



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

CONCERN OVER DECISION BY THE WESTERN CAPE PROVINCIAL GOVERNMENT TO DISPOSE OF PROPERTY CONTAINING THE NOW-DISUSED TAFELBERG REMEDIAL SCHOOL IN SEA POINT

National Treasury has noted with concern the decision by the Western Cape Provincial Government to dispose of the property containing the now-disused Tafelberg Remedial School in Sea Point, Cape Town. This decision is in stark contrast to repeated government policy statements on the importance of re-integrating urban areas in South Africa, particularly through pursuing opportunities to provide affordable housing to poor, working people who must otherwise commute long distances to work.

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.

National Treasury acknowledges that the Provincial Government has the legal authority to dispose of this property, provided that appropriate and transparent processes are followed. However, the decision to do so flies in the face of its own stated commitment to spatial restructuring and a shared desire for 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.

National Treasury would like to clarify that the current programme of fiscal consolidation has been specifically designed to protect social and developmental programmes of government, and that the National Treasury has given no instructions or guidance to the province that could be construed as requiring it to sell this land purely for financial gain or as a revenue raising measure. Moreover, despite the claims of the province, National Treasury can see no

significant obstacles to using available national housing subsidies, including for social housing, on the Tafelberg site.

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 Director General wrote to the province three weeks ago expressing concerns about its position on the matter.

Issued on behalf of National Treasury

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