



### IMAGINE

What might a South Africa that hadn't been forsaken, and its people largely abandoned to unemployment, poverty, crime and inequality by its political leadership look like?

### It might look like this...

It would be a country where men and women, young and old, capable of working would have good jobs; and where those unable to do so would have social assistance and decent healthcare when sick and infirm.

It would be a land of sufficient food and clean water for all; of a stable, reliable supply of clean and sustainable energy necessary to power our growing economy.

It would be a place where our children and the young would get the education and training necessary to meet all their potential.

And it would be a country in which we are safe in our homes, our streets and communities and where those engaged in crime face the full might of our law.

It would be a country in which we carefully plan for our collective future so that we see off risk and capitalise on opportunity.

This South Africa would be a land of people who, far from feeling abandoned, would feel seen and cared for by their political leaders. They would be emboldened by the ethical and principled leadership in the country, confidently demonstrated at home and abroad.

They would know that the principles used to order and govern this country are ones of fairness and the advancement and protection of dignity. The Constitution would be no ideal but the foundation of a flourishing, inclusive nation.

The people of this South Africa would turn towards each other, not on each other. Black and white, rich and poor would know that their mutual support and solidarity - their care for each other - is the only way in which we might all have every and equal chance.

But how do we get there when every road seems pot-holed or snarled up in wasteful, irregular tender?

When neglect and abandonment have taken hold, how do we instead unleash the investment in and enrichment of South Africa and her people so that this country of our imagination is a possibility?

How do we do that, when the destruction, destitution and disrepair of South Africa crowd out such investment rather than crowding it in?

How can we afford this enrichment when the state of South Africa – every horrifying metric whether it be our rates of unemployment, poverty, hunger, inequality, or the collapsing infrastructure and soaring crime – suggests it is entirely unaffordable?

These questions take on more desperate urgency when we recognise that if the challenges South Africa faces now are ferocious, those of the future are even more fearsome. The world is heating rapidly. Political and economic instability are inducing great migrations of people. Our multilateral order is buckling under enormous strain. South Africa has to be strong and ready now,

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able to prosper and advance social justice despite the turbulence that lies ahead.

These questions take on greater urgency because too many people simply cannot wait. They cannot hold on any longer. Their lives are in the balance this very minute. Children are dying of hunger. A quarter of our under fives are stunted, to be disadvantaged for the rest of their lives. Women are being killed in terrifying numbers. Our femicide rate is five times higher than the global average, with half the murders of women being perpetrated by their intimates.

It is an emergency. And yet there seems no rescue in play.

Yet there is rescue possible. But only through courageous, once-in-a-lifetime measures; measures we believe the dedicated teams at Change Starts Now (CSN) can best lead and implement.

### From a government finance perspective, the South African economy is dealing with two significant challenges:

- income growth that is too low to address the socio-economic and service delivery requirements, and
- a government balance sheet that is buckling under a debt load that is increasingly unsustainable.

The government debt load includes the debt of the central government and those of State-Owned Enterprises such as Eskom and Transnet. The challenging state of government finances is best reflected in the downward trend in the South African government's sovereign debt ratings over the last decade.

Urgently addressing this situation is important - the high debt and low-income

challenges are re-enforcing each other in a downward spiral that needs to be broken.

The weak state of the government balance sheet is preventing it, and SOEs, to access markets at affordable interest rates to build and repair the required infrastructure that will fuel productivity and enable business growth.

The high levels of debt and uncertainty around the sustainability of government finance is preventing the private sector from leveraging its balance sheet to invest and build businesses.

The growing spectre of a sovereign debt crisis looms large over business and household confidence. This is preventing business and households to function at levels that will increase economic growth, create jobs and income, and increase government taxes.

We will take urgent action to repair the government's balance sheet, reduce the cost of borrowing and restore business and household confidence.



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The first of the measures we propose draws deeply on the idea of the interdependence of South Africa's people. A politics which manifests a changed South Africa is not one which accentuates division and isolation, but makes us see plainly how much we depend on one another and the extent to which a thriving South Africa requires the contributions of us all.

