



BBCBE

**BLACK BUSINESS COUNCIL
IN THE BUILT ENVIRONMENT**

**BBCBE INAUGURAL BUILT
ENVIRONMENT INDABA**

2024

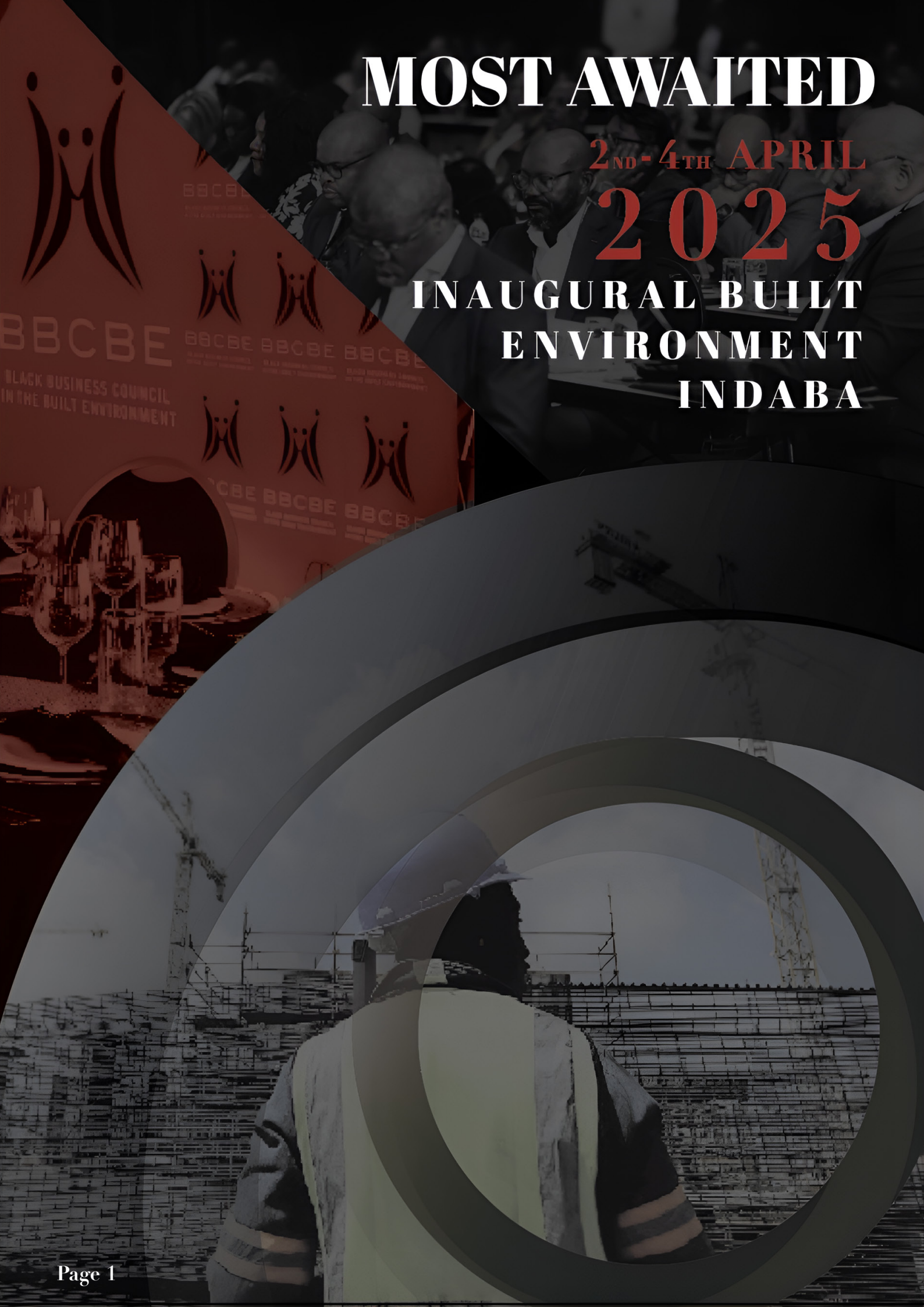
**PROJECT MANAGEMENT
UNIT OUTCOMES REPORT**

MOST AWAITED

2ND - 4TH APRIL

2025

INAUGURAL BUILT ENVIRONMENT INDABA



Event Overview

THEME:

Building a Transformed Built Environment through Collaboration, Procurement and Skills Development

VENUE:

Gallagher Convention Centre, Midrand, Gauteng, South Africa

DATE:

Tuesday, 4th & Friday, 5th April 2024

Background

The BBCBE Inaugural Built Environment Indaba 2024, hosted by the Black Business Council in the Built Environment (BBCBE), was a pivotal event addressing the South Africa's built environment sector. The BBCBE, a non-racial and non-political organisation, focuses on uniting black contractors, manufacturers, suppliers, and professionals to rectify historical inequalities and boost the participation of black businesses in the mainstream economy.

Purpose & Aim

The Indaba provided a vital forum for dialogue among the public and private sectors, academia, and civil society to explore innovative solutions for aging infrastructure, particularly in under-served communities. The goal was to promote skills development, create employment opportunities, and ensure that economic benefits are accessible to marginalized groups.

Highlights

The event featured plenaries sessions focused on discussions on infrastructure and built environment challenges and solutions, supported by five masterclasses on skills development, infrastructure finance, ESG and integrated roads, transport, and logistics. The Indaba was capped with a Gala Dinner that marked a significant moment, with the Deputy President expressing support for local businesses, built environment and addressing concerns about foreign competition. His commitment to collaborate with BBCBE leadership and support local enterprises was one of the notable outcome.

BBCBE TEAM AND EVENT CONTRIBUTORS

The BBCBE team for the 2024 Indaba was led by President Mr Danny Masimene, Deputy President Mr Bafana Dube, Treasurer General Ms Martha Sedumedi, and Project Management Unit head Mr Carrington Tlale. Administration was managed by Ms Elaine Achari, with support from Mr Mfanelo Ngwenya. Training was overseen by Ms ZamaJobe Mashinini and the exhibition was coordinated by Mr Eric Khotsa.

EVENT SERVICE PROVIDERS

The event relied on key service providers, including Ms Mabatho Mopeli as Marketing and Events Project Coordinator, and Ms Rachel Gitari as Protocol Manager. Media coverage was managed by Alexis and her team, with technical support from Mr Sipho Makhaleme (Lesibo-Tech) and Mr Ziggy Carr (One-Up Exhibitions). The event also used twelve temporary assistants and was held at Gallagher Conference Centre, who provided the additional personnel to support a successful

EVENT SPONSORS

Main Indaba sponsors were the Construction Education and Training Authority (CETA), Development Bank of Southern Africa (DBSA), South African National Roads Agency Limited (SANRAL), Construction Industry Development Board (CIDB), Department of Human Settlements (DHS), and Kena Outdoor.

GOVERNMENT REPRESENTATION

Notable government participants were Mr Sihle Zikalala (Minister of Public Works and Infrastructure), Ms Sindisiwe Chakunga (Minister of Transport), Ms Mmamoloko Kubayi (Minister of Human Settlements), Mr David Mahlobo (Deputy Minister of Water and Sanitation), Gauteng Premier Mr Panyaza Lesufi, Dr. Sishi (Department of Higher Education and Training), and Free State MEC Mr Ketso Makume.

PANELS AND FACILITATORS

The Indaba featured panels led by experts such as Mr Khulile Nzo on regulatory policy, Ms Portia Tsoaledi on infrastructure finance, Mr Lufuno Ratsiku on skills development, and Dr. Julia Petla on human settlements. Discussions focused on industry transformation, finance access, skills development, and human settlements delivery. Mr. Ebrahim Moola lead an additional urgent panel on the public procurement bill.

MASTERCLASSES

Masterclasses we also held which addressed critical topics including skills development and training (CETA), integrated roads, transport, and logistics (SANRAL), infrastructure finance (DBSA), professionalism and ethics (SACPCMP), and navigating ESG for sustainability (ESG).



DAY 1 : OUTCOMES

Opening Remarks by Mr Masombuka



Mr Masombuka opened the indaba by emphasizing the critical need for consolidating professionals in the construction sector, with a focus on developing young people, particularly black women. He stressed that meaningful industry transformation must actively involve black women and highlighted the importance of skills development for achieving this change. He also addressed the detrimental impact of the construction mafia on infrastructure development and noted that the minister would update on efforts to combat this issue.

