## Mr Jeremy Cronin, MP, Deputy Minister of Public Works\_ Notes 5 November 2012

## **2012 Young Professional Programme**

Young Professional Programme is one of the programmes that contribute in creating a healthy economy for the country, this is where this initiative must be situated. In 2008 Global Economy wobbled. This impacted negatively in South Africa as it did to other countries. The global economic slow down is going to be with us for some years. What is important is to begin to craft our response to it.

Our principal response has been the infrastructure built. Infrastructure development as a response is an immaculate one. We need to sustain a very significant state led major infrastructure build programme. Young Professional Programme is helping us doing just that. We live in a country that has massive inequalities and high proportion of poverty we look up to young professionals to undo this reality. You are recognised as very important.

2010 Soccer World Cup kick started the country's infrastructure build. We may not have done well in the field of play but we managed to build wonderful stadiums, airports, roads, etc. We can boast of wonderful infrastructure accomplishment. But let us also speak another truth, we missed an opportunity for skills development in the construction and built environment sectors. It may be because we were such in a rush, there were tight deadlines, we were working towards a particular event. FIFA deadlines drove to a point where conditions became conducive for highly inflated prices, there was no sufficient planning on material input and a lot of collusion. We were in such a rush that we didn't build any strong skills training requirements. We did not say to the private sector you are getting this contract to build this stadium, that road, but its public money, so here is a nature of investment we are demanding from you. We did not leverage skills development. Yes a successful infrastructure build but after it there was a massive fall of jobs. Key is a pipeline of construction and infrastructure projects to sustain investment so that we can sustain employment in a planned and effective way. These are some of the lessons we learnt from staging a Soccer World Cup. We certainly need that urgency back but this time it must go with a lot more, like skills, permanent jobs and widespread development that is socially uplifting on sustainable basis.

The Council for Built Environment (CBE) needs to work with you and you should all tell us as to where are the bottle necks and their nature. Together we should build a socially oriented infrastructure programme. Economic infrastructure is good but the problem with it, it does not cater for all, only for some. Marikana is a good example of this. There is massive development there. There is major infrastructure development in the Platinum Belt but it does not come near where the workers are settled. It isolates settlements where you will find the poor. If you are a person of logic you would think that that is where it supposed to start, but you would be viewed by some as lacking logic and unreal. But this is what we need to change. With you as Young Professional we have a realistic chance of changing it.

When you are busy at work as young professionals, government would have to make your work easy. It is important to see progress in whatever that makes you sweat. Better coordination and better coherence and integration in government activities will be of great help to you. Government is notorious of acting in silos, but the Presidential Infrastructure Coordinating Commission (PICC) got established to do away with turfy nature of government departments as well as spheres. So, the key buzz words are coordination, integration, cooperation, synergy, coherence, connectedness, this is the language spoken in government today and that must be practically felt. So, a better space for you has been created.

A recently held conference arranged by Presidential Infrastructure Coordinating Commission (PICC) has reviewed details of eighteen proposed Strategic Infrastructure Programmes (SIPs). These initiatives build on the current R845 billion construction programmes that are in progress.

R845 billion is close to a trillion in fact this amount may very well reach nearest hundred.

Clearly government's scratching of the head in this first head-ache is coming up with something, notwithstanding the fact that the exploration of options of how best to fund infrastructure is an on-going effort in government circles. The question then is, must we continue to allow public paying private.

Let us say this, if the public continues to lack in required skills, it is inevitable that these big sums of funds will go to the rich and aspirers. But, Young Professional Programme is beginning to say, we cannot allow that.

Young Professionals Programme by Department of Public Works and its holding of hands with other departments, like Department of Higher Education and Training, and agencies, like Council for Built Environment (CBE), National Youth Development Agency (NYDA), etc, must be seen as one of the hands stretched to help in lifting the load.

What are these SIPs all about? SIP one, is about the Northern Mineral Belt. There are massive minerals there, coal, manganese, chrome, platinum but no water. State needs to take the lead drive water and electricity prioritisation. In Lephalale, there is a coal fire station, the biggest infrastructure site to provide electricity for the region but needs water. We need to be careful when we build infrastructure and not repeat what apartheid did which was from pit to port. Exporting minerals without beneficiation will really take us back. There are also new cities that are emerging in Mpumalanga there is one, they have to be green non-racial decent cities. Investment in rail, water pipe lines, energy generation and transmission infrastructure will catalyse unlocking of rich mineral resources in Limpopo resulting in thousands of direct jobs across the areas covered.