We need to acknowledge that while the deterioration and degradation of current-day South Africa impacts us all, some of us are much better able to withstand the blows. Our proposal of a once-off, three-year, temporary reconstruction tax is intended to fund immediate social protection interventions in order to stretch and share that resilience so that those least able to withstand the blows receive protection too. It is also so that we might smartly catalyse a period of sustained employment-rich economic growth.

It is an idea that joins the hands of those who have thrived with those that have been abandoned. And one which ignites our economy.

Our engagements across the country have affirmed that South Africans of all walks, rich and poor alike, want the best for our country. There is no real future for any of us - not a future in which we have any sense of shared humanity, of dignity, in which we are all safe - if we continue to be so destructively unequal.

The Change we need is one which defeats this destructive inequality. We understand that what we are proposing will require sacrifice and social solidarity by those with wealth and opportunity. But the possible returns are extraordinary: increased stability, a growing economy, peace and safety. A country for all and for all our children.

We also know that there will be fierce opposition to this proposal if the proceeds are at risk of being plundered or directed at policies that only perpetuate our current self-defeating politics. For this reason, the proposal is entirely a non-starter under our current deeply corrupt government. It could never attract the trust and confidence necessary for participation.

Even under a new incoming administration, monies collected will have to be pooled outside and ring-fenced from the current credit and public procurement system to secure viability and effectiveness, and satisfy taxpayer and societal insistence on corruption-free and effective deployment. This would be achieved by governing the Fund through its own Act. Its operation would be overseen by a panel representing the finest example of public-private partnership and distinguished for its technical and financial skill, headed by an independent chair of scrupulous integrity and public stature.

CSN modelling indicates that a large pool of capital – in excess of R500 billion – might be drawn in this way. Deployed strategically and effectively, it could instrumentally shift South Africa's estimated growth rate to the 5.2 percent envisaged in the National Development Plan 2030.

In short: a flourishing South Africa. No longer a forsaken South Africa.

This exceptional initiative is compelled by the unremittingly stark reality South Africa confronts at this time. We are like a country after war: our national balance sheet is under excessive strain and our economic and social infrastructure is collapsing. Times of emergency cry out for emergency response.

### The initiative would comprise:

- A wealth tax of 1.5% per annum for 3 years.
- A corporate tax increase of 4.2% for 3 years (i.e., corporate tax rate moves from 28% to 32.2%, for 3 years).
- An individual tax increase of 4.5% for 3 years, for those earning greater than R1,8 million per annum (i.e., the individual marginal tax rate moves from 45% to 49.5%).
- A 1% per annum charge on retirement funds for 3 years.

Monies spent by the fund on strategic interventions set out below would be directed through open procurement and would target local investment. The fund would be required to continuously disclose expenditure and be subject to the most rigorous transparency stipulations.

The fund and its administration would look to model what innovative, deliberative public-private partnerships might offer the South African state – complementing not substituting for the state's functions by investing skills, expertise and efficiencies that the state alone cannot provide. There would be no displacement of the state, only an enhancing of its capacities making it more probable in future that the state can attempt these types of ambitious initiatives entirely on its own if need be.

### What ReGrow Will Do

The Fund would be directed at immediate economic growth and employment, focusing heavily on infrastructure investment, in order to improve the living conditions of all South Africans with the urgency this imperative demands.

### Priority areas for investment are:

- Human infrastructure support: public transport; water and sewage; infrastructure to better integrate our cities, such as housing and suburban roads.
- Large corporate support to facilitate the expanded needs of a growing economy.
- Micro enterprise support in order to support the creation of small businesses.
- Support to the Special Economic Zone plan, involving infrastructure and training support to relevant local authorities and enabling financing for entrepreneurs.
- Targeted industry development plans in Technology, Tourism and Energy (electricity generation).

CSN puts forward its ReGrow proposal so that it might inspire discussion and debate among South Africans, in accordance with the constitutional imperative of public participation and deliberation. It should ignite discussion around your dinner tables, in your religious gatherings, community organisations, and sports clubs. We want to hear your thoughts. We understand there is more work to do, and issues to solve. But we believe it to be doable!

In the months ahead we will continue our research and consultation with experts to refine and improve the proposal.

Our pledge to you is that after the election, if we win your vote, we will table this proposal in Parliament and outside Parliament.

