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**“THE WHEEL TURNS”**  
Keynote address by D G M Hofmeyr  
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Ladies and gentlemen, it is a privilege and a pleasure to speak to you this morning. I am here representing the Master Builders Association Western Cape, and I have been asked to speak about what the MBA have been doing in the field of skills training and education in our corner of the continent.

The MBA Western Cape is one of a number of autonomous employers' organisations in the building industry in South Africa, who are collectively called: “Master Builders South Africa”, or MBSA for short. Until a few years ago, MBSA was known as the Building Industries Federation of South Africa, or “BIFSA” for short.

Just after I have spoken, Greg Steele will be talking more generally about MBSA and the challenges it faces.

I have entitled this talk “The Wheel Turns”, and you will shortly know why.

My story goes back about 40 years to when the Building Industries Training Board was established. This body was funded by training levies collected through bargaining councils in various parts of South Africa. The BITB gave assistance to BIFSA to build four training colleges, one in Springs, one in Marienhill, one in Port Elizabeth, and one in Belhar, Cape Town.

Skilled instructors were recruited, and the colleges were established with the capacity to provide most of the training for building skills in South Africa. In its heyday Belhar College was training about 100 apprentices each month, as well as providing many short skills programmes of practical instruction. Belhar College became the nursery for building artisans and supervisory staff in the industry, and a renowned trade-testing centre with an enviable reputation for excellence.

The wheel was round, and it turned quite well.

A number of unrelated events in the years that followed, however, conspired to undermine the skills training processes that had been established.

### **Mass housing projects**

Mass housing projects were taking place in the 1970's in such places as Mitchell's Plain in Cape Town and Kwamashu in Durban. The contractors did not require highly skilled bricklayers but sought semi-skilled persons who could lay concrete blocks quickly and cheaply. These projects spawned the advent of labour-only subcontractors, and the new entrepreneurs running small but vibrant new businesses were motivated by high production targets and minimum cost, and the employment and training of skilled qualified artisans was futherest from their minds.

### **The demise of bargaining councils**

In the 1980's the bargaining council system came under severe threat, and two of the large ones, in Johannesburg and in Kwazulu Natal closed permanently in 1995 and 1998 respectively. The Springs and Marienhill Colleges were placed under sudden threat of closure.

BIFSA continued to run the colleges for some years, but the BITB was unable to sustain the funding required to support them. The apprenticeship system took great strain, and the numbers dwindled at Belhar College from 100 a month to about 120 per year.

By the end of the 1990's, BIFSA had thrown in the towel. Springs and Marienhill were closed and sold, and the MBA in Cape Town were most concerned at the pending closure of Belhar College and the loss of this renowned centre of excellence in skills training.

### **The Skills Development Act**

Meanwhile there was a fundamental change in the legislative environment. The new Skills Development Act was promulgated by parliament with much fanfare and the promise of a new age.

This was to have a profound effect on training in the building industry, as the BITB was simultaneously closed down, and all the momentum and good work done in the past was brought to a halt at the stroke of a pen. The wheel simply stopped turning.

The MBA in Cape Town optimistically believed that this was temporary, and that training would soon continue under the new dispensation.

Initially, they arranged to run Belhar College for a year. During that period, the MBA set up the Belhar College Trust to purchase the college from BIFSA. This required funding, and MBA members agreed to pay the training levy of 1.5% that previously went to the Training Board, to the new Skills and Education Trust that was specifically set up for the purpose of acquiring and running Belhar College.

The brave optimism was short-lived.

The Skills Development Act and the CETA it spawned was to become an administrative burden and a bureaucratic nightmare beset by internal political wrangling and charges of mismanagement. The old wheel had been discarded, a new wheel was invented, but it was square, and it did not turn.

Apprenticeships were abandoned in favour of "Learnerships". However, none were registered for several years so that accredited training simply did not happen. In the Cape there were thousands of trainee tradesman whose training had been supported by the BITB. They were left in the lurch, and less than a third ever qualified.

Despite the best efforts of the MBA in Cape Town and elsewhere, most group-training schemes did not get off the ground as the support of the CETA proved to be nothing more than lip-service.

