MASTER BUILDERS SOUTH AFRICA

is the leading representative body in the building industry in South Africa. It is a national organisation that functions as a Federation of registered employer Associations representing contractors and employers operating in the building industry, and is regulated in terms of Section 107 of the Labour Relations Act, Act 66 of 1995.

Its primary role is to promote the viewpoints and interests of its members and the industry, to promote the highest quality and standards, best business practice, to establish and maintain strategic relationships, as well as interact and engage with Government and other legislative bodies on national issues that affect the industry for the purpose of creating a sustainable business operating environment for the building industry in South Africa.

The Federation’s nine Master Builders Associations and three Affiliate Associations represent some 4000 contracting members. In terms of their codes of conduct, these members are required to manage their businesses in an equitable manner, ensuring that all work is of the highest quality and carried out efficiently, to satisfy the building requirements of the client, by complying with contractual obligations with integrity and objectivity. Master Builders aims to ensure that the building and construction industry plays a constructive role within the country’s economic growth and development goals.

OUR VISION AND MISSION

VISION

• the leading body in the building industry

STRATEGIC DRIVERS

• promoting best practice
• establishing and maintaining strategic relationships
• interacting with Government on national issues
• growth, development and sustainability
FOREWORD BY THE PRESIDENT

2015 has been characterised by several debilitating business conditions that have had major impacts on our fragile South African Economy. Although at the time of writing this foreword, Eskom had managed a run of load shedding free days approaching 1 month, the damage has been done. Manufacturing and business confidence indices are at multi-year lows and the rand plummeted to new record lows against the major currencies. The steel, mining and construction industries are in desperate need of an investment stimulus which has to be driven by consistent economic growth, certainty in the labour market and positive signals from Government that will drive foreign fixed investment. Unfortunately none of the aforementioned appears to be on the horizon anytime soon!

There are real fears of a looming recession because exactly the opposite applies, namely feeble economic growth, low levels of business confidence, falling commodity prices, weak domestic demand, pressure on costs and profitability, uncertainty around labour regulation and a lack of clear direction from government on major initiatives such as the National Development Plan.

Irrespective of whether one is a pro or anti-nuclear proponent, the recent resurgence in the Nuclear debate raises questions around the transparency of process and affordability. If the latter two issues are addressed positively and concerns around safety and environmental impact are likewise addressed, the potential nuclear build programme could significantly inject a much needed boost into the local construction & manufacturing economy. We watch these developments with interest.

Against this backdrop of turbulent times, the Master Builders continue to provide centres of excellence in many areas providing much needed assistance to its members.

However, as I mentioned in my inauguration speech, if Master Builders South Africa and its corporate members, being the Regional MBA’s, do not embrace Innovation & Transformation we will no longer be relevant in a market that is growing increasingly restless at what is perceived to be the slow pace of addressing both these issues.

I am pleased to report that the MBSA Board is more demographically and gender representative than ever before and this looks set to be a continuing positive trend going forward.

Innovating and Transforming how we go about MBSA business is however a challenge. Strategies to address the future of the MBSA have been formulated, but the lack of capacity and capability to execute these strategies has resulted in us falling short on delivery.

The cornerstone of MBSA is its corporate members. However with increased responsibilities in the latter and the need to drive efficient delivery in the regions to ensure their own sustainability, the MBAs are at risk of becoming increasingly silo driven with the result that we are failing to deliver on our vision of becoming the Leading Voice in the Building Industry.

In March, Tumi Dlamini, the MBSA Executive Director departed in order to pursue education opportunities in the USA. This left the MBSA short staffed and at times meant that MBSA could not deliver on its service mandate. I am pleased to report that after an extensive search, the MBSA Board has appointed a new Executive Director who will take up the role on 1 October. The details of this appointment will be released in a press release shortly.

In order to rise to a new level of delivery, to be a respected voice to Government and other stakeholders, and attract further sponsorship, the MBAs and their respective members will need to provide the foundation on which this culture break can take place by providing real synergy and commitment to a centralised strategy.

