



## Western Cape Property Development Forum VISION FOR GROWTH Annual Online Conference

*The following are the prepared notes of **WCPDF Chairperson, Deon van Zyl**, in terms of the Industry Response delivered on Day 1 of the conference on 20 May 2021.*

1. Professor Nick, thank you for setting the scene – on why it is important to start with a Vision.
2. I can only respond by sharing the Western Cape Property Development Forum vision: to create an **investment friendly environment** while at the same time
  - Educating our members
  - Addressing the wrongs of our past
  - Opening doors to new role players in the industry
  - And creating a platform where we can share our knowledge and experience.
3. Our membership ranges across a wide field including developers, built environment consultants, contractors, financiers and the legal profession. We also have a direct relationship with the bulk of professional associations representing professions in the built environment.
4. We are a non-profit organization run by volunteers donating professional time in excess R3.5mil per year.
5. The long and the short of it is our members cannot do their best unless there is an investment-friendly environment that allows them to do their magic.
6. In contemplating our conference theme for this year - COVID-19, lock-down, the economic state of the country, the levels of unemployment, the opportunistic construction mafia, and the exodus of scarce development, built environment skills and construction skills - we had to ask ourselves, *QUO VADIS*: where are you marching?
7. What is our road map – do we have a clue? It was a no-brainer to structure our conference around the theme of “Vision” – what is a vision, how do we create capacity for a vision? How do we create a culture around a vision? And how do we budget to achieve a vision? All things that should be front-of-mind for any business or public sector leader in South Africa right now.
8. Unfortunately, the term “vision” too often receives only lip service. People talk about a vision and then continue with their business as usual. That just confirms that our vision for our country is either not defined in simple terms, or - if there is a vision - it is not subscribed to by everybody. Even if we had a vision, we do not have a practical implementation strategy. And if we had a vision and an implementation strategy, we are not measuring this and reporting on progress in such a way that makes the case for investment by the private sector.
9. I would argue that we are failing on all counts – we do not have a vision that is clearly defined; we have yet to come together to subscribe to a single vision for the future of our economy; and we have not put in place the measurements to actively manage the achievement of a vision, even if one did in fact exist.
10. I am no longer convinced that the term “Rainbow Nation” is strong enough to set the course for the country, and the economy. We need to get our hands dirty and that is the purpose of this conference – we need to get the debate going on what our vision is and what needs to be put in place to achieve a vision.

11. My friend and colleague Bafikile Simelane reminded me last night of JF Kennedy's vision: To put the first man on the moon.
12. But what was the test of his vision? He visited NASA in 1961 and, as legend goes, left his security detail behind, and walked through the NASA facility alone. He came across a janitor that was sweeping the floor. He stopped to talk to the janitor and asked him what he was doing. The janitor responded: "I am helping to put a man on the moon."
13. Not only was there a vision, but the lowest pay grade also knew what the vision was and could contextualise his role within this common vision. The janitor was helping to put the first man on the moon.
14. What is our vision today – compliance and being audit proof? If any of us were to ask our janitor, our receptionist, the teachers of our children, the officials across the counter, the banker, the corporate leader – would we hear the same message? Our version of: "We're putting the first man on the moon?" Or would we hear a plethora of opinions on vision?
15. Let me pause here for a moment and acknowledge the conference delegates that have joined us. I am happy to say that we have several civil servants in the audience from across all three spheres of government. We have developers, consultants and contractors. We have several university representatives that deal with campus development, a confirmation that tertiary education is spending money on infrastructure. We have several financiers. Unfortunately, the political sphere is poorly represented - perhaps the most important audience that should listen to the debate over the next two days.
16. There is a very wide geographic representation attending. Although the bulk of the delegates are from the Western Cape, we also welcome delegates from Gauteng, KZN, Eastern Cape, Free State and Mpumalanga. We even have a prospective high-tech infrastructure developer from Switzerland in the audience.
17. Importantly, our speakers and our panelists: I have been privileged to have had sneak previews on the presentations that will be delivered, and I have no doubt, at the end of tomorrow, that you will agree with me that these speakers have elevated the debate on vision. So, to all speakers, panelists and delegates, a special word of welcome and thank you for investing your time in this debate and in the fixed capital investment sector.
18. What do we want to get out of the Conference? Simply put two things:
  - a. Agreement that we need to define our growth vision
  - b. Agreement that there is hard work to be done; but also agreeing with and committing to a single growth vision is no longer negotiable.
19. Will we leave this virtual conference with that single vision? Probably not. But agreeing that we need to find that single vision is already a step in the right direction.
20. So, let's talk vision. Traditionally, when one talks about international precedent, one would look at China post Mao, Malaysia, or Singapore. I am going to perhaps be controversial but today I am going to reference Rwanda.
21. Before I get to Rwanda, let me share an email that was shared with me. We invited a number of local authorities in the Western Cape to attend the Conference with the view that officials, and politicians, need to be exposed to our discussion. Some took up the invitation – some did not. Some had to jump through report-writing hoops to justify their participation – something that no professional person should be expected to do.
22. Management in government should be grabbing the opportunity of sending their teams to the discussion table – even more so when this year's conference does not entail travel expenses or overnight accommodation.
23. How do we have a discussion on vision when compliance and survival is front-of-mind? Well, others have, even in Africa. They have found the space to have this discussion, because not participating in this debate, would be just too bad to even contemplate.