The Skills Development Act and the Levy Grant system, being designed to be employer based, were hopelessly ill conceived for the building industry.

For instance, a small company employing 20 persons that complies with all the onerous legislative requirements can expect to receive a grant that is less than the cost of training

one learner for two weeks in a year. As a result, the vast majority of small companies have seen the SDL as just another tax, and have not bothered to fill in all the paperwork – it simply wasn't worth their while. Small companies in South Africa employ more than two-thirds of all the workers in construction in the country, and all of these workers are excluded from benefiting from the levy grant system.

### **Learnerships**

The learnership system, once set up by the CETA, also failed. After a short period of formal skills training, "learners" expected to walk into jobs with building contractors and be paid an artisan's wage. Quite obviously no contractor would employ a person with limited skills to work for an artisan's wage. The learnership system became discredited and more and more companies have demanded a return to the apprenticeship system.

### **The MBA in Cape Town**

At the time that the MBA in Cape Town were going through this painful learning curve, and trying to get a square wheel to turn, their members were paying a voluntary training levy of 1.5% in addition to the 1% SDL tax.

One of the tasks at Belhar College was to secure a partner to provide the theoretical modules required to compliment the practical skills training at the College. The MBA entered into discussions with the Western Cape Education Department at the time that various technical colleges were being grouped into clusters. The WCED were keen to establish a construction skills training facility for their northern cluster, known as Northlink College. This led to a win-win solution for both parties, and Belhar College became the Belhar Campus of Northlink College.

The Belhar College Trust was renamed the MBA Development Trust, and the MBA has subsequently been able to focus on skills facilitation and making direct grants for training. MBA members receive assistance with their Workplace Skills Plans, and their employees who enter training programmes have their training fees subsidised or paid in full. The MBA is no longer tied to one college, but can choose the best training facility for each particular programme.

In addition a number of students receive full academic bursaries for degree or diploma course at universities and colleges. This is usually provided from the second year onwards, so that the student has proved his or her commitment and ability. Students are also required to work for MBA members during vacations and for a period after qualification.

However, the main thrust of the MBA has been the support of new apprentices.

The challenge that lies ahead is enormous. This is vividly illustrated by the statistics provided by the Building Industry Bargaining Council for the Cape of Good Hope.

As a result of the events of the past years, as I have very briefly described, the number of artisans registered in the industry in the Cape has fallen from 8184 in 1990, to 1703 in 2008. This is a loss of 80%. In other words, 4 out of 5 artisans have been lost to the industry in the past 18 years. The average age of artisans has increased from 40 to 51 in the same period – an increase in the average age of 11 years in an 18 year period. The number of artisans compared to the total persons registered in the building industry in the Cape has gone from 1 in 5 to 1 in 20.

This is a devastating loss of skills in the building industry, and it will take many years to correct.

What are the lessons we have learned?

1. The introduction of the Skills Development Act, however well intentioned, has been a failure in promoting skills training and providing funding in the building industry.
2. Its focus on the individual employer and his responsibility has created a system with high bureaucratic and administrative costs. Most employers have treated the levy as another tax, and very little of the levies collected have been spent on effective training.
3. Employers are willing to contribute to collective training schemes that are effective. Either they benefit directly, or they are able to employ workers who have gained skills through effective programmes.
4. The MBA has been empowered by this willingness on the part of its members, large and small, to fund a significant amount of training over the past 9 years.
5. The learnership system has been a failure, due the mistaken expectation on the part of the learner that after a few months of skills training he or she is equipped to be an effective artisan in industry.
6. The MBA has been a pioneer amongst those who have clamoured to re-establish an apprenticeship scheme, and those that follow this path are assured of jobs in the industry on qualification.

The wheel is turning once again. It is a little slow, and much needs to be done to accelerate the pace of skills training in the industry. However, we are proud of what we have achieved, and our members can take heart that none of the voluntary training levies they are paying is spent on wasted administration, but is used for well-subscribed and popular training programmes.

D G M Hofmeyr

On behalf of the Master Builders and Allied Trades' Association, Western Cape.

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