



NORTH WEST HOUSING
CORPORATION

OFFICE OF THE CEO AND ACCOUNTING AUTHORITY

**TO: HON. MAKGOKGOWA
CHAIRPERSON ON PORTFOLIO COMMITTEE ON PREMIER,
FINANCE, COOPERATIVE GOVERNANCE, HUMAN
SETTLEMENTS AND TRADITIONAL**

**RE: RESPONSES TO THE QUESTIONS OF THE PORTFOLIO
COMMITTEE ON COOPERATIVE GOVERNANCE, HUMAN
SETTLEMENT AND TRADITIONAL AFFAIRS ON Q2
FY2024/25 AND ANNUAL PERFORMANCE PLAN (APP)**

1. Section 19 of the NWHC Act No.24 of 1982 as amended which provides the mandate for the NWHC , does not cater for the development of Smart Cities. Where in the Act are Smart Cities accommodated?

Response : *The chronicle of events:*

- (a) *The State President His Excellency Cyril Matamela Ramaphosa in his maiden statement made a policy pronouncement on Smart Cities and the Portfolio Committee cannot approve or disapprove of that;*
- (b) *In 2021 , during the Budget Speech, MEC M Cwaile also made a pronouncement on the Smart and Mega Cities and there were no objections to that effect; and the Budget Speech was accepted by the Legislature.*
- (c) *Hon. Premier KB Maape also made similar pronouncements and yet there were no objections raised.*

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- (d) *The Acting Premier Hon. NDP Maloyi and Hon. LK Mokgosi made policy statements on the smart and mega cities and the role of the NWHC in this regard and no objections were made hitherto;*
- (e) *Subsequently, MEC GO Molapisi also made a pronouncement on the role of the NWHC in the development of the smart cities, without any objections.*
- (f) *This program is a product of the resolution of the Board of the NWHC and the CEO consequently becomes an implementation official together with Management.*
- (g) *The Bophuthatswana Housing Corporation had previously built townships such as Tlhabane, Selosesha, Mothotlung, Pudumong etc. and the current government have not built a single mega city in the province and the status quo cannot continue.*
- (h) *The Apartheid spatial framework still persists, and the informal settlements are multiplying, and this service delivery problem is being deliberately used to decampaign the current government.*
- (i) *Any member of the Legislature who feels that there is embezzlement of funds in the development of the Smart and Mega Cities may approach the authorities or desist from abusing the indemnity of the forum to block their development.*

2. What does Smart and Mega Cities mean for the NW provinces?

Response: See attached a comprehensive presentation for easy read
Annexure A

3. Why are we not pursuing the council resolution from JB Marks?

Response: We attach hereto correspondence to JB Marks and wishes to bring to the attention of the committee that the municipality is run through the Constitution, Systems and Structures Act and no legislation empowers the Entity to interfere in their processes and wrestle them to that resolution. **Annexure B**

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4. How did you conduct Geotech studies and feasibility without securing land first?

Response: *It is both the Geotech and feasibility studies that determine the suitability of the land. It would not be prudent to secure the land and discover later that it is not suitable having spent massive amounts of money.*

5. Rework the Output Indicator on **Efficient Governance Structures** in the light of not having the Board appointed.

Response: *The Management does not have any authority to appoint the Board, however Section 49(b) of the PFMA makes provision of the appointment of the Accounting Authority in the stead of the Board. Therefore, the absence of the Board does not constitute any illegal act.*

6. Link the targets to the activities you can control.

Response: *Comment noted and the Entity will do likewise*

7. Pursue revenue from Morula Hotel as there is opportunity for income generation.

Response: *We have started with the income generation activities and put systems in place in this regard across all our debtors including Morula Hotel.*

8. Why are you not refurbishing the current flats rather than disposing them?

Response: *The current flats have not been maintained by the NWHC for over twenty years and any landlord who does not maintain their property is likely to not to collect rent. The Entity does not have the maintenance budget in particular and sufficient budget in general.*

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9. Provide compelling reasons for selling and not leasing the flats

Response: *The flats are not economically reparable and this effort is in line with the Government approach to give title deeds to the previously disenfranchised individuals.*

10. Remove indicator on number of Board Resolution implemented and replace it with Transformation of Enabling Legislation.

Response: *Noted*

11. What is the role of Property Development and Management Unit.

Response: *This is covered in the following budget programmes:*

Programme 2 – Property Development :

- *To provide housing related property development support in the areas of Project Planning and Feasibility Studies, Property Policy Development and Research, Fund Raising and Funding models.*

Programme 3 - Property management:

- *To provide property management services in the areas of Property Sales Management, Property Maintenance, Lease Management, Consumer Education, Township Establishment and Housing Solutions (Legacy Properties).*

12. Why does the NWHC assume the posture of a national entity when its jurisdiction is in the NW province?

Response: *The NWHC also has properties across the NW province's border and has the responsibility to manage those as well.*

Furthermore, it is because the South African government is a unitary state as opposed to federal and confederal.

This is manifest through its mandate from the NWHC Act:

In terms of Section 20(c) & (d) of the NWHC Act No.24 of 1982 as amended:

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(c) to purchase, sell, hire, lease out, exchange or otherwise acquire or dispose of, for the purposes of this Act, any land (whether developed or unimproved) or rights or interests therein or in connection therewith;

(d) to sell, lease out, exchange or otherwise dispose of any other property of or for the Corporation for the purposes of this Act.

13. Why is the NWHC borrowing money from the DBSA

Borrowing money from the DBSA is legal and the process is highly regulated and documented. This is a practice of the current government as well.

Regards



BISHOP SE MOGODIRI

CEO: NWHC

DATE: 14 NOVEMBER 2024

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