

The Programme Director

Deputy Mayor, Logie Naidoo

The Chairperson of the Portfolio Committee

Members of the Provincial Legislature

Management of the Department of Public Works

Graduands

Emerging Contractors

DistinguishedGuests

All protocol observed

I want to begin today with a quote from a great leader.

Oliver Tambo said:-

'A country, a movement, a people, that does not value its youth, does not deserve its future'.

Youth represents the future of our country, you represent this country's future and its hope.

It gives me great pleasure to be part of such hope today – and to also celebrate your graduation.

It is a sad reminder of our history that within our country there still exist such vast differences in skills, and education, and economic opportunities.

This administration has committed itself to the pursuit of a developmental state in which disadvantages existing in our country are corrected. The policy of a developmental state recognises that we need to achieve our goals in stages. We all have a role to play in getting things right, and I commit myself and my officials to work together with you in achieving this.

Our President, the Honourable Jacob Zuma (in his State of the Nation Address) has committed to investing in the youth of the country so that a skilled and capable workforce that will support further economic growth and job creation emerges.

As a country we are faced with numerous challenges that have evolved before 1994, and continue today. Experience, expertise, and prosperity were and are generally skewed towards the minority groups and this is true of the construction industry. Although the projected economic growth of around 4,5% this year, is driven mainly by mining and manufacturing, the construction industry is a pivotal driver of an economy that is emerging from recession. More than this, the construction industry is a catalyst in the re-development of an economy that corrects the distortion of income and business ownership in the hands of a few.

It is encouraging that in a recent study it was found that around 80% of developers used emerging contractors as sub-contractors. It, however, is concerning that the same study found that the emerging contractors provided almost exclusively, only labour, to primary contractors. One reason for this, identified in a study by the Black Construction Industry, is the low level of formal education amongst emerging contractors. The truth is that this lack of formal education prevents emerging contractors from competing with

primary contractors in the tender process. Lack of education stifles the ability to compile the required documents that are the link to procurement opportunities. If education is not secured as a primary objective of our Emerging Contractor Programmes, and if resistance to training imperatives remains constant, we run the risk that emerging contractors will stagnate as a labour pool. What then will we have achieved? We will have learnt very little from the history of the 1948 era, where the majority of the people of the country were reduced to nothing more than a labour force drawing a low wage.

I believe that there is a great deal of potential for unity and transformation even in a highly competitive industry. The established industry has responded positively to transformation and has signed the Construction Charter, which commits the industry to concrete targets in terms of Black Economic Empowerment. I am pleased to say that most of the major companies have made progress towards these targets encouraging us to believe that together we can address many outstanding challenges.

Ladies and gentlemen, we as government acknowledge the contribution made by emerging contractors in the delivery of sustainable human settlement. There are many challenges facing the sector.

Government has committed itself to develop emerging contractors to enable them to participate more effectively in building communities and contributing positively towards the economy. Our strategies in this regard need to address key challenges faced by stakeholders, whilst finding joint solutions to facilitate growth.

As a Department, we have attempted to facilitate the entry of contractors into the market by making access to the CIDB much easier. Contractors used to encounter difficulties in accessing the Construction Industrial Development Board (CIDB) and others ended up losing interest. The complexity and frustration of entering the contractor market has now been alleviated - the CIDB have functional offices in Mayville, Durban. In the past financial year over 24 000 contractors have registered with the CIDB. The CIDB is a crucial and important role player in the construction industry as it is entrusted with the responsibility to provide strategic direction and development of effective partnerships for growth. Contractor registration is already opening doors to support by banks and financial service providers as the industry moves into a more regulated environment. For example, National Urban Reconstruction and Housing Agency (NURCHA) now offers finance to all registered contractors on public sector projects provided the tender is viable.

Contractor Forums exist in all districts. These forums are used as a platform for constructive engagements and enhanced consultation. Issues pertaining to construction industry are discussed and inputs are made regarding the partnership between the Department of Public Works and contractors.

Through the Department of Public Works we offer various opportunities to address job creation, skills development and transformational objectives.

These include:

- National Youth Service (NYS) programme;
- Expanded Public Works Programme;

- Izandla Ziyagezana (Vacant Land Clearance) Programme;
- Property Incubator Programme (PIP); and
- Masakhe Emerging Contractor Development Programme

National Youth Service

R 5,2 million has been made available through the Office of the Premier of KwaZulu-Natal towards the National Youth Service Program. The aim of the programme is to provide much-needed skills to provide access into the construction industry. The success of the programme is marked by each one of you who graduate here today. It is up to each one of you to use these skills to carry the programme forward. I want to mention Mcedisi Makoma – a graduate who forged ahead and formed a construction company. This graduate is now an emerging contractor, who has secured a contract to erect low-income housing and has in fact completed 75 today! Tomorrow he will be an emerged contractor who will share skills and experience, and provide additional job opportunities.

EPWP

The Expanded Public Works Programme adopts labour-intensive methods, thus providing as many job opportunities as possible. By the end of March 2010, we had provided 21 256 job opportunities in KwaZulu-Natal, and this year we are committed to expanding the number of job opportunities in the Province.

Property Incubator Programme

The Property Incubator Programme is designed to develop the skills of our youth within the property sector. 63 youths will now begin the next phase of their training in business management, property development, real estate management, facilities management and how to be an efficient supervisor. This training will involve first theoretical training and then the learners will be placed in the private sector for on-the-job training. In a recent study conducted by the Black Construction Industry, of emerging contractors it was revealed that one reason for limited growth is the level of education and knowledge of the property industry. Emerging contractors were found to not be able to compete with primary contractors in the tender process.

Masakhe Emerging Contractor Development Programme

Emerging contractors are provided with the opportunity to grow into fully fledged contractors through the Department's Masakhe Emerging Contractor Development Programme. The opportunities provided through the Masakhe initiative include training and access to finance – and of the 48 contractors who will be trained to NQFT 2 level, 30 are youth-owned. The promise of this programme is demonstrated by Isibonelo Sentombi Construction – the company now employs 28 youths, and is involved in building a sports field!

Bursary Schemes

In his State of the Nation Address, our President committed the country to set ambitious targets for skills development and to produce additional engineers and technicians. Formal qualifications in the construction science arena are in short supply in this country. We have awarded 43 bursaries to students studying towards these technical qualifications, and once qualified,

we shall not abandon them. The Department offers access to opportunities to gain practical experience in architecture, engineering, property management and construction management.

It is clear that much progress has been made and as we may be tempted to say that we have done much, the words of Nelson Mandela ring clear:-

But I have discovered the secret that after climbing a great hill, one only finds that there are many more hills to climb.

In conclusion , let me say that there is enough work out there for everyone. There is no need to engage in short-cuts or dishonesty in order to obtain tenders. We have to eradicate this culture which has its roots in a get rich quickly at the expense of the poor mentality. We, as a Department have committed ourselves to nurturing and supporting emerging contractors. There is enough work out there for people to earn a comfortable living while providing good value for money at a fair cost. So my call to all of you today is to do infuse honesty, integrity, ethics and pride in the way you do business and to produce good quality work that people will be satisfied with. In this way, we can together build a better future.

THANK YOU