24. So let us talk about Rwanda:

In 2000, Rwanda published its 2020 Vision (that's 21 years ago! By the way, I could not find new visions, only audits of the 2000 vision – so Rwanda has stuck to a single vision for going on 21 years!)

The set Vision was/is to fundamentally transform Rwanda into a middle-income country by the year 2020 which will deliver:

- Per capita income of \$900 (\$290 in 2000)
- A reduction in poverty from 64% to 30%
- An increase of life expectancy from 46 to 55

All would require a 7% annual growth rate.

To paraphrase this: if Rwandans were not willing to commit to growth, and remove all obstacles in the way of growth, the social vision would not be achievable.

To achieve this vision Rwanda would:

- Short term: put in place macroeconomic stabilization policies conducive to private sector development
- Medium term: Have an exit strategy on the current reliance on agriculture into secondary and tertiary sectors
- Long term: create a productive middle class and foster entrepreneurship.

So having stated its vision, the Rwandan government committed to put in place six pillars to achieve this vision:

1. Commitment to good governance and a capable state
2. Prioritization of human resource development and knowledge-based economy
3. Facilitation of a private sector-led economic growth
4. Infrastructure development
5. A productive and market-orientated agriculture
6. Regional and international economic integration.

25. So, what has the result been of the Rwandan vision?

26. I am not an economist, so I am not going to express myself on whether the economic goals have or have not been achieved.

27. I understand that not all the social goals have yet been achieved. But what have the Rwandans achieved in 21 years?

28. Because of the Rwandan vision: children go to school with shoes on their feet.

Because of the Rwandan vision: teachers are proud to teach the leaders of the future.

Because of their vision: the country is arguably one of the cleanest urban environments on the planet.

Because of the vision: Rwanda could change all legislation and policies to accommodate medical drone flights to deliver medicine and collect medical samples from the rural areas within six months from starting the process.

Because of this vision: international investors are rolling in to Kigale – the capital of the country.

Because of this vision: we have not seen the second genocide.

29. Is it guaranteed that Rwanda will succeed in the long term – perhaps not. But the odds are in its favour. This vision-driven approach is arguably the best precedent in Africa to reference and consider.

30. Which African country should one bet on to put its first man on the moon? I am not a betting man but, if I was, I would probably go for Rwanda, Ethiopia and then Kenya in at a slight third.

31. Does this make me disloyal to South Africa? I would not be saying what I am saying if I was not a patriot – someone who believes there is a future for South Africa. In fact, if I was disloyal I would already be speaking with an Australian, British or even Asian accent. I think that you would agree that I still sound South African.

32. And I plan to sound South African till the day I die. I am a patriot, and this allows me to be provocative. The WCPDF are manned by patriots – and we make no excuses about that.

33. What is our South Africa's vision? Can we compete with the simple and focused vision of Rwanda?
34. Can we depend on political parties to set and lead us on a vision?
35. I am not going to express myself on the full spectrum of political parties and the caliber of our elected politicians. I am going to express myself on the fact that the three spheres of government appear to live in different worlds and are yet to subscribe to a single vision.
36. One of the biggest challenges is that we appear not to be able to transcend the government spheres that our constitution has entrenched. We have three parallel spheres of government – each autonomous – and each legally entitled to look at other spheres of government and say: "I do not need to listen to you"
37. How are we going instill a single vision for South Africa when we work on a franchise scheme where any tier, or in fact any department at any sphere of government, is entitled to say: "*The Colonel said what? We will use our own secret herbs and spices?*" The first challenge that I put to our delegates is my submission that we do not share the same "herbs and spices" across all spheres of government and business. We are not following a single recipe that leads to growth and job creation.
38. And we are all aware of the blame-game and finger-pointing to National Treasury and the role of the Auditor General. Would it not be great if the AG audited, cancelled or delayed tender appointments – the late payment of payment certificates or the non-awarding of RFPs? It is still easier and safer to do nothing than to do something – we are killing those civil servants who do want to get on in serving our people.
39. I recently asked a representative of one of the biggest political parties what instruction it gave its Mayors and Municipal Managers on the topic of economic growth and job creation. The answer was that it does not give specific instructions on these topics. How can that be – how can we not have an opinion on delivery requirements?
40. What should the herbs and spices be – what should each political parties' instructions be to its officials? Let me quote the Rwandan president as he was quoted by *In Africa* in 2013:

*"Our thinking is based on our people. In our national budgets, we focus on education, the quality of our education, health, we look at technology, skill, motivation, creativity. We are always thinking about people, people, (our) people."*
41. What are we thinking about in South Africa: what is in it for me – it's my time to eat?
42. What is our vision? Do we still share the vision that Madiba gave us: to transcend our differences and work for our collective future?
43. Perhaps our vision has become distorted. Perhaps it no longer pays to share a single vision.
44. So, let me express myself on behalf of the WCPDF regarding where we are right now in South Africa. Having received some quality inputs from members, I concluded that our core problem is the fact that various role players speak past each other when we try to communicate.
45. Let me explain: I think we have three distinct sectors structured in a triangular relationship. The three corners of this relationship consist of politicians, bureaucracy and the private business sector.
46. You are correct to ask: "Where is labour in my analogy?" I am not sure myself, to be quite frank. Labour at times seems to prefer any one of the three corners of the triangle. At the moment, it appears intent on extracting more money from the wage bill. I am not sure what labour's view is on the future of the country or, should I say, labour union bosses' view on the future of the country.
47. But let me focus on the triangle that I have sketched. Politicians believe that they are being heard and understood. But the reality is that they are using language and jargon that they think makes sense to the voting masses. And as we all know, the most important thing for a politician is remaining in control – being re-elected.

So, perhaps by default, politicians speak a language which may make sense to the electorate but which does not necessary resonate with and the other two corners of the triangle.

48. The second corner of the triangle is the professional bureaucrat – the often seriously intelligent people who, I believe, are in control of the country at the moment. They own legislation and policy. Some of legislation and policies, which all appear to be silo driven, will make many a first world-country weep with envy. But how much of our legislation and policy unites the country in a single vision? Does the environmental legislation talk to planning legislation? Do heritage and water affairs have their own agenda? Where is the delivery-orientated procurement legislation?
49. I have in the past said that a project coming out of the ground is a miracle since any department in government can in fact veto a project. Because we lack a growth vision, nobody is mandated to ask the specific silo that is vetoing investment: “Are you willing to take bread off this table? Are you willing to forego your own guaranteed salary at the end of the month for this cause?
50. There is no consequence when any silo in government, or any department, gets to veto a new investment. There is no consequence because there is no vision.
51. More importantly, officials own the implementation of policy. So irrespective of the President’s promise of Water Use licenses in 90 days, the official answer remains: *“You will get it when we are ready to give it.”* Political promises are political promises. The system is in control and will deliver when it suits the system.
52. And then there is the private sector, by design seeking profit and by default having to become opportunistic in uncertain times. Most business people in South Africa will acknowledge that they suffer under legislation and policy fatigue. Just remaining compliant in terms of all the red tape is now a career on its own – never mind driving the future growth of a business.
53. I will go as far as to argue that that our disjointed and nonaligned legislative context is creating the perfect breeding ground for corruption – and corruption takes two or more to tango. All three corners of the triangle are being trapped in this cycle of opportunism because we lack vision.
54. The private sector has access to reduced bureaucratic systems and decision making and the ability to spend vast amounts of capital with the caveat of wanting to have investment certainty – line of sight to return of investment.
55. You would agree that these are three distinctly different worlds speaking three distinct languages. Politicians speak politics; bureaucrats speak legislation and policy; and the private sector speaks profit (unfortunately often at any cost).
56. So what would unite these worlds and direct them in the same direction?
57. The only possible thing that could do this, is to find a shared vision: one that speaks all three different languages and one that puts, as Paul Kegame says, our people first.
58. What will it take to get every South African to say: “We are putting the first man on the moon.” Or to quote Elon Musk – a boytjie from Pretoria: “We are putting the first man on Mars”?
59. Surely it can only be a shared vision.
60. In conclusion, what do I expect from this conference on Vision –
  - a. agreement that we have been talking past each other for far too long
  - b. agreement that if we do not get our act together, we will be left in the dust of other dynamic African countries
  - c. agreement that the fixed-capital investment industry can lead the way on illustrating how the three worlds, and the critically important world of labour, can build a better future if we can only agree on what the future should be.

61. The founding fathers of our democracy thought it wise to create a bureaucracy, Nedlack, that would unite industry, labour, bureaucrats and politicians. I am not convinced the platform works any more. I am not convinced that the plethora of statutory industry bodies are demanding a single vision from our leaders.
62. Government keeps on telling us that industry needs to unite in a single voice. A single voice in industry is the same as expecting all three spheres of government to speak with one voice – a pipe dream to say the least.
63. Yet a large part of the construction sector has now united under the umbrella structure of Construction Alliance South Africa, of which the WCPDF is a founding member. Our MC today, Vikashnee Harbhajan, represents the secretariate and tomorrow, John Mathews, the Chair of CASA, will participate in a panel. Industry is taking large steps to unite as a single voice. Yet, who do we talk to? Is the government political voice a united voice and are the bureaucratic structures united to talk to industry?
64. It is time for like-minded people - individuals who share the dream for a growth vision for South Africa - to step up to the plate and to call a spade a spade; not to be critical for the sake of being critical but to be provocative about what the future of South Africa can be.
65. We call on all like-minded people to join the discussion over the next two days as we ask ourselves: "How can we do things better and how can we learn to hear and understand each other?"
66. Once again to delegates and speakers – thank you for joining the discussion.