

Public- Private Infrastructure Forum

22 June 2012



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About the Organisation

- National body
- Federation, Labour Relations Act
- Founded in 1904
- Known as BIFSA since 1960s
- Changed name in 2004
- MBAs are Corporate Members (9)
- Affiliate Members (3)
- Voluntary Membership (4 000)



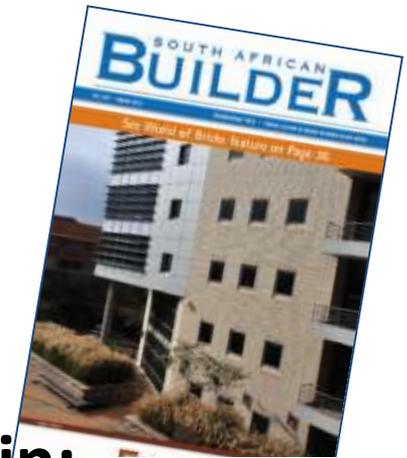
West
Boland





Membership Services – role of MBSA to further interests and promote its members in:

- Education and Training: QCTO - DQP and AQF
- Occupational Health and Safety: Audits, Star ratings, National and Regional Safety Competitions
- Contractual and Procurement issues
- Code of Conduct / Dispute Resolution
- Insurance
- Publications: BUILDER, Contract documents, OH&S tools, Members Survey



Membership

- African Federation of Construction Contractor's Associations (AFCCA)



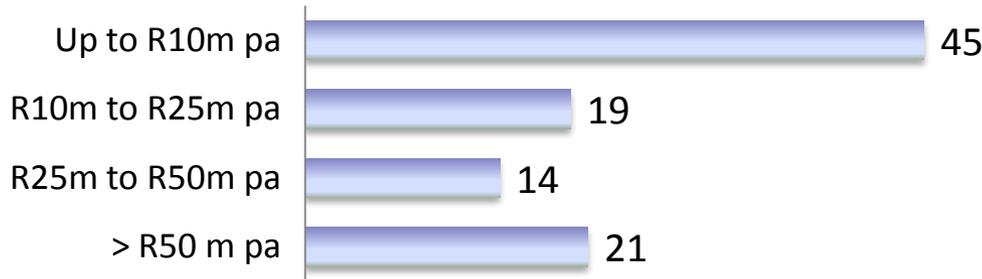
Initiatives

- Building & Construction Forum
- Informal Sector – Capacity Building

Interaction

- JBCC
- Government (DPW, DoL, Human Settlements)
- Public sector organisations (CIDB, CETA, SACPCMP, NHBRC, CETA)
- Construction Charter

Turnover of MBSA Members



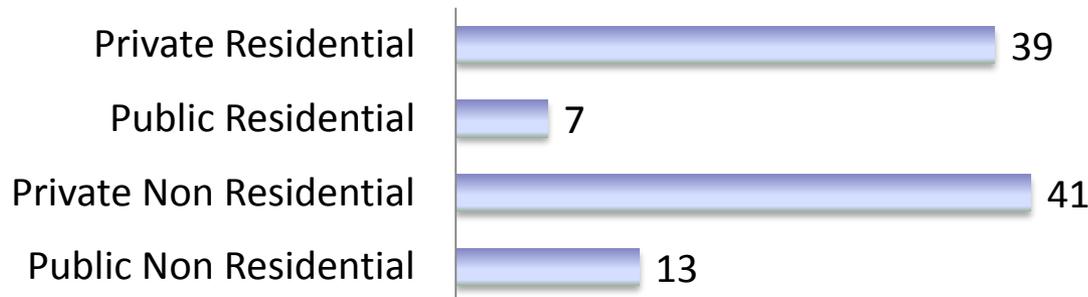
- Majority small companies
- 45% Less than R10m per annum
- Extrapolated – R100 billion plus annually

Average Number of Employees



- More than 80% - employ less than 100 people
- 27% employ less than 20 people
- MBSA membership employ more than 200 000 people

