



KZN Human Settlements
uMnyango Wezokuhlaliswa
Kwabantu
ISIFUNDAZWE SAKWAZULU-NATALI

REPORT FOR THE
“PROVINCIAL EMERGING CONTRACTORS
CONFERENCE”

VENUE: HOLIDAY INN, MARINE PARADE,
DURBAN

DATE: 27 AND 28 MAY 2010

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1. PURPOSE OF THE DOCUMENT

The purpose of this document is to give a report on the Provincial Conference of the Emerging Contractors that was held at Holiday Inn, Marine Parade in Durban on the 27 and 28 of May 2010 respectively.

2. INTRODUCTION

KwaZulu Natal Department of Human Settlement hosted the Emerging Contractors Conference with the assistance of the National Department of Human Settlement as the Financier and the Initiator of the Conference. KZN was one of the nine provinces that successfully hosted the Conference. The Conference was attended by approximately 200 participants ranging from different sectors, NGO's, and Emerging Contractors.

The purpose of the conference was to create and enforce an enabling environment for emerging contractors. This was achieved through a creation of a platform whereby the Department was in a position to open dialogue with the sector forums responsible for emerging contractors through a conference.

Amongst others, the conference was intended to establish the extent to which the department's initiatives towards emerging contractors since 2000 have been able to achieve.

National Department of Human Settlement will host the national conference with all nine provinces in August 2010, where provinces will be presenting their reports.

3. BACKGROUND

Emerging contractors play a significant role in the housing delivery processes and are the main employers of the local semi-skilled and unskilled labour. The study conducted by the National Chief Directorate: Housing Sector Performance found that 80 percent of the total developers interviewed, used emerging contractors as sub-contractors in the delivery of top structures.

In most of the projects, emerging contractors participate in labor only. Developers provide the capital and building materials. These contractors are mainly skilled in bricklaying (33%), flooring and plastering (18%), plumbing (23%), roofing and carpentry 26%. The emerging contractors are the main providers of employment for local residents. They employ general labour and semi-skilled labour force. Women are employed in administrative, cleaning and bedding jobs although there has been a significant increase in women contractors in the government's low cost housing programme.

4. OPENING AND WELCOMING

The Honourable MEC, Ms Maggie Govender did a welcoming address on the first day. In her speech she highlighted that the Government has committed itself to developing emerging contractors to enable them to participate more effectively in building communities and contributing positively towards the economy.

5. OBJECTIVES OF THE CONFERENCE

The conference intended to address the following:

Reaffirm and Clarify the role of Emerging Contractors

- Establish shared understanding
 - Development support/needs v/s Contractual obligations.
 - Service delivery imperatives:
 - Quality/speed/cost efficiency/asset creation/war on poverty.
 - Job creation imperative
- Address concerns in the sector
 - Quality failures/malpractices
 - Delays in payments/procurement
 - Cost of bridging finance
- Confirm available support and opportunities i.e. Establish the extent of achievements made by the Department through its initiatives since 2000
 - Bridging finance
 - Procurement regime
 - Training and mentoring (development support)
 - Policy imperatives

6. STAKEHOLDERS THAT ATTENDED

- a) NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
- b) NHBC
- c) NURCHA
- d) CETA
- e) CIDB
- f) KZN DEPARTMENT OF ECONOMIC DEVELOPMENT
- g) FNB
- h) COASTAL FET COLLEGE
- i) EMERGING CONTRACTORS
- j) KZN DEPARTMENT OF HUMAN SETTLEMENTS: DEPUTY MANAGERS
- k) MANCO MEMBERS INCLUDING THE ACTING HEAD OF DEPARTMENT
- l) MINISTRY, DEPARTMENT OF PUBLIC WORKS AND HUMAN SETTLEMENT

6. PRESENTATIONS AND DISCUSSIONS

Presentations were done by five of our stakeholders as follows:

National Department of Human Settlement: Objectives of the Conference

- NURCHA on access to finance;
- NHBRC on registration, home and project enrolment ;
- CIDB on registration and the role of CIDB on emerging contractors;
- Department of Economic Development on Broad Black Based Economic Empowerment Score Card.
- CETA on skills development and mentorship support

All presenters were given a slot between 10 to 20 minutes on their presentations. For presentations see/refer to attached **annexure A**.

Discussions from the plenary:

There was a dialogue opened by the Acting Head of Department, Mr. Siddiq Adams regarding the challenges and best practices from the participants mainly from the emerging contractors: The challenges that were raised were related to the issues of access to finance and the difficulties that are experienced with NURCHA regarding their lending criteria.

