR = 0.4	n.a.	kL/100m² [#2]	21	0.65	80%	0.52	UH7
Industrial		FAR = 0.4	n.a.	kL/100m² [#2]	13	0.40	80%	0.32	UH10
Government institutions		FAR = 0.4	n.a.	kL/100m² [#2]	13	0.40	80%	0.32	UH9
Warehousing		FAR = 0.4	n.a.	kL/100m² [#2]	10	0.30	80%	0.24	UH11
Institutional		FAR = 0.4	n.a.	kL/100m² [#2]	20	0.60	80%	0.48	UH9
Municipal services		FAR = 0.4	n.a.	kL/100m² [#2]	20	0.60	80%	0.48	UH9
Educational		FAR = 0.4	n.a.	kL/100m² [#2]	20	0.60	65%	0.39	UH8
Cemeteries		n.a.	n.a.	kL/ha	12	n.a.	n.a.	n.a.	n.a.
Parks		n.a.	n.a.	kL/ha	12	n.a.	n.a.	n.a.	n.a.
Sports fields		n.a.	n.a.	kL/ha	12	n.a.	n.a.	n.a.	n.a.

Notes:

[#1] - Assumed net area factor = 0.8 x gross area (20% allowance for roads, servitudes and open spaces)

[#2] - Floor area

[#3] - Unit type as defined in column 'Unit of measure'

[#4] - Regular flow + leakage and base flow

FAR (Floor Area Ratio) is the ratio of the floor area of a building to its site area. Also referred to as FSR (Floor Space Ratio)

K.4 Sanitation
Design considerations

Table K.8: Peak factors	
Land use	Peak factor
Residential – see Figure K.16	1.8 to 2.5
Business/commercial	1.3 to 1.5
Industrial – light	2.5 to 4.0
Industrial – heavy	2.0 to 3.0
Clinics, restaurants, laundromats and hotels	1.8 to 2.5

Note:
This method does not use the hydrograph peak, and thus a peak factor needs to be applied.

The peak flow rate, IPDWF (excluding infiltration), should be calculated as follows for each land use category:

IPDWF (excl. infiltration) (L/s) = Number of units [*EE*] × *PDDWF* (kL/d/unit) × *PF* × 1 000 ÷ (24 h × 60 min × 60 sec)

PDDWF (excl. infiltration) (kL/d) = Number of units [*EE*] × Unit *PDDWF* [*UQ*] (kL/d/unit)

ADDWF (excl. infiltration) (kL/d) = *PDDWF* (kL/d) ÷ Peak day factor

Where:

PF = Peak factor (from Table K.8)
UQ = Unit PDDWF for land use type (from Table K.4, second last column) in kL/d/unit
EE = Number of units or land parcels per land use type

Use Figure K.21 for selecting a peak factor for residential areas where the anticipated population is known. The peak factor reduces due to attenuation of peak flows in gravity sewer systems as the contributor area and population increase. The maximum recommended peak factor for residential areas is 2.5. If actual local peak factors are available, these should be used instead.

The tables used above are from **The Neighbourhood Planning and Design Guide Section K and J**, any additional calculation details can be done in line with the mentioned document, on Consult Engineering Planning for more details.

10. EXEMPTIONS

10.1 The Development Charges Policy is based on an equitable and sustainable model for providing infrastructure to support economic growth. The total cost of infrastructure for new development is allocated to new users according to the land use model and is based on each user paying for their share of the infrastructure.

10.2 Exemptions from development fees negatively impact the municipality's ability to provide infrastructure in a sustainable manner unless alternative funding is made available to offset the deficit created by exemptions. The municipality should therefore seek to minimize the number and value of exemptions and apply any exemption of Development Charges in an equitable, transparent, and administratively feasible manner.

10.3 Current land uses that are permitted as primary right in terms of the MLM Land use Scheme are not liable for DCs and do not require exemptions as there is no need for a land development application for the developer to exercise his or her, right?

