

FAREWELL SPEECH TO OUTGOING BOARD MEMBERS,
WELCOMING OF NEW MEMBERS BY DEPUTY MINISTER OF
PUBLIC WORKS, MR NTOPILE KGANYAGO.

DATE: 29 FEBRUARY 2008

VENUE: CIDB BOARDROOM 1, TSHWANE, GAUTENG

- Chairperson, Professor Raymond Nkado
- Director-General of the Department of Public Works
- Members of the Construction Industry Development Board and its Executive
- Outgoing members of the Board

1. INTRODUCTION

This short but important gathering of outgoing and newly appointed Board members together with the Minister, the Deputy Minister, DG and the executive of the cidb is intended to officially thank and bid farewell to the outgoing members of the cidb Board and to welcome the new members. It is a good opportunity for the new members to meet and interact with the outgoing members. In a way this is an opportunity for those who have been on this track before to hand over the baton of achievements and challenges in the cidb and the construction industry, to the new members.

2. FAREWELL TO OUTGOING MEMBERS

Firstly, I wish to thank you for taking the time out to be available here today. I know some of your colleagues have apologized as they had other commitments but to the few who could make it I wish to say that your presence is highly appreciated.

While you were appointed by the late Minister Stella Sigcau, The current Ministry has interacted with you and enjoyed your support and leadership of CIDB from the day the current Minister was appointed in 2006. Of the 13 members appointed in 2004, Dr Rodney Milford joined the executive team of the CIDB and resigned as a Board member and, sadly, Mr Mandla Ndlovu, a seasoned grade 8 contractor passed away last year just before the end of the term of the second board.

As the second Board of CIDB, you were faced with a number of challenges immediately after the first regulations, and later the amendments to those regulations, that were gazetted in 2004. You had the opportunity to oversee the piloting and roll out of the CIDB prescripts in the form of the Code of Conduct and the Standard for Uniformity; the Register of Contractors and the Register of Projects, providing leadership in the implementation of a regulated environment where the climate was not conducive for this. You will remember that the Department of Public Works in Limpopo was the first one to be piloted in 2004, followed by eThekweni Metro early in 2005. Having learnt from these two client bodies a decision was

taken to amend regulations and extend the campaign to have all national and provincial departments as well parastatals to comply by end of 2005. Municipalities followed through 2006.

We have seen the Register of Contractors grow, during your leadership, from 5 000 registrations in November 2005 to at least 57 000 in February 2008. Of this total, around 44 000 registrations are active. These registrations are based on more than 45 000 contractors who have applied for registration on the CIDB database. I am sure that this exponential growth has posed a huge challenge to CIDB as the organization has had to grow to match the required level of service to contractors. Another challenge that we have come to realise is that most of these contractors cannot add to the true contracting capacity in the industry. They still need to be developed but have high expectations of being awarded projects by government.

Your tenure has been blessed with unprecedented growth in the construction industry. We have seen Government reaffirming its commitment to a massive infrastructure programme to address economic growth, social development and transformation of the built environment. Growth rates in construction spend of around 10% per annum have been reported as the highest in the last 30 years. With all government commitments to infrastructure spending, construction spend will continue to grow at a higher rate than Gross Domestic Product.

This growth has not been without challenges. We currently face an acute skills shortage in the country. This is exacerbated by construction booms in various countries, leading to skills shortage in most parts of the world, thus making it difficult to secure critical skills we need in South Africa as we compete against countries pay well. I am happy that under your leadership, CIDB in conjunction with the Department, has commissioned a study on the skills shortage and published a report on this.

In addition to the acute skills shortage we need to deliver mega-projects like the 2010 stadia, Gautrain and power generation plants against tight deadlines. Project management expertise and planning are crucial in order for us to meet these deadlines.

I am pleased to note that you have been supportive of the various projects where we are working together as the Department and CIDB to provide meaningful contribution to the industry. The National Infrastructure Maintenance Strategy (NIMS), Skills Development Strategy, Eradication of mud schools and many other existing and new projects and interventions, will continue to receive priority between the Department and the CIDB.

Last year we had a successful independent 5-year review of the CIDB and a report with specific recommendations has been submitted to the Ministry. We also had a successful Stakeholder Forum meeting after a few years of not honoring this legislative

requirement. Recommendations from the Stakeholder Forum have been analysed for further action by CIDB and stakeholders.

The CIDB has successfully established four provincial offices, the Construction Contact Centres, in partnership with the provincial departments in KZN, Eastern Cape, Western Cape and Gauteng, the latter being opened later this afternoon. More offices have been planned for the other provinces and before the end of this year each provinces will have one such office.

This is but a brief illustration of the good work that has been achieved under your leadership. I hope in your various roles you will continue to contribute to the established success and legacy you are leaving behind.

3. WELCOMING OF NEW MEMBERS

Ladies and gentlemen,

Congratulations for being part of this relatively new and exciting family! Some of you have been part of this family before so there will be continuity and support between the new members and those who have been with us before. The CIDB Act requires that a third, or close to a third, of the outgoing members be reappointed to the new board to ensure continuity. While we could not secure enough re-appointments to satisfy this requirement from the immediate past board, we are happy that three (3) members who were with the first and second boards were reappointed. Specifically, Cannon Noyana,

who was a member of the Inter-Ministerial Task Team, was a member of the inaugural board while Nazir Alli and Raymond Nkado were members of the second board. There is therefore a wealth of knowledge and information that you can all draw from when the decisions to be taken become a challenge. Former board members are also available to support you.

The road ahead is exciting but full of challenges. I am sure that during the first few meetings you will realize that there is a lot of expectation that industry has from you. One of the recommendations from the 5-year review report is that board members should play a more prominent role in public engagements by CIDB. Industry is therefore expecting you to honour this recommendation which actually comes from stakeholders.

I have confidence that the new board will continue to support the CIDB to enhance its leadership position and to impact meaningfully on the development of the construction industry.

I thank you.