Sector Engagement by type of Contracting



- 80% from private sector

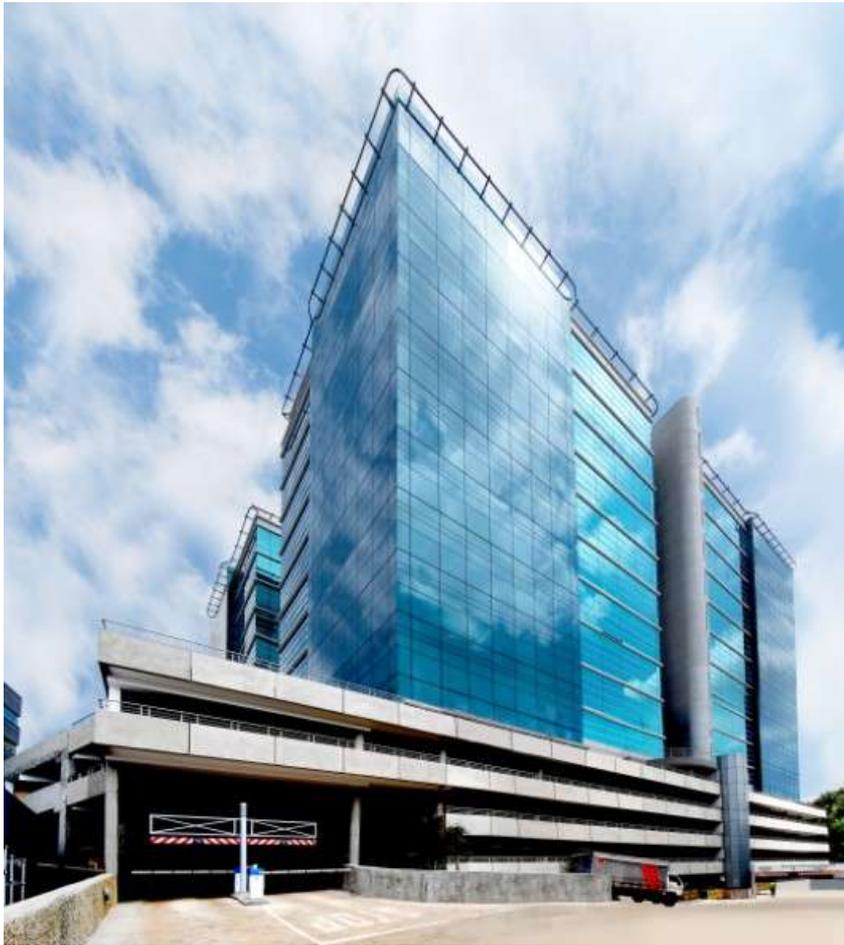
STATE OF THE BUILDING INDUSTRY

- To put the discussion into context:
 - industry and professions within the industry regulated by government and experiencing rapid changes in regulation and technical standards
 - industry experiences booms and bursts = disruptive
 - industry dominated by contractors and sub-contractors who employ few staff
 - High levels of mistrust between industry and public sector
 - Post World Cup 2010 slow-down has weakened the industry;
 - Formal / Informal Sectors
 - Procurement challenges and non-payment issues prevalent
 - Highly fragmented industry – Silo bound stakeholders

Ability to deliver on the infrastructure programme

- Delivered the World Cup infrastructure programme;
- Tight deadlines, complex projects;
- Cooperation, collaboration between the established and emerging contractors
- SA building companies operating and building large infrastructure around the world
- FET graduates and skilled artisans unemployed

Ability to deliver on the infrastructure programme



- Various factors have changed the scope of the building industry (the era of bricks upon bricks long gone):
- Modernisation, new technologies evolving; internationalisation, complex multi purpose structures emerging, client demands for construction in line with all of the above

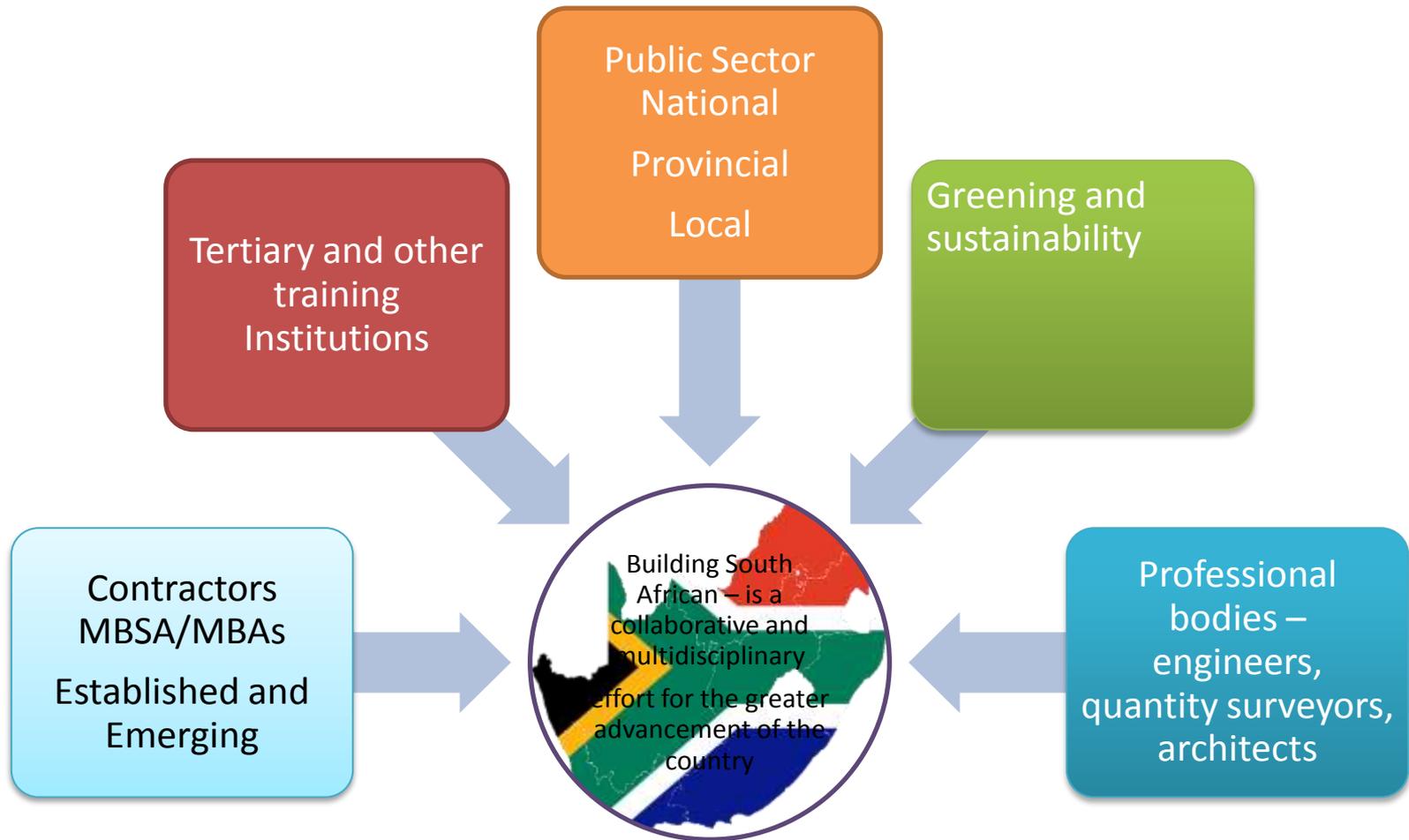
value, scope, resources, stakeholders,
resources, no boundaries