Ultimately, this fund and plan will be measured not only in the monies collected and directed, in the projects and initiatives supported, in the collaborations it inspires, but most significantly in the economic growth it unlocks and the real betterment of South Africans' lives it allows.

It will represent an outstanding demonstration of the will to achieve an integrated, inclusive

and cohesive South Africa in which together – united and richer in our diversity – we offer a better, more hopeful future to all South Africa's children.

### ReBuilding Our Economic Infrastructure

But we won't look to stop there. We believe in the compelling need to ReBuild the nation's collapsing economic infrastructure – our network industries of energy, logistics and transport – so as to drive economic growth and of course job creation.

Consistent with our pragmatic approach of using all the tools available in our national toolbox, we propose accessing our world class financial markets to finance Private-Public Partnerships.

There are differing characteristics and market conditions across the different infrastructure projects which will require distinctive partnerships. An example of such a potential partnership to increase the capacity of South Africa's ports is the "landlord" port model where the public sector leases the basic infrastructure (land) to private operating companies who provide and maintain their own superstructure (terminals and buildings), install their own equipment on the terminal grounds and run the terminal operations. Given the costs and investment involved in these infrastructure projects the leases are long-term in nature (30 years or more). Once the lease period expires the infrastructure is returned to the government.

Once Eskom and Transnet's balance sheets have been stabilised - meaning debt has been addressed and business models are more sustainable - these SOEs would be in a much better position to access capital markets, given the underlying earnings stream.

Our modelling suggests we can access additional leverage of more than a R1-

trillion to build infrastructure and expand their operations.

The combined impact of the ReBuild and the ReGrow Fund, deployed strategically and effectively, could be instrumental in shifting South Africa's estimated growth rate for 2024-2026 of just 1.4 percent to the 5.2 percent envisaged in the National Development Plan 2030. In real terms, that would mean a South Africa in fifteen years with an economy double its current size, with 11 million more people employed, per capita income increased by more than two times, and a tax base double its current size.

### Change Starts Now Policy Priorities

Alongside these initiatives will run several big policy pushes and programmatic interventions. Our priorities and proposals here reflect the extensive expert input we've received but are set out only in summary form. We do this consciously; for the most part South Africa's grave difficulties are not for want of expert policy or input. Indeed in many areas there is an abundance of careful and rigorous policy proposal and analysis emanating from think tanks, civil society and academia. We would be immodest and unreflective by looking to claim them as our own or by suggesting that lack of ideas or solutions is where the problem lies. What South Africa desperately lacks is the necessary political will for careful, deliberate implementation and a depth of expertise in public administration and governance.

It should go without saying that when so much is broken it is impossible to fix everything at once. As a result, the Change Charter looks to identify and focus on some key areas that are essential to human dignity, opportunity, and where change can be felt quickly and have a multiplier social and economic effect.

# A RELENTLESS FOCUS ON ELECTRICITY, LOGISTICS AND WATER INFRASTRUCTURE

- 1. Turning around failing infrastructure and creating meaningful employment.
- Accelerating the urgent unbundling of Eskom (into generation, transmission and distribution). Allow households and companies to sell the excess energy they generate.
- 3. Ending load shedding within 3-4 years through targeted intervention.
- 4. Ending cadre-deployment and abolishing inefficient tender practices.
- Unbundling Transnet and allowing competition in port and rail services.
- Directing large scale investment to water resource development, bulk water supply and wastewater management.
- Attacking supply-side spatial constraints that are plaguing a large portion of South African society.

These measures should make it possible to:

Resolve logistics bottlenecks and end load shedding so as to increase GDP growth to above 2.5%.

Allow for more competition in network industries so that GDP growth can be accelerated by a further 1%.



### FUNDING FOR INFRASTRUCTURE DEVELOPMENT

- Increasing South Africa's investment rate by urgently addressing the challenges faced by the energy, transport, and water sectors in the economy.
- Utilising the private sector in the delivery of infrastructure expansion and service delivery through PPPs where appropriate.
- Leveraging domestic and international funding, tied to specific projects, environmental and social objectives.
- Leveraging state-procurement strategically to advance national development goals.
- 5. Once Eskom and Transnet's balance sheets have been stabilised debt has been addressed and business models are more sustainable they will be in a much better position to access capital markets. Given the underlying earnings streams, sustainable business models should allow these companies to access leverage of more than a R1-trillion to build infrastructure and expand their operations.

