

KZN SET TO GAIN

# Funds of R600m for housing not spent

Loviso Sidimba

SEVERAL provincial housing departments stand to lose millions of their low-cost housing funds after they failed to spend the money allocated by the National Treasury.

KwaZulu-Natal, which was in a similar situation a few years ago, will be the biggest beneficiary of the re-allocation of the housing budgets.

The Gauteng provincial government – which is starting at a housing backlog of up to 800 000 – has lost R150 million allocated to build low-cost houses because it failed to spend the money. The province is one of three that have lost R600m allocated to build much-needed houses.

The North West lost R300m while Limpopo forfeited R150m.

According to Keith Khoza, Gauteng co-operative governance, traditional affairs and human settlements spokesperson, the Treasury informed the department about its intention to withhold the future transfer of the human settlements development grant in September.

The money allocated through the human settlements development grant has been returned to the National Treasury, which has re-allocated it to other provinces, according to Finance Minister Malusi Gigaba.

"In compliance with section 19 of the Division of Revenue Act (Dora), 2017, as amended, the national Department of Human Settlements stops the transfer of funds to Gauteng (R150m), Limpopo (R150m) and North West (R300m) for the human settlements development grant, following revised allocations by the national Department of Human Settlements," reads Gigaba's notice.

KwaZulu-Natal will now get its R200m share of the R600m while the rest will be shared equally between the Eastern, Northern and Western Cape as well as Mpumalanga. Section 19 of the act allows the National Treasury to stop transferring funds if in its discretion,

or on request of a transferring or receiving officer, there should be a "serious or persistent material breach".

It also empowers Treasury to stop the allocation if it anticipates that a province will substantially under-spend on its allocation.

According to the Rhodes University-based Public Service Accountability Monitor (PSAM), the housing backlog is 600 000 in Gauteng, 237 000 in the North West and over 157 420 in Limpopo.

The backlog stands at more than 3 million low-cost houses across the country.

PSAM says Gauteng has the highest housing needs, above all the other provinces, but the highest number of low-cost houses – over 1.2 million – have been built in the country's economic hub.

## Migration

The governance monitor blames the population migration pattern and people migrating from around the country in search of work.

The human settlements development grant is funds distributed to provinces to build houses.

It is also allocated to develop capacity for metros and other qualifying municipalities to be accredited by their respective MECs to build low-cost houses through the human settlements capacity grant.

Khoza blamed the late conditional approval of its business plan that meant it could not spend money in the months of April and May 2017.

DA spokesperson on human settlements Mervyn Cirota said newly elected ANC treasurer-general Paul Mashatile ignored the department in his bid to be elected to the governing party's Top Six.

"It's not only horrifying but sad and extremely disappointing. There is nothing worse than not spending money you don't have," he said.

The Limpopo and North West human settlements departments did not respond to requests for comment.