10.4 Exemptions from Development Charges may only be granted by the municipality if it:

a) does so in accordance with a Council approved policy or Council resolution that complies with the requirements of national legislation and policy dealing with Development Charges, and which:

I. may exempt specified categories of land use or specified geographical areas or a combination of both; and

II. may not specify individual developers or properties.

b) a Council approved policy or Council resolution allowing for exemption from Development Charges liability must:

I. calculate the full liability for Development Charges that would otherwise have been received by the municipality were it not for the exemption.

II. make projections regarding revenue to be foregone for a period of at least three years; and

III. make budgetary provision for the realization of the associated revenue forgone from another realistically available source either through a specific capital transfer or an alternative capital budget vote.

10.5 Applications that qualify in terms of the Council-approved policy or Council resolution allowing for an exemption from Development Charges liability are not liable for Development Charges to the extent permitted by the policy or resolution, provided that:

a. the amount of the Development Charges liability for such application shall be sourced from alternative funding identified in the policy or resolution and transferred to the relevant asset-financing fund; and

b. The request for exemption must be approved by the Council.

10.6 The MLM must disclose the value of exemptions provided for each budget year in its annual report. No relief may be granted in respect of the payment of Development Charges to a category of properties or a geographical area other than by way of an exemption provided for in this policy.

10.7 No relief may be granted in respect of the payment of Development Charges to the owner of property or properties on an individual basis unless the Council approves.

11. ADMINISTRATIVE PROCESS

To implement this policy, the following implementation procedures will apply:

11.1 INFORMATION REQUIRED FROM THE DEVELOPER TO CALCULATE DEVELOPMENT CHARGES

In terms of the applicable legislation, the municipality may require from the developer any information necessary for it to evaluate an application. This includes information that will enable it to calculate the required Development Charge. These details, however, will vary according to the type of land use change envisaged as well as the scale of the proposed project.

11.2 APPLICATION PROCEDURE

11.2.1 Land development applications must be submitted to the Development planning for approval.

11.2.2 A Department may impose conditions relating to the development and conditions relating to Development Charges. This must include conditions relating to the time within which payment must be made.

11.2.3 If a developer wishes to obtain additional development rights in the future over the rights already approved, a new application will be necessary in terms of the relevant planning legislation and the Development Charges must be recalculated.

11.2.4 The final Development Charges must form part of the conditions to be approved and must be reflected in the calculation.

11.2.5 The final approval of the conditions will be binding in terms of the relevant land use or planning legislation. Section 51 of SPLUMA makes provision for appeals against the decisions of a municipality in relation to Development Charges which should be referred to the Director Infrastructure.

11.3 PAYMENT OF DEVELOPMENT CHARGES

11.3.1 The conditions which must be included with a land development application must set out the payment requirements and must specifically indicate:

a) the total to be paid and include provisions for escalation over time; and

b) the date when the Development Charge is payable and in the case of phased developments, may include more than one payment date.

11.3.2 Payment shall be made as follows, unless the conditions of approval indicate otherwise:

a) prior to the issuing of a subdivision clearance certificate which would allow the transfer of the first unit.

b) prior to approval of building plans in the case of an application with no subdivision required.

c) prior to commencement of any activity on site in accordance with the application where no subdivision or building plans approval is required.

11.3.3 Where a developer has not conformed with his Development Charge liability, the Municipality may deny any approval in terms of planning or building control legislation.

11.3.4 Where the development involves subdivision of land, no transfer of a certificate of registered title may be concluded of any portion of land until the Development Charge has been paid.

11.3.4 The Municipality must withhold both building plan approval and the certificate of occupation until the Development Charge has been paid where there is no transfer.

11.3.4 If a developer continues with exercising his or her rights without the paying of Development Charges in agreement with the conditions of approval, no transfer of that erf, or registration of a certificate of registered title, may be processed or approved until the Development Charge has been paid.

11.3.5 The Municipality must impose a condition that confirms that the land use becomes unlawful in the case of non-payment of the required Development Charge, enabling the Municipality to invoke its enforcement measures with regards to unlawful land use.

11.3.6 The Municipality may approve a development in phases in more complex projects which will allow the developer to pay Development Charges at the beginning of each approved phase.