Mr Masombuka highlighted that the indaba aims to be solutions-driven, shifting from discussing known challenges like unprocessed invoices and late payments without diminishing the existence of these challenges, but rather demonstrating thought leadership and providing actionable solutions.

Welcoming By BBCBE President Mr Masimene



Mr Masimene reinforced the indaba's commitment to being an annual event, with the Minister of Public Works and Infrastructure serving as the main custodian. He promised that solutions would be developed with clear task teams and timelines, with progress reviewed at subsequent indabas. He announced the introduction of a quarterly Presidential Gala Dinner to evaluate progress on the indaba's resolutions.

He addressed ongoing sector issues, including the impact of the Construction Mafia and regulatory challenges. Mr Masimene criticised the outdated 30% subcontracting regulation and called for better dispensation that would address the challenges experienced around the attainment of performance guarantees by contractors. He urged for reinvestment of project earnings into companies and advocated for procurement reform to enhance competitiveness. He suggested focusing on the Black Industrialist program and a phased approach to public procurement.

Comments By Mr Masombuka

Mr Masombuka underscored the importance of leveraging industry expertise to mentor and guide individuals in project incubation. He proposed using common issues like potholes as opportunities for skills development, with guidance from experienced professionals. He also discussed the importance of interpreting and applying procurement regulations (Section 217 of the Constitution) to prioritize quality and long-term value over cost considerations, ensuring cost-effectiveness and sustainability.

PREMIER OF GAUTENG PROVINCE

The Premier of Gauteng praised the successful Infrastructure Indaba in Cape Town and highlighted the importance of the new book on infrastructure-ready projects, urging institutions to take note. He expressed enthusiasm about Gauteng hosting the current indaba and emphasised that the outcomes from the inaugural Built Environment Indaba set a strong foundation for future growth. The Premier stressed the need to move beyond discussions to implementing the indaba's resolutions, showcasing Gauteng's commitment to action.



The Premier outlined Gauteng's initiatives to foster business prosperity, including key projects to stimulate the economy and support institutional growth. He highlighted infrastructure development, such as roads, rail, and strategic projects, as indicators of progress. He noted the opportunity that exist with the growth of Rustenburg towards Gauteng and the need for infrastructure improvements in Sasolburg and Harrismith to advance the growth of Gauteng. The Premier emphasised integrating some of Mpumalanga areas into Gauteng's growth plans and improving regional collaboration, which he termed "progressive colonisation".

Addressing crime, the Premier mentioned investments in new police equipment, including helicopters, vehicles, and CCTV cameras, integrated to Artificial Intelligence. He also highlighted the importance of energy stability, requesting national government support for managing power plants and preparing to add nearly 300 megawatts from solar stations to the grid within the province and developed by the Gauteng province.

Skills development was identified as crucial for job creation and economic growth. Gauteng's Master Skills Plan, supported by significant investments, focused on specialized education and reskilling. A new program aims to reskill 500,000 unemployed individuals with TVET college training and a stipend, aiming to reduce unemployment and provide valuable skills. The Premier called for collaborative training and planning, advocating for an annual project book to align sector efforts and determine future skill needs.

MINISTER OF PUBLIC WORKS & INFRASTRUCTURE



The Minister highlighted the pivotal role of the BBCBE in transforming South Africa's property and construction sectors, emphasizing that collaboration is crucial to extend the benefits of freedom to those previously oppressed. Commending the BBCBE for aligning its program with government objectives, the Minister stressed the importance of action over discussion.

The Minister lauded the BBCBE's efforts in advancing black economic empowerment, developing skills, combating crime and corruption, and advocating project value. The Minister added that the department was committed to ensuring the indaba produces actionable resolutions rather than being an expensive talk shop and that A partnership with the BBCBE is vital for accelerating economic transformation, particularly in empowering women, youth, and people with disability.

The Department of Public Works supports coordinated infrastructure investment, exemplified by the recently released Construction Book for 2024-2025 by Infrastructure South Africa (ISA). This book outlines Strategic Infrastructure Projects to prevent duplication and align stakeholders with government opportunities.

Regarding transformation and procurement, the Minister emphasized support for the Public Procurement Bill, which includes set-asides and localization to integrate emerging entrepreneurs into the economy. Entrepreneurs are encouraged to engage with the entire value chain, including equipment production.

Infrastructure is deemed essential for economic recovery, as highlighted by President Ramaphosa. The Economic Reconstruction and Recovery Plan emphasises a robust infrastructure project pipeline, enhanced industrial capacity, industry growth, green economy practices, and strengthening public sector capability. With an estimated R297 billion in government infrastructure expenditure this year, the plan aims to stimulate growth and job creation.

Addressing gender disparity in the sector, the Minister noted that women represent only 37% of the CIDB contractor register, with lower representation in higher grades. The government is committed to standardizing facility designs and supporting young women contractors through initiatives like B.U.I.L.D program and IDT, with plans to scale up these programs to promote greater inclusion and development in the sector.

| Minister of Public Works & Infrastructure Continues

The Property Management Trading Entity (PMTE) is launching a major initiative to optimize state properties, aiming to utilize these assets for inclusive economic growth and transformation. This initiative introduces models such as ROT (Refurbish-Operate-Transfer) and BOT (Build-Operate-Transfer), where private sector investment is used to develop, lease, and eventually transfer government buildings back to the state. These models offer sustainable investment opportunities in the construction and property sectors.

The Department of Public Works and Infrastructure manages approximately 30,000 land parcels and 90,000 facilities nationwide, with about 50% deemed unsuitable for occupation. To address this, PMTE plans to optimize state assets by encouraging private sector involvement and generating revenue for the state. Opportunities for development include student accommodation, mixed-use projects, and facilities for government departments.

Operation Bring Back is aimed at recovering stolen or hijacked properties, supported by the newly enacted Expropriation Bill, which enhances the state's ability to manage such assets. This includes tackling derelict buildings and facilitating their transfer to the private sector for investment. The Black Business Council in the Built Environment is invited to collaborate on infrastructure projects to support these efforts.

The issue of delayed payments, addressed under Operation Pay on Time, has been acknowledged. Measures are being implemented to ensure that government departments settle invoices within 30 days to support emerging contractors and prevent financial strain on businesses. Compliance is being monitored to improve payment practices.

There is a need to expand infrastructure development beyond major cities to secondary cities to ensure comprehensive national growth. The Irrep initiative introduces alternative energy solutions in government buildings, including water reuse and waste recycling programs. This program provides investors with the opportunity to sell electricity to both the government and the broader grid, highlighting the importance of public-private partnerships.

MESSAGES OF SUPPORT

MESSAGE FROM BBC:

Mr Matabane stressed the importance of including set-asides in the Public Procurement Bill to advance transformation. The absence of set-asides in the PPPFA, which requires the Minister of Finance's approval, could hinder progress if the minister does not support these changes. Embedding set-asides in primary legislation is crucial for legal recourse against non-implementation. He called for decisive leadership and support from provincial premiers, aiming for a future where today's initiatives benefit future generations through job creation and industry leadership.

MESSAGE FROM THE DBSA:

The Development Bank of Southern Africa (DBSA) expressed pride in its association with the Black Business Council in the Built Environment and praised the Indaba's focus on transformation through collaboration, procurement, and skills development. DBSA emphasizes that effective transformation requires a proactive approach and addressing challenges like climate change with forward-thinking infrastructure design. Ongoing dialogue and sharing of best practices are encouraged to build a future-fit built environment.

MESSAGE FROM THE CIDB:

The Construction Industry Development Board (CIDB) reiterated its commitment to inclusive growth within the built environment. CIDB supports and sponsors initiatives aimed at fostering industry development and regulations, reflecting its dedication to advancing sector transformation.

MESSAGE FROM SANRAL:

SANRAL announced the deactivation of e-Tolls, marking a significant milestone. Despite managing only 4% of the country's road network, SANRAL handles 40% of annual traffic and 60-70% of freight. It will contribute approximately R60 billion from this year's R300 billion infrastructure projects in the construction book. SANRAL operates under a social license rather than a regulatory framework, facing challenges in advancing transformation without comprehensive legislation. The organization supports the Public Procurement Bill to establish a regulatory framework for effective transformation, highlighting that current principles do not address transformation, redress, or preference.