These measures should make it possible to:

Accelerate investment as a % of GDP to 22% over 5-years which will help create 5-million jobs and reduce unemployment by 37%.

## OPTIMISING GREEN GROWTH POTENTIAL

South Africa must leverage global decarbonisation by promoting renewable energy and looking to supply many of the minerals, goods, services and innovations that the world needs in order to address climate change.

CSN will champion policy that facilitates mining of critical minerals, targets support action to pioneers in emerging green supply chains and incentivises the transition of the automotive industry towards electric vehicles.

It will make the development of green industrial parks cornerstones of its immediate industrial policy: crowding in electricity-intensive manufacturing for exports with the aim that the parks become net exporters of electricity to the rest of the grid. These green industrial parks will not be public investments but rather private sector opportunities enabled by appropriate policy including expedited permitting and necessary infrastructure.

CSN will promote the development of capabilities to export knowledge-intensive services in engineering, procurement and construction of green projects and of leading expertise in green technologies. To optimally leverage these resources, CSN will work to convene the capabilities of the scientific community, academia and the private sector to facilitate international partnerships through more open high-skill immigration and business travel.

### CREATING SPATIAL INCLUSION

South Africans should not have to choose between formal housing far from economic opportunity and informal housing close to opportunity. CSN will look to reverse the spatial inequality that has been inadvertently entrenched by post-apartheid housing policies and will look instead to promote mixed-income, higherdensity housing developments, social housing initiatives and inclusive housing policies in well-located areas with access to services and amenities.

It will invest in effective spatial planning, land management and service delivery at a local level and promote participatory urban planning processes, recognising and looking to model exceptional examples of community-led partnerships with civil society, academia and business around the country.

It will reorient the human settlements budget to increase demand-side housing subsidies as opposed to direct supply programmes which determine where housing is built and incentivise the financial sector to expand lending to those with limited credit histories.

### PRIORITISING LAND REFORM

South Africa's legacy of land dispossession, dislocation and forced removals underpin our current situation and foretell a future of continued devastating poverty and inequality if left unaddressed. The central planks of land reform in South Africa - restitution, redistribution, and tenure reform - are currently characterised only by glaring legislative gaps, overlapping and conflicting policy priorities and mismanaged and aimless programmes.

### CSN will:

Establish a National Land Council to comprehensively review the different aspects of land reform:

Develop national guidelines and principles for an overarching national land policy framework and national land act;

Increase support to rural land activists;

Place black women at the centre of reform initiatives recognising that they often bear the greatest burden of extreme land poverty.

# EMERGENCY RELIEF FOR AN EPIDEMIC OF HUNGER AND FOOD INSECURITY

With one in five people in South Africa without enough food to eat and a quarter of children under five years experiencing stunting, South Africa is facing a food emergency. A CSN-led government will recognise that hunger and malnutrition is a catastrophe and has to be dealt with urgently. Prioritising access to basic nutrition for every child, but especially children under five, will bring enormous social and economic returns. We will:

Close the gap between the Child Support Grant and the food poverty line.

Ensure the Child Support Grant is available to mothers from early pregnancy.

Target support for children under three who fail to thrive.

Increase support for subsistence and smallholder farmers.

Make nutritious basic foodstuffs cheaper.

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# MAKING CLEAN WATER AVAILABLE TO ALL

Only 46% of people have a running tap in their homes. The rest use communal taps (which are often broken) or rely on polluted water from rivers and streams. This inadequate availability is being further endangered with Day Zero already a reality for many towns. Government isn't only failing to maintain infrastructure and failing to expand access, it is also the biggest polluter of our water resources as millions of litres of sewage flow into rivers, streams, dams and the ocean. While there is good policy and law in place, widespread corruption and mismanagement at local government level cancels out its impact. The solutions cannot be left to government alone. CSN will enlist experts, engineers, civil society and academia to work together to fix this problem with urgency.

