How to steal from Eskom

Just when you thought President Cyril Ramaphosa and Shamila Batohi were going to make small inroads into cleaning up the industrial-scale Zuma era and ongoing corruption, Eskom's CEO tells us of a sabotage scam hobbling Eskom's generation capacity. André de Ruyter – while not exactly blaming climate change as Ramaphosa did in ducking responsibility for a lack of vigilance around yet another KwaZulu-Natal disaster – has some mind-boggling reasons for why South Africans can no longer rely on power supply. Maintenance contractors are deliberately putting hard objects into mills supplying coal to power stations, causing breakdowns and generating lucrative work for themselves. There’s also been R1.3bn in power station spares stolen; three people are facing charges for some of these. So, if anyone doubts that looting and corruption are endemic and ubiquitous across all SOEs and in the public sector, consider this: when it comes to corruption, journalists – let alone Eskom – have lost the power to shock. The article is republished courtesy of MyBroadband. - Chris Bateman

By Myles Illidge

Eskom employees and contractors at the Tutuka power station managed to steal spares worth R1.3bn and got away with it.

Eskom CEO André de Ruyter revealed the power utility had to write off the spares as they could not track them down. He also stated that Eskom was aware of continued collusion between maintenance contractors and coal suppliers to sabotage its generation equipment.

“During the last financial year ended 31 March 2021, we had to write off R1.3bn in spares at Tutuka power station, where we simply couldn’t find the spares,” De Ruyter said.

He stated that the situation indicated the misappropriation of the funds assigned for spares at the power station and that the investigations into the matter are ongoing. De Ruyter explained that another significant challenge Eskom is facing is the sabotage of its equipment by coal suppliers colluding with maintenance contractors.

“We are also aware of collusion taking place between people with maintenance contracts, maintenance management, and coal suppliers in order to, for example, disrupt the operation of mills by adding very hard objects to the supply of coal into a mill,” he said.

This ensures that the mill breaks and the contractor can then come in to repair the damage. De Ruyter said that continued sabotage and criminal activity had resulted in Eskom stepping up security at its power stations.

“We now have people on the floor at our power stations patrolling regularly. It is not an ideal situation,” he said. He added that Eskom is conducting various investigations into continued corruption, particularly in generation procurement. It would be taking further steps to eradicate the phenomenon from the generation department. This would, in turn, help to stabilise the power utility’s generation capacity.

File Photo: Electrical power lines hang from transmission pylons near to the Eskom Holdings SOC Ltd. Lethabo coal-fired power station in Vereeniging, South Africa.
Piet Viljoen wades in on Naspers

Two years after Naspers management began implementing an explicit ‘closing discount to NAV’ strategy, the consequence has been the precise opposite of what was intended. Counterpoint’s Piet Viljoen points out the stock’s discount to its see-through asset value is now at an all-time high of 62%. Naspers accounts for a sizeable chunk of the JSE indices, so failure of this deliberate strategy has cost South African savers dearly. Bills for the company’s expensive creation of the offshore holding company, Prosus – coupled with a massive share buyback programme at much higher levels than the current share price – run into hundreds of millions of dollars. Viljoen expressed his concerns in a tweet this morning. In this podcast, BizNews editor Alec Hogg asked him why he felt strongly enough to express his criticism so publicly.

On Naspers share price to reflect the value of its underlying assets

“At the time, there was no Prosus, only Naspers and they held a stake of just over 30% in Tencent and some other investments. If you added up the value of the Tencent investment and the other investments, it was well in excess of the Naspers share price. In other words, Naspers was trading at a discount to the sum of its underlying parts, including a significant loan in Tencent. The discount at that time, if I remember correctly, was in the region of 30%. So I think management came out and said their priority over the next few years was to close the discount.”

On investment bankers benefiting from Naspers’ share price

“Investment bankers have benefited tremendously from it. To create a new holding company in an offshore jurisdiction, transfer a lot of the assets to that company and then create intercompany investments across shareholdings is a very expensive exercise. As soon as you start employing investment bankers, legal people and so on to create these structures, it costs you a lot of money. It has cost Naspers shareholders a bomb to do this. It hasn’t been a cheap exercise at all.”