MESSAGE FROM CETA:

The Construction Education and Training Authority (CETA) recognizes the role of strategic partnerships in driving economic inclusion through skills development. Congratulations were extended to the Black Business Council in the Built Environment (BBCBE) for organizing the inaugural Built Environment Indaba, which aligns with CETA's commitment to skills development as a foundation for nation-building and empowerment. CETA supports BBCBE's efforts to advance skills development and economic sustainability, ensuring a skilled workforce that attracts investment and safeguards investments.

QUESTION & ANSWER SESSION WITH THE MINISTER

MS JULIET CHOKWE, WOMEN IN PROFESSIONAL ROOFING AND WATERPROOFING ASSOCIATION:

Ms Chokwe praised the Minister's focus on asset optimization and highlighted the precedent set by the Minister of Human Settlements for a 40% set-aside for women in construction. She requested similar measures and emphasized her organization's readiness to contribute solutions and formalize support.

MRS CLARA SODLULASHE-MWENZE, SAWIC&BE:

SAWIC requested formalising a relationship through a Memorandum of Understanding (MOU) to ensure inclusion in the 2024-2025 construction book. She also sought improved communication with the department, noting past difficulties in arranging meetings and correspondence.

MR CHRIS JIYANE, BBCBE MEMBER AND CONTRACTOR:

Mr Jiyane emphasized the urgent need to address late payments, which threaten company viability. He called for better management practices to prevent resource misallocation and corruption and advocated for partnerships to improve project implementation.

TARRYN JOHNSTON - HENNOPS RIVER REVIVAL NONPROFIT ORGANIZATION:

Johnston raised concerns about environmental impacts from illegal sand mining and dumping, which threaten water ecosystems. She called for adherence to legal standards and collective action to address these issues.

MINISTER'S RESPONSE:

The Minister affirmed the government's commitment to addressing illegal mining and dumping, involving police units and environmental departments in these efforts. The need for formalizing MOUs and addressing administrative challenges was acknowledged, with plans for follow-up meetings to ensure collaboration. A dedicated unit for social facilitation and local contractor participation in projects is being established. The Minister emphasized the importance of strategic partnerships and collaboration for successful infrastructure rollout.

PANEL DISCUSSIONS

PANEL 1: INDUSTRY REGULATORY BODIES: DRIVING IMPLEMENTATION OF REGULATORY POLICY TO ACHIEVE TRANSFORMATIONAL GOALS



**Facilitator: Mr Khulile Nzo
(Chairperson of the CIDB)**

Panelists:

- Mr Ibrahim Mullah, CIDB
- Mr Richard Somanje
- Dr. Msizi Myeza, CBE
- Mrs Portia Tau Sekate
- Gregory Mofokeng, CSCC

■ **Facilitator Comments:**

Mr Khulile Nzo emphasized the importance of integrating diverse perspectives to advance regulatory policies and achieve transformation goals. He highlighted that effective implementation requires all entities to assess their current status and devise clear strategies to meet the set transformation objectives.

■ CBE

Dr. Msizi Myeza pointed out the sector's minimal transformation, with women representing only 14% and youth feeling marginalized. He noted inefficiencies in professional accreditation, such as the prolonged process faced by Quantity Surveyors awaiting professional status. To tackle these challenges, the national logbook was introduced to track students and professionals, aiming to enhance support and mentorship. Addressing regulatory barriers and utilizing existing legislation are essential for driving transformation.

■ CSCC:

The Construction Sector Charter Council (CSCC), under the Department of Public Works and Infrastructure, faces challenges due to limited funding. However, Minister Zikalala's commitment to better financing is expected to improve operations. The CSCC plans to update its activities, including releasing the annual State of Industry Transformation Report. Black businesses are urged to evaluate their procurement, hiring, and training practices to contribute to sector growth and inclusivity.

■ CIDB

The Construction Industry Development Board (CIDB) highlights the necessity of compliance with standards, particularly through the B.U.I.L.D. program, which emphasizes skills development and enterprise growth for large projects. Addressing implementation challenges and adhering to program guidelines is crucial. The CIDB also stresses the need for targeted policies to address deviations from standards and supports the Construction Industry Recovery Plan currently under Cabinet review.

■ PSCC

The Property Sector Charter Council (PSCC) stresses expanding transformation efforts to include the property sector. With the sector's growth from R5.8 trillion to R6.7 trillion, maintaining and managing infrastructure is critical. The PSCC's State of Transformation report offers data and actionable steps to enhance sector participation. The council emphasizes that transformation responsibilities should be shared across all sector entities, not just historically white organizations.

■ Agrèment South Africa:

Established in 1969, Agrèment South Africa evaluates non-standardised construction products and systems, promoting innovation. It plays a significant role in advancing building standards and technology. The organization aims to educate the public and practitioners on certification processes and innovative construction methods. Notable advancements include Cape Town's twelve-floor building using innovative materials. Agrèment South Africa advocates for adopting alternative solutions in rural areas and adapting to new legislation.

■ Facilitator/CSCC:

The misconception of a sunset clause on transformation must be addressed with stricter legislation to ensure genuine progress. With the expiry of negotiated codes, renegotiation of targets for the next seven years is essential. The Construction Sector Charter Council's focus on ownership, management controls, and skills development remains crucial. Transformation documents should drive industry-wide commitment beyond administrative changes. Ensuring equal participation and dismantling barriers is necessary for achieving inclusive growth.



PANEL 2: INFRASTRUCTURE FINANCE: ACCESS TO INFRASTRUCTURE FINANCE

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IX ENGINEERS

Q

How has it been for you to access funding, and what has been the journey for you?

What collaborative partnerships are needed for advancing infrastructure?

The infrastructure sector faces significant challenges due to an inadequate policy environment that hampers funding from Development Finance Institutions (DFIs) and commercial banks. While the Renewable Energy Independent Power Producer Procurement (REIPPP) program has opened new opportunities in the energy sector, a gap remains between the financing needs and the willingness of banks to invest. DFIs and banks often require projects to be shovel-ready, which involves significant investment and extensive development, creating a disconnect since infrastructure is essential for economic growth. DFIs must take a more proactive role in facilitating infrastructure development. Collaboration between private and commercial sectors is essential to overcoming these challenges.

Understanding the requirements of DFIs and funding markets is crucial. Projects must align with these criteria and demonstrate significant value. Effective negotiation is key, as DFIs and banks often have targets and budgets. If they are not meeting their goals, they might be more open to negotiating terms and mitigating risks. It is important for entrepreneurs to persistently seek funding opportunities and advocate for viable solutions.

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DBSA

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Can you provide an overview of the infrastructure fund and achievements?

What advice would you give to young entrepreneurs seeking funding?

The Development Bank of Southern Africa (DBSA) has evolved over the past forty years to support inclusive economic growth and infrastructure funding. The focus has shifted from traditional balance sheet funding to project financing, emphasizing project preparation and feasibility studies to build a pipeline of fundable projects. Despite available funds, challenges often exceed resources. The DBSA has established the Contractor Working Capital Fund to provide contractors with necessary working capital and explores innovative solutions to address financial challenges. Strategic partnerships and crowdfunding are crucial for supplementing resources and supporting economic development.

Strategic partnerships are essential for financing infrastructure projects, both locally and internationally. Collaborations with organizations such as the Green Climate Fund and the Black Business Council in the Built Environment (BBCBE) are vital for bringing in necessary funds. Additionally, working with banks to syndicate funding supports infrastructure development.

Facilitator Com-

Ms Portia Tsoaledi underscored the crucial role of infrastructure as a driver of economic growth. She emphasized that effective infrastructure financing requires innovative strategic partnerships and adequate funding to meet the sector's needs.

FACILITATOR: MS PORTIA TSOALEDI – NEDBANK

Panelists:

- Mr Chuene Ramphele - DBSA
- Mr Chris Khabongo - IDC
- Mrs Molebogeng Leshabane - IX Engineers



IDC



What is IDC's plan for funding small and medium enterprises (SMEs) and supporting sustainability-linked materials?

How can funding processes be adapted to support young entrepreneurs?

The Industrial Development Corporation (IDC) focuses on medium enterprises with funding available for projects ranging from R1 million to R20 million. A dedicated department assists with SME funding, providing both financial and non-financial support, such as capacity building and mentoring. The SME Connect initiative helps match potential participants with major entities for enterprise and supplier development.

For projects requiring under R1 million, the Small Enterprise Finance Agency (SEFA) and Small Enterprise Development Agency (SEDA) provide initial funding and non-financial support, respectively. For larger contracts, transitioning to the IDC for additional funding is recommended. SEFA and SEDA can assist with startup capital, while the IDC supports scaling up as businesses grow.

