

**The Deputy Director-General: NPWP & Policy, Ms Lydia Bici,  
gives an address at the National Youth Consultative Forum**

**Venue: CSIR, Tshwane, Gauteng**

**Date: 20 October 2006**

- **The Programme Director: Teddy Daka**
- **The Chairperson of the National Youth Commission, Nomi Nkondlo**
- **Construction & Property Industries Stakeholders**
- **Government officials & colleagues**
- **Representatives from our youth organizations**
- **Distinguished Guests**
- **Ladies and Gentlemen:**

The development of residential and commercial properties is among the key drivers stimulating the demand for construction. Both the property and construction industries provide the country with the necessary infrastructure including housing and therefore are essential to social development. Their impact on economic growth is manifested through job-creation, skills development and direct injection to the investment environment.

During apartheid, some of the racist law relating to ownership disenfranchised black people and women and precluded them from entering the property market both as owners and entrepreneurs. The result was that there was a racially skewed pattern of property

ownership which developed and left millions of black people as a landless class. This proved to be a handicap because given this deprivation many black people and women still cannot play a decisive role in the property business. They lack both physical and intellectual assets necessary for successfully conducting their business.

This is very apparent to us at Public Works. The Department is one of the key role players in the South African property industry. As a custodian of government's immovable assets, the Department manages a large property portfolio responsible for accommodating the public service delivery machinery of government. The Department also spends in excess of two billion rand (R2 billion) per year, leasing physical accommodation space from the private property industry. This is in fulfillment of our mandate as a custodian of immovable assets and therefore a provider of physical accommodation to other government departments for purposes of service delivery. Our challenge is to bring about necessary transformation and growth to this sector using among others instruments such as the recently adopted Property and Construction Transformation Charters to promote diversity.

The objectives of the Property Transformation Charter are explicit about the outcomes envisaged. These include among others:

- Unlocking obstacles to property ownership and participation in the property market by black people
- Promoting property development and investment in under resourced areas which enhances basic infrastructure

- encourages investment and supports micro and small enterprises
- Achieving a substantial change in the racial and gender composition of **ownership, control, and management**, and enhancing the participation of black people, including black women and designated group in the property sector.

We have adopted the matrix of Key Performance Indicators which is the basis of our scorecard and it includes the following indicators:

- Employment Equity
- Skills Development
- Procurement
- Enterprise Development
- Ownership of business
- Control element within a business
- Corporate Social Responsibility

We have set down complete timeframes and performance indicators for the achievement of these, and have given them weights, to demonstrate our seriousness and resolve. To get started, we need to have willing and able cadres, hence this consultative workshop. This workshop is one of many initiatives by the department to mobilize the youth behind the opportunities inherent in these industries. Other initiatives are the recently launched National Construction Week and the 2014 Youth Foundation.

Despite our enthusiasm to encourage as many youths as possible in these industries, it will be irresponsible to unleash into these industries people who are not willing to work hard and make a difference, nor do not possess concomitant skills. Skills development is a challenge to the whole country and we are determined to add to a solution by consistently flagging the problem. The problem of skill shortages in construction industry is topical. Even the Business Day of Wednesday October 18 lamented on the high student drop-out rate and almost total lack of artisan training. According to the authors, “the shortage of skills was caused by a 20-year lull in the industry and the massive drop out rate among engineering students at universities and universities of technology”. The article went on to point out that the training of artisans for the construction industry has dropped from 33 000 in 1975 to 1 440 in 2005. Of course these figures are consistent with our assessments.

With reference to the built environment specifically, we are faced among others by the following reality. The total number of registered engineers declined from fifteen thousand five hundred and thirty (15530) in 1998 to fourteen thousand nine hundred (14900) in 2004. The resulting ratio of citizens per engineer is two thousand nine hundred and twenty three (2923). By way of comparison this ratio is one hundred and eighty four (184) per engineer in Australia and two hundred and twenty (220) in the United Kingdom (UK).

South Africa has three point nine (3.9) registered quantity surveyors per one hundred thousand (100 000) of the population, compared to 35 per one hundred thousand (100 000) in the UK. In Local Government there are between four hundred (400) and five hundred (500) vacancies for built environment professionals as we speak. A survey being conducted by government indicates that there are eight hundred (800) vacancies for built environment professionals at all levels within national and provincial governments.

According to the Engineering Council of South Africa it is estimated that five hundred to eight hundred (500 – 800) engineers will be retiring annually from 2009 onwards. This exceeds the numbers who are currently graduating and to make matters worse, a very large percentage of current graduates are emigrating.

The built-environment professionals I am referring to are a critical resource if we are to live up to the challenges we face as a country. These challenges have been outlined in the Accelerated and Shared Growth Initiative of South Africa (Asgisa) including halving unemployment by 2014. Asgisa consists of a set of interventions which are intended to serve as catalysts to accelerated and shared economic growth.

The two sectors represented here today have an opportunity to make a significant contribution to Asgisa and in ensuring its success. We are to play our role in driving economic growth from the current four

point six percent (4.6%) to six per cent (6%) and beyond going forward. Government is focusing on a massive five-year investment plan in energy, transport and infrastructure by attracting foreign investment and boosting economic growth. Infrastructure spending by Government and state-owned enterprises will be around three hundred and seventy billion (R370bn) in the next five years.

As these two sectors we have a critical role to play in the provision of infrastructure for projects such as Gautrain and the 2010 Soccer World Cup among others. We will no doubt play no lesser role in the provision of other economic and social infrastructure including housing, roads and shopping centres. The infrastructure development levels of the country are one of the indicators of its success. We have all heard stories about the brisk growth of the Chinese construction sector and the impact thereof on their economy and international standing.

Our call to our young people is to seek the opportunities inherent in government programmes and other initiatives. The Government Communications & Information System (GCIS) regularly runs public information and awareness projects aimed at highlighting economic opportunities available mainly in the procurement, learnership and ventureship environments. The series Azishe-Ke which ran on SABC was one such initiative. Of significance, it should be your determination to sweat with the full knowledge that good things come to those who work hard and are perseverant.

We like to thank the cooperation of the National Youth Commission. Theirs is reminiscent of the earlier support we enjoyed when we both undertook the Youth for Access Projects as part of the special sub-programmes under the Community Based Public Works Programmes. As part of that initiative, more than 400 youths from the poorest provinces of our country were identified for training and assigned to construction projects at various schools, magistrate courts and other, to create ramps, balustrades and other conversions to enable ease of access for members of public with physical disabilities.