



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

MINISTER OF PUBLIC WORKS
REPUBLIC OF SOUTH AFRICA

SACPCMP: 2nd Project and Construction Management Professions Conference

20-22 October 2014, Midrand

*Theme: “Towards growth, development and
transformation of the Project and
Construction Management Professions”*

Keynote Address

21 October 2014

Mr TW Nxesi MP, Minister of Public Works

Protocol:

- Programme Director: Mr Bonke Simelane
- Session Facilitator: Ms Portia Tau-Sekati
- Representatives of government departments, entities and state owned enterprises
- From the SACPCMP:
 - President, Mr Eric Manchidi
 - Deputy President, Mr Isaac Nkosi
 - Fourth Term Council Members
 - Former Presidents of the SACPCMP - Mr Ferdinand Fester and Prof. Raymond Nkado and Prof. PD Rwelamila (in absentia)
- Presidents of our Voluntary Associations and their senior management
- Presidents and Registrars of the Built Environment Councils
- Senior Management of State Entities and Municipalities
- Senior Management of the Department of Labour, DPW and other government departments
- Organised Business and Labour

- Ladies and gentlemen

Let me begin by thanking the SACPCMP for hosting this important event and for inviting me to participate.

The SACPCMP does sterling work: its core mandate being to register, certify, regulate and promote the Project and Construction Management Professions to protect the public interest.

It is important to acknowledge the achievements of the Council under the stewardship of the Third Term President of the Council, Prof. Raymond Nkado. I thank you for your visionary leadership and hard work while you were President of the Council.

As always the Council was – and is - ably served by its Registrar, Ms Nomvula Rakolote, a person with the energy and the zeal to ensure that this Council plays a meaningful role, not only in improving the size and

depth of the SACPCMP register, but also in taking the work of Council to new heights.

Let me briefly remind you of what I said at the Inauguration of the Fourth Term Council, under the leadership of the new President, Mr Eric Manchidi. The following were some of the achievements I highlighted:

1. *On Health and Safety* – the SACPCMP has professionalized the Construction Health and Safety discipline. To this end, a partnership between the Department of Labour and the Department of Public Works exists to promote safety. It is unacceptable that, on average, two people die on construction sites in South Africa every week.
2. *On Programme Accreditation* – Council has fulfilled its statutory mandate - accrediting twelve (12) tertiary institutions offering Project and Construction Management programmes.

3. *On the Recognition of Prior Learning (RPL)* –
People with extensive knowledge and experience in the industry – but who lack formal qualifications - can now register for professional status using the RPL route.

4. *On the Recognition of Voluntary Associations* –
The number of recognised Voluntary Associations has increased from ten (10) to sixteen (16). I hope these VAs continue to partner with the SACPCMP.

5. *On Registration Categories* – the Council has been approved by SAQA for recognition as a Professional Body, and SAQA has also approved the registration of all the Professional Designations on the National Qualifications Framework (NQF).

One of the achievements of Council was successfully hosting the Inaugural Project and Construction Management Professions Conference last year at this

very same venue. It was a truly impressive event – where you managed to entice 6 government ministers onto the programme – 4 from South Africa, 1 from Ghana and 1 from Uganda – as well as a host of academic and private sector experts. The Inaugural Conference was, indeed, a milestone event in the Built Environment and I hope that the 2nd Conference continues to maintain this high standard.

That brings us to the theme of this Conference and the central question that we all need to ask ourselves: what is to be done to ensure that all of us, public and private sector, contribute to the Growth, Development and Transformation of the Project and Construction Management Professions?

In my input into the Inaugural conference last year, I made the following point. I said:

“My task is to emphasise the crucial role that the project and construction management professions –

and the other built environment professions – play in the infrastructure roll-out plans. In simple terms, we can't run projects if we don't have sufficient project managers – and the other necessary professionals.”

I went on to ask:

“How do we rapidly upscale the production of project and construction management professionals – and other built environment professionals?”

We need to reach out to the schools and provide support to promising learners – right through the tertiary education process.