The IDC collaborates with the Department of Trade, Industry and Competition (DTIC) to promote localization and support programs like the Black Industrialist Scheme. This collaboration is vital for responding to market needs and developing effective policies and products. The DTIC is launching a new program for smaller transactions to address the needs of small-medium manufacturers.

Lebogang



What measures are in place to support Community Property Associations (CPAs) facing funding challenges?

Program Director

CPAs often face difficulties accessing funding despite having significant assets and investments. The DBSA's Integrated Municipal Approach addresses municipal financial imbalances by front-loading funding to support infrastructure development. The DBSA's commitment includes innovative solutions and active partnerships with receptive districts to address community and entrepreneurial needs.

The discussions on finance highlighted the complexities involved in addressing infrastructure funding. Administrative and collateral issues often complicate the process, but the commitment to advancing infrastructure finance is evident. Ongoing collaboration and effort are crucial to overcoming these challenges and supporting infrastructure development.



MINISTER OF TRANSPORT'S ADDRESS ON BUILT ENVIRONMENT & TRANSPORT SECTOR

Engineers and architects play a pivotal role in shaping our physical world. Their work impacts national identity, heritage, and future developments. Built infrastructure is fundamental in creating spaces that transform lives, build economies, and shape industries. This infrastructure reflects our collective progress and achievements.

The agenda focuses on engineering excellence, skills development, transformation, and collaboration. These elements are crucial for aligning with the Freedom Charter's principles, which advocate for equitable access and shared ownership across sectors, including the built environment. The Indaba represents a commitment to advancing economic growth and improving lives through collaborative efforts.

Reflecting on 30 years of transformation, we must assess our successes and failures. Our goal is to create an inclusive economy where every South African has a fair stake. Despite progress, the economy has not been fully reshaped to be inclusive. Engaging with organizations like the Black Business Council in the Built Environment (BBCBE) is essential for making meaningful economic impacts.

The transport sector faces challenges requiring urgent attention such as road maintenance, railway network inefficiencies, and port terminal congestion. These challenges impact transport system efficiency, cost reduction, and trade competitiveness. South Africa's road network needs constant maintenance and refurbishment.

Many provincial and municipal roads suffer from inadequate funding, leading to poor maintenance. The railway network faces challenges such as outdated locomotives, security issues, and inefficiencies at port terminals. Enhancing the transport system's efficiency, reducing costs, and investing in infrastructure are crucial.

The COVID-19 pandemic significantly impacted the transport sector, leading to a 7% decline in GDP and an 11% decrease in road freight. Globally, road freight turnover fell by 18%, amounting to €551 billion. In response, the government revised the National Civil Aviation Policy in 2021 and developed frameworks to promote air freight resilience. The rail freight strategy and the White Paper on National Rail Policy aim to improve rail sector efficiency and encourage private investment. President Ramaphosa directed Transnet to implement rail policy reforms, including restructuring Transnet Freight Rail and introducing an Open Access regime. The Freight Logistics Roadmap, approved on December 8, 2023, outlines actions to restore efficiency and competitiveness in the logistics system. It also aims to enhance port performance by increasing the National Ports Authority's autonomy and encouraging private sector involvement.

The government's commitment to infrastructure development is evident in SANRAL's plans to invest R28 billion in the construction industry, with projects like the Msikaba Bridge and Moloto Road underway. These initiatives have generated significant job opportunities and empowered Black-owned Small, Medium, and Micro Enterprises (SM-MEs). SANRAL's future plans include R230 billion in projects over the next five years, emphasizing the government's dedication to infrastructure investment.

The Department of Transport supports provinces through the Provincial Road Maintenance Grant, with funding set to increase progressively. The Minister of Finance's 2024 budget allocates over R943 billion for public infrastructure, aiming to enhance efficiency and attract private sector participation.

Public-Private Partnerships (PPPs) play a crucial role in building and managing infrastructure, providing additional capital and expertise for addressing transportation challenges.

Despite progress, true transformation in the transport sector must address equity concerns and increase black business participation. Recent announcements include capital projects at ACSA-owned airports and port projects in the DRC. Strategies must be developed to significantly involve black businesses in these investments, ensuring they play a central role in the sector's future.

Conclusion

The Minister's address underscores the critical role of infrastructure in shaping South Africa's future. The focus on sustainable development, effective management, and equitable participation will drive progress and economic growth. This conference marks the beginning of a new phase in transformative built environment programs, aiming to ensure that the nation's wealth is shared equitably among all its inhabitants.

DEPUTY MINISTER OF WATER & SANITATION'S ADDRESS

The Deputy Minister highlighted the indispensable role of water in both daily life and infrastructure development. Aligning with the National Development Plan (NDP) Vision 2030, the government is committed to leveraging infrastructure and the built environment to drive



South Africa's water scarcity, exacerbated by climate change, underscores the urgent need for effective management and strategic collaborations. While the country is not facing a complete water shortage, localized deficits and high per capita consumption present significant challenges. Addressing these issues requires a concerted effort to enhance water management practices and reduce consumption.

The Umkhomazi Water Project, a R26 billion initiative, is a pivotal intervention aimed at supporting development across five districts, including uMgungundlovu and eThekweni. This proactive strategy is designed to prevent water scarcity from hindering regional growth. Looking forward, South Africa's water availability is expected to decline due to demand outstripping supply, driven by economic growth and urbanization. Infrastructure development must keep pace with economic expansion to support key sectors such as agriculture, manufacturing, and urban development.

South Africa's infrastructure management philosophy needs revision to ensure sustainability and efficiency. Many infrastructure assets, particularly in mining towns, are over a century old and require more than routine maintenance; they often need complete replacement due to age-related deterioration. This aging infrastructure leads to significant water losses, with leakage rates exceeding 52% in some areas. Addressing these inefficiencies is crucial for maintaining a reliable water supply and optimizing resource use.

Investment in both capital expenditure (CapEx) for infrastructure development and operational expenditure (OpEx) for maintenance is essential. This approach ensures immediate savings while securing the long-term availability and reliability of essential services. Similar to the energy sector's energy availability factor, water supply reliability depends on operational efficiency and infrastructure integrity.

A holistic approach is necessary to balance immediate infrastructure needs with long-term sustainability goals. Prioritizing efficient asset management, investing in modern infrastructure, and fostering community engagement will better position South Africa to navigate its water security challenges and support economic and social development. Climate change and delays in implementing water resource projects further complicate this landscape. Delays have led to significant cost escalations, with projects initially estimated at R1 billion now costing up to R10 billion. Such delays risk public perception of mismanagement, frustrate citizens, and deter investors, who require assurances of reliable power supply and infrastructure networks.

Efforts to revive delayed projects over the past two and a half years have demonstrated a commitment to avoiding past mistakes. Diversifying water usage is critical; merely building more dams is insufficient. Efficient water use through methods like water reclamation and reuse is essential. For example, treating effluent for reuse, supporting initiatives like fertilizer production and power generation from sewage, represents a circular economy approach.

Alternative strategies, such as desalination and effective groundwater management, should be considered based on local infrastructure and reliability. Water conservation and demand management are also crucial. Effective asset management, including pressure-reducing valves and managing flow during non-peak hours, can prevent reservoirs from running dry during disruptions. Enforcing water conservation bylaws is necessary to curb wasteful practices.

Municipal water services face ongoing challenges, with many municipalities struggling to provide safe drinking water, as highlighted by the Blue Drop report. Immediate action is required to appoint capable water service providers to address these issues until local capacity can be built. Reforms include amending the Water Services Act to separate regulatory and service provider roles, adopting new implementation models involving private sector participation, and establishing a National Water Resource Infrastructure Agent to finance large-scale projects through public-private partnerships.

| Minister of Water & Sanitation Continues

Certification of water providers and implementing stringent certification requirements are critical for ensuring expertise in the sector. Addressing financial sustainability is also crucial, as non-payment for water services has reached alarming levels. Prioritizing revenue management and billing systems is necessary to improve the culture of payment and sustain service delivery.

Significant projects like the Lesotho Highlands Water Project, the Mokolo Crocodile (West) project, and the Mzimvubu Water Project illustrate ongoing efforts to address water challenges. Investments exceeding R20 billion in various initiatives, including public-private partnerships and specialized entities like the Trans-Caledon Tunnel Authority, reflect a commitment to innovative financing solutions and modernizing infrastructure. These reforms aim to ensure sustainable development and equitable access to water resources, fostering a more inclusive and prosperous future for all South Africans.

