



**public works**

Department:  
Public Works  
REPUBLIC OF SOUTH AFRICA

**MINISTER OF PUBLIC WORKS  
REPUBLIC OF SOUTH AFRICA**

# **The Property Sector Charter Council**

## **Property and Construction Career Week**

*Investment Place, Hyde Park  
7-9 October 2014*

**Input by:**

**Mr TW Nxesi MP, Minister of Public Works**

## Protocol:

- Programme Director
- Chairman of the Property Sector Charter Council, Mr Saul Gumede
- CEO of the Property Sector Charter Council, Ms Portia Tau-Sekati and Board members
- CEO of the Construction Sector Charter Council, Mr Thabo Masombuka and Board members
- Principals & Deputy Principals of the schools:
  - Mr Thami Genge, Namedi Secondary School in Soweto
  - Mr Livhuwani Sundani, Fons Lumi Secondary School in Soweto
  - Mr Mosheke Thoka, Phomolong Secondary School in Thembisa
  - Ms Ntsiki Tsatsi, Minerve Secondary School In Alexander
  - The representative from Realogile Secondary School in Alexander
- All other educators – in tertiary and secondary education

- Officials and representatives of government departments
- MD of Johannesburg Property Company, Ms Helen Botes
- The many representatives here from the property and construction sectors, as well as from tertiary education institutions
- The sponsors of the event – including Texton Property Fund and Delta Fund; as well as participating property and construction firms that will be providing site visits to the learners, or making presentations, as well the university students who will be sharing their experiences.
- Most importantly - the school students present today
- Ladies and gentlemen.

Greetings and let me say how pleased I am to participate in this important initiative of the Property Sector Charter Council. I commend you on your vision to create a platform where the learners have an opportunity to understand more about the property and

construction sector by engaging with professionals in the industry, and to provide an inspirational experience for learners with an interest in property and construction as a career option – thus creating a bridge between the schools and the world of work.

To the learners present here today, let me just say this: use this opportunity – over the next three days – to gather as much information as possible. Be open to the many career possibilities that are out there in the construction and property sectors. You will learn about professions and disciplines you never knew existed. See what interests you, and what matches up with your own strengths. Follow up with your own research on the internet. Make contacts and ask questions. You – the students – you are the focus of this event.

In the time available I want to cover the following:

- To explain the link between the Department of Public Works and the 'Built Environment' – which includes the construction and property sectors;

- To mention some of the career opportunities available at Public Works; and
- To list the Department's priorities for the next five years – as they pertain to property and construction.

### ***Public Works and the Built Environment***

Amongst others, the Department of Public Works has the responsibility and mandate to regulate and transform the construction and property sectors. (*I will return to the issue of transformation later.*) Regulation takes place through, and with, the Entities of Public Works:

- The Construction Industry Development Board (CIDB) and
- The Council for the Built Environment (CBE).

CIDB: was established to mitigate risks in the public sector construction procurement environment; to provide leadership to the construction industry and to stimulate sustainable growth. The Board's outputs

include: developing standards for government tenders; and maintaining a national Register of Projects, as well as the contractor registration and grading system which is both a risk management tool for clients as well as a development tool for emerging contractors. The CIDB can also de-register contractors for non-performance and for breaches of the CIDB Code of Conduct.

The National Contractor Development Programme (NCDP) – driven by the Construction Industry Development Board (CIDB) – remains a driver of contractor development.

In simple terms: CIDB ensures high standards of work, whilst supporting the empowerment and training of emerging female and black contractors in the construction sector.

CBE: enhances public protection by ensuring that only registered and competent professionals are allowed to practice.

CBE coordinates the work of the professional councils for such professions as architects, engineers, landscape architects, project & construction managers, property valuers and quantity surveyors. The key challenge within the built environment professions remains the slow pace of transformation of the built environment professions. At the end of 2013/14, only 24% of all built environment registered professionals were Black (Africans, Indians and Coloureds); whilst only 9% were female.

In cooperation with the CBE and the Department of Higher Education and Training, the Department of Public Works is currently looking at ways to increase the production of built environment professionals – which we see as a key factor both in unlocking

infrastructure spend, and in expanding the skills base – especially from formerly disadvantaged groups.

I need to make this additional point: many of you will have heard of the governments long-term strategic plan – the National Development Plan (NDP) – designed to drive social development and economic growth. One of the drivers of the NDP is the National Infrastructure Plan: in simple terms the plan is to build much needed infrastructure – transport, water, electricity etc – so as to stimulate and support the rest of the economy and to create jobs.