I would like to give special recognition to the MBSA officers, Vice President Bonke Simelane and Immediate Past President Colin Cozens, who despite having their own business and other significant commitments, have given an inordinate amount of time and support to MBSA affairs. MBSA Operations Director, Pierre Fourie has had a lonely and stressful few months and his efforts together with the MBSA support staff also needs recognition and thanks.

Finally to the Board, Executive Committee and various sub-committees, many thanks for the support that you have given to me, the Officers and MBSA over the past year.

Neil Cloete
President
2014-2015
TRANSFORMATION

Following on from last year’s extensive review of MBSA’s Transformation Policy, the Transformation Committee was tasked to create the Institutional Framework for the implementation, monitoring and evaluation of MBSA’s Transformation Programmes and related Focus Areas, the bulk of which take place at the Corporate MBAs in accordance with their semi-autonomous nature.

In terms of the 4 Strategic Outcomes some noteworthy achievements have been made, while a tremendous amount of work still needs to be done to make MBSA truly diverse and demographically representative.

**Strategic Outcome 1: Transformed, diverse and demographically representative MBSA Board and Corporate MBA Leadership**

It is our considered opinion that this has largely been achieved in terms of the initial targets that were set including timelines agreed to especially at MBSA Board Level.

Corporate MBAs will in the short term complete the process of confirming the status quo of their membership profile to establish a baseline from which each of them can determine their individual targets, succession plan milestones, focus areas etc.

**Strategic Outcome 2: Transformed, diverse and demographically representative Corporate MBA Membership**

Limited progress has been achieved and much momentum still needs to be gained after the above-mentioned exercise is concluded; and a realistic picture emerges so that targeted strategies can be formulated for emerging sector membership in terms of attraction, recruitment, growth and retention.

This will, as far as practically possible, be in line with, and in support of, the CIDB’s National Contractor Development Programme (NCPD) and aligned to the amended BBBEE Codes of Good Practice for Enterprise and Supplier Development objectives like we are seeing being done by the Coega Development Corporation (CDC) in the recent Eastern Cape Hospital Tenders.

Access to work opportunities and economic conditions has a significant impact on the pace of transformation. The current negative economic conditions have had a negative impact on the pace of transformation (CIDB, 2015).

Notwithstanding the foregoing the MBSA remains concerned about the slow pace of transformation as evidenced in the tables below extracted from the CIDB’s Register of Contractors depicting levels of Black Ownership and Black Women Ownership (30% or more).

This was extracted from the CIDB’s Construction Monitor – Transformation (Quarter 4) which covers transformation and empowerment issues in the construction industry, focusing on Quarter 1 of 2014 to Quarter 4 of 2014.

This was also corroborated by the CSCC’s First Baseline Report, State of Empowerment in the Construction Sector since the Gazette of the Construction Empowerment Code in 2009 – 2013. April 2014

<table>
<thead>
<tr>
<th>Grade (GB)</th>
<th>Number</th>
<th>Black (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>10</td>
<td>30%</td>
</tr>
<tr>
<td>7 &amp; 8</td>
<td>269</td>
<td>71%</td>
</tr>
<tr>
<td>5 &amp; 6</td>
<td>1 023</td>
<td>88%</td>
</tr>
<tr>
<td>2 to 4</td>
<td>2 931</td>
<td>95%</td>
</tr>
<tr>
<td>Total</td>
<td>4 233</td>
<td>86%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grade (GB)</th>
<th>Number</th>
<th>Women (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>8</td>
<td>24%</td>
</tr>
<tr>
<td>7 &amp; 8</td>
<td>134</td>
<td>36%</td>
</tr>
<tr>
<td>5 &amp; 6</td>
<td>578</td>
<td>50%</td>
</tr>
<tr>
<td>2 to 4</td>
<td>1 551</td>
<td>50%</td>
</tr>
<tr>
<td>Total</td>
<td>2 271</td>
<td>43%</td>
</tr>
</tbody>
</table>

It is clear to see from the Tables that depth of transformation decreases with Grades 7-9. Greater focus is required on Grades 5 and 6 as the feeder.
Strategic Outcome 3: Support sustainable business practice

MBSA is committed to and supports the intent and spirit of South Africa’s Competition Act; Act 