

North West SCOPA Lambasts Mahikeng Local Municipality's Failure to Investigate R144 Million Illegal Sale of Land at R54 Million Abandoned Housing Project in Mahikeng

The North West Provincial Legislature's Standing Committee on Provincial Public Accounts (SCOPA) has strongly lambasted Mahikeng Local Municipality's continuous failure to investigate the illegal sale of land near Unit 3 for R144 million to a private company for a housing project. This follows a meeting with the municipality, Local Government and Finance Departments to account on the R54 million abandoned housing project in such illegal purchased land.

The municipality admitted in the meeting, that no internal investigation was conducted to charge officials responsible for illegal sale of the land where R54 million abandoned housing projected is located, although a title deed was issued to the purchaser.

According to the Acting Municipal Chief Financial Officer, Mr. Terrence Mathe, a company named Hawks Landing, purchased a portion of the land for R144 Million of which a deposit of R5 million was paid into the municipal accounts. "Although the company went bankrupt and later, the land was auctioned and purchased by Marang Estates Development and Zastrofusion PTY Ltd, the outstanding balance of R139 million was never paid to the municipality but a title deed was issued and no internal investigation was conducted for such maladministration," said Mr. Mathe.

Presenting on the R54 million abandoned housing project on such portion of land in Unit 3, Head of the Local Government department, Mr. Ephraim Motoko said in 2013/14, the department entered into an agreement with the developer, Mahikeng Project Securitisation (RF) Pty Ltd, trading as Marang Estates Development and Social Housing Regulatory Authority (SHRA). The department contribute R54 million and the other amount was to be contributed by the developer and SHRA for Phase 1 to complete 612 of the overall 2400 planned housing units.

“The amount was transferred to the developer where construction commenced until it was brought to a halt by the National Home Building Registration Council (NHBRC) for non-compliance due to non-enrolment of the project in 2013/14,” said Mr. Motoko.

He confirmed that there is also an investigation by state security agencies on the overall project and it includes illegal sale of the portion of the land.

SCOPA Chairperson, Hon. Mahlakeng Mahlakeng said although government has lost over R139 million plus interest due to such illegal sale, the municipality has failed to internally charge its officials for the gross error.

“Responsible officials for the illegal granting of title deed when the purchaser only paid R5 million should be strongly condemned.

“The municipality’s only excuse is that the Hawks and other state security agencies are investigating and that some documents were stolen. Government has lost over R54 million of tax payers money on a failed housing project but there is no accountability. The unfinished project is vandalised,” said Hon. Mahlakeng.

He said the Provincial Public Accounts Committee will also consult with the state security agencies responsible for investigations to get clarity on the matter.

The municipality should submit a report on 11 September 2017 on how it internally intends to deal with responsible officials and when will residents occupy the Extension 39 Community Residential Units.

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