

ADDRESS BY THE DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE BERNICE SWARTS DURING SAIBPP PRESIDENT'S FUNDRAISING GALA DINNER, PHAROAH AUTO INVESTMENTS, JOHANNESBURG, 04 APRIL 2024

Topic: *"Relationship between Skills, Economic Growth, and Transformation"*

Programme Director, Ms Unathi Nkayi;

President of SAIBPP, Ms Fundi Mazibuko;

SAIBPP CEO,

Professionals in the Property sector;

Distinguished Guests;

Members of the Press;

Ladies and Gentlemen;

Dumelang! Lotjhani! Avuxeni! Goeie Naand!

It is an absolute honour and joy to participate at this prestigious fundraising gala dinner organised by the pioneering South African Institute of Black Property Practitioners (SAIBPP).

As our young nation commemorates thirty years of freedom from the chains of apartheid-colonialism, we are heartened to see that this organisation has been in existence for twenty eight years and it is still going strong.

Even when one tries not to see the story of Tintswalos, the children of democracy, one is confronted by its evidence.

Gathered in this room are outstanding patriots, men and women, who are united behind a vision of a truly transformed South African property sector that reflects the demographics of our nation.

Working together, we can indeed empower tomorrow's property leaders, starting today.

While others lament the slow pace of transformation in various sectors of the economy, we are inspired to see this organisation making a meaningful contribution to change the status quo.

This evening we bring one message from the South African government and the Department of Public Works and Infrastructure (DPWI) – please know that you have an ally and partner in your endeavours to increase black participation in the property sector.

We stand ready to support your ground-breaking initiative, the Property Academy, which you launched last year.

Please also know that you have a partner in us in your initiatives to train and skill black professionals to address the skills pipeline and grow meaningful black participation in the property sector.

In this regard, we wish to pay tribute to your members, companies, organisations and individuals who have graced the 2024 President's Dinner to support the fundraising efforts of the SAIBPP.

The late journalist Aggrey Klaaste would have been proud of everyone gathered here lending a hand to nation building.

Patriotism, civic action, and public service were summed up in the inaugural address of US President JF Kennedy when he uttered these enduring words: **“Ask not what your country can do for you – ask what you can do for your country.”**

Indeed, **“It takes a village to raise a child.”**

Bathi abadala **akundlulwa ngendlu yakhiwa** sizwe sakithi. Ngakho siyanxusa ukuthi sonke esilapha **asiphose itshe esivivaneni**, sithuthukise isizwe sakithi ngokusihlomisa ngesikhali semfundo namakhono ku-property industry.

Ladies and Gentlemen, before I say much on my given topic on the relationship between skills, economic growth, and transformation”, I beg your indulgence to clear one issue.

As we do when we make confessions in church, I must also confess that I thought I was invited at a wrong event when I saw the evening themed, **“007 (ou-ou-seven) – a James Bond Evening.”**

Never in my life did I think property professionals could be so imaginative, creative and fun as most of us think your careers are too serious to even allow you to watch film thrillers.

The conspiracy theorist in me tells me it may have been the stunning and gorgeous Unathi Nkayi, a graduate in drama and media herself who influenced the CEO or President of the SAIBPP.

Trust me, had you said anything about a horror movie like **Friday the 13th**, I would probably have sent a doctor’s note why I could not show up.

As we network and bond - or should we say as we “James-Bond”, may we dig deep in our pockets to fund the dreams of the African child in the largely untransformed property sector.

We hope that the idea of the famous fictional character, the British secret agent, James Bond, won’t give anyone any idea of using cellphones to spy on me talking about feigned illness and fraudulent sick notes and relay this to my boss, His Excellency President Ramaphosa, who may just reshuffle me on the eve of the end of our term of office in the 6th Administration.

Compatriots and Friends, we are happy to be associated with an organisation that was set up specifically to deal with the legacy of our past and to contribute to the great national effort of transforming the patterns of social and economic contours of our country.

The Department of Public Works and Infrastructure that we lead is responsible for policy coordination and implementation in the South African construction and property sectors.