The Department's blueprint for standardized services, introduced by Dr. Patrick Sishi, Director General, emphasizes improving conditions for learners and students while ensuring optimal water management practices. Dr. Sishi is recognized for his thoughtful and visionary leadership, reinforcing the commitment to advancing water security and infrastructure development in South Africa.



The Department of Higher Education and Training (DHET) is unwavering in its commitment to addressing the challenges within South Africa's education and training systems. Our primary mandate is to cultivate a skilled and capable workforce to bolster the nation's socio-economic development. This endeavour is essential for tackling the country's growing challenges and requires enhanced collaboration with various stakeholders and partners. A proficient workforce is crucial for addressing socio-economic issues and fostering inclusive growth.

DIRECTOR GENERAL OF THE DEPARTMENT OF HIGHER EDUCATION & TRAINING ADDRESSES THE BUILT ENVIRONMENT INDABA

The Economic Forum recently highlighted the integral role of skills development in economic growth, noting that improved employability and labor productivity are key outcomes. Insufficient skill levels perpetuate poverty and inequality, a view echoed in a report by the Human Sciences Research Council (HSRC). This consensus underscores the critical importance of skills development, as recognized both internationally and domestically. Our National Development Plan (NDP) emphasizes education and training as pivotal investments for eradicating poverty, reducing inequality, fostering economic growth, and tackling unemployment.

Dr. Sishi, in his role as Program Director and Chairperson of the Construction Sector Education and Training Authority (CETA), has been a strong advocate for addressing skills gaps through effective use of educational institutions. The DHET, guided by policy frameworks such as the NDP, the White Paper on Post-School Education and Training, the National Skills Development Plan (NSDP), the Economic Reconstruction Plan (ERP), and sector-specific strategies, has developed a comprehensive approach to advancing skills development. This includes the Sector Skills Plan and the Occupations in High Demand report, which are updated biennially.

One of our key initiatives is the update of the National List of Occupations in High Demand and the piloting of provincial lists. These lists are crucial for guiding career development services and ensuring that educational institutions align their training programs with national socio-economic goals. Following the ERP's launch in 2020, the department developed a Skills Strategy, extensively consulted with stakeholders, to support this initiative. This strategy plays a vital role in the broader skills planning framework, emphasizing labour market intelligence to anticipate future work scenarios and inform skill provision.

A major focus of the Skills Strategy is the built environment, including engineering and artisan development. We have significantly expanded infrastructure for trade testing centres, increasing from one centre in Pretoria to over 40 nationwide. This expansion enhances accessibility to training and certification for artisans. Our strategy aims to increase youth participation in skills development programs and provide workplace-based learning opportunities. It also focuses on retraining workers to address recent job losses, aligning with immediate economic needs while building long-term capacity.

The department is also leading efforts to consolidate various government plans into a unified "Master Skills Plan" under the "One Country, One Plan" initiative. This plan will integrate elements from the NDP, the Medium-Term Strategic Framework, the NSDP, and the ERP, aligning with international frameworks such as the United Nations Sustainable Development Goals, the Regional Indicative Strategic Development Plan, and the Continental Education Strategy for Africa. The Master Skills Plan aims to harmonize South Africa's skills development efforts with national and international agendas, particularly in critical sectors like the built environment.

We welcome the opportunity to address the inaugural Built Environment Indaba, fostering collaboration among stakeholders to develop a unified national plan. This initiative seeks to streamline resources and optimize impact across key sectors. As part of our curriculum transformation efforts, we have launched Centers of Specialization in selected Technical and Vocational Education and Training (TVET) colleges. This program aims to enhance colleges' capacity to produce skilled artisans in 13 priority trade areas through industry partnerships. South Africa currently produces about 20,000 artisans annually, with a target of 30,000 set by the NDP. Progress has been notable, given our initial capacity constraints.

The Construction Sector Education and Training Authority (CETA) plays a vital role in supporting skills development initiatives. In the 2023-2024 financial year, CETA allocated 234 million Rand to support 3,902 learners, with a focus on stipends and apprenticeships.

PROGRAMME DIRECTOR'S REMARKS

Three weeks ago, the CEO and I, as leaders of the Construction Sector Education and Training Authority (CETA), formalized a significant collaborative agreement with the Built Environment Sector through the Built Environment Council (BBCBE). This Memorandum of Understanding and Strategic Framework Agreement represents a concerted effort to tackle the challenges within the training landscape, particularly focusing on bridging the gap between theoretical education and practical work experience.

Our approach is designed to adapt to the evolving demands of skills development. As technology advances—particularly with developments in artificial intelligence, information technology, and robotics—the landscape of job roles is rapidly changing. Many existing occupations may become obsolete within the next 15 years, making it crucial to prepare our youth for the future job market. Our strategy emphasizes the development of "future skills" that are essential for the emerging workforce.

One of the central tenets of this agreement is the commitment to facilitating learner placements in upcoming infrastructure projects. This initiative aims to ensure that learners transition smoothly from educational settings to practical placements, thus supporting workforce entry and streamlining certification processes. The BBCBE and other industry stakeholders have pledged to support these placements, underscoring the importance of integrating practical experience with theoretical learning.

Addressing industry leaders and CEOs, we stress the need for innovative and forward-thinking approaches. Without proactive adaptation of training programs and skill sets, we risk losing our competitive edge globally. Our strategy involves continuous adaptation and innovation to ensure that our training initiatives remain relevant and effective. By doing so, we prepare future generations to meet the challenges and seize the opportunities of tomorrow's workforce.



PANEL 3: SKILLS DEVELOPMENT

DEVELOPMENT OF SCARCE SKILLS IN THE CONSTRUCTION INDUSTRY

Facilitator: Mr Lufuno Ratsiku

Panelists:

1. SAQA Senior Manager
2. QCTO Chief Director
3. CETA CEO
4. Department of Higher Education DG

Facilitator's Comment:

The focus of this panel is on addressing the critical issue of developing scarce skills within the built environment sector. This aligns with the National Development Plan's objective of building a capable state, which emphasizes the necessity of cultivating a robust skill base to meet evolving societal needs. Developing relevant skills is crucial for advancing the construction sector and driving economic growth.

Question

The first question is directed at the Director General: Are we currently focusing on developing the right skills within our industry that can impact the sector and drive our economy forward? This includes an assessment of our current efforts and future needs, especially concerning Fourth Industrial Revolution skills crucial for industry advancement.

Answer - DG:

To assess the relevance of our skills development efforts, we need to evaluate how well our education and training systems align with economic needs, both now and in the future. Over the past five years, we have implemented a Labor Market Intelligence Program in collaboration with the Human Sciences Research Council. This initiative uses economic modeling and research to project future skills demands, guiding educational institutions in adapting their curricula accordingly.

The program has produced several reports available on our website to help institutions stay relevant. Currently, our education and training landscape comprises 342 institutions: 26 public universities, 24 private universities, 50 TVET colleges, 133 private colleges, 9 community colleges, and 21 SETAs. This network works collectively to ensure alignment with economic needs and supports national development goals.

We also update the Occupations in High Demand list every two years and collaborate with the Department of Home Affairs to identify scarce skills for immigration purposes. This approach ensures that our educational initiatives address both immediate and long-term economic needs. While not all institutions perfectly align with economic demands, we are committed to continuous improvement.

Question

From a SETA perspective, are we focusing on developing the right skills to propel our economy forward, particularly in the construction sector and built environment industry? Where do we stand in this area?

Answer - SETA:

Yes, SETAs are dedicated to producing the right skills for the sector. Our mandate under the Skills Development Act emphasizes practical skills development, providing hands-on training that aligns with industry needs. We ensure access to facilities that meet industry standards and base our programs on the Sector Skills Plan, reflecting current and future demands.

While we strive to produce sufficient skilled workers, we face challenges, particularly with the resource-intensive process of training artisans. The cost of producing artisans is substantial, and we need to anticipate future skill demands through state-of-the-art research. This foresight helps us adjust training strategies for long-term effectiveness.



Question

How do you address the disparity between skills and the looming unemployment crisis? For example, qualified electrical engineers in rural areas face unemployment despite their qualifications. How can this issue be resolved?

Answer - CEO:

The CEO highlighted the importance of collaboration among all stakeholders, including industry, training institutions, and government departments. He acknowledged the paradox where qualified individuals remain unemployed despite apparent skill shortages. Emphasizing quality and excellence in training is crucial, as is ensuring that educational institutions are well-accredited and staffed.