11.3.7 The municipality may agree to defer payment of a Development Charge where external engineering services are provided in lieu of Development Charges by the developer. A service agreement should be signed between the municipality and the developer, and the developer should provide a written guarantee from a registered financial services provider to cover any risk to the municipality.

11.4 INFRASTRUCTURE IN LIEU OF DEVELOPMENT CHARGE

11.4.1 In agreement with the Municipality, a developer may install bulk engineering services in lieu of Development Charges.

11.4.2 The developer may deduct the cost of the bulk infrastructure to be installed from the Development Charges for that specific development, provided that:

a) a written Services Agreement is entered between the developer and the Municipality. The Services Agreement must specify the infrastructure to be provided in lieu of Development Charges and the standards to which the infrastructure is to be built. It should further specify the cost of the infrastructure and the assets to be transferred to the Municipality.

b) the developer and the Municipality sign the Services Agreement prior to commencement of the works to be provided in lieu of Development Charges.

c) the implementation programme and expected transfer date is documented.

d) in terms of local government legislation, the Municipality may not issue any clearance otherwise outstanding to the developer or approve a building plan in relation to the development prior to the fulfilment of the commitment and provision of a guarantee.

e) procurement of a service provider/s by a developer to build and install the infrastructure specified in the Services Agreement shall comply to the following:

I. The process followed by the developer for calling for bids from infrastructure providers must be fair and competitive. The developer should appoint the bidder offering the most cost-effective bid.

II. the Municipality reserves the right to participate as an observer in the bidding process to ensure that it is fair, and a sensible selection is made.

III. the developer shall keep accurate records of payment to verify final payment certificates.

IV. the Municipality may have access to all applicable records relating to the construction process.

11.4.3 The final value of the assets transferred must be checked in correlation with the original Development Charges and any balance due by the developer must be paid in full.

11.4.4 Where the developer installs external infrastructure of a higher value than the Development Charge required by the Municipality the additional amount may be offset against the Development Charges for following phases of the same development.

11.5 TRANSITIONAL ARRANGEMENTS

11.5.1 This policy is an effective document that is being updated every financial year.

11.5.2 Development applications approved prior to the approval of the new Development Charges Policy will not be charged any contributions unless there is a decision Letter stating otherwise from the MPT or a resolution involved, and all new developments approved after the date of approval of the new Development Charges Policy will be subject to the new policy.

12 MONITORING, EVALUATION AND REVIEW

12.1 MONITORING

The Finance Department will be responsible for monitoring the collection and use of the Development Charges. The use of Development Charges should be reported on in the Council's Annual Report and be subject to the Council's standard auditing procedures.

12.6 EVALUATION AND REVIEW

The following information, broken down by service, must be published annually by the Council and used for evaluation and review of the policy:

a) Value of Development Charges levied.

b) Value of Development Charges received.

c) Value of the external infrastructure provided by developers as payment in kind.

d) Expenditure from all Development Charges funds; and

e) Value of rebates/exemptions awarded and sources of alternative funding.

12.3 REVIEW

12.3.1 This policy should be reviewed when the need to do so arises. Triggers for the review of this policy include situations where:

a) the growth trajectory of the Council deviates significantly from the projected land use model.

b) the engineering service provision responsibilities of the Council are amended.

c) new technologies arise that affect the capital costs of installing engineering services; or

d) The indicators outlined at 12.2 above reflect an under- or over-recovery of bulk infrastructure costs.

12.3.2 The assessment of a Development Charge is an administrative action regulated by law (including the requirements of procedural fairness, legality, and reasonableness, as provided for in the Promotion of Administrative Justice Act, 3 of 2000) and is also procedurally subject to the municipal budget process. This provides scope for annual public consultation. Thus, policy review will be integrated into the annual budget process, where it will be possible to involve stakeholders in policy review. The unit rates for the calculation of Development Charges will be published with the Council's annual budget for Council consultation and approval.