On Naspers to unbundle Tencent

“It is easy to sit on the outside and criticise. It’s much harder to sit inside and do these things. However, if you look at it rationally, the easiest way to close a discount is to unbundle Tencent to shareholders and manage the rest of the investments to the best of their ability. Then shareholders get the full value of Tencent because at the moment, if you look at the market value of Naspers, it’s less than its investment in Tencent. If they unbundle Tencent, you already have more than you own today, plus you have all of these other investments on top of that still left in the portfolio. The clear thing to do would be to unbundle Tencent. Of course, there are all sorts of reasons why they cannot do that. There might be some claw in the shoulders agreement, which prevents them from doing that. There might be some off the record agreements with the Chinese authorities why they can’t do that. I can only speculate about why they haven’t done so because that is the easiest and cheapest way to unlock the discount.”

TCL IS ‘INSPIRING GREATNESS’ ACROSS THE GLOBE AND IN SOUTH AFRICA

As a leading player in the global consumer electronics industry with a presence in over 150 countries, a particular focus on high-end 4K UHD and large size TV’s in which it has a significant market share, TCL offers affordable, quality smart televisions to all South Africans.
KZN FLOODS

Disaster funds might be plundered

President Cyril Ramaphosa blamed climate change for the recent floods in KwaZulu-Natal (KZN) that have killed more than 400 people in the province. "This disaster," he said, "is part of climate change. It is telling us that climate change is serious, it is here." He added that he believed devastating floods happen only in other countries like Mozambique or Zimbabwe. But as many journalists who have covered floods in KZN in the past decades can attest, these events do not only occur in our neighbouring countries; they have often devastated KZN. I was a young journalist when Domoina, a tropical storm, hit KZN in 1984. September 1987 saw a repeat of the 1959 floods. And the true difference between those events, 38 years apart, lies in the lack of preparedness on the part of today’s authorities. In 1984, the SA Air Force deployed 25 helicopters to airlift people to safety. In the 2000 Mozambique floods, 17 SAAF helicopters rescued more than 14,000 people.

According to media reports, persistent heavy rain in parts of KwaZulu-Natal has resulted in widespread flooding, collapsing roads and death. (Photo by Gallo Images/Darren Stewart)

By Dr Duncan du Bois

While the full extent of the loss of life and property and the damage to infrastructure from the floods that occurred last week will be finalised in due course, such flooding in KZN is not exceptional.

Twice in the past, floods have occurred in April. The first recorded occasion was in April 1848. Between 13 and 15 April 1856, the Natal coast received 650 mm of rain according to reports in the Natal Mercury of 18 and 25 April 1856. Whereas previously the Mgeni River meandered into the Indian Ocean to the south of its present entry point, the volume of water caused it to straighten its course demolishing everything in the Springfield Flat.

The Isipingo Flat suffered a similar fate and was described as having become a lake. Pioneer settler Dick King, using an improvised raft, rescued his neighbour, Thomas Smart and his family from the roof of their house where they had been marooned for two days.

Crops, livestock and machinery losses were estimated at R30,000. Late in August 1888, a gale-force westerly dumped 255 mm of rain in a single day, which swept away the new Queen's Bridge across the Mgeni altogether causing an estimated R100,000 worth of damage in the colony. The 585-ton vessel Ambleside, bound for Liverpool with a cargo of wool and cotton was blown ashore and ran aground in the mouth of the Mzimkulu River on 19 August 1868.

Heavy rainfall occurred in September 1893. In July 1917, 262 mm of rain fell in a 36-hour period. Excessive flooding occurred in May 1959 when several bridges were washed away after 280 mm of rain had fallen. Heavy rains in March 1976 resulted in uprooted trees and foliage piling up on the beaches. Cyclone Demeiona savaged the province in February 1984. September 1987 saw a repeat of the 1959 flooding, memorably sweeping away the new John Ross Bridge over the Tugela River.

But the most devastating weather extreme began on the afternoon of 31 May 1905 when the coast was lashed by torrential rain and hail, which spread rapidly across the whole of Natal resulting in widespread snowfalls as far as Dundee.