To do this we need ever-growing numbers of skilled workers – artisans and built environment professionals. This is where you come in – as students deciding on your future career path. That is why I can recommend to you careers in construction and property as a good option for the future.

### ***Career Opportunities within Public Works***



From the side of the Department of Public Works, we are currently running a number of training initiatives, including:

- In 2014, with the Construction Education and Training Authority, provided 141 bursaries for tertiary studies in Built Environment disciplines;
- Currently providing 646 internships to Technical Vocational Education and Training College students and tertiary graduates to provide work skills and increase employment opportunities;
- We are reopening technical Workshops to improve service to client departments and to facilitate skills development.
- 48 additional professional and technical staff were appointed as part of the Turnaround Plan.
- 44 unemployed graduates were trained and absorbed as part of the Turnaround
- 189 graduates on the DPW Candidate Programme (Young Professionals Programme) are being

mentored for professional registration, focusing on scarce built environment disciplines (eg. Engineering).

- 229 beneficiaries are currently participating on the Artisan development programme.

Let me make the general point, that as part of the Turnaround Plan for Public Works we have taken a decision to re-build technical capacity within the Department – as one of the ways to improve performance and service delivery. Necessarily this means training and employing more skilled personnel – particularly in the built environment disciplines.

### ***Priorities for 2014-19***

At the beginning of this new Administration, I issued a vision statement for Public Works which listed a number of priorities for the Department over the next five years. In relation to property and construction – and this will be of interest to built environment

stakeholders generally, these priorities included the following:

**1. *Combatting Fraud and Corruption:*** when I announced my Turnaround Strategy for Public Works in 2012, I said that my first priority was to stabilise the finances and to prosecute fraud and corruption.

We have made progress on both fronts: senior officials found guilty of misconduct have been dismissed; others face criminal charges, and civil cases have been opened to recoup ill-gotten gains. More importantly we have strengthened supply chain and financial systems and controls to close down the space for corruption. We now have a clean audit for the Department, and have moved from disclaimers to a qualified audit on the PMTE (Property Management Trading Entity) account.

In order to entrench the gains made, one of my priorities for 2014-19 is to fully operationalize the new Governance, Risk and Compliance Branch to drive anti-corruption and not only to investigate wrong-doing, but to focus on putting in place the necessary systems for good governance, to ensure compliance and to manage risk.

The big picture here is that, as we put our house in order in 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 and transformation of the built environment.

***2. Transformation of the Built Environment:*** This is a key priority for the next five years - for a renewed and sustained programme of action to transform the Built Environment – the construction and property sectors – so that the ownership, management and

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.

The call for transformation of the Built Environment is not new. This is exactly what gave rise to the Property and Construction Sectors Charter Councils. But there is a mounting sense that the 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 last week by the BMF (Black Management Forum). The publication this week 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 terms 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. From the side of the Department, the Policy Branch – headed by Ms Fatyela-Lindie – will be responsible for coordinating the development of a transformation programme and plan.

**3.** Another priority is the full ***operationalization of the Property Management Trading Entity (PMTE)*** under the Department of Public Works. I have said that a key responsibility of Public Works is to properly manage the massive property portfolio of the state (112,000 land parcels). The PMTE seeks to ring-fence the property business of the state and to professionally and optimally manage this huge property portfolio in order to leverage state assets for economic development and job creation. This has

major implications for the property sector in South Africa including:

- A professionally-run PMTE means better and more predictable and stable business with government;
- It necessarily includes a programme to train property professionals and expand technical capacity within the state. We have started to consult with tertiary institutions in this regard;
- It also means re-assessing our BEE policies with regard to leasing and property management – with a view to strengthening broad-based black empowerment. One area being investigated by the PMTE is to engage emerging black real estate practitioners – across the country - to market and manage the state's surplus investment stock – so that as we avail these opportunities, we also create value for the state.



Let me pause there. The message I want to send is this: the expansion of the built environment (construction and property) is key to the social and economic development of this country. It is also a sector crying out for transformation. On both counts, this points to greatly expanded career opportunities – as well as a productive and full-filling vocation at the cutting edge of our country’s economic trajectory and continued social transformation.

To the learners and students, I wish you well in your future studies and your chosen careers.

I thank you.