SIP Two, Durban- Free State - Gauteng Logistic and Industrial Corridor. Strengthen the logistics and transport corridor between South Africa's main industrial hubs, improve access to Durban export and import facilities, raise efficiency along the corridor and integrate the Free State Industrial Strategy activities into the corridor and integrate the currently disconnected industrial and logistics activities. One of the plans on how part is to expand container terminals.

SIP Three, Eastern Cape, Northern Cape. We need to build Umzimvubu dam which was planned as far back as 1963. Somebody had even ran away with those plans to Switzerland which is good and bad. This dam will contribute in the promotion of rural development. Another aim is to strengthen economic development in Port Elizabeth through a manganese rail capacity from Northern Cape. We need to have a manganese sinter in Northern Cape and smelter in Eastern Cape, possibly Mthombo Refinery in Coega and transhipment hub at Ngqurha and port and rail upgrades to improve industrial capacity and performance of the Automative sector.

SIP Four, North West, the acceleration of identified investment in roads, rail, bulk water and water treatment and transmission infrastructure will result in reliable supply, meet basic social needs and facilitate the further development of mining, agricultural activities and tourism opportunities and open up beneficiation.

SIP Five, Saldanha-Northern Cape Development Corridor. Basically, the aim is to integrate development and integration between the Northern Cape and Saldanha and expand iron-ore mining, industrial beneficiation and export activities. And further, it is to develop the Saldanha-Northern Cape linked region in an integrated manner that ensures that the region becomes a value adding centre rather than simply a transit corridor for iron-ore.

SIP Six, Poorest municipalities. The aim is to raise the quality of life in the least resourced municipalities through integrated action by National Departments in critical service delivery. It is to address all the maintenance backlogs and upgrades required in water, electricity and sanitation bulk infrastructure in the least resourced district municipalities. It is important to reverse maintenance backlogs on bulk infrastructure for water and sanitation. Now, there you go technical skills are needed, so young professionals you really have your job cut out, because as we build we need to maintain then after, so that we can progress.

SIP Seven, 12 cities. Yes, cities are less poor but they have huge challenges. You have CBDs that are run down. We have public transport system that is far from satisfying the public. If a city is a capital town at least it must begin to look as such.

Again there needs to be a focus in the region. We need to sort out infrastructure challenges across the region. The average speed of a truck in Zambia is 65 km per hour whilst in South Africa is 150 km per hour, clearly our region is thirsty for infrastructural development.

Wild Coast Development into KZN, what is needed is improvement not expansion. Real challenges are when you get to the Eastern Cape.

The government is busy with Infrastructure Bill which should culminate into Infrastructure Act. The state has to take the strategic lead.

Some of the challenges of the present are as a result of mistakes of mid-1990s and early 2000s, the Neo-Liberal policies, where we were told government should not bother to row, government must just steer.

These policies robbed government of technical expertise, workers left with their skills and formed their private consultants companies and returned to the government and rendering public service privately with huge costs and those who remain their job was reduced to draw up tenders. Then collusion between current employees and ex-employees as well as others started. Corrupt relationships were established.

This is how even the Department of Public Works lost its course. Instead of moving forward with high speed, at best there was no movement and at worst we moved backward, because when you are steering you are at the mercy of those who are rowing.

But here we are now. We need politicians who are honest and officials as well. We need to scale down on tendering. We need professionals. We need skilled individuals who are knowledgeable and honest.

This Young Professionals Programme needs to be scaled up. We need to learn from young professionals. We are interested to know your frustrations because we've got to improve all the time. We need to be sensitive to differences among sectors. But if there is anything that is broken that needs to be fixed that has to happen. The health sector is an example of an effective system where graduates know exactly what path to follow after university. The path towards graduating from being just a candidate but a professional is crystal clear, is transparent and is structured. The accreditation process is known to everyone. Surely, if there are candidates who graduate from institutions of higher learning and wait as long as 12 years before they get accredited and become professionals, that attracts attention into that area. Young professionals you are our realistic hope.

You are already helping the Department with Site Clearance. We are currently saving a lot of money because of your contribution.

Let us all fight against greed. Let us fight against corruption. Let us continue to learn. Let us study further. Let us be uncomfortable in comfort zones. I am looking forward to your progress.

Best Luck!!!