

INDUSTRY RESPONSE FROM CHAIRPERSON OF THE WESTERN CAPE PROPERTY DEVELOPMENT FORUM, DEON VAN ZYL

SETTING THIS YEAR'S CONFERENCE THEME: FROM SURVIVING TO THRIVING IN THE BUILT ENVIRONMENT

As with our previous physical event in 2019, this year's event – our 9th annual – is yet again sold out. However, it has its own record in being the largest of our physical events ever held, with 330 registrations.

When the Conference Committee met last year to plan this event, we were just returning to the office – sick and tired of meeting virtually. Contrary to many other industries, our sector is about people speaking to people in person; about people digging holes and pouring concrete; and about building things that serve the people who are doing things inside of those buildings. Our world is not a virtual world; so, you can imagine how developers, built environment consultants and contractors were feeling about Covid-19 lock downs.

The message to the Conference Committee was simple: get industry back into one room and make sure that the conference sub-themes were focused on solutions. Sick and tired of moaning about red tape and inefficiencies, we decided to make this year's conference a celebration:

- of having beaten Covid-19
- of the lives of family and colleagues who we've lost
- of people getting on with things and delivering on their promises
- of those that continue to believe in the future of our country and our wonderful city and province
- **in short: a celebration of heroes.**

WHAT DEFINES A HERO?

A hero is a person who, in the face of danger, combats adversity through acts of ingenuity, courage and strength. The term refers to those who stand up to be counted when most have run for the hills; who have the faith and courage to believe in the future; and who guide people through uncertain time.

The next two days is about celebrating the heroes.

One of these stepped up to the plate when his spiritual mentor instructed him to serve people; to provide disaster response, hunger alleviation, basic service provision, healthcare, education and investment in

human development. It is a privilege to share the stage this morning with this hero - Dr Sooliman, Founder of Gift of the Givers.

We have civil society heroes with us this year, who have been brave enough to say: “Enough is enough,” and who are calling out government and business inefficiencies and transgressions without fear or favour – people like Wayne Duvenage from the Organisation Undoing Tax Abuse (OUTA as we have come to know it), who we will hear from tomorrow.

We have people with us who fought hard to get construction sites re-opened during lock down, such as John Matthews and his team at the Construction Alliance South Africa (CASA).

Then there are the academic and research champions who have dared to think beyond the here and now, and provide data that that will excite and stimulate both government and the private sector. Here I am referring to those taking part today in our sessions on procurement as well as micro-development, or tomorrow’s session on the future of property post-pandemic.

We have property developers with us who dare to dream about the future; who, by putting spades in the ground and pouring concrete, are investing in the next two-to-three decades – the life cycle of their buildings. These are both private and public sector property developers, the latter including the likes of Stellenbosch University and UCT, who are both building as we speak.

Representatives from the township micro-development community are with us: these are the heroes who are tackling the housing crisis and servicing their clients’ real needs, and they include those micro-developers behind the newly formed, Township Developers Forum of the Western Cape (TDFoWC).

Next are the officials who dare to say that civil service is a calling and who understand their key role is making sure tenders are awarded and applications processed; who dare to look at the private sector as an ally and not the enemy.

They are joined by the politicians brave enough to say that the status quo is not good enough, and who are working tirelessly with their teams to realise the vision of a better life for all their communities. These include the mayors with us today from all over the Western Cape, responding to the call made by Premier Alan Winde for them to come forward and share their strategies to attract investment.

And then there is every person in this room who has dared to respond to the President's call: "*Thuma Mina!*" (Send me!) That is what this year's conference is about – the celebration of the heroes that continue to go beyond the average.

DIFFICULT TIMES SET THE STAGE FOR HEROES TO STEP FORWARD

Those who know me also know that I cannot help but challenge those responsible for these desperate times we now find ourselves in: those responsible for the dark stage on which our heroes are called to perform. In other words:

Those who still dogmatically hold on to the idea that government can solve all problems and be the creator of jobs; even the President has said this is not possible.

Those who choose to cancel tenders without any regard to the practical implications and job losses; we have just heard of the R17 billion worth of tenders cancelled by SANRAL – some tenders having already closed in 2018! And there are many similar examples closer to home as well.

We also mean those who are responsible for underspending of public capital budgets and for whom kick-for-touch into the next financial year has become the norm; those who send back money to Treasury without thinking about the practical implications. And, in turn, those in public institutions who think that not spending money is, in fact, saving. They clearly understand neither their mandate nor their purpose.

