

**Address by the Minister of Public Works, Ms Thoko Didiza on
the occasion of the South African Women in Construction
Summit**

“Sustainable Development Through Leadership Building”

Venue: The Ranch, Polokwane

Date: 26 February 2008

Programme Director, Advocate Fay Mukaddam

MEC Semenya

Leadership of Sawic

Membership of Sawic

Honoured Delegates

Invited Guests

Ladies and Gentlemen

It is a great pleasure to see that Sawic is growing from strength to strength and making a meaningful contribution to the development of women contractors. This is what we have always wanted to see: women doing it for themselves and actively participating in their development and that of their country.

We are happy that women are fully involved and are becoming an integral part of construction and infrastructure provision in our country. The conference theme “Sustainable Development through

Leadership Building” aptly captures the central role that organizations like Sawic and government should play in this industry. If we are to have sustainable development, critical leadership skills should be built up. Cooperation between government and sector organizations is critical in ensuring that women continue to claim their fair share of this industry by gaining skills and critical knowledge.

We all know the importance of infrastructure and the construction industry in social and economic development. Construction creates the foundations of our global economy and the basis for human advancement. It also accounts for about ten percent of the global economy and provides much needed employment and dignity to millions of people around the world. That is why it cannot be right that half of a large segment of our society is excluded from this sector of our economy. The urgent task of dealing with infrastructure deficiency, backlogs and disparities should be our number one priority.

However, it is well known to all of you assembled at this august conference that the construction industry operates in a particularly project specific environment that has its own particular draw backs, characterised by a fragmented delivery process. The industry is mobile, and every project brings together new combinations of technology and resources, of professional disciplines, of contractors and subcontractors, skilled and unskilled workers, plant and equipment.

Construction is therefore a competitive and high risk business for both clients and the industry. All too often its products and processes fail to deliver optimal value to society.

It is not surprising therefore that government is actively promoting an efficient and effective industry that uses resources better, that reduces waste and that transforms the working environment of its people for better employment and greater productivity. As regulator and client to the industry, government is encouraging practices that promote social and economic priorities. These include improved health and safety and more positive environmental outcomes.

The legacy of uneven development and under-development in Africa and elsewhere in post-colonial societies is well known. It continues to inhibit our capacity to deliver infrastructure that supports the full participation of developing societies in global economic endeavour. This is certainly true of our own experience in South Africa and infrastructure development continues to occupy a central position in government's agenda to roll back the underdevelopment of decades of apartheid and centuries of colonialism.

The inherited backlog of uneven development coincides with the need for new levels of infrastructure investment to deliver ASGI-SA. The government is determined to increase public sector capital budgets at an unprecedented rate of 10 – 15% per annum and to raise Gross Domestic Fixed Investment (GDFI) from 15% to 25% of Gross Domestic Product (GDP). To achieve these levels of

infrastructure investment our construction industry will need to double its output by 2014. This constitutes a central challenge of partnership facing industry stakeholders in our country.

Confronted with these challenges our government is clear in its conviction that the South African construction industry is a national asset in the strategy to achieve economic growth and improve the quality of life of the majority of South Africans. Therefore, our role as government is equally clear - and over the past few years we have worked relentlessly to facilitate an enabling framework for industry growth and transformation.

Mr Ronnie Khoza, the Chief Executive of the CIDB has already spoken to you this morning. He is leading an organization that is a mainstay of our enabling framework for industry growth and transformation. Government constituted the Construction Industry Development Board (CIDB), to drive a comprehensive industry development strategy on behalf of all stakeholders.

Its mandate includes the promotion of client and industry best practice, an enabling procurement and delivery environment, a national research agenda and the creation of a knowledge network. As at the end of January this year, a total of 40 282 companies were registered on the CIDB database and at least 48% of these are women-owned companies.

Ladies and gentlemen,

Construction industry growth cannot be seen in isolation from the pressing need to transform the industry into one that performs better in terms of quality, employment, skills safety, health and the environment. We are also determined to transform the skewed racial ownership and participation profile of the industry – another legacy of our past. Giving practical expression to this determination, we have directed public procurement towards the empowerment of historically marginalised population groups and the creation of productive employment.

