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Ndifuna Ukwazi Press Statement: #WCLeaks reveal that Public Works sold Tafelberg to subsidize an unaffordable Provincial Office Block

An [exposé](#) by GroundUp, re-published in City Press today, revealed that several high ranking members of the Western Cape Provincial Government (WCPG) misled the public over where the proceeds from the Tafelberg sale would be spent.

Today Ndifuna Ukwazi publishes an online dossier of around 700 leaked documents from the WCPG. These include internal emails, memos, meeting minutes and technical reports. The #WCLeaks provide an unprecedented insight into malfeasance of the WCPG's approach to managing public land.

ACCESS THE #WCLEAKS [HERE](#) AND THE INDEX [HERE](#)

Amongst other revelations, the #WCLeaks reveal that the Western Cape Department of Transport and Public Works sold the Tafelberg site with the intention of diverting the R135 million proceeds to help pay for an unaffordable R1.2 billion office mega project - the Dorp Street Public Private Partnership (PPP) mega-project.

Province lied to the public about where the Tafelberg proceeds would be spent

Throughout the campaign to #StopTheSale of Tafelberg, senior officials and politicians have argued that the disposal of Tafelberg was justifiable as a means to raise money for pro-poor projects and infrastructure elsewhere.

In a June 2014 [letter](#) Transport and Public Works MEC Donald Grant claimed that, "The disposal of Tafelberg under the Regeneration Programme was to attract maximum value from the most valuable inner city properties to create an income stream and a development fund which projects for the poor can be cross-subsidised".

In March 2016, Grant [repeated](#) this lie in Provincial Parliament. Responding to a question which asked whether the sale would enable the province to cross-subsidise projects for the poor, he said: "The answer is yes".

During a June 2016 CapeTalk Radio [interview](#) Western Cape Human Settlements MEC, Bonginkosi Madikizela stated that, "with the sale of the land we can actually provide more than 1200 people with [housing] subsidies." Again this reinforced the notion that the Tafelberg sale proceeds would go towards uplifting poor communities.

This message was repeated by other proponents of the Tafelberg sale in the mainstream media, notably by David Polovin, the Deputy Chair Sea Point, Fresnaye and Bantry Bay Ratepayers and Residents Association, in the Weekend Argus on 21 May 2016.

The #WCLeaks show that Province had no intention of reinvesting the proceeds from the Tafelberg sale in poor communities. In other words, the WCPG lied to the public.

Among the documents Ndifuna Ukwazi releases today is a [cabinet submission](#) made by MEC Grant in November 2014. In it, Grant explained that the DTPW “in consultation with the Provincial Treasury agreed that a capital contribution [for the Dorp Street PPP] will be made out of funds set aside in the Asset Finance Reserve (AFR) and an additional contribution to be derived from the proceeds of sale of properties, which proceeds will be ring-fenced for this purpose”. This proves that the DTPW planned to help fund the Dorp Street PPP with the proceeds from selling public land.

An October 2015 [letter](#) from the DTPW’s accounting manager Michelle Nicholas to the head of Provincial Treasury explains that “the yield of [R135 million] from the sale of erf 1675 in Sea Point needs to be allocated to the AFR [asset finance reserve] for the Dorp Street PPP Project purposes”. This proves that the DTPW had ring-fenced the proceeds from the Tafelberg sale in particular, to help fund the Dorp Street PPP.

The Dorp Street PPP Mega Project

The Dorp Street PPP is a proposed high rise office block which is intended to house the Western Cape Education Department (WCED). The building will be built on a block of provincially owned land known as the Leeuwen-Loop site on Bree Street.

Between 2012 and 2014, the estimated capital contribution required from Provincial Government ballooned from R210 million (see page 166 of the 2012 Feasibility [report](#)) to R540 million (see page 33 of the 2014 Value for Money [report](#)). This left the DTPW with an affordability deficit of R330 million, which was [flagged](#) as a major concern by Provincial Treasury in November 2014. According to the #WCLeaks, this deficit would be recouped from the disposal of surplus Provincial properties.

Conclusion

These revelations prove that province sold the Tafelbeg site - an important and valuable public asset one which had the proven potential for affordable housing development - to generate quick cash flow to divert into an unaffordable office mega-project, a development which holds negligible benefit for the public. Province did not have any intention of reinvesting the money in projects to help uplift poor communities, and statements to that effect amount to lies.

These #WCLeaks bolster the already compelling case for Premier Helen Zille to #StopTheSale of Tafelberg and to reserve the site for affordable housing.

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