13. Calculation Sheet

MATJHABENG LOCAL MUNICIPALITY

PROJECT NAME: MATJHABENG MIXED USE DEVELOPMENT

Erf Number:	
Town:	
Developer / Owner:	
Erf size (M2):	
Date (YYYY/MM/DD):	
Contact Details:	
VOTE NO & DISCRIPTION:	3612 1385 340FJZZZZZWM (Development Charges)

CODE	LAND USE	UNIT	DEVELOPMENT PARAMETERS	
			EXISTING RIGHT	TOTAL NEW RIGHT
RESIDENTIAL				
A1	Single Residential > 1000m²	Dwelling unit		
A2	Single Residential > 650m²	Dwelling Unit		
A3	Single Residential > 350m²	Dwelling Unit		
A4	Single Residential < 350m²	Dwelling Unit		
A5	State funded Housing	Dwelling Unit		
A6	GAP/ Affordable Housing	Dwelling Unit		
A7	Group Housing > 650m²	Dwelling Unit		
A8	Group Housing > 200m²	Dwelling Unit		
A9	Group Housing < 200m²	Dwelling Unit		
A10	Flat > 100m²	Dwelling Unit		
A11	Flat < 100m²	Dwelling Unit		
A12	Second/ Additional Dwelling/ Granny Flat	Dwelling Unit		
A13	Rural/ undetermined/ Agriculture	Dwelling Unit		
A14	Rural Intensification / Agri subdivisions	Dwelling Unit		
ACCOMODATION ESTABLISHMENTS				
B1	Hostel	Rooms m²		
B2	Accomodation Establishments	Rooms m²		
BUSINESS				
C1	General Business	m² GLA		
C2	Office	m² GLA		
C3	Retail/Shop	m² GLA		
INDUSTRIAL				
D1	Warehouse	m² GLA		
D2	Industrial	m² GLA		
INSTITUTTIONAL/ COMMUNITY				
E1	Early Childhood Development Centres / Home child care	Learner m² GLA		
E2	Universities / Shools/ Government Institutions	Learner m² GLA		
E3	Care / Accomodation (Hospital, Clinic, Old age home)	Bed m² GLA		
E4	Offices/ Consultaion rooms (welfare offices, clinics, hospitals & env. Facilities)	m² GLA		
E5	Open spaces/ Public Open Spaces	m²		
E6	Meeting Places (Places of assemly, Place of worship	m² GLA		
E7	Land uses not reflected on Calculator	Actual Demand		

Is the Development located within Public Transport zone ?		Yes X	No

Calculating of bulk engineering services component of Development Charge

Service	Units	Additional Demand	Unit Cost	Amount	VAT	Total
Transport	Peak Period	0.00	R 2 106.00	R0.00	R 0.00	R 0.00
Roads	Trips/ day	0.00	R 423.19	R0.00	R 0.00	R 0.00
Storm water	ha*C	0.00	R 21 042.01	R0.00	R 0.00	R 0.00
Sewerage	kl/day	0.00	R 3 400.21	R0.00	R 0.00	R 0.00
Water	kl/day	0.00	R 1 522.14	R0.00	R 0.00	R 0.00
Total Bulk Development Charge Payable				**R 0.00**	**R 0.00**	**R 0.00**

MATJHABENG LOCAL MUNICIPALITY			CLIENT
Calculated by:	Approved by:		Received :
Signature :	Signature :		Signature :
Date :	Date :		Date :

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14. REFERENCES

- *National treasury Republic of South Africa. Guidelines for the Implementation of Municipal Development Charges in South Africa. Draft final 15 February 2018.*
- *National treasury Republic of South Africa. Municipal Finance Management Act No.56 of 2003.*
- *Overstrand Municipality Development Contribution Policy. Approved by Council 25 May 2016.*
- *Mogale City Local Municipality Development Contribution for Engineering Services 15 November 2010.*
- *Constitution of the Republic of South Africa, Act 1996.*
- *Municipal Systems Act, Act 32 of 2000.*
- *National Environmental Act, Act 107 of 1999.*
- *Land Use Planning Act (LUPA).*
- *Town Planning and Township Ordinances Act no.15 of 1986*
- *Rural development and land reform Spatial Planning and Land use Management Act, Act No. 16 of 2013.*
- *Matjhabeng Land Use Management Scheme.*

Policy Section:	Infrastructure: Engineering Planning
Aproval by council:	
Next review date:	