The reminder about registration with NHBRC and also the degrading of emerging contractors were among issues that were raised. A resolution was taken that all challenges will be further discussed at the 4 Commissions as outlined above.

7. COMMISSIONS AND RESOLUTIONS

Four commissions were formed and there were break aways. Each team was given soccer foot ball team's names to bring the theme to the world cup. We had Brazil, Germany, Spain and Italy teams.

- Each team had to look at a certain topic and four topics for discussions were:
- Access to finance and cash flow **(Brazil Team)**
- Transformation-Gender Equity **(Spain Team)**
- Appropriate practices, procurements and contract management, payment processes and quality management. **(Italy Team)**
- Skills development, mentorship and support. **(Germany Team)**

Resolutions were taken as follows:

Resolutions taken at the Commissions:

ACTION	RESPONSIBILITY	DUE DATE
Explore the possibility of putting aside a sum of money (R10 to R20 Mil) to enable NURCHA to subsidise their services to the Emerging Contractors.	Acting CFO, DoHS	31 July 2010
Finalise draft framework	DoHS-Product Developments	June 2010
Establishment of a provincial forum, E.C forum and 3 regional forum	DoHS-Acting HOD	Sept 2010
Full Day sessions on each of the following: NHBRC CIDB BBBEE SEDA Construction Incubator	DoHS-Capacity Building	Jul-Oct 2010
Training on Joint Ventures	DoHS-Capacity Building with EDAT	Jan-March 2011
Housing process and packaging modules for Emerging Contractors	DoHS-Capacity Building	Jan-March 2011
Database Establishment	DoHS-SCM	Jun-March2010
Interim Committee to take forward resolutions: first meeting	DoHS	June 2010
Emerging Contractors to nominate representatives	Emerging Contractors	End of June 2010
Partnership with SEDA incubator, NHBRC and CETA in the implementation of the Construction Incubator Programme minimum grade 4	DoHS	As soon as the Policy is approved
Ring-fencing of housing projects as an exit strategy for the Emerging Contractors	DoHS	Sept 2010
Emerging Contractors should be allocated 20% of work from housing projects.	DoHS	
Set target for SMME's		July 2010
Employment of more in-house Professionals to address the challenges of poor workmanship	DoHS	
Creation of a Database for all Emerging Contractors in order to rotate work	DoHS-SCM	July 2010

Resolutions that were taken at the Conference:

ACTION	RESPONSIBILITY	DUE DATE
Explore the possibility of putting aside a sum of money (R10 to R20 Mil) to enable NURCHA to subsidise their services to the Emerging Contractors.	Acting CFO, DoHS	31 July 2010
Finalise draft framework	DoHS-Product Developments	June 2010
Establishment of a provincial forum, E.C forum and 3 regional forum	DoHS-Acting HOD	Sept 2010
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Database Establishment	DoHS-SCM	Jun-March2010

8. DRAFT STRATEGY AND COMMENTS

The Draft Strategy was presented to emerging contractors and comments were made as follows:

See/refer to **Annexure B** attached on strategy and comments.

9. NOMINATIONS OF ECDP REPRESENTATIVES

Nominations were done from each of the four commissions and one representative was selected from each group. Nominations were done by team members in their groups. The following are the names of the representatives:

Name	Surname	Address	Telephone No.
Rosch	Naidoo	27 Kings Lane, Sea View	031 465 5206/072 545 7065
Dooshnath	Ramouthar	32 Bardia Ave, Reservoir Hills	031 262 6871/083 455 1549 031 262 5836 (Fax)
Deli	Nyanda	First Floor, Unit 5, 127 Alice Street, Durban	031 309 4940/084 425 1735

Themba	Mgwaba	Unit 25B Runway Park, 1474 South Coast Road, Mobeni	071 914 1950 (Cell No.) 0866144293(Fax)
Nombusa	Shezi	Suite 716 Tower B, Salisbury Centre West Street, Durban	083 742 9280 086 604 0036(Fax)
Lucky	Moloi	51 Alan Paton Avenue, Scottsville, PMB	083 470 1365(Cell No) 033 345 0967 (Fax)

10. CONCLUSION

The conference was a great success. The Participants made very valuable contributions to address the challenges that are experienced by the emerging contractors. They also came up with resolutions on how to address challenges in order to contribute meaningfully to the creation of sustainable human settlement in KwaZulu Natal.