We need to expedite the training and mentoring of graduates so that they attain full professional status in a shorter timeframe. I am not talking about dropping standards here. We have to facilitate and support candidates – make sure they get the necessary

breadth of exposure and experience so that they can progress more rapidly towards professional status.”

I am very glad to see that – in a number of programmes and projects – SACPCMP, together with CBE and the Department of Public Works – have acted on this. I hope the Council will provide a progress report and future plans in this respect.

In the rest of the time available I want to cover the following topic: ***Turning around Public Works & Transforming the Built Environment***

Those of you who saw the newspaper, Business Day, last Friday, will have read, from an independent source, that the Department of Public Works is getting to grips with previous problems of poor financial management and non-compliance.

Indeed, the Auditor-General’s findings, in respect of the Department of Public Works, improved dramatically:

- The DPW Main Vote – moved from a disclaimed audit opinion (8 areas disclaimed) in 2011/12 to an unqualified opinion in 2013/14;
- The PMTE (Property Management Trading Entity) – moved from a disclaimed audit opinion (13 areas disclaimed) to a qualified audit opinion in 2013/14 (with 3 qualifications). (*The CFO is busy addressing the outstanding qualifications as we speak.*)

We achieved this by in-sourcing skills that we did not have, but also using the opportunity to grow our own timber. The year-long Clean Audit project tender, came with the proviso that the service provider would train and mentor 96 unemployed commerce graduates. At the close-out ceremony of the project, held last Friday, I am pleased to announce that 43 of those youngsters have been absorbed into Public Works – and the vast majority of the rest – with the benefit of work experience - have now found employment in the

private sector. We are now looking to replicate this model in other facets of the business of Public Works – particularly property and construction.

I believed it is important to report back to forums such as this – which include construction and built environment stake-holders - on the progress we are making with the Turnaround at Public Works for two reasons:

- As a Minister I must be accountable for public funds; and, secondly
- As Minister of Public Works I am mandated – amongst others - to oversee the regulation and transformation of the built environment – that is, the construction and property sectors.

The point I want to make is that, as we put our house in order as the Department of Public Works, so then we can focus more energy on our core mandate – to

better manage the state's immovable assets and regulation of the built environment.

In my policy statement issued after the May elections this year, I listed a number of priorities for the coming five years of the new Administration. One of these is for a renewed and sustained programme of action to transform the Built Environment – the construction and property sectors – to address the mounting concern at the slow pace of transformation - so that the ownership, management and the skills profile better reflects the demographics of South Africa.

This we do in partnership with our entities – the Construction Industry Development Board (CIDB) and the Council for the Built Environment (CBE), the charter councils and all relevant stakeholders.

Transformation must include support for black and female contractors and property practitioners; as well as the production of black and female professionals

and artisans in the Built Environment disciplines. We cannot be complacent that only 24% of built environment professionals are black and 9% female.

There is a mounting sense that the charter councils have been frustrated in their work by non-compliance and non-cooperation and that, in general, the pace of transformation is too slow. Government has heard the concerns – which were echoed again recently by the BMF (Black Management Forum). The recent publication by the DTI (Department of Trade and Industry) of the long-awaited black empowerment codes for small business – will assist, but only if there is speedy implementation and compliance.

In pursuit of the goal of transformation of the built environment, I called a meeting with industry stakeholders the day after my Budget Vote speech in Cape Town this year. Initially for the construction industry, this stakeholder meeting has now been expanded to include the property sector – with a view

to analysing where we are now with transformation; the progress made; as well as the barriers to transformation – in order to drive a debate in the sectors around possible solutions.

The objective of course is to develop concrete workable plans – to be fully consulted throughout the sectors – and to put in place the necessary regulatory, as well as monitoring and evaluation processes to ensure that implementation takes place. I am looking at a five year timeframe for this with measureable milestones.

Let me thank all those who are assisting in this initiative; in particular, the Secretariat of the stakeholder Task Team, the Registrar of the SACPMCP, Ms Rakolote and the Chairperson, Mr Gregory Mofokeng, of the Black Business Council on the Built Environment. From the side of the Department, the Policy Branch will be responsible for

coordinating the development of a transformation programme and plan.

