

KEYNOTE ADDRESS BY THE THE MINISTER OF PUBLIC WORKS, Ms THOKO DIDIZA, MP, ON THE AT THE OCCASION TO LAUNCH THE W CAPE CONSTRUCTION CONTACT CENTRE

DATE: 17 AUGUST 2007

VENUE: Nyoni Kraal Restaurant, Cape Town

Programme Director

Deputy Minister, Ntopile Kganyago

My colleague, MEC Fransman and other MEC's present

Members of the Parliament and the Provincial Legislature

Executive Mayors and Councilors Present

CEO and members of the Construction Industry Development Board

Senior government management and leadership

Leaders of the construction industry and its stakeholders

Distinguished guests

1. INTRODUCTION

Today's launch is a celebration of achievement for the South African Construction Industry and its stakeholders in the Western Cape.

Our launch takes place during August which is the Month of Women and during the continued activities to mark National Construction Week. It is therefore also an occasion on which we recommit to the goal of growing and transforming this industry that is at the heart of the South African economy and at the forefront of South Africa's Accelerated and Shared Growth Initiative (ASGISA).

2. GROWTH – A CHALLENGE TO ALL STAKEHOLDERS

Construction growth is driven by probably the largest public investment in infrastructure our country has ever seen. Specifically, in order to create the infrastructure for growth and development, government is increasing public sector capital budgets at an unprecedented rate of 10 – 15% percent per annum.

With overall growth rates of more than 10% per annum, the construction industry is likely to treble its output in 10 years. Cement and other materials manufacturers are also expanding their production capacity to meet this rising demand.

This growth path creates immense opportunity for large, small and micro enterprises, for employment and skills development and for empowerment. It also presents all stakeholders with challenges that require new responses and an intensified effort to grow our delivery capacity, our skills and our SME business sector. The centre we are launching today is one such response.

Together with the Construction Contact Centre's established in Durban, Bisho and Pretoria, the Western Cape "*triple C*" provides a hub for stakeholder partnerships to address the challenges of growth so that we can together unlock the full potential of our industry.

3. ROLE OF GOVERNMENT

Today's launch represents a new level of partnership by Public Works and the Construction Industry Development Board (CIDB) to intensify action for growth at provincial and local government levels.

It also represents the commitment of government to expand partnership with stakeholders in delivering an holistic development service to contractors, clients and the industry at large.

I wish to extend special thanks to the MEC for Public Works, Mr Marius Fransman for his leadership role. Supported by Premier Ebrahim Rasool and the provincial government, his drive and commitment made it possible for the Western Cape "triple C" to be the first to open its doors to stakeholders in early July.

On behalf of us all I wish to congratulate him, his staff and the CIDB for the hard work and cooperation that has brought this centre into existence. We will build on the experience of stakeholders in this province, the Eastern Cape, Gauteng and Kwa Zulu Natal as we roll out similar Construction Contact Centres across the country.

4. OUR VISION AND THE ROLE OF STAKEHOLDERS

Our vision for the Construction Contact Centres embraces a number of goals, including an improved and accessible registration service to more than 2000 contractors registered in this province.

Recognising the fact that thousands of new entrants have already registered as Grade 1 contractors, we are determined to expand our effort to grow these new entrants into the mainstream of construction.

In order to improve the entire construction delivery chain, the CCC will also enhance access to advice and information for contractors, the consulting professions and public sector clients.

Importantly, the CCC provides a hub for partnership to roll-out of the National Contractor Development Programme (NCDP) in this province so that we can grow and transform our contracting capacity.

At national and provincial level we are challenged to set some demanding targets to drive the goals of the NCDP, namely:

- To grow South Africa's contracting capacity, moving smaller contractors up the registration grades;
- To address empowerment gaps revealed by the Register;
- To promote enterprise sustainability, skills and profitability;
- To raise performance in terms of quality, safety and health.

This province has already made great strides towards these goals bringing stakeholders together around critically important initiatives. One example is the Masakh' iSizwe Bursary Collaboration Venture (BCV), which we were able to launch just over a week ago. Led by provincial Public Works, the BCV is a unique form of partnership to deliver bursaries combining industry resources with those of the National Skills Fund.

Based on a sliding scale of contribution, the BCV financing model enables large and small companies to educate and provide experiential training to students in the engineering and built environment disciplines. In line with our transformation objectives, the programme also has a major focus on black and women students and is providing leadership to the rest of the country.

I do believe that this innovative funding partnership, and the cooperation achieved between government and industry in this province, may also suggest a way forward for access to artisan training by contractors registered in the lower grades. Together with the CETA we must pioneer a response to the fact that that nearly 90 % of registered contractors fall outside the skills funding environment.

But the issue of training is not merely a challenge to government and the CETA. Materials suppliers, large contractors, financial institutions and, indeed, all stakeholders have a direct interest in developing the entire supply chain of the industry. It is therefore encouraging that some of the larger construction companies in this province have extended their in-house training to smaller registered contractors.

One of the biggest challenges facing the SME sector is access to affordable finance. We therefore invite financial institutions to review the national Register of Contractors and to see if they can structure financial packages appropriate to the various registration grades.

5. CONCLUSION

The slogan: “***Partners for development***” aptly captures the underlying vision of the, ‘triple C’s’, which will realize their full development potential with the active contribution of all stakeholders.

It is therefore exciting that a number of leading stakeholders have formally expressed commitment to offer services at the CCC. These include industry associations, financial institutions and the materials supply sector.

These and other commitments are a welcome indication of the response by stakeholders to the challenge of growth and transformation. They are also an indication that the Western Cape Construction Contact Centre has begun its work.

Once again I thank the political and administrative leadership of the Western Cape and the CIDB. Together we are bringing a critical service closer to the people of this province.

Today we are launching much more than just another centre. Today we are launching the commitment of all stakeholders to join hands with government to develop the construction Industry that is a critical to South Africa’s economic growth and our goal of a better life for all.

I thank you.