Historical perspective on KZN floods

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KZN hasn’t even properly tallied the body blow it suffered then. The official estimates for the insurrection were 45,000 businesses affected, R50bn in economic damage, 120,000 jobs lost, and 3,542 killed. These estimates are probably on the low side. For example, the number of people who were killed in the mayhem doesn’t include the many whose bodies were simply never found and counted. And the true economic cost is incalculable. There’s been substantially increased migration of minorities, cancelled investment, and the loss of international confidence in KZN as a safe tourist destination. In at least a dozen small, country towns, all the business infrastructure was destroyed, paradoxically by the very people who worked and shopped in those buildings.

Now the floods. The death toll is over 300 and still rising. Some 6,000 homes have been destroyed and road, water sewage and electrical infrastructure uprooted. As I write this, roaming mobs are opportunistically plundering container depots, stranded trucks, abandoned homes and vulnerable businesses, reportedly unhindered – as was the case during last year’s riots – by the police and army.

Naturally, no disaster is complete without a scapegoat. Ramaphosa, as is his style, was quick off the mark to finger the culprit: climate change. “This disaster is part of climate change. It is telling us that climate change is serious, it is here,” Ramaphosa told reporters while inspecting a devastated Durban. “We no longer can postpone what we need to do, and the measures we need to take to deal with climate change.”

What balderdash. Whatever role climate change may or may not have played in the larger scheme of things, it’s nonsense to pin on it responsibility for the plight of KZN. That lies with the ANC government.

First, this was not an unforeseeable bolt from the heavens. The forecaster’s warned months back that this was likely to be an exceptionally wet summer because of the La Niña weather pattern that occurs every few years. There are also historical precedents for extreme weather in KZN, which a prudent administration would have taken note of.

In 1984, Tropical Storm Demeiona wreaked havoc in a swathe from Mozambique, through Swaziland to KZN. Although the current downpour is worse, the scale is nevertheless in the same ballpark. This latest storm – as yet unnamed – dumped 450 mm of rain on Durban in 48 hours. Domaione let loose 615 mm in 24 hours on Swaziland and northern KZN.

But the true difference between those events, 38 years apart, lies in the lack of preparedness on the part of today’s authorities. In 1984, the SA Air Force deployed 25 helicopters to airlift people to safety. In the 2000 Mozambique floods, 17 SAAF helicopters rescued more than 14,000 people.

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Historical perspective on KZN floods

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Putin and Zuma share strategies

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his article, by Moscow State University graduate Yuri Maltsev, a Free Market Foundation "luminary" has two noteworthy attributes. The first is that he outlines the full extent of the sanctions the world has imposed on Putin and his fellow oligarchs. The second is that he gives as close to an insider’s view as we’ve had of Putin’s motives and attempts at creating an alternative reality. I’d compare Putin with our own avid student of centralist Communist propaganda and shadowy intelligence work – and alleged wholesale national pillaging veteran – Jacob Zuma. His long walk to imprisonment is the very essence of the Stalingrad strategy.

– Chris Bateman

By Yuri Maltsev

It is obvious that the invasion of Ukraine was prompted by the inept Biden Administration and, especially, by its chaotic exit from Afghanistan. Putin was Russkizhled by the inability of the US and NATO to secure European borders and protect those who were promised to be protected. Signed in Budapest, Hungary on 5 December 1994, the Budapest Memorandum on Security Assurances comprises three identical political agreements to provide security assurances by its signatories relating to the accession of Belarus, Kazakhstan and Ukraine to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). The memorandum was originally signed by three nuclear powers: the Russian Federation, the United Kingdom, and the United States. The memorandum prohibited any country from threatening or using military force or economic coercion against Ukraine, Belarus and Kazakhstan. As a result of other agreements and the memorandum, between 1993 and 1996, Ukraine surrendered its nuclear weapons to Russia. Until Ukraine gave up its nuclear weapons, it had the world’s third-largest nuclear weapons stockpile after the US and Russia.

Ukraine suffered more than any other part of the infamous Soviet Empire under Soviet occupation. Holodomor – government-organised famine – resulted in nine million deaths, mass repressions, and Gulag deportations of another five million Ukrainians. In the months preceding Putin’s invasion of Ukraine, he accused Ukraine of neo-Nazism, anti-Russian genocide, the repression of Russian speakers in Ukraine, and anti-Semitism. He also made multiple demands on Ukraine, NATO and the EU. These claims were his efforts to justify war. It is obvious that his claims of neo-Nazism and Russophobia were completely baseless.

In a 21 February 2022 speech, Putin questioned the legitimacy of the Ukrainian state, repeating a preposterous claim that “Ukraine never had a tradition of genuine statehood.” He described the country as a “South African” and continued to perpetuate many of his false myths about Ukraine. The ANC and EFF, Putin’s political counterparts, have also set the stage for his invasion. Putin’s unprovoked attack on Ukraine was his way of raising his own profile and a general attack on everything ‘globalist’ and ‘Western’. Russia’s aggressive posturing as it rampages across Ukraine is motivated by its own systemic fears and its attempt to come under a new leadership.

So, what are the real reasons for Putin’s invasion of Ukraine? It surely is not the NATO membership nor presumed denazification of Ukraine or another propaganda hoax about the Pentagon biolabs in Ukraine. It is about power and Putin’s insecurity. For horrendous crimes committed by his regime in Chechnya, Dagestan, Georgia, Syria and now Ukraine, Putin is a war criminal who cannot quit his position in power.

Holding Russia accountable for Ukraine

O

n the face of it, Ukraine’s ambassador to South Africa, Liubov Abravitova, is quite the firecracker. I read with some interest, about a fortnight ago, how she publicly called out South Africa’s Department of International Relations and Cooperation for allegedly blocking her requests to get a meeting with her host nation’s counterparts in the wake of Russia’s invasion of her homeland. Dirco’s spokesperson Clayson Monyela fired back that Abravitova was being “undiplomatic” and economical with the truth. What isn’t in dispute is that on 24 February, when the war in Ukraine kicked off, our Defence Minister and Chief of the South African National Defence Force were hobbnobbing at the Russian Embassy, celebrating something called Motherland Defender’s Day. Besides the ANC and EFF faithful – the latter of which openly supports Russia’s ‘ongoing military operation’ in Ukraine – you will be hard-pressed to find any sane, rational person who doesn’t abhor the brutality of Vladimir Putin’s war in Ukraine. Just to reiterate... it is a war, not a special military operation as Vlad forces his country’s journalists to report. War. That little three-letter word would see me tossed in jail for up to 15 years if I plied my trade in that part of the world. Madness. Speaking of madness, it has been well over a month since President Cyril Ramaphosa informed the world that “South Africa has been approached to play a mediation role”. Apparently, Putin “appreciated” SAs balanced approach on the whole matter. Nothing has come from Ramaphosa’s announcement and we continue to abstain from anything that seeks to condemn Russia on the world stage. Somebody who does not appreciate the South African Government’s veneer of neutrality is Abravitova. She has continually appealed to South Africans not to be caught on the "wrong side of history and morality".

– Michael Apple

By Liubov Abravitova

Holding Russia Accountable

There is a narrative out there which attempts to persuade the ill-informed that the invasion of Ukraine, launched by Russia on 24 February, is Ukraine’s fault. This narrative suggests that a combination of Kyiv’s aspiration for NATO membership, its ambition for closer ties with the EU and the US and Russia.

This destruction and systematic violation of rights has been done in full international view over the last six weeks from Mariupol to Kharkiv, Kherson to Mykolaiv, and most starkly, in Bucha. In Bucha, a suburb of Kyiv, following a month of Russian occupation, among the 400 bodies exhumed was clear evidence of torture, rape, and summary execution. Reports from the UN’s High Commissioner for Refugees, the UN Human Rights Monitoring Mission in Ukraine, Human Rights Watch (HRW) and many others suggest that Russia is responsible for widespread and systematic human rights violations.

When presented with such evidence, including satellite imagery, Russia has simply responded that the atrocities were staged. This pattern of denial is what Ukrainians have had to live with historically in our relations with Russia and especially since its invasion of Crimea and the Donbas in 2014. It is a pattern of fake news and the pathological avoidance of responsibility with which the international community is familiar.
The Complaints and Compliance Committee of ICASA recently dismissed complaints laid against Pretoria FM by Primedia Broadcasting. Retired High Court Judge Thokozile Masipa and a panel of five committee members ruled against claims that Pretoria FM has been contravening its licence conditions and regulations. This is just the latest episode in a long history of litigation against the station explains Pretoria FM Executive Chairperson Willie Spies. He told BizNews that the station, established in 1993, has faced a total of nine court cases over a period of close on two decades aimed at closing its doors. The cases have been ventilated in the country’s High Courts, the Supreme Court of Appeal, and the Constitutional Court. The right of Pretoria FM – licensed to serve the interests of the Afrikaner community – to broadcast as a community radio station has been continually contested. Spies says Primedia’s litigation against a host of stations including Hot 102.7 FM, Mix FM, and LM Radio has not enriched the broadcast landscape but “impoverished it by what has been done. Primedia tried to kill us, but in trying to kill us they made us stronger”.

