



PAYMENT OF BULK DEVELOPER CONTRIBUTIONS POLICY

2026/2027 FINANCIAL YEAR



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1. Preamble

- 1.2 The progressive realisation of fundamental constitutional rights *inter alia* requires township development. Township development in turn requires the provision of engineering services.
- 1.3 Local government must ensure the provision of engineering services to communities and promote social and economic development in a sustainable manner. As a general principle local government should within budgetary constraints accept responsibility for the installation and financing of external engineering services.
- 1.4 As a general principle for township developers is that the onus is on them to be responsible for the installation and financing of internal engineering services.
- 1.5 Local government has the discretionary power when granting development approvals to impose conditions in relation to the provision of engineering services and the payment of money which is directly related to requirements resulting from those approvals in respect of the provision of the necessary services to the land to be developed.
- 1.6 Local government must act in accordance with the law when exercising those powers.

2. Purpose of Policy

- 2.1 The adoption of policy guidelines by organs of state to assist decision-makers in exercising their discretionary powers has long been accepted as legally permissible.
- 2.2 The purpose of this policy document is first to assist and guide municipal decision-makers in the exercise of their discretionary powers when considering appropriate conditions of approval to be imposed under the Midvaal Spatial Planning and Land Use Management By-Law (SPLUM By-Law); their negotiations with developers relating to the payment of

development contributions and the division of engineering services costs between the Municipality and Applicants; and

2.3 The application of the calculation methods for Development Contributions as outlined in the Reports defined below.

2.4 The purpose of this policy document is also to inform interested and affected parties regarding the principles and calculation methods of development contributions and the process to be followed in reaching and recording agreements in respect thereof; and ensure the provision of adequate engineering services and / or payment of development contributions in respect of new developments.

3. Need for Calculating Bulk Services Contributions (Development Contributions)

3.1 Background

A Local Authority may request “Development Contributions”, which means financial contributions calculated in accordance with this policy document, which an Applicant is required to make in terms of conditions of approval imposed by the Municipality when granting approvals under the Midvaal Spatial Planning and Land Use Management By-Law (SPLUM By-Law) and which relate to requirements resulting from those approvals in respect of the provision of the necessary engineering services to the land to be developed.

Where sewer purification services are rendered by the Ekurhuleni Metropolitan Municipality (ERWAT) the calculation of bulk contributions for sewer purification will be in terms of their policy in addition to the policy and tariffs of the Midvaal Local Municipality.

3.2 Rezoning

Where an amendment scheme comes into operation in terms of Section 39(8) of the SPLUM By-Law, the ED: Development & Planning, within 30 days, must notify the landowner of the payable contributions in terms of Section 42 aforementioned by-law. A copy of the Section 42 letter Contributions will be levied by finance on the date of the notification as an interim / provisional contribution.

The contribution becomes due and payable within 30-days after the expiry of the 60 days as contemplated in Section 42(3) of the SPLUM By-law.

In terms of Section 42(8), on request and for good cause shown, the Municipality may allow:

- payment in instalments for a period not exceeding three years,
- the transfer of the liability to a new purchaser, or
- the postponement of payment for up to three years, subject to appropriate security, guarantees, and conditions.

The Municipality may impose any condition it may deem fit, including a condition regarding interest.

4. Consent use

The contribution and the specified amount shall be payable within 30 days from the date of notification of approval in accordance with section 36(9) of the SPLUM By-law.

If no payment is received from the applicant/owner, Council when necessary, may recalculate the bulk contributions payable, subject to escalation costs or increase in tariff and/or fees and will be determined as and when the applicant/developer/owner wishes to exercise the new right.

On cancellation of the approved application Development & Planning will inform finance within 10 working days to remove the contributions from the system.

5. Written Consent

The contribution and the specified amount shall be payable within 30 days from the date of notification of approval.

If no payment is received from the applicant/owner, Council when necessary, may recalculate the bulk contributions payable, subject to escalation costs or increase in tariff and/or fees, and will be determined as and when the applicant/developer/owner wishes to exercise the new right.

On cancellation of the approved application, Development & Planning will inform Finance within 10 working days to remove the contributions from the system

6. Township establishment

The applicant will be informed of bulk and link contributions payable in accordance with a signed Services Agreement, subject to the conditions pertaining to such agreement.

7. Exemption of Bulk Contributions

The following land uses may be exempted from the payment of bulk or development contributions due to their limited scale, minimal impact on municipal infrastructure, and their contribution to social development and local economic support within residential areas:

- i. Early childhood development centres registered in terms of Social Services ECD Forum.
- ii. Day mothers up to 18 children per erf
- iii. Home Enterprise up to 40m²
- iv. Spaza shop up to 36m² per erf
- v. Second dwelling up to 80m² per property
- vi. Bed and breakfast establishment up to a maximum of 3 room of the existing dwelling per property

The above exemption shall be subject to the following conditions:

- a) The exemptions listed in this Policy apply only to the specific land uses and maximum floor areas or thresholds indicated.
- b) Where the size, scale, or intensity of the exempted use exceeds the specified limits, the Municipality may levy Development Charges on the additional floor area, units, or intensity in accordance with the applicable Development Charge methodology.
- c) Where an exempted land use is expanded, intensified, converted, or replaced with another land use that increases the demand for municipal infrastructure, the Municipality may require the payment of Development Charges for the additional impact created.
- d) The exemption shall not apply to future rezoning, subdivision, consolidation, or additional land development rights granted on the property that increase the demand for municipal services.
- e) The Municipality may withdraw or refuse the exemption where it is determined that the exemption has been misrepresented, incorrectly applied, or used in a manner inconsistent with the intent of this Policy.
- f) The granting of an exemption from contributions does not exempt the applicant from complying with any other planning, building control, engineering service, or municipal regulatory requirements.
- g) The granting of any exemption in terms of this Policy shall not create a precedent or establish a right for any other applicant or development to receive a similar exemption. Each application shall be considered on its own merits and in accordance with this Policy and applicable legislation.

8. General

- 8.1 Any arrangements regarding the payment of contributions are already delegated to the mayoral committee per resolution MC1211/12/2006 and such arrangements will be backed by an irrevocable bank guarantee. Any payment arrangement made may not exceed a period of 12 months.
- 8.2 The authority to cancel an approved application for consent use be delegated to the Executive Director: Development & Planning. This automatically authorises removal of outstanding contributions.
- 8.3 The authority to amend bulk contributions be delegated to the Municipal Manager on written request by the Executive Director's Development & Planning, and Engineering.
- 8.4 That all communication regarding the final bulk contributions payable be mailed to the property owner by registered post, email, or any means necessary.
- 8.5 Payment shall be made as follows, unless the conditions of approval indicate otherwise:
- a) prior to the issuing of a subdivision clearance certificate in terms of Section 53 of the of the SPLUM By-Law which would allow the transfer of the first land portion;
 - 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;

9. Conditions

- 9.1 If no payment is received from the applicant/owner within the prescribed from the date of the approval letter, Finance in conjunction with Engineering may recalculate the bulk contributions payable, subject to escalation costs or increase in tariff and/or fees and will be determined as and when the applicant/developer/owner wishes to exercise the new right.

This condition will come into immediate effect, and also apply to all applications that have already been considered but in respect of which external bulk contributions are still outstanding.

- 9.2 In the event of a Township Establishment application this condition shall form part of the Services Agreement.

- 9.3 The Executive Director: Engineering Services must recalculate the bulk contributions as and when required.

- 9.4 All land use applications where bulk contributions have not been paid within the prescribed from the date of the approval letter shall be re-circulated to the Department: Engineering Services in order to recalculate revised bulk contributions prior to the approval of building plans or any certificate enabling transfer of the newly subdivided portions.

10. Implementation

The policy will be effective as from 1 July 2026.