### EXPANDING EARLY CHILDHOOD DEVELOPMENT

The latest data from Census 2022 shows that there are almost 11 million children aged 0 to 9, and 5.8 million children aged 0 to 4 in South Africa. Yet only 1.6 million attend ECD programmes and these vary hugely in quality.

The needs of young children are significant.

Although children can't express their needs or voices through voting CSN knows them to be essential and their needs demand attention.

The early years of a child's life critically impact one's ability for lifelong development. National and international research, policy and legislation recognise the benefits of quality ECD for children, families, communities and society as a whole; developmental benefits include being significantly more likely to complete high school and find gainful employment as adults, and less likely to commit crime or need remedial education.

ECD must be an essential part of every child's birthright in South Africa. Expanded access, including early childhood education, nutrition, healthcare and parenting support programmes particularly in vulnerable communities is a priority for CSN. We will increase the subsidy and increase investment in training and capacity-building of early childhood educators to ensure stimulating, play-based learning experiences that promote holistic development and school readiness.

## ENHANCED GUARANTEES FOR SOCIAL WELFARE AND GRANTS

A CSN-led government will ensure sustainable guarantees for expanded social welfare and grants - ensuring social security arrangements from Cradle-to-Grave:

- Failing to implement comprehensive systems of social security deeply segments societies, creating permanent "winners" and "losers". In essence, traditional forms of societal protection are lost, while replacement systems, which can only be implemented by the state, are not introduced. The outcome is a society that becomes more fragile, with a consequent loss of social cohesion.
- We will ensure access to all necessary fundamental human rights and the public services they require, particularly healthcare, early childhood, basic and tertiary education, shelter and the provision of social welfare for the many people who have been economically and politically marginalised.
- We recognise that progressively providing, planning and budgeting for decent public services is a constitutional duty. We would administer these services efficiently and transparently, ridding them of corruption and shielding them from austerity measures.

- 4. A South Africa in which all can live dignified lives requires a core minimum of social protection. This includes access to sufficient nutrition, adequate healthcare, access to housing and shelter, quality education and the special protection of children, young people and vulnerable women.
- 5. We support significant increases to key social grants, including the Child Support Grant and the Social Relief of Distress Grant as proposed in expert reports produced by government and civil society. We will urgently and publicly evaluate and consider proposals for universal basic income.

We will manage the economy and the national budget effectively to ensure that the most vulnerable receive urgent care and are able to live with dignity and hope.

### SUSTAINABLE ACCESS TO UNIVERSAL HEALTHCARE



South Africa is a country beset by deepening crises of health, including mental health, transmissible and preventable non-communicable disease, trauma and violence. All of these can be managed and mitigated if we draw in rather than expel the unparalleled expertise that exists in our health care systems. That people should be abandoned, when they are frail and sick, to an entirely inadequate, unresponsive healthcare system is among the most grave failings of the current South African government. The inequality in access to health care as between the public and private sectors is unsustainable. We need to draw on the strengths of both systems to provide universal, accessible, affordable care.

Our interventions would look, in the first instance, to restructure the public healthcare system in order to centralise strategic decision-making and to decentralise more operational decisions, alongside corresponding accountability structures.

A key reform would be to treat public hospitals as autonomous facilities. This would allow them to operate efficiently and make it possible for them to contract with provincial health departments and medical schemes for funding and patients.

We would also look to establish a bridge between the public and private systems.

### This can be achieved through four strategic interventions:

- Provincial hospitals must be able to make contracting decisions with either the public or private sectors.
- Medical schemes must have an incentive and ability to purchase from both the public and private sectors.
- Private practitioners must be able to follow their patients onto public sector platforms which will enable well-managed public facilities to recover revenue from the private sector without having to use their own medical staff.
- A universal framework for emergency care should be established, combining public and private critical care capabilities.

We will also urgently adopt the recommendations of the Health Market Inquiry.

