

Strategic Biodiversity Offset Framework Plan – Aalwyndal, Mossel Bay (Report 5 Summary)

1. Background and Purpose

This framework was commissioned by the **Western Cape Government’s Department of Economic Development and Tourism** with the Mossel Bay Municipality, CapeNature, and other stakeholders. Its aim is to manage biodiversity impacts of development in Aalwyndal by requiring **offsets**—conservation measures that balance ecological damage from development.

The report (Report 5) focuses on **management and financial arrangements** for implementing these biodiversity offsets. It draws on national guidelines and prior studies, and is intended to guide municipal decision-making.

2. Key Principles

- **Offsets must be long-term:** land set aside must remain protected and managed for decades (30+ years).
- **Developers/Landowners carry costs:** anyone impacting sensitive land is responsible for offset contributions.
- **Phased approach:**
 - **Phase 1** – On-site conservation (≈300 ha set aside as “Core Areas”).
 - **Phase 2** – Off-site conservation once on-site areas are saturated.
- **Offset Ratios:** 4:1 for most developments (impacting 1 ha means protecting 4 ha). For municipal essential services in core areas, 10:1 applies.

3. Financial Model

- **On-site conservation costs:** ≈R595,000/ha (far higher than off-site, ≈R160,000/ha).
- **Offset contributions:** Developers pay R160,000/ha impacted (to keep equity with off-site costs).
- **Funding gap:** The difference is covered by **annual conservation levies on all landowners** in Aalwyndal.
 - Initial levy proposed: **≈R13,940–R16,500 per developable hectare per year.**

- Levies adjust annually for inflation.
- Levies expected to generate ≈R4.4m annually over 30 years.
- **Total costs:** ~R179m over 30 years for conservation vs. ~R48m expected from developer offsets. Levies fill the gap.

4. Institutional Arrangements

Two models were evaluated:

- **Special Rating Area (SRA)** – levies collected by the Municipality alongside rates.
Not favored due to governance risks.
- **Master Homeowners Association (MHOA) – preferred option.**
 - Membership compulsory for all new developments.
 - Collects offset contributions and annual levies.
 - Holds conservation funds in trust.
 - Manages rezoning, servitude registration, and conservation actions (alien clearing, fire management, fencing, etc.).

5. Rezoning and Legal Tools

- Core Areas must be rezoned into **Open Space III or IV** (conservation zones).
- **Conservation servitudes** will be registered in favor of the MHOA.
- Development applications will carry **standard conditions:**
 - Payment of offset contributions (R640,000/ha “offset required” in 2025 values).
 - Payment of annual conservation levies (≈R16,500/ha).
 - Rezoning of sensitive areas to conservation zoning.
 - Membership in the MHOA.
 - Specialist search-and-rescue for endangered plant species.

6. Conservation Goals

- Secure ~656 ha of offsets (on-site and off-site combined).

- Maintain ecological corridors and watercourses.
- Support fire management and alien vegetation control.
- Long-term aspiration: upgrade areas to **Nature Reserve status**.

7. Implications for Landowners

- **Existing owners:** must comply with restrictions in Core Areas (no clearing native vegetation, responsible alien clearing).
- **New developments:** compulsory offset payments, levies, and HOA membership.
- Rezoning carries additional costs (R20k–R30k per property).
- Incentives considered (e.g., free rezoning periods, municipal rates rebates).

8. Conclusion

The plan introduces a **mandatory, structured conservation funding system** for Aalwyndal. Developers and homeowners will share responsibility via levies and offsets, coordinated by a Master HOA. While designed to secure biodiversity, it significantly shifts long-term financial obligations onto property owners and raises concerns over affordability, fairness, and property rights.

In plain terms:

The framework is not yet law but, if adopted, it would require landowners to fund conservation through **annual levies (≈R13k–R16k per hectare)** and developers to pay **offset contributions (up to R640k per impacted hectare)**. Sensitive land will be rezoned for conservation, with management transferred to a compulsory HOA.