Maintaining high standards in training helps address unemployment issues, especially in a sluggish economic environment. Preparing skilled individuals now ensures they are ready for future opportunities. Providing practical experience and bridging the gap between academic qualifications and workplace readiness is essential for the sector's sustainability.

Question

What is the panel's view on professionalizing the built environment industry? There is a need for professional services tenders to emphasize the requirement for professionally registered individuals. What is your perspective on this issue?

Answer - SAQA Senior Manager:

The SAQA Senior Manager emphasized the importance of transforming education and training to professionalize occupations within the built environment. Professional bodies play a crucial role in setting standards and developing codes of ethics. Requiring tenderers to be members of professional bodies ensures adherence to established standards and accountability.

Professional bodies contribute to training and upskilling young professionals to meet industry demands. Recognizing and supporting these bodies within the National Qualifications Framework (NQF) is vital for enhancing the professionalism of the sector.

Question

Are there risks associated with using unregistered or non-registered individuals for professional services? Do clear policies exist regarding mentorship and skills transfer, given that skills transfer often depends on individuals' willingness?

Answer - Higher Education:

In the realm of occupational qualifications regulated by the QCTO, policies ensure that training includes industry participation and mentorship. Specific mentors oversee trainees' competency development, though flexibility in coverage allows for partnerships to address training gaps.

Consistent implementation of mentorship policies across sectors is crucial for fostering a robust culture of skills development. While frameworks are in place, greater emphasis on effective mentorship is needed to address gaps in training and skills transfer.

Question

What is your perspective on succession planning within organizations in the built environment sector? Often, leaders operate until retirement without clear succession plans, passing companies down informally.

Answer - General View:

Succession planning is vital for ensuring the continuity and sustainability of organizations. Leaders should actively pursue and advocate for formal succession plans, ensuring that companies have a clear strategy for leadership transitions. This approach helps maintain organizational stability and prepares future leaders for success.

Question

Nhlanhla Maphalala highlights the importance of curriculum alignment with industry needs and the disconnect between education and leadership. He advocates for a comprehensive understanding of engineering sector requirements and the need for a central figure overseeing skills development.

Facilitator

The facilitator clarified the Competition Commission of South Africa's role, emphasizing its focus on regulating fees and ensuring transparency rather than interference. Ongoing engagements aim to address discrepancies in fee structures and update tariffs to reflect current practices. This approach fosters fair and regulated pricing within the industry, enhancing clarity and cooperation between regulatory bodies and stakeholders.

CLOSING – DAY 1

The closing remarks of Day 1 began with heartfelt gratitude expressed to all attendees who engaged throughout the day. The speaker highlighted the importance of the knowledge and information shared, emphasizing the strategic relationships that BBCBE values deeply. Attendees were encouraged to direct any further questions to the provided email address for continued engagement.

The speaker assured that regardless of membership status, the value offered by BBCBE would become evident through direct interaction. They promised that engaging directly with the organization would yield clearer and more intimate insights, showcasing BBCBE's worth. The audience's participation and support were warmly acknowledged, and everyone was invited to continue this journey together, reinforcing the collaborative spirit of the event.



DAY 2

OUTCOMES

PROGRAM DIRECTOR'S RECAP

The second day of the Building Environment Indaba commenced with a recap of the previous day's events, serving as both a refresher for participants and an update for the Minister. The President's opening address had set the tone, emphasizing the importance of the BBCBE and the constructive nature of the discussions, steering clear of grievances and focusing instead on solutions. The Premier of Gauteng's announcement that SANRAL would be deactivating the e-toll gates the following week was a highlight, alongside his invitation to an upcoming event focused on addressing unemployment through specialized education and the establishment of centres of excellence. The Premier also pledged the Gauteng government's support for infrastructure development, framing it as "progressive colonization" aimed at expanding opportunities across the region.

The Minister of Public Works provided an overview of the government's extensive project book, valued at over 200 billion for the upcoming financial year. He encouraged exploration of these projects, with a particular emphasis on opportunities for women, youth, and designated groups within the construction sector. The Minister underscored the Department's commitment to mentoring and developing young professionals to secure the industry's future.

Following this, the Minister of Transport discussed the ongoing maintenance of gravel roads and highlighted SANRAL's role in addressing potholes and maintaining road infrastructure. Public-private partnerships (PPPs) were mentioned as a crucial element for supporting infrastructure development, a theme that would recur throughout the day's discussions.

The Deputy Minister of Water and Sanitation outlined current and future water infrastructure projects, including dam developments. He emphasized the need for PPPs to advance water infrastructure and introduced the National Water Infrastructure Agency, which aims to attract equity and project finance for sustainable water treatment solutions.

The Director-General for Higher Education and Training reinforced the Ministry's support for skills development within higher education, particularly in addressing future and scarce skills across various projects. This set the stage for a deeper exploration of the intersection between education, skills development, and the built environment industry throughout the day.



BBCBE DEPUTY PRESIDENT'S WELCOMING REMARKS

The Deputy President expressed his deep appreciation for the government's steadfast support of the BBCBE, highlighting their commitment to close collaboration. He announced that the Building Environment Indaba would reconvene in April of the following year, ensuring continuity and accountability for the discussions and actions taken during this gathering. To maintain momentum, bi-annual reviews were planned to track progress and achievements.

In his address, the Deputy President emphasized the BBCBE's critical role in supporting government objectives related to housing and social housing access. He reaffirmed the organization's commitment to leadership and community assistance, particularly in guiding and empowering black businesses within infrastructure development. Acknowledging the support from various ministers in the building environment sector, he underscored their commitment to working closely with the BBCBE on infrastructure projects.

The Deputy President issued a heartfelt appeal to all stakeholders, urging them to ensure inclusivity and shared benefits among fellow black entrepreneurs. He cautioned against the practice of benefiting from opportunities without uplifting others, emphasizing that economic empowerment should benefit all black people. The government's role in creating an enabling environment for business was reiterated, alongside the BBCBE's commitment to driving transformation and ensuring meaningful participation in the economy.



MINISTRY OF HUMAN SETTLEMENTS

The MEC for Human Settlements in the Free State introduced the Minister of Human Settlements, highlighting her diverse roles and impactful leadership highlighted. Her career began in community development before transitioning to the financial sector, where she held various positions, including SQL Development Specialist at FNB and roles at NetBank, showcasing her financial management skills.

In the public sector, she served as a Skills Development Facilitator, a Director in the Office of the Deputy President, and as a Parliamentary Advisor. She was also a Member of Parliament and chaired the Transport Portfolio Committee in the City of Johannesburg Council. Academically, she holds a Bachelor of Arts from the University of Johannesburg, a postgraduate diploma in Project Management from Damelin College, and a Master's Degree in Public and Development Management from the University of the Witwatersrand. She further enhanced her leadership skills through a Harvard Business School program and is currently pursuing a PhD in State-Owned Enterprises and Corporate Governance.

Her global contributions include serving on the Global Artificial Intelligence Council and the Global Future Council on Sustainable Tourism. Her leadership across various sectors has been instrumental in driving professionalization and effective policy implementation. As the MEC for Human Settlements in the Free State, she remains committed to professionalism and effective governance, ensuring that policies and initiatives positively impact communities and drive sustainable development.

MINISTER OF HUMAN SETTLEMENTS' ADDRESS

In her address, the Minister of Human Settlements, Honourable Mammoloko Kubayiemphasized the critical importance of collaboration and partnership in advancing their goals. Acknowledging the Deputy President of BBCBE for their unwavering support, she emphasized the pivotal role of public procurement in driving transformation within the building sector. The focus of her address centered on human settlements, drawing on the foundational principles of the Freedom Charter and the Constitution of 1996.

The Minister highlighted that their policies are tailored to foster a transformed and inclusive economy, addressing historical inequalities. While interventions aim to level the playing field, they are not intended to undermine essential services like RDP housing but to enhance the provision of dignified shelter. She acknowledged the constraints posed by fiscal limitations and stressed the necessity of partnerships with Development Finance Institutions (DFIs) and other financial bodies.

These collaborations are crucial for expanding access to housing solutions for various income groups, from the homeless to low-income families struggling with commercial loan access.

| Minister of Human Settlements Continues

She outlined their commitment to social housing as a vital component of their strategy but note significant gaps in housing stock, particularly in affordable and rental sectors. The overwhelming response to social housing applications in Cape Town highlighted the urgent need for more accessible housing options nationwide. In urban planning, the Minister affirmed efforts to dismantle apartheid-era spatial segregation by rejuvenating inner cities. This initiative aims to enhance economic accessibility and mitigate the adverse effects of urban sprawl.