The Task Team will report to me on a quarterly basis and make proposals to unblock and unlock barriers to transformation. At which point, we will consult widely with all stakeholders in the sector before finalising a programme of action.

Let me conclude with some comments on the tasks facing this conference. This conference has an opportunity to engage with major policy trajectories of government – in regard to infrastructure roll-out and transformation. It probably makes sense for the conference to prioritise and focus on critical resolutions that can be driven by the SACPCMP, the Task Team and other stakeholders. These priorities would include:

- to ensure that the property and construction sector benefits from government's Infrastructure Development Plan;

- but in turn to ensure that the infrastructure roll-out is optimised by promoting best practice in regard to procurement and construction project management to ensure quality, value for money and improved facilities and services to the people;
- to contribute to the economic growth of the country, as part of our strategy to address the triple challenges of unemployment, poverty and inequality.
- but also to help drive social transformation in South Africa – through skills development and support for emerging contractors.

In the shorter-term, there are practical programmes that you could, as the different stakeholders at this conference agree to implement. For example, you might consider the following questions:

- How will the sector ensure that children at high school are stimulated and encouraged to succeed in Maths and Science so that they can qualify to study in the Built Environment fields, be it as Construction Managers, Engineers, Quantity Surveyors, Architects or other professions?
- How will the sector ensure that university students are exposed to the industry and to positive professional role models so they register as Candidates with mentors that they know?

I am aware that the SACPCMP has a Student Chapter, and I must commend the Council for bringing seventy five (75) students to participate in this conference. The Building Sciences Faculty at the Tshwane University of Technology deserves a special mention for the support they have given to the Student Chapter.

I also need to mention that there are five (5) University of Witwatersrand post-graduate students who volunteered to act as Scribes for the conference. Unusually in the Built Environment professions, all five (5) of them are female. These are small steps towards the gender and demographic transformation of the Project and Construction Management Professions. Please put your hands together for all the students present. In the words of the song: they are the future.

- A related question I want to place before conference is this: how will Candidates be assisted to gain the necessary experience to ensure that they upgrade to Professional status within an acceptable timeframe? Perpetual Candidacy must come to an end. You could also think about placement of Candidates in government's infrastructure programmes and even on private ones;

- A further related question to consider: how will the SACPCMP and other Built Environment Councils ensure that there are enough Professional Construction Mentors and Construction Mentors to assist with mentoring of emerging contractors to develop and grow towards competent registered CIDB Grade 9s. Remember, our infrastructure roll-out must also address transformation issues, both of the professions and of the industry;
- In this respect, consider this: how do we mitigate risk whilst funding emerging contractors who cannot upgrade to higher CIDB Grades as a result of not having the necessary financial muscle – which is a requirement for their own growth, as well as the transformation of the construction sector.

That is probably enough to be thinking about for now. We need to emerge from this conference with concrete and clear resolutions, with a timetable for

implementation, with a list of partners and clear responsibilities for delivery.

From the side of government, I undertake to assist in making the necessary representations to raise any concerns that the SACPCMP and professional councils may have, as well as issues affecting the sector generally.

As a former trade unionist, I am pleased to see Organised Labour participating and making an input at this conference. Organised Labour is a crucial stakeholder on matters of Health and Safety, skills development, as well as the general growth and development of the industry.

We also expect that the Charter Councils will lead on these issues - engaging with employers and organised labour to create real opportunities for skills development and employment equity in the workplace. This would entail that the Charter Councils proactively

assist big and small companies in the construction and property sector to complete their Workplace Skills Plan – providing training opportunities to employees. Clearly the SETAs would have a major role to play here.

Incidentally, and in concluding, I want to commend the SACPCMP for the radio campaign they ran to spread awareness in the build-up to this conference. I was impressed by the active participation of listeners in some of these interviews – raising Built Environment issues and awareness of the opportunities that exist for our people in this sector.

On that positive note, let me pause to thank you and to wish you a successful conference.