

'DECISION IN STARK CONTRAST TO POLICY'

# Treasury slams Tafelberg site sale

DESPITE claims to the contrary by the provincial government, the National Treasury says there are no "significant obstacles" to using available national housing subsidies, including those for social housing, on the Tafelberg site.

The Treasury has slammed the Western Cape's controversial decision to sell the Tafelberg site in Sea Point for R135 million to the Phyllis Jowell Jewish Day School, saying it seemed inappropriate, particularly during a period of public sector spending restraint.

The provincial government required the decision to take into account its obligations in terms of the constitution, the Treasury's instruction on fiscal austerity, and revenue-raising measures placed on provinces, among other things.

But the Treasury said the decision was in stark contrast to repeated government policy statements on the importance of reintegrating urban areas, particularly through opportunities to give affordable housing to poor working people who must otherwise commute long distances.

In a scathing statement, the Treasury said: "South Africa's cities, including Cape Town, remain deeply segregated, exclusionary environments. The persistence of inequality weakens the growth prospects for the country as a whole. All spheres of government need to work together on bold, practical actions to reverse this legacy and create conditions for



faster, more inclusive growth."

Civil rights organisations Reclaim the City and Ndifuna Ukwazi are demanding that the site be used for affordable housing for poor working-class people. They charged that the provincial government had misled the public following reports that the Transport and Public Works department intended using proceeds from the sale to fund the R1.2 billion Dorp Street Public Private Partnership.

While the Treasury acknowledged that the provincial government had the legal authority to dispose of this property, it said the decision to do so "flew in the face" of its own stated commitment to spatial restructuring and faster, more inclusive growth.

"Moreover, the apparent decision to use the proceeds of the sale to fund the development of administrative offices, rather than more immediate and pressing social needs, seems inappropriate—particularly during a period of public sector spending restraint," said the National Treasury.

While Premier Helen Zille's spokesperson, Michael Mpofu, said yesterday that he would give a detailed response to the National Treasury's statement

today, the Treasury said its director-general had written to the province three weeks ago expressing concerns about the matter.

"In the light of the public importance of this decision, and apparent misunderstanding by the province of the regulatory framework, National Treasury officials are set to review relevant project document and work with their provincial counterparts to ensure both regulatory compliance and responsible decision-making with respect to the future of important local public assets," the National Treasury said.

Ndifuna Ukwazi co-director Jared Rossouw said yesterday that Zille had lied, saying the province was under a direct instruction from the National Treasury to sell assets to raise revenue.

"The National Treasury now responded by denying this. Basically, they said: 'Meet the budget.' They never said strip good land for cash and build a R1.2bn unaffordable office block. Province's failure on Tafelberg demonstrates why there has been no affordable housing in the inner city since apartheid."

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