Spies believes there cannot only be two successful commercial radio conglomerates in South Africa. Instead an environment should be cultivated in which 300 successful stations, each servicing the individual needs of unique listeners, are sustainably nurtured. In a wide-ranging interview with BizNews, Spies gives the background to Primedia’s litigation and how Pretoria FM has slowly built itself up into a sustainable commercial entity within the broadcast space.

Interestingly, Pretoria FM – perhaps considered as a bastion of Afrikanerdom – is currently involved in assisting an Nkandla-based isiZulu radio station, Ngkungumathe in KwaZulu-Natal, to get off the ground. Meanwhile, Primedia has put out a statement noting the outcome of the judgment. “Primedia takes note of the judgement issued by ICASA’s Complaints and Compliance Committee (CCC). We welcome the clarity and certainty provided by the CCC with regards to the relevant regulations and processes, and believe that this is beneficial to the whole radio broadcasting industry.”

Read the full article here

Read also:

SLR: AfriForum’s involvement in court cases like Senzo Meyiwa’s murder trial is critical, not opportunism

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Is Zweli Mkhize off the SIU hook?

Last week Tuesday, almost one year after former health minister Zweli Mkhize was exposed as having been intricately linked to a corruption saga involving Digital Vibes, Mkhize was cleared by Parliament’s Joint Committee on Ethics and Members’ Interests on Tuesday (13 April) Parliament’s Joint Committee on Ethics and Members’ Interests on Tuesday (13 April) has controversially cleared former Health Ministers’ Interests on Tuesday (13 April) Parliament’s Joint Committee on Ethics and Members’ Interests. In August, Mkhize’s once-revered reputation as ‘one of the good guys’ in the ANC was all but destroyed when an affidavit by Rajendra Chunniall, a principal forensic investigator and the lead investigator in the Special Investigating Unit’s scrutiny of the scandal, provided the gory details of payments of ridiculous amounts of money made to individuals and entities with direct links to Mkhize. His son, Denedan, was just one such individual. Mkhize has publicly stated that he did not breach the ANC ‘top job’ in his sights and news of such individual. Mkhize has reportedly got individuals and entities with direct links to Digital Vibes tender, contradicting the findings of the Special Investigations Unit, writes MedicalBrief. Mkhize – who has spent the past few months fighting for his political life after the findings of an SIU report into the R150m communications contract with Digital Vibes led to his resignation – is reportedly eying the ANC’s top job in December. He stepped down in August after the Special Investigations Unit submitted a damning report on his financial affairs to President Cyril Ramaphosa. That report found that Mkhize and his family personally benefited from the irregular Digital Vibes contract. However, Mkhize took the SIU’s report on legal review, claiming his submissions and evidence were not taken into account by the unit. The SIU’s report on legal review, claiming his submissions and evidence were not taken into account by the unit. The SIU’s report on legal review, claiming his submissions and evidence were not taken into account by the unit. The SIU’s report on legal review, claiming his submissions and evidence were not taken into account by the unit. The SIU’s report on legal review, claiming his submissions and evidence were not taken into account by the unit. Mkhize, who is still on trial, faced two complaints before the committee for allegedly receiving benefits for maintenance work at his Bryanston property. EWN reports that the Joint Committee said he did not breach the ethics code when it came to the disclosure of his interests. The other complaint is related to his son, Thamsanqa, who apparently received R460,000 from the company.

File Photo: Zweli Mkhize briefs the media on Government’s further plans to combat the spread of Covid-19 in South Africa at the Union Buildings in Pretoria. [Photo: GCIS]

The subtleties of red tape – Dr Grant

A free and prosperous society is marked by red tape that binds government and officials far more than its citizens. The more red tape, the more authoritarian and dysfunctional rulers are. The Catch 22 is when the ‘people’ demand government to do more for them, automatically giving those in power greater influence over their lives. While subsidies like the Basic Income Grant are vital given half the population is jobless, they also create a habit of dependency, which eventually kills innovation and entrepreneurship. We have our Constitution that constrains rule makers with so-called ‘good red tape’, thus protecting citizens. Unfortunately, it cannot kick-start the economy, only constrain those who ride roughshod over human rights. Unshackling the economy begins with fewer constraints on business, not more, certainly not those that smother the inhabitants of the well-connected whose disadvantage is long forgotten. They thrive on red tape entangling less fortunate brethren. – Chris Bateman

By Dr Richard Grant

It might be hard to imagine that ‘red tape’ could be your friend. Although we never actually see the red ribbon or tape that was once used to bind government documents, we do see the ponderous power of its spirit when experienced as in the Britannica Dictionary definition: “A series of actions or complicated tasks that seem unnecessary but that a government or organisation requires you to do in order to get or do something.” Who does not have a suppressed memory of the stress, frustration and wasted time that so often come with the need to deal with a government bureaucracy to obtain a document, or to get something done? Who has not asked, “Can’t we just cut through all this red tape?” I can certainly commiserate. But be careful what you wish for. Those old red ribbons or tape that bound those documents were merely a physical manifestation of the existence of law. Although the king might have been absolute in his power, he would keep that power only through a set of rules that would constrain the subsidiary power and reach of those who acted in his name. Throughout the ages, each government officer or bureaucrat has had his own personal desires and interests that could be quite different from those of the legitimate government leaders or of the ‘will of the people’. The rules imposed on them by the king or parliament serve not only to ensure that the king’s will would be done by his bureaucrats, but also to protect the king’s subjects from the personal whims of those same bureaucrats. It is this latter feature that we are most in danger of losing. The protection of citizens from the arbitrary powers of government bureaucrats and their superiors is a key feature of those countries that are not only the most prosperous and free, but also most respectful of their citizens. That is the essential purpose of the rules and conventions that we call red tape. Without such controls, each bureaucrat with whom we deal would have potentially unlimited dictatorial powers. The red tape limits the size of the bureaucrat’s fiefdom and the scope of his powers within that fiefdom, thereby limiting the reach of his power over us. As governments interfere more in our lives, bureaucracies must necessarily grow and become more powerful. That is what pushes out more red tape to bind ‘we the people’ rather than the bureaucrats and government officials. When the people demand that the government do more for them, they are in essence asking the government and its officials to take on greater power and to have greater influence over our lives. That is when red tape becomes a visible and pernicious issue in daily life. Increasingly, we find ourselves dependent on some bureaucrat’s permission to conduct even the most basic aspects of our lives.
Moving house helped me find myself

By Sean O’Connor

When I started my search for a new home in November last year, I was dumbfounded by some of the adverts I saw online. Properties kept popping up – “Available 1 December”. Who on earth leaves such a momentous undertaking to the last minute? What type of person or family would move, lock, stock, and barrel, into a long-term dwelling with just a week’s notice?

The move loomed in the distant future. For the past two years I had been cohabiting with my ex-wife and two teenage children in a grand social experiment. She, the ex, had boldly suggested we pool our resources and move into a bigger home together, rather than our two small flats, unsuitable and disruptive to the lives of our children, and ourselves.

Remarkable what a combined income could do! We’d find somewhere our son would benefit from a steady base, helping his effort to pass matric. Somewhere our daughter, dislocated from attending different schools in different countries, could find some rhythm and stability.

The house we found was perfect. Now, both kids could walk to school. The son got his matric, the daughter flourished, and the project hurtled towards its predetermined expiry date.

We would all move on and go our separate ways – she to boarding school, he into the world to seek his fortune, the ex to resume studies and into her old flat. And me? The horizon was wide open. I would be on my own again. Well, I had a dog, at least. I had plenty of time. I would be comforted by knowing where I was going. I set the various property websites to send me alerts, and they cascaded in.

My criteria were broad, my budget reasonable, my tastes appropriately unrestrained. I began to look in earnest about three months before the end of Feb deadline, feeling my way into the strange cycle of the rental market, the patchy communication channels, the estate agents complaining of how busy they were, the arcane and unspoken rules of who from a list of applicants would be chosen.

Soon I realised my criteria were actually narrow, and my budget unreasonable. I lost out on a place I wanted. I adjusted. A trickle. Then nothing.

Well, nothing I liked. Nothing that “spoke to me”. Then, another place. I wrote a sterling application and didn’t even make the shortlist. Perhaps being a single male without formal employment disinclines good fortune in the house-letting world. I felt I was fighting an uphill battle.

I looked at many flats and houses, and while it wasn’t a total waste of time, and helped me establish more clearly what I was looking for, some of the places were vacant for a reason, which had not appeared in the ad. I realised I needed a plan B, because plan A wasn’t working. So, I did find a place, slightly too expensive, slightly too suburban (the kind of place you need to drive to somewhere if you need to buy milk). And available a month too late.

But a solid place, with space for the kids when they come visit, and dog-friendly. “No matter,” I thought, “I can camp with mates and stay on a friend’s farm.” I’d be calling in a lifetime’s worth of favours, but what could I do? I was doing my best.

I was being pressured to sign the lease. The landlady started acting up, saying that she wanted to keep the garage for her own storage. Hmmm.

By Sean O’Connor

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From quite a catch to perfect match

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Four habits to retire comfortably

Brought to you by Brenthurst Wealth

H ow certain are you that you can retire comfortably, and maintain a level of comfort throughout your retirement? If your answer is: ‘I don’t really know’, then you are not alone. Too many of us live and (occasionally) save in the hope that our efforts will be enough in our old age. Hoping to be OK in the future is a rather desperate situation, but it is not an unsolvable one.

Here are four tips that I share with investors who have taken the active decision to prepare for their future by devising a plan to get there. Even if you have gone most of your career hoping you will have enough, but still unsure, you can still take action today to provide a more secure future for yourself.

Create a retirement plan

No two retirement plans are exactly the same because your dreams, hopes and aspirations are unlikely to be the same as anyone else. Nuances in goals, personality and background ensure that your specific goals will be very specific to you.

And so, your retirement plan should mirror that.

Speaking to an accredited financial advisor can help you craft a plan that will take you on your very own retirement planning path. Factors like personal and financial goals, investment time horizon, and tolerance for risk should all be considered and accommodated in your plan.

With an end goal in mind, it is far easier to see the path ahead and how you are going to get to your goal. Take this simple equation that illustrates how much you need to save to reach a reasonable level of saving:

- Starting at working age 20, retiring at 60: you need to invest 15% of your pre-tax salary for 40 years
- Starting 10 years later, still retiring at 60: you now need to invest 30% of your pre-tax salary for 30 years (or plan to work until 70)

One way you can avoid a tendency to panic invested. Is to ignore short-term movements and stay invested.

The rise of Decentralised Finance

Brought to you by Jaltech

W ith the creation of cryptocurrencies and the underlying technologies that come with them, one of the biggest developments and most feared by the financial sector is the rise of Decentralised Finance, commonly known as “DeFi”.

DeFi is a broad term for alternative financial systems and services which are built on top of blockchain technology. This new digital universe is modelled toward building a new, internet-native financial system using blockchain technology to replace traditional [archaic] financial systems.

In layman’s terms, DeFi is financial services that are completely internet-based, uses blockchain as its backbone and can be implemented and executed in real-time without any middlemen. This provides users with greater efficiency and lowers costs to transact.

DeFi systems follow specific protocols (a set of rules for transacting and regulating token supply) executed via smart contracts. DeFi competes with existing financial services by offering global access and exploiting the limitations of traditional banking systems. For instance, cross border payments take anywhere between 2 to 3 days to settle, whereas, in the DeFi environment, settlement can occur within minutes. DeFi protocols compete across multiple financial sectors including lending, insurance, and exchange.

Traditional finance vs DeFi

One fundamental difference between traditional finance and DeFi is that traditional finance is largely dependent on human resources to process and approve decisions and perform tasks (for example, the approval of a home loan) whereas within the DeFi ecosystem all activities are fully automated through smart contracts.

