

Address by the Deputy Minister of Public Works, Mr Ntopile Kganyago, MP, on the occasion of the year-end celebration for ABSA brokers

Celebrating your achievements

Venue: Polokwane

Date: 23 October 2008

Programme Director

Invited guests

Ladies and gentlemen

It is a great honour for me to be invited to this, your year-end function once again this year. But before I continue my talk, last year I asked a question that has not really been answered. why are you guys called

brokers? As I said last year, it sounds like an oxymoron to me that people who are protectors or enhancers of assets are called brokers. A broker to me sounds more like someone who breaks something rather than build it.

My limited understanding of high finances and stock broking tells me that this year has not been a particularly great year for your sector. I understand that this year has seen the collapse of banking giants like Lehman Brothers and a whole host of big international financial companies. Indeed, reading through the newspapers and listening to news reports, this year has been an annus horribilis for the banking sector and the worldwide financial system.

But in spite of this worldwide financial turmoil, the South African financial system has not gone down. Thanks to foreign exchange controls, South Africa has had little exposure to the contagion. South Africa's big banks, like yours, are solid in that they have huge banking deposits. So the strength of our financial system, based on strong basic regulation, has shielded our country. I know that some of you do not like regulations and would prefer a totally deregulated environment but I am sure that we are agreed that in this case, those regulations are good for us. So I suppose it is only fair that you guys must celebrate your achievements this year and give thanks to God for His grace. I hope that the solid base of our financial system will be maintained to ensure

that we build on the successes of the last 14 years of our democracy.

Talking about building, this leads me to the issue that I believe is pertinent for you and my Department. The Department of Public Works, is the property manager of all government properties. It is involved in leasing, managing, selling and acquiring land on behalf of the state. It also manages the building and construction industry in the country through organizations like the CBE and the CIDB. The value of the properties under management by the Department is over R10 billion.

That is a huge investment that needs to be insured against all sorts of dangers, not least of all its degradation and collapse. The government is taking

an active interest now its property portfolio. We are becoming much more involved in its management and securing it for future generations.

Even at a personal level, I believe that one needs to insure one's assets so that they can remain protected in the event of a sudden misfortune. Having an insured asset gives one a great sense of contentment in the knowledge that even if one were to die today, the surviving members of the family would not be left stranded because the assets are insured against any eventuality.

I want to believe that even when one prepares for the future, that person is insuring his assets. If you are well prepared for the future, you will never go wrong.

Nothing will catch you unawares. A future anticipated is a future well insured. Likewise the government is in a crusade to insure its assets because it realizes that the future will be bleak without this insurance. This insurance that I am talking about are the programmes that have been launched to ensure that the state properties are looked after and made even more attractive.

We have realized that our property portfolio can deliver more than just accommodation for state departments. Our property portfolio is also being used as a training tool for the youth of our country. The National Youth Service is meant to provide hands on training for the youth in all the relevant skills in the

field of property, including building, maintenance and management.

Honoured guests, our government assets, particularly our buildings, give us a particular leverage to be used to create employment for the youth. We are aiming for a skills revolution and empowerment for our youth.

This programme and other like the Vukuphile Programme, which is helping budding contractors to gain training and skills and hence the opportunity to access building contracts, is all part of our insurance for the future. They provide a beacon of hope for the youth of our country. They are also a clarion call for them to pick themselves up and make use of all the

opportunities that are being availed to them for self-improvement and that of their country.

Our Expanded Public Works Programme is just one component of Government's strategy to overcome unemployment and poverty. It is a national framework to be implemented by all public entities through their strategic objectives, revenue base and capital budgets. We are focusing on using public sector spending so as to achieve developmental outcomes in respect of reducing unemployment and poverty. If implemented effectively, the impact could be significant, as public sector spending constitutes 25% of Gross Domestic Product.



Government will always support initiatives that aim to enhance skills and training for youngsters. I would like to appeal to you here that you must do more, both as individuals as well as a collective to go out and hunt for future brokers. This industry, like most professional sectors in our country, still does not reflect the global demographics of our country. If you speak of insuring your future and that of your organization, you need to replenish it with new talent. It is your responsibility to ensure that black youngsters are made aware of opportunities that exist in this field as well as to show them how to access them.

I wish you well in your future endeavours to broker and insure the future in your own ways and means.

I thank you.