Then there are those public and private institutions that, while sitting on billions if not trillions, refuse to invest in the country, even though their own existing fixed-capital assets and interests require a stable economic environment.

And don't forget the populist politicians who flourish by throwing petrol on the social unrest fires that are burning in our country

Or those CEOs and public sector managers not calling their staff back to the office, and who are seeing small support businesses close their doors (because there is no one to whom to sell their coffee or who needs their dry cleaning done), and who allow vast rate-paying commercial buildings to stand empty.

And there are those who continue to steal the public purse until it is empty, and including those from within and from outside of government.

And finally, those registered voters who refuse to vote and to make a democratic change.

These are the people who have created the perfect storm we find ourselves in as a nation and who, unknowingly, have created the perfect conditions for what Malcolm Gladwell (the renowned author of *The Tipping Point*), describes as the prerequisites that lead to massive change. But, as Gladwell says – in his interpretation of *The Law of the Few*, the heroes that eventually activate change are few. And believe me, our society, our economy, and our people now demand massive change. We need at least these few heroes.

So, step up the heroes – those who are willing to be called – and let us turn this ship around. Let's set the course that will truly change our levels of education, our visions, and our aspirations for decades to come.

The best way to change this course is to start building it through investment in infrastructure and create a platform where investment and development will be embraced. Let's do what we say we are going to do, but above all else let's realise you can't change the direction of a massive vessel if it is not moving in the first place. We have got to do everything possible to keep moving forward, while we are plot a new direction for our country.

Which leads me back to this year's conference theme: from surviving to thriving.

The development and infrastructure industries have been under enormous pressure the last few years, from being impacted by international economic events and the credit crisis to local political happenings that undermine confidence. For far too long our industry has sat on the side-lines and accepted the impacts caused by others. While it is time to build the entire country out of the crisis, it is time for our industry to move from a survival mind-set to a thriving mind-set. But to get to a point of thriving, we need to address the issue of growth.

LACK OF GROWTH IS THE CRISIS

Dr Sooliman has shared his vision and experience about managing crises. He told me in a private conversation, when I spoke about the crisis in our industry, that his world and our world were not the same. His world is about urgent interventions while our world is about slow planning and building processes.

He said that because of the human crisis that followed disasters, government tended to tolerate his (and other organisations like his) because of the speed of their response and the ability to deal with the crisis in the here and now.

He reminded me that the fixed-capital investment world of infrastructure and property development was a slow-moving world, in which time was taken for granted by government. There was much more time for

legislation and policies to be interpreted and legally reviewed by aggrieved parties – and often by NIMBYs¹ in some form or guise.

To paraphrase what he said to me, he gave the examples of traffic that would quickly make way for emergency vehicles when a fire was burning ahead; or the speed of news when it reports on a horrific disaster. This makes sense: the speed of response reflects the nature of the crisis.

But how do we deal with the *South African* crisis – the lack of growth and investment? As we sit here, the practical unemployment rate is 46.2% (the expanded definition)². It is estimated that our youth unemployment rate is sitting at 66.5%.³

Facts: unemployed people are poor; unemployment places additional demands on public resources; continuous unemployment leads to desperation; and systemic unemployment is sole destroying and inhumane.

But where are the sirens, the flashing emergency lights, the crisis management teams to set the stage for developers to break ground? For engineers to install infrastructure? For contractors to employ labour? We have an emergency – a crisis of mega proportions – and yet it appears to be ‘business as usual’ for those few that are guaranteed salaries at the end of the month.

We have a growth emergency!

The only way to address unemployment is through growth. Growth requires education and it depends on vision and hope – apparently all missing in South Africa.

We keep on telling ourselves that there is a lack of money. To again paraphrase Dr Sooliman: South Africa does not have a money problem; it has a hope and purpose crisis. We are suffering under hopelessness and therefore we are purposeless. We have a vision crisis and refuse to deal with the hard facts.

People without hope do not build. People without purpose don’t grow. Without growth there is no reason to build.

¹ NIMBYs being short for “Not in my backyard”.

² [Quarterly Labour Force Survey \(QLFS\) – Q4:2021](#), Statistics South Africa, 29 March 2022

³ [Youth unemployment is Africa’s biggest crisis and puts the continent at risk of becoming home to centres of chaos](#), by Marie-Noelle Nwokolo, Daily Maverick, 9 February 2022

Our immediate crisis – the major accident or fire that the emergency vehicle and alarms should be rushing towards – is the lack of growth and the lack of future vision. Anything that stands between the people and growth should be declared public enemy number one.

