

**Minister of Public Works  
Ms Stella Sigcau  
24 March 2000**

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**Keynote Address at the  
Signing of the Concession Contract  
between the Department of Correctional Services and the Ikwezi Consortium**

Honourable Chairperson  
Minister Ben Skosana  
The Managing Director of Group 4, South Africa, Mr Charles Erickson  
Distinguished guests  
Members of the media

Today marks yet another important milestone in the provision of essential infrastructure for the realisation of the government's socio-economic objectives.

Like any milestone, this event does not mean the end of the road but rather it signifies the end of one stretch and the beginning of another.

The signing of the Concession Contract Agreement between the Department of Correctional Services and the Ikwezi Consortium for the construction of the Bloemfontein Maximum Security Prison is an important step.

As a pilot project, we had to tread very carefully in our desire to create a successful model that will both withstand the test of time and provide us with a framework that will be duplicated again and again, to yield the perfection we are all striving to achieve.

At this point, I would like to recognise the contribution made by the other organs of the government, notably the Ministry of Finance, the State Tender Board and the Cabinet.

As we are gathered here today, we are embarking on another journey, this time to physically bring into being a facility that will positively affect the quality of life of the communities involved and the nation as a whole. It is a facility that will add another feather in the cap of Public Private Partnerships.

The total service entails the creation of a more cost-effective and efficient prison operation by bringing together all the aspects of design, construction, finance, management and maintenance under one responsibility, namely the Bloemfontein Correctional Contracts (Pty) Ltd who is the Concessionaire. The concession contract period is 25 years, after which the facility will be transferred back to the government at no cost and with pre-agreed maintenance conditions.

The Department of Public Works provided the land for the construction of the prison. This is in fulfilment of our strategic objective to make available land for the purposes of socio-economic delivery.

The Department of Public Works acted as the procuring agent for Correctional Services and structured the process to ensure a significant black empowerment component.

The mandatory requirement stipulated that at least 40% of the equity shareholding should be in the hands of Previously Disadvantaged Individuals.

The bidding consortia also committed themselves to the use of at least 75% of local labour force and 25% participation by local subcontractors during the construction stage of the project. The bulk of the building material, construction products and labour will come from the local area. The department is convinced that the mechanisms that have been put in place will create capacity and create skills to these empowerment partners.

The development of human resources remains a key government drive in an effort to eradicate poverty, enhance job-creation opportunities and grow the economy. Beyond the equity investments in the concessioning company, the Department's AOPPS programme offers opportunities for capacity building and skill transfer within the communities where the prison will be built.

Specific training programmes are built in by the contractors to make provision for a targeted skill transfer which will be monitored closely.

It is rightly believed that the SMME's will continue to play an important role even in the post construction

phase by providing necessary services and other products for the successful operation and maintenance of the facility.

Public Private Partnerships are not about the abdication of responsibilities by the government. On the contrary, they have been carefully identified by the government as a plausible strategy to derive maximum value out of the limited resources.

The benefits achieved out of these ventures are transferred to the people through the increased budgets for the delivery of essential programmes aimed at fighting poverty.

Ladies and gentlemen, the country will await with great anticipation, the official opening of the facility . We believe there will be a long-term and fruitful association with Ikwezi Consortium. We look forward to a South Africa that will be free from crime and criminals. At the same time facilities such as these, demonstrate a humane way with which we uphold people's human rights, wherever they might be in South Africa

I thank you.

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