Addressing climate change, the Minister stressed the need to embrace alternative and innovative building technologies to construct climate-resilient infrastructure. Recent market tests for these technologies in emergency housing demonstrate their potential to meet immediate needs while enhancing sustainability. She also emphasized the need to strengthen the entire value chain of human settlements. Recent challenges with material shortages following unrest highlighted the necessity of integrated approaches and strategic partnerships to address affordability and quality concerns in housing construction.

The Minister concluded her address by calling for collective effort and innovation to advance the vision of equitable human settlements. She urged stakeholders in the built environment to collaborate in shaping a future where every South African has access to dignified housing and sustainable communities.

A significant issue remains the lack of sufficient support for black-owned businesses. When encouraging purchases from these businesses, scepticism often arises regarding their ability to deliver. Therefore, support for black businesses should not rely solely on government initiatives but also requires a collective effort and genuine commitment from the community.

In large-scale projects, such as constructing 1,000 houses, it is crucial to strategize the organization of subcontractors and sourcing of materials. This approach should prioritize supporting businesses owned by young people, individuals with disabilities, and other marginalized groups. The Department of Human Settlements has made a conscious effort to ensure inclusivity in public procurement. A proposed bill, pending parliamentary approval, includes provisions for set-asides, allocating 40% of contracts to women, with additional set-asides for youth, people with disabilities, and military veterans. All provinces, except the Western Cape, have integrated these set-asides into their plans as of March 31st.

In the last financial year, R1.14 billion was spent on businesses owned by women and previously disadvantaged communities. Efforts in the construction sector have focused on transformation and collaboration with women in construction. This year, initiatives are expanding to include young people, with mechanisms in place for monitoring and accountability between the government and the sector. These collaborative efforts have led to significant growth in formal households, increasing from 5.2 million in 1996 to 15.8 million in 2022.

Since the advent of democracy, the government has provided approximately 4.8 million houses. In response to critiques of these figures, it was clarified that initial subsidies, which require rectification and were not initially recorded, are being addressed with a provision of R15,000 per household. Structures built without proper quality standards are not included in the 4.8 million figures. Additionally, housing subsidies for social housing (rental space) and first home financing (partially subsidized) are not fully accounted for in this total.

One issue needing attention is the number of government-owned houses from the apartheid era that were converted and given to owners with title deeds. This context is often overlooked, leading to the perception of fewer achievements.

The government has made notable advancements in providing shelter, including ensuring access to water and sanitation even in informal settlements through temporary solutions. Contributions to the White Paper policy are essential to address ongoing challenges. This policy will bring changes in various areas, including the operations of the Social Housing Regulatory Authority (SHRA) and the introduction of new initiatives such as the rent-to-own model. This model aims to meet the needs of individuals who initially rented homes temporarily but now seek long-term accommodation.

Recent regulations issued by the Minister of Finance regarding public-private partnerships are promising. These regulations will enable broader collaborations, particularly in areas involving the National Housing Finance Corporation (NHFC) and SHRA. The goal is for NHFC to expand beyond first home financing to support a broader gap market through these partnership programs.

As the establishment of the Human Settlement Development Bank progresses, numerous opportunities are emerging. The Minister of Finance has responded positively to the request, and the focus is now on officially designating it as a bank while maintaining current activities with an emphasis on transformation. There is no intention to accept deposits. With other matters resolved, it is anticipated that legislation will proceed to Parliament, keeping the project on track for converting the Human Settlement and National Housing Finance Corporation into the Human Settlement Development Bank.

A significant aspect of the upcoming work involves institutionalizing SHRA and NHFC and launching an incubation program for small and medium-sized enterprises (SMMEs).



PROGRAM DIRECTOR'S COMMENTS

The persistent destruction of shacks by fires during the windy season in the Western Cape highlights a critical issue that requires immediate attention. Despite the devastating impact of these fires, they present an opportunity to rethink and improve housing solutions. The cost of constructing a one-room shack is approximately R10,000, and many more elaborate structures are being built in these informal settlements. However, the approval process for a single RDP (Reconstruction and Development Programme) house is lengthy and expensive, often resulting in a situation where new shacks emerge due to land grabs before the approval of 100 RDP houses is finalized. This creates a dynamic and challenging environment where progress is continuously undermined, and targets are constantly shifting.

To address these challenges effectively, it is essential to focus on industry-driven solutions. Many of the issues faced by the department are beyond its direct control, necessitating a solution-oriented approach that balances policy compliance with the urgent needs of the community.

Comments & Questions

Question/Comment:

The initiation of the SHRA (Social Housing Regulatory Authority) and NHFC (National Housing Finance Corporation) integrator program is indeed encouraging. During my tenure at Jefferson, I had hoped to see women empowered in various departments and to gain more knowledge about incubator programs. Empowering women within the industry is crucial. I am also concerned about the Western Cape government's lack of emphasis on women in business. Although the presentation did not address this issue, it is vital to ensure that businesswomen in the province achieve the 40% set-aside mandated by the government. Additionally, addressing the issues affecting black individuals in South Africa is a priority.

Question:

Regarding women's involvement in water infrastructure and construction, what plans are in place to engage with social development projects, particularly concerning access to land and project funding? It is essential to ensure that the required funds are allocated to these social development houses and that projects are implemented effectively.

Response:

Clara, the President of Women in Construction, has raised important concerns about the incubation program. This program, originating from a Memorandum of Understanding (MOU) signed with women in the sector on March 8th, ensures integration within departmental systems. The program has been included in the performance plan for 2024-2025, starting from April 1st, with the NHFC and SHRA responsible for its implementation.

The NHFC is allocating specific funds for transformation initiatives, aligning with SHRA's efforts to collaborate with various provinces. The procurement and building processes will adhere to government procurement policies, ensuring transparency. Ministers on the Inter-Ministerial Committee (IMC), chaired by the Deputy President, have agreed to identify government-owned buildings for development. These buildings will be transferred and supported by NHFC's financial assistance and SHRA's initiatives, similar to the transfer of government-owned land from public works to human settlements via the HDA (Housing Development Agency).

Concerns have been raised regarding the underperformance of the book loan under the CCG (Capital Grant Funding). Proper maintenance of properties by developers is crucial to prevent rent boycotts, and partner banks have requested that these issues be addressed. Additionally, the current administration and liquidation processes are ineffective for Social Housing Institutions (SHIs), many of which are struggling.

To address these complex challenges, a comprehensive approach is needed, including effective collaboration and strategic financial management. The commitment to transforming human settlements through transparent processes and innovative solutions will be vital for achieving progress and ensuring that all individuals have access to dignified housing and sustainable communities.



PANEL 4: HUMAN SETTLEMENTS: ACCELERATING DELIVERY TO DESIGNATED GROUPS

Facilitator: Dr. Julia Petla

Panelists:

1. Social Housing Regulatory Authority (SHRA)
2. National Home Builders Registration Council (NHBRC)
3. National Housing Finance Corporation (NHFC)
4. Women in Property and Real Estate Women's Association (WIPRWA)

Facilitator's Comments:

Overview of Human Settlement Initiatives

President Cyril Ramaphosa's recent announcement of a 40% set-aside for designated groups—including women, youth, persons with disabilities, and military veterans—marks a significant step towards inclusive empowerment in the human settlements sector. This initiative aims to accelerate the delivery of housing and services to these groups, contributing to a more transformed built environment.

On March 8th, during International Women's Day celebrations, Miss Aramaic was introduced as the acting CEO of WIPRWA. Her appointment underscores the focus on professional development and the role of women in advancing these initiatives.

WIPRWA: Professional Development Focus

WIPRWA's primary goal is to enhance professional development within the sector. Participants in their programs undergo a structured development pathway, culminating in a licensed title that authorizes them to issue certificates of compliance. This accreditation equips professionals for roles in both commercial and residential markets, ensuring a higher standard of practice and compliance.

PPRA: Sector Regulation and Transformation

The Property Practitioners Regulatory Authority (PPRA) operates on three key pillars: regulating property practitioners, transforming the sector, and protecting public interests. A critical responsibility of the PPRA is issuing the Fidelity Fund certificate to property practitioners. Under new regulations, this certificate is now mandatory for developers, ensuring they meet necessary standards of practice.

SHRA: Affordable Housing Regulation

The Social Housing Regulatory Authority (SHRA) is tasked with regulating the social housing sector, with a specific focus on affordable rental housing. The SHRA's mandate is to foster inclusive growth and transformation within the social housing sector, as detailed in the new White Paper on human settlements.