Proposed Solutions – Planning, Procurement and Implementation

- Planning teams at government level to be led by technical experts
- Procurement Models to be standardised and to respond to development needs of emerging contractors and to BBBEEE
- Effective Mentorship programmes to be established;
- JV partnerships between established and emerging contractors on major projects;
- JV partnerships amongst the emerging contractors;
- Capacity Building Initiatives
- Industry Integrity
- Learn from the past: cooperation, collaboration and partnerships – 2010 World Cup delivery
- Promotion, Development and Appointment of Construction Management Profession

COORDINATION, COLLABORATION, COOPERATION



ABILITY OF BIFSA/MBSA TO ASSIST WITH CAPACITY BUILDING, SKILLS

- In the sixties, the National Development Fund for the Building Industry, administered by BIFSA, credited with having had the foresight to establish and promote degree courses at Universities in South Africa. PE Master Builders Association supported the establishment of a Building Management Chair at the University;
- considerable financial commitment to support the establishment of the Building Management Department at the UPE; industry funds controlled by industry; spent by industry
- Regular industry liaison
- Formation of SETA's and the introduction of a statutory skills development levy under the new Skills Development Act.
- State intervention necessitated different role for MBSA and NDF
- Today the NDF's functions have largely been taken over by the Construction Education and Training Authority or CETA;
- **HOWEVER, the know-how, technical expertise remains at BIFSA and therefore key challenge is how to transfer to the next generation**

ROLE OF MBSA/ MBAs to support development of skills

- One of the main areas of focus is development of the skills required by the industry in order to meet the requirements of a developing country and to meet the demands of the infrastructure programme in South Africa
 - **SKILLS GAPS IN BUILDING**
 - **Training of Artisans through Apprenticeships and learnerships, Trade Testing in the following trades:**
 - Bricklaying
 - Carpentry
 - Electrical Construction
 - Painting and Decor
 - Plastering
 - Plumbing
 - Tiling
 - Glazing
- “Building South Africa”, a slogan used by Master Builder South Africa, could not put the activities of our member companies more clearly. We are building South Africa together with various industry stakeholders



- Adopting a multi-sectoral approach:
 - MBSA role within the approach
 - Participation in the co-ordinated effort of legislators, regulators, educators, professional and commercial mechanisms
 - skills and qualifications development with relevant authorities;
 - Play a role in providing guidelines on development of materials for relevant qualifications to support the industry;
 - Benchmarking and best practice internationally;
 - Training needs of the graduates at the workplace,
 - Public sector to provide an enabling environment: unlock building and construction project expenditure; training and education funds

INITIATIVES OF MBSA

- Building and Construction Industry Forum
- Informal Sector Engagement
- African Federation of Construction Contractors
- MBAs represented on the Boards of FET and training colleges in SA;
- Industry liaison meetings
- Contractor members' programmes employing building sciences students
- CIDB – Stakeholders Forum

Master Builders South Africa

2012 Congress



Building South Africa
Let's do it together