

Press Release

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Housing cutbacks mooted, but unlikely – IRR report

A *Fast Facts* report released today by the IRR finds that expenditure on housing has grown faster than any other budget item since 1999, and that the Government is unlikely to curtail it.

The report's main findings are:

- Housing and community amenities currently consume 11.4% of total government spending, which is almost as much as health.
- When the African National Congress (ANC) came to power in 1994, government spending on housing accounted for only 1% of GDP.
- By 2017/2018, according to budget projections, that proportion will have risen by 250% to 3.5% of GDP.
- This is a faster rise even than expenditure on social grants and other forms of social protection, which will increase by only 68% to 4.7% of GDP.

This is despite President Jacob Zuma berating South Africans – not once but twice in six months – for waiting for the State's money to provide them with housing, most recently comparing them to a man sitting under a mango tree waiting for the fruit to drop instead of climbing to pluck it.

His comments link to those of Lindiwe Sisulu, minister of human settlements, who said that people under 40 years of age had lost nothing to apartheid and would not get houses.

It is difficult to assess whether these comments mean anything, but with municipal elections due next year – and dissatisfaction over housing provision at the heart of many protests at local level – it seems unlikely the ANC is really planning to cut back on housing.

Furthermore, says IRR consultant John Kane-Berman: "The proportion of the budget devoted to social spending – housing, health, education, and social grants – was only 45% when the ANC came to power, but is budgeted to rise to more than 59% by 2017/2018."

Watch Ian Cruickshanks and head of media Mienke Steytler discuss South Africa's economy [here](#) on IRR TV.

Ends.