We are the custodian of the biggest property portfolio in the country and we play a pivotal role in the South African economy.

The Department is spearheading the dismantling of apartheid social engineering and race-based spatial planning that neglected the basic needs of the black majority.

South Africa’s National Development Plan (NDP) regards the Built Environment as an engine and bedrock for inclusive economic growth and development.

It was during the devastation of COVID-19 which negatively affected our economy, including the property sector, that South Africa crafted the South Africa’s Economic Reconstruction and Recovery Plan (**ERRP**) to stimulate inclusive, sustainable growth.

The Plan prioritised infrastructure-led growth given its catalytic impact and potential in creating much needed jobs.

Our entity, the Construction Industry Development Board (cidb) followed suit and developed the Construction Industry Recovery Plan (**CIRP**), a construction industry-wide plan focusing on both the public and private sectors.

Black property professionals will be pleased to learn that recently, the Department of Public Works and Infrastructure has adopted a new strategy to add value to its property portfolio and drive economic development and transformation.

It is the Department's view that state properties are more than physical assets. They carry the potential for economic transformation and a sustainable development that leaves no one behind.

The state's immovable asset portfolio consists of about 30 000 land parcels (that is 4.7 million hectares of land – accounting for approximately 4.5 percent of the total country land area) and approximately 90 000 facilities, an equivalent of to 33.9 million square meter of floor space.

A deemed cost for the land parcels is estimated at R40 billion while the cost of the buildings and improvements is approximately R71 billion.

An estimated 58 percent of the state asset portfolio is not suitable for occupation. Approximately 3 percent of buildings are unutilised and 35 percent of land parcels are vacant.

During my address on 19 March 2024 at the South Africa Sustainable Infrastructure Symposium, I spoke at length about the new **State Asset Optimisation** Programme (SAOP) that will see our entity, the Property Management Trading Entity (PMTE), playing a leading role in bringing the private sector through public-private partnerships like ROT or BOT to add value on the state assets.

Again, this morning at a Built Environment Indaba organised by the Black Business Council in the Built Environment (BBCBE), Minister Sihle Zikalalla spoke in detail about the Department's Asset Optimisation Strategy which seeks to enhance efficiencies and effectiveness of state property management.

The State Optimisation Strategy seeks to support government's service delivery objectives through appropriate accommodation, improved revenue generation, and reducing the costly lease portfolio of the Department.

PMTE seeks to leverage its existing partnership with the private sector to reduce the risk of exposure for government because at present, government carries most of the risks linked to project delays time even though it appoints private sector contractors to help improve service delivery.

The PMTE, supported by ISA, will be partnering with the private sector in the financing of developments or re-developments of state fixed assets and parcels of land.

We hope that black property professionals and our black youth pursuing property-related studies will not only be encouraged by these developments but also take advantage of them.

In this regard, the support and success of SAIBPP bursary programmes and the Property Academy becomes an imperative deserving of our collective support.

Ladies and Gentlemen, since our appointment a year ago, we set ourselves a vision to reposition the Department of Public Works and Infrastructure as an **Implementing Agent of Choice**.

Working with organisations like the SAIBPP, we can create opportunities for black people to thrive in the facilities management space.

Currently, DPWI is implementing measures aimed at reducing the reliance on reactive maintenance and reduction in the replacement costs.

Maintenance models that support our policy, are term contracts, total facilities management contracts, and workshops capacitation.

The Department is putting measures on reducing over-reliance on external services providers for maintenance and operationalising workshops nationally commencing with Pretoria, Mangaung, Cape Town and Durban.

The Total Facilities Management Contract has been implemented with a shift to a 70% preventative maintenance and 30% corrective maintenance.

The Department has successfully implemented 4 Total Facilities Management Contracts for the 2023/2024 financial with an additional 08 in the procurement pipeline for implementation.

No less than 244 term contracts for soft services and 86 Technical term contracts have been implemented nationally for the 2023/2024 financial year. The technical term contracts are for all disciplines of mechanical, electrical and building works contracts, with soft services focusing on cleaning and horticulture.