## TARGETING CRIME AND RESTORING PUBLIC TRUST

- South Africans live in fear. Crime stalks our children, our communities, our country. Immunity seems the order of the day for criminals: whether they be perpetrators of violent crime or systematic-corruption, involved in organised criminal syndicates or opportunistically targeting women and children. For those who perpetrated past atrocities, immunity has for so long now reigned that they have almost all gone to their graves without facing justice. CSN will work to ensure safer communities and build trust between law enforcement agencies and the communities they serve.
- 2. We need institutional change and reform, we need to rebuild capabilities and reduce fragmentation, starting with leadership we need the best people and best practice. Crime is local, even though policing is a national function, and we need to urgently understand how devolution and decentralisation of the state's crimefighting power can improve safety and security, and reduce corruption, in all our communities. We need to use partnerships effectively, and assess results independently, and as an urgent priority to help restore confidence and public trust, increase efficiency and rebuild enforcement capacity and capabilities.
- In order to reduce violent crime in South Africa, we will prioritise reducing the number of illegal crimes in circulation. Establishing dedicated intelligence driven

- specialist firearm units in SAPS will be effective in recovering these guns, removing them from circulation, tracing their sources and then destroying them.
- 4. The state should work with communities (especially schools) to develop shared plans specific to community and personal safety needs, supported by a competent, adequately resourced and professional police force and an independent and effective prosecuting authority with necessary expert input and capacity. We need to make our neighborhoods safe again and deal with corruption, wherever it is found and no matter how important the people involved: from the cabinet, state owned enterprises, civil servants and the private sector.

We will restore rule of law and address major root causes of crime, including organised crime by:

Devolving and decentralizing communitylevel policing, rebuilding trust and ensuring we have the best people and that we measure against international best practice;

Making the NPA prosecutorial and administratively independent and restoring public trust of government;

Restoring and strengthening trusted, targeted and specialised policing units.

### REBUILDING THE STATE AND ENHANCING DELIVERY

- 1. Underpinning all our interventions will be an unrelenting drive to get South Africa on its feet again through wholesale investment in and improvement of public service and administration at all levels of government, in all its institutions and across all SOEs. South Africans are desperate for a capable, responsive and accountable state. If it is to be brought to life, it must be by making the public sector excellent essential for the delivery of services on which we rely and for the realisation of the rights enshrined in our Constitution.
- 2.We stand for accountable, transparent and expert, evidence-based governance that incorporates the strengths of all sectors of our society. We have models for viable institutions of shared governance that harvest the best ideas and energy and collaborate in their execution.
- 3. Administrative excellence through careful planning and deliberate execution is the only way we can realise our Constitution's promise and deliver lives of dignity for all South Africans. Rebuilding the state means that we include all the people who can contribute to public service with their talent, expertise, experience and commitment to serve all the people of South Africa.
- 4. We will make anti-corruption measures a central, defining feature of government, adopting robust whistleblower protections, enhancing the role played by the Public Service Commission in the appointment of senior civil servants, ending procurement-related corruption and implementing fully all applicable Zondo Commission recommendations.

We will build a functional and capable state by:

Ending cadre deployment.

Appointing the best and brightest of our great country.

### CONCLUSION

This Change Charter looks to offer some big ideas that will offer a reset for our country, putting us on a path to social justice and restoring dignity.

These ideas are intended to unlock change and free us from a future of continued abandonment. Policy proposals without careful plans for financing and implementation go nowhere. Without deliberate engagement as to how the administrative arm of the state is being reformed and resourced to administer those policies, they are just wish lists.

Of course we need to dream. And we have to have hope. But with real plans for implementation and enactment.

This is a time to be brave and bold. It is not a time for government as usual. It is a time to put people first in practice not in words.

We acknowledge and thank those who have given us expert input.

This Change Charter is not a frozen document. Like the governance we hope to be able to demonstrate, we will look to improve it where we can based on continual consultation with you and reflection. If you have suggestions or information for us to achieve change, please contact us at xxxx. If you would like to volunteer for Change, contact us at: info@change-sa.org.za

We know that every province and locality has particular issues and needs. While the Change Charter focuses primarily on national issues, we believe that its principles and approach needs to find resonance in community charters for change. We also believe that the national programmes the Change Charter proposes will greatly enhance and empower local reform. These are critical issues, particularly as the next great chance for change is the 2026 local government elections.

In the coming weeks and months we will also publish mini Change Charters offering more detailed reflection on specific areas of governance and service delivery demanding change. To be kept engaged and informed, sign up for our newsletter at: changestartsnow.org.za



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