**NHBRC: Consumer Protection
& Industry Regulation**


The National Home Builders Registration Council (NHBRC) is responsible for protecting housing consumers' interests and regulating the home building industry. This includes setting and promoting ethical and technical standards, improving structural quality, registering builders, inspecting houses, and providing training to build capacity within the industry.

Questions and Answers



Q1 Implementation of Human Settlement Goals ?

From the PPRA's perspective, compliance with regulations is ensured through the issuance of Fidelity Fund certificates. The Department of Human Settlements mandates a 40% set-aside, which is now integrated into the API (Annual Performance Indicator). This set-aside is dedicated to women in business, with additional percentages allocated to youth, military veterans, and persons with disabilities. This mandate is shared among six entities within the Department, contributing to the overall success of these initiatives. Achieving these goals involves setting and meeting key performance indicators (KPIs) and targets, with a focus on creating the right policies and enabling environments for inclusive growth.



Q2 Strategy and Policy for the 40% Set-Aside ?

Realizing the 40% set-aside on the ground requires a deliberate and innovative approach. The Minister has highlighted that addressing the backlog cannot rely solely on traditional building methods. There is a need to introduce innovative building technologies. An MOU with Agreement focuses on establishing a laboratory to test these new technologies, which requires approval, testing, and engineering support. The affordability of these technologies, particularly for youth and previously disadvantaged individuals, is a concern. The initial phase involves creating a fully operational laboratory to make these technologies accessible and affordable for young investors and women in construction.

Q3 Access to Funding for SMMEs in Alternative Building Technologies ?

Access to funding and markets for Small, Medium, and Micro Enterprises (SMMEs) is crucial, especially for those involved in alternative building technologies that require significant capital. Ensuring market demand and affordability for these new technologies is essential. Often, government beneficiaries, particularly in low-cost housing, are the end users where demand intersects with affordability. Educational efforts are needed to increase understanding of these technologies' benefits, such as energy efficiency and lifecycle costs. Institutions like NEDBANK are promoting the adoption of innovative technologies through green fees. The new approach reflects the Minister's directives and focuses on designated groups, forming partnerships with niche sectors to overcome barriers to entry such as finance and land.

Q4 Progress Toward the 40% Set-Aside Goal ?

In 2021, the development of a sector enterprise development strategy for human settlements, known as SEED, was approved. This initiative led to the creation of a task team to advance the 40% set-aside initiative across seven sectors. A transaction set center, or Community Center, was identified to provide market access. The banks have successfully offered favourable interest rates and relationships, supporting the SEED program's continuation. This program aims to produce 10,000 artisans annually, potentially increasing to 20,000 if implemented effectively.

MASTER CLASS SESSIONS

MASTERCLASS INSTRUCTIONS

The Programme Director explained the purpose of the Masterclass Sessions as well as the instructions for participants of the sessions.



- **MASTERCLASS - BREAK-AWAY ROOM 1**
Topic: Successful Infrastructure Finance
- **MASTERCLASS - BREAK-AWAY ROOM 2**
Topic: Professionalism and Ethics in the Built Environment
- **MASTERCLASS - BREAKAWAY ROOM 3**
Topic: Effective Skills Development and Training in the Built Environment
- **MASTERCLASS - BREAKAWAY ROOM 4**
Topic: Implementation of integrated Roads, Transport and Logistics
- **MASTERCLASS - BREAKAWAY ROOM 5**
Topic: Navigating ESG - A Path to Sustainability

SUMMARY OF MASTERCLASS & OUTCOMES

Head of BBCBE Project Management Unit, Mr. Carrington Tlale, gave a round up of the Built Environment Indaba

The following objectives were noted:

OBJECTIVE 1

Provide an opportunity to hear from the government on programs and initiatives being undertaken by key ministries in the infrastructure development cluster. A comprehensive lineup of Ministers, Deputy Ministers, Directors General, and public and private leaders participated in the two-day program, sharing extensively about the various available programs and initiatives.

OBJECTIVE 2

Facilitate discussions through panels from leading public and private organizations in the built environment to identify possible solutions and collaborations on challenges facing the built environment, particularly in infrastructure development. Numerous opportunities were given to members to ask questions to all key stakeholders and present additional questions through

OBJECTIVE 3

Provide a platform through several master classes to present knowledge on solutions to the sector. Five master classes were presented by experts in their fields, sharing important insights and information.

OBJECTIVE 4

Highlight the importance of skills development, especially in the changing landscape, to meet the current and future needs of the country.

OBJECTIVE 5

Present an opportunity for like-minded individuals to share opinions and solutions that can advance infrastructure development in South Africa.

OBJECTIVE 6

Highlight the various opportunities that exist in the built environment and the extent of possibilities in this sector.

OBJECTIVE 7

Showcase some of the key stakeholders in the built environment sector through an exhibition.

OBJECTIVE 8

Strengthen stakeholder relationships and build new relationships that will advance the sector and its critical delivery mandate.

OBJECTIVE 9

Support the government's developmental objectives by focusing on infrastructure development from a developmental perspective.

OBJECTIVE 10

Identify how both public and private procurement can be used and monitored for effective transformation.

OBJECTIVE 11

Create an environment that is solution-based, encouraging delegates to participate in the built environment, starting with infrastructure development.

**| VOTE OF THANKS BY BBCBE TREASURER GENERAL**

A special acknowledgment is given to the TG i for her contributions to the conference. Her legacy is being supported through a gift from the roofing industry. A database of 20 learners is requested to further this legacy, with volunteers needed to integrate these learners into workplaces.

Regarding the SHRA, there is currently no designated group target. The Minister has acknowledged this issue and stressed the importance of meeting legislated targets.

Challenges related to land and finance have been addressed, but governance issues within organizations persist. Strengthening institutions and adopting a practical, collaborative approach is essential for effective property development and management. Proactive strategies will help prevent sector challenges and contribute to inclusive growth.

The discussion on rectification, described as the "elephant in the room," focuses on evaluating the entire value chain, including material suppliers and quality assurance. The Minister's ongoing efforts address these issues, aiming for robust regulation and support for developers. Engaging with a wide range of stakeholders and enhancing professional pathways are critical for achieving the sector's transformation goals.



SUMMARY OF INDABA & CLOSING REMARKS BY THE BBCBE PRESIDENT

Congratulations to the BBCBE team for an exceptionally successful built environment Indaba. This event highlighted existing challenges and areas of weakness within the industry. It has become evident that past efforts have only scratched the surface and that a more profound partnership with all stakeholders is required. Formalizing these partnerships through written agreements is essential. BBCBE aims to become a one-stop shop for the built environment industry, necessitating robust consolidation of alliances across private, public, and civil sectors.

Innovation is crucial to develop a platform that serves all participants and stakeholders, irrespective of membership status. BBCBE should be viewed as a home for everyone in the industry. Establishing a hotline to address industry challenges through calls, emails, and social media is a priority. Effective management of these platforms will require additional support.

We call for various forms of membership and crowdfunding, with contributions ranging from one Rand to R100 million, including efforts to challenge certain legislation. A coordinated approach will involve everyone in BBCBE.

Before departing, please ensure you obtain staff contact details for future engagement. It is important for industry practitioners to reinvest profits back into the business rather than relying on bridging finance for every project. Despite previous criticisms, ministers have acknowledged BBCBE's efforts and pledged to partner with us for an effective Indaba.

Those interested in joining the BBCBE family are welcome. Insights from the Minister of Transport have highlighted the government's funding limitations for basic needs, prompting a call for engagement with various market funders. While BBCBE continues to participate in tender processes, independent project creation remains a priority if bids are unsuccessful.

We invite participation in portfolio committees, with virtual attendance options available for remote members. The event has been highly successful, indicating a need for strategic shifts. Relying solely on tenders is insufficient given the high number of applicants relative to available

Challenges such as site invasions by construction mafias and unfair discounts imposed by large companies increase infrastructure costs and market exclusion. Regulation of rates is necessary to address these issues. Unreasonable discounts, such as 80-90%, are unsustainable and primarily serve to keep staff occupied.

The message is clear: for faster progress, go alone; for further progress, join BBCBE.
Viva BBCBE, Viva.



BBCBE

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KENA OUTDOOR



SANRAL



**BUILDING SOUTH AFRICA
THROUGH BETTER ROADS**



Construction Education and Training Authority



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA