

THE MERCURY

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MONEY EARMARKED FOR HOUSES

R53 million 'hidden in account'

VEVEN BISETTY

AT least R53 475 000 has been discovered in the trust account of a firm of attorneys which should have been earmarked for housing needs in KwaZulu-Natal.

The department of housing funds had been sitting in the account since 1998 and had earned interest of R26 624 000, provincial Housing Minister Dumisani Makhaye told a parliamentary sitting in Ulundi yesterday.

Preliminary investigations, he added, had revealed that the money was meant for a housing project "that never got off the ground".

"The amount stashed in this (trust) account is R53 475 million and has accrued interest of R26 624 million. How many other funds are hidden in trust accounts. Were these funds reported to the former housing board? Who was to benefit from these funds?" Mr Makhaye asked.

He said: "Surely there is something amiss when government money sits in the bank for years while our people remain homeless."

Mr Makhaye said that his department was taking the necessary steps to weed out corruption.

They will be interrogated even

in hell, where they ought to be."

Other forms of corruption include the awarding of open-ended contracts for the finalisation, completion and transfer of all old housing projects of the former House of Delegates, House of Representatives, House of Assembly, KwaZulu Government and the KZN Provincial Administration.

"We are following family connections in this direction. These criminals shall be sought and destroyed. Surrender criminal! You are surrounded!" Mr Makhaye roared.

These contracts, he added, could cost the department millions of rands. He said investigations by forensic auditors and quantity surveyors were being made into the awarding of tenders in all contracts where tender processes were supposed to be in place.

He said corruption allegations were not only confined to "the trenches and building sites", but also "on our very own administration".

Allegations of conflict of interest between some former department officials and developers were also a concern to the department, he said.

On a positive note, Mr Makhaye said that "major and notable" strides had been made in fulfilling the housing needs in the province.

These, he said, included the launching of a R200 million slum clearance project in Durban.

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KZN govt likely to overspend by R1bn

VEVEN BISETTY

WHILE the provincial government was expected to overspend by more than R1 billion this financial year, its monetary standing was not in a crisis mode, Finance Minister Peter Miller said yesterday.

He attributed the overspending to unforeseen pressure in social services, such as health, welfare and education.

The cholera epidemic and the introduction of child support grants had contributed to the over-expenditure. Other factors were the depreciation of the rand, a one-off R850 payment to some health staff and the higher-than-budgeted salary adjustments for the year, which would add at least R65,9 million to the health department's projections.

Presenting his adjustment estimates before the legislature in Ulundi, effectively asking parliament to consider sanctioning the more than R1 billion increase in

expenditure to the R23,869 billion already allocated on February 27 this year, Mr Miller said that, while there was no financial crisis, he was concerned that some departments had over budgeted.

A total of R11,5 billion was budgeted for spending in the first half of the 2001/2002 financial year. Of this amount, R9,8 billion, representing 85%, had been allocated to the three social services departments - education, health and welfare and population development - and R1,7 billion had been allocated to the remaining departments.

Mr Miller said actual expenditure for the province was R11,3 billion during the period, with the departments of education, health and welfare and population development accounting for R9,9 billion, or 87,6%, of the total provincial expenditure.

Mr Miller said the province could end the 2001/2002 financial year with a potential over expenditure of R1,03 billion.

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ANC and NNP unveil 'historic' co-operation pact

ANDRÉ KOOPMAN
PARLIAMENTARY BUREAU

THE ANC and the NNP revealed a "historic" co-operation agreement yesterday in all political spheres which will see the NNP gaining representation in the cabinet as well as cabinet seats in the provinces.

Safety and Security Minister Steve Tshwete and NNP leader Marthinus van Schalkwyk, who announced the agreement in parliament, both stressed that the far-reaching accord would be built on "trust" and was aimed at nation-building, healing racial divisions and the alleviation of poverty.

In terms of the agreement, reached after weeks of intensive negotiations, the NNP will get the premiership of the Western Cape - expected to go to Mr Peter Marais - and the ANC will fill the mayor's position in Cape Town.

The two parties will each appoint five provincial ministers in the Western Cape, and the ANC will appoint one additional prov-



MARTHINUS
VAN SCHALKWYK
Trust

incial minister, resulting in six members each to the two parties in the provincial cabinet.

The NNP will appoint provincial MPs to the executive councils and legislative structures with an ANC majority and an NNP presence, with the exception of Kwa-Zulu-Natal, where the ANC has a power-sharing arrangement with the IFP.

According to a joint statement

read out by Mr van Schalkwyk, the spirit of participatory governance will "be reflected in appointments in national government, parliamentary and other appropriate structures".

Mr Tshwete indicated that while cabinet positions were the prerogative of the president, the NNP was in line for a cabinet post.

A senior NNP source said afterwards that the party would get at least one cabinet post.

Other sources said that Mr van Schalkwyk was expected to be appointed to the post.

Mr van Schalkwyk said that the two parties would establish a policy forum which would "seek consensus on policy issues and evaluate policy for executing by government".

Mr Tshwete said the two parties, which to a large degree shared a common constituency, could address basic problems facing the country such as Aids, crime and poverty alleviation "if we work together ... even if we disagree on certain issues".