

PRESS STATEMENT
20 March 2014

**Nkandla report's story:
Taking from the poor to give to the rich**

Funds meant for informal settlement upgrading and urban regeneration diverted to upgrading the President's home

On 19 March 2014, Public Protector Thuli Madonsela released her report on the investigation into the upgrades made to President Jacob Zuma's private residence in Nkandla. The report, titled *Secure in Comfort*, states that the President "unduly benefitted" from excessive expenditure on his private residence and suggests that the President and his family should personally bear the cost of a reasonable portion of the public expenditure not related to security upgrades at his residence.

SERI notes with particular concern the finding that the Department of Public Works reallocated public funds earmarked for inner city regeneration and dolomite rehabilitation initiatives to the upgrades at the President's residence. The report states that this "negatively impacted" on service delivery projects of the Department of Public Works and constitutes improper conduct and maladministration. The Department must fully account for its actions in this regard.

As an organisation that has been working on the pressing issues of inner city housing and informal settlement upgrading, SERI is concerned about the misuse of public funds in this manner. SERI has consistently advocated for inclusive inner city regeneration initiatives and land rehabilitation to facilitate informal settlement upgrading projects. For example, we recently published a report which notes the dire lack of supply of affordable rental accommodation for poor and low-income households in the inner city of Johannesburg. In January this year we launched a High Court application on behalf of approximately 7 000 people living at the Slovo Park informal settlement in Johannesburg. The settlement lacks access to formal services and housing, which the residents have been promised for almost 20 years. The dolomite at the settlement has been used as an excuse for why the settlement cannot be upgraded.

The 'reallocation' of public funds that could significantly alleviate the dire consequences of socio-economic disadvantage, poverty and inequality in this manner is deeply troubling. The government regularly asserts that it does not have the resources to fulfil its constitutional obligations to fully realise the socio-economic rights enshrined in the Constitution. This report highlights that these claims are often disingenuous.

Stuart Wilson, executive director of SERI, said: *"Everyone, including our President, deserves to live in comfort and security. But the poor must come first. The Public Protector's report suggests that the government has its priorities desperately wrong."*

- The full *Secure in Comfort* report is available here: <http://bit.ly/1ekTsnY>

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