The National Department of Public Works seeks to support and empower women-owned construction enterprises through its existing contractor development programmes. Since the inception of the procurement reform process in 1995, the Department has been actively involved in conceptualising and implementing programmes to promote emerging contractors in the built environment. These programmes included Targeted Procurement and the Emerging Contractor Development Programme (ECDP)

As part of the ECDP, the Contractor Incubator Programme (CIP) was initiated in 2004 by the DPW following the findings of the Construction Industry Status Report that was conducted for the CIDB in 2002 and the ECDP review, conducted in 2004.

The Status Report among others, highlighted issues that complicate the growth of emerging contractors. These issues included all the

problems related to lack of effective development support such as access to finance and skilled resources, coupled with onerous requirements for small businesses growth. We can also mention the lack of business management skills on the part of small constructors.

The CIP has since been piloted throughout the country and the DPW formally launched in Hoopstad in November last year. That launch marked the end of the piloting phase and the start of the full implementation of the programme. The CIP intends to provide support to existing small to medium size construction enterprises in order to enable them to become sustainable.

This dream should also become a reality because the small contractors will also receive the much-needed help from the CIDB through its Triple C's (Construction Contact Centres) that are being set up throughout the country.

These Triple C's provide a hub for stakeholder partnerships to address the challenges of growth so that we can together unlock the full potential of our industry.

The Contractor Incubation Programme (CIP) will create an enabling environment within which existing contracting enterprises can develop into sustainable enterprises. In selecting these enterprises, preference is given to black, women and youth-owned contracting enterprises. The enabling environment comprises of a steady access to work opportunities and supply side support measures for growing

the targeted enterprises. The CIP targets contracting enterprises within categories three (3) to seven (7) on the CIDB grading. This enables these enterprises to be eligible to tender on contracts between R1,5 million and R30 million.

A total of 136 contractors are currently registered on the CIP, and 62 of these are women-owned contractors. This is 46% of all registered contractors. The CIP target for women-owned contractors for the current financial year is 50%.

Another programme which is aimed at improving the lot of women contractors is the Expanded Public Works Programme (EPWP). The EPWP is a national government initiative aimed at drawing a significant number of the unemployed people into productive work. As one of government's key strategies contributing to the alleviation of poverty and unemployment, the EPWP creates work opportunities coupled to training to ensure that workers gain skills while they work, and increase their capacity to earn an income in the future.

Central to the structure of the EPWP is the provision of learnerships to previously unemployed beneficiaries, and Vuk'uphile, the EPWP Contractor Learnership Programme, is one of its flagship programmes. EPWP targets 40% women beneficiaries for every project implemented.

The Department is also using its own expenditure as a way of meeting the challenge and improve the businesses that are women-

owned. The total value of contracts that were awarded to women-owned companies in the 2006/2007 financial year amounted to R327million. In the period from April 2007 to December 2007, a total of R675 million was spent on women-owned companies, including non construction enterprises. We plan to expand on this even more in the coming financial year.

Ladies and gentlemen, my Department intends to grow its focus on developing women-owned construction enterprises in its efforts to promote transformation, growth and development of the construction industry.

An increasing number of black and women-owned companies are now competing effectively in this sector of the economy. The established industry has also responded positively to this aspect of transformation and has signed the Construction Charter, which commits the industry to concrete targets in terms of Black Economic Empowerment. I am pleased to say that most of the major companies have made progress towards these targets encouraging us to believe that together we can address many outstanding challenges.

The Register of Contractors established by the CIDB, now equips government and stakeholders with an important development tool and a clear understanding of the nature of contracting capacity and empowerment gaps across the industry.

I am very pleased to see that this summit has been all encompassing and has involved varied role players in this industry. I have always said that, going forward, it will be important to further raise the level of cooperation between industry, government and the research and academic community to increase the focus and funding for relevant construction related research. Even within the framework of SADC, I am also of the view that we should explore the potential for regional dialogue to address construction industry development and infrastructure challenges.

The construction industry the world over, but particularly in our country and the SADC region, has a pivotal role to play in infrastructure development. The key lies in unlocking the many impediments which curtail its tremendous potential for shaping a sustainable destiny for all of humanity. I am certain that the distilled experience of this summit will stimulate progress towards that goal.

I thank you.