Ladies and Gentlemen, the underrepresentation of black people in general and African women in particular in the multi-million property sector is a cause for concern for all of us.

We are greatly concerned about few black people who are professional valuers in a field that is still dominated by white people many of whom are retiring because of age.

We want to see more black people providing expertise and services in Facilities Management.

Despite the transformation charters that we adopted to drive transformation and black economic empowerment, the state of transformation remains unsatisfactory.

One of the barriers that has been identified in our transformation journey has been inadequate skills and lack of mentorship programmes.

Through the Department's School Programmes, DPWI invests in improving outcomes in Maths and Science from grade 9 to matric in no fee paying, rural and township schools.

Since 2004, DPWI has invested more than R200-million to cover at least 634 bursaries in scarce skills in the Built Environment.

Through the Young Professionals Programme, a structured Mentorship Programme, we contribute in accelerating professional registration of the previously disadvantaged groups, and maximise exposure of candidates to national and international projects.

To address the challenge of the skills pipeline, in December 2023, the Department, led by the CBE, finalised and adopted the **Built Environment Professionalisation and Skills Development Strategy for the Public Sector**.

The CBE Annual Report 2022/23 shows that **only 14% of registered professionals in South Africa are women**, 62% of registered professionals are white, followed by 25% African males, 9% Indian and 4% Coloured.

Africans and women remain stuck as candidates due to a lack of employment opportunities and mentorship - 62% of candidates are African, followed by 24% white, 9% Indian and 5% Coloured. Even more worrying is that women candidates are only at 28%.

The *Built Environment Professionalisation and Skills Development Strategy for the Public Sector* is centred on 4 pillars;

- a) A transformed Built Environment;
- b) Fit-for-purpose professionals;
- c) Innovative thinkers that are grounded in inclusive approaches and embrace indigenous knowledge; and
- d) A futuristic approach in the delivery of infrastructure and development of sustainable cities, towns, and villages.

No less than 11 interventions have been proposed for implementation of the skills strategy. These are:

- 1) Establishing a built environment national logbook.
- 2) Setting-up a tailor-made compulsory programme for non-registered built environment persons in the public sector.
- 3) Aggressively implementing the skills pipeline interventions and decolonise the built environment to ensure that skills are fit-for-purpose.
- 4) Applying a coherent approach in implementing concurrent functions.
- 5) Transforming collaborative forums to be used as a platform to discuss industry issues.
- 6) Implementing Transformation Sector Charter codes for the built environment.
- 7) Fighting corruption and building an ethical sector.
- 8) Implementing government-wide capacity development, design, and project management.
- 9) The establishment of the Skills Academy/ College.
- 10) Repositioning the DPWI as South Africa's Project Management Office.
- 11) Adopting new technologies and methodologies.

As you can see there are many synergies between our Department and the work of the SAIBPP. It is important that we learn from each other, collaborate more, refine and strengthen our programmes, and avoid duplications.

Like yourselves, the Department is invested in transforming the property sector and ensuring that it reflects the black majority, including on issues of ownership, management, and employment patterns.

From a history where African people were deliberately barred by legislation to be skilled in the Built Environment, we must use the next thirty years to turn the corner by focusing on skilling our people and

ensuring that they get opportunities in the state and private sector to apply their expertise and harness their skills.

When Unathi Msingana's grandfather named her special granddaughter **Fundiswa**, it was an expression of a wish by a grandfather for Unathi to acquire an education, something his generation was denied by the diabolic apartheid regime.

Thanks to you Unathi for honouring your name Fundiswa and the generations of your ancestors who were barred by the system to obtain quality education through various laws that sought to keep Africans hewers of wood and drawers of water in the land of their birth.

And thanks to the many young people who are seizing the day by taking advantage of the skills opportunities that are provided by the democratic state since 1994 and by progressive organisations like the South African Institute of Black Property Practitioners.

Before a James Bond emerges in the room to cause "isphithiphithi" and confuse all the gorgeous women as they have been found to have a weakness for his charming character, let me disembark by wishing you all great success in your lives as we build the South Africa of our dreams together.

I thank you!