AAVE is a prime example of an automated DeFi protocol. AAVE allows customers to deposit their cryptocurrency as collateral when applying for a loan. The process of applying and receiving approval/rejection is all done online and takes a few minutes. To date, AAVE has received deposits of more than USD 200 billion in cryptocurrency. The efficiencies within the DeFi environment are enhanced given that there is no need to engage with a human gatekeeper. The obvious reason for the rapid growth of DeFi is centred around the competitive advantages it has over traditional financial systems, a few examples can be summarised below:

- Starting 20 years later, still retiring at 60: you now need to invest 60% of your pre-tax salary for 20 years (or work until 80)
- Starting 10 years later, still retiring at 60: you now need to invest 20% of your pre-tax salary for 30 years (or plan to work until 70)

Although DeFi offers ordinary people the ability to transact globally, 24/7, 365 days a year, the majority of consumers are years away from adopting this technology in their everyday life. However, given the efficiencies and low transaction costs, it’s highly likely that cryptocurrencies linked to protocols will continue to appreciate over time, the question is which protocols will be the next Goldman Sachs of the DeFi world.

Get the balance right

Constructing a portfolio that helps you reach your retirement goals without making you feel uncomfortable is retirement planning nirvana. And also, difficult to achieve all the time without the help of expert advice to rebalance your portfolio when needed.

For example, you do not want to have extreme exposure to any one asset class or type. Being fully exposed to only local equities or only offshore markets flies in the face of the well-worn principle of diversifying your investment risk.

Also, take the performance of the FTSE/JSE All Share Index versus global equity markets over the past 10 years. The local market delivered a return of 8.2% p.a. compared to 20% p.a. in global markets, but in the decade prior roles were reversed when the ALSI returned 15.7% vs 8.8% in global equities.

Read the full article here
The rapid growth of WeBuyCars

Brought to you by WeBuyCars

WeBuyCars, founded by brothers Faan and Dirk van der Walt, is a South African company that has been leaving many in awe. It is a company that has grown faster than many could keep up with and its ability to continue expanding, despite economic challenges that arise, truly sets them apart.

For many years, the Van der Walt brothers did everything themselves. This was until the need for WeBuyCars’ services grew too big. During these times, they learned a lot about the car game, the diverse society and about business. When you think about the fact that in the year 2012, WeBuyCars consisted of roughly 25 employees and today (10 years later) they consist of about 2 000 employees, you begin to grasp the rapid pace at which WeBuyCars has been growing.

Ultimately, the incredible growth that WeBuyCars has been experiencing, has led to a very fast-pace, dynamic and hard-working organisational culture. Since the very beginning and still to this very day, WeBuyCars has been placing great importance on employing the right people for the right positions. They realised early on, that it is one of the most essential keys to the success of any business. The aforementioned becomes even more important in times when unplanned external factors shake things up, and one needs to rely on the expertise of its employees to help make the right moves.

When Covid-19 hit and South Africa went into a national lockdown in March 2020, businesses faced numerous challenges. WeBuyCars was one of the many businesses that wasn’t allowed to physically open for several weeks and for months, they weren’t able to operate at full capacity. During that time WeBuyCars took on, what was meant to be a long-term plan and immediately started developing their very own online car buying platform. This allowed customers to reserve their dream cars online and allowed the company to continue generating funds without even being physically open. This was among one of the many reasons why WeBuyCars not only survived the critical Covid-19 lockdown, but also managed to do well during the process.

Today, WeBuyCars has 11 branches and 27 buying pods nationwide. Some of their bigger branches can store up to 1 000 vehicles, providing customers with a wide variety of vehicles to choose from. They have also started rebuilding their buying pods recently and will gradually start rebuilding the rest of their buying pods nationwide. The new look can be seen with the current Castle Gate, Kolonnade and Jean Crossing pods and has been designed to enhance customers’ experience when selling their car at a WeBuyCars pod.

During March 2022, WeBuyCars not only grew their footprint nationally, but they also went international for the very first time and started buying vehicles on a small scale in Casablanca, Morocco.

For the remainder of 2022, WeBuyCars has many plans to continue growing and expanding in various ways.

Read also:
- Fireside Chat with Dirk van der Walt: How we built WeBuyCars

Find out how much your car is worth.

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