A person that steals national resources and money is, in my mind, committing treason – preventing real growth. Whether that person is stealing the copper cables that provide electricity to our rails, the theft of the rails themselves, or the money that is meant for education and essential infrastructure at schools, that person is treacherous. We can no longer tolerate the theft of the future of our country and its people.

But we can also no longer tolerate theoretical legislation and policies that make no difference on the ground. Any piece of legislation or policy that is not streamlined towards growth is by implication opposed to growth. Every infrastructure tender that is not delivery-orientated and awarded on time reflects apathy towards service delivery and growth.

Growth is not only about economic growth; urbanisation is growth as well. According to the World Bank⁴, South Africa is 67% urbanised. Brazil, a country eight times the size of South Africa, is now 87% urbanised. Brazilian towns and cities should be telling us what our future looks like. People are urbanising – both rich and poor; we can either plan for it or it will happen in spite of us. More people means more infrastructure is required – more space is required and a change in urban form and verticality is required – all of which requires a change in mind-set.

Yet, the concept of change – as is the argument for growth – is standing at a crossroads. Our legislation and policy frameworks are not geared to deal with change; we don't know what to do with informality. The fact that statutory processes that have run their full course can be turned over at the stroke of a judicial pen also needs to be questioned. As we all know, you need a plethora of approvals to be allowed to break ground at all, with just as many public participation processes duplicating public consultation. It is a miracle when you get all approvals; but then you still run the gauntlet of objectors being allowed in the back door by the courts. How can the potential loss to thousands with each objection, and the negative messages sent to investors, not be front of mind in our courts?

It is time to recalibrate the way we think and act in our country. We will have to start to use a broad-brush approach when considering change and growth. We have neither the time nor the luxury to focus on the micro detail that our plethora of legislation requires. We cannot tolerate the so-called precautionary approach that allows just any dissenting voice to veto investment and growth.

⁴ [Urban population \(% of total population\) – South Africa](#), The World Bank, data.worldbank.org

Of course, we want to protect the important ‘things’ – but what are the really important ‘things’ if not our people?

For corporate citizens, it is also time to look in the mirror; any person or entity that owns buildings or infrastructure stands at risk. Building assets cannot relocate at the push of a button the way that financial services can move capital in and out of the country. Owning a building, or infrastructure in the case of government, is a bad investment if one is not, at the same time, asking the risk-related questions around the impact of social instability. Buildings (and parliaments) burn down. Should we not be asking which social environment will protect our investments the best? Surely the employment of the urbanised should be front of mind? What better way to keep people gainfully employed than calling staff back to their offices and promoting the construction of new infrastructure and buildings? Can we really afford to let office workers work from home?

In most countries, the construction sector (building and civil construction), is seen as a national strategic resource. But to be *that* resource, contractors need to be busy. We cannot be serious about the construction sector if we are not serious about keeping its employees busy. Cancelling R17bn in tenders at the stroke of pen confirms the lack of seriousness. Underspending capital budgets confirms lack of seriousness. Lack of investment in job creation confirms lack of seriousness by both public and private sectors.

And so, Dr Sooliman, I am not convinced that we as a country and as a society are actively working to prevent the crises that you and your team are called out to manage. It is time to employ the urgency that you and your team illustrate time and again. There is a lot that we can learn from your organisation – your goals, your vision and, most importantly, your calling to deliver. We can also learn that the time to ask for permission to invest is over. Those standing between investment and money being invested in the country must be called to term.

In summary: thank goodness for the heroes that are still among us, because without those couple of people who continue to put up their hands and respond: “*Thuma Mina!*” we would be in a substantially bigger crisis than we are currently.

So, hats off to the heroes ... and welcome to every individual here today who is willing to heed that call and step up to the plate.

IN CLOSING

To quote Albert Einstein, there are: “Three rules for work:

Out of clutter find simplicity.
From discord, find harmony.
In the middle of difficulty lies opportunity.”

We have our work cut out for us over the next two days of this conference, and it will continue after we leave this venue tomorrow.

South Africa has never had the window of opportunity that we have right now. Never has our delivery crisis been so large, and yet never will investment and delivery make such a huge impact as it would right now. And now, more than ever, the Western Cape has been called upon to offer leadership and to set an example of delivery.

The performance of our politicians, our administrators, our entrepreneurs and business leaders, our professionals and contractors, our civil society and our citizens will be visible for years to come – and we’ll either be seen as the heroes who grabbed the moment, or as the culprits who lost the opportunity.

This year’s conference is about celebrating the heroes and calling on those with the *potential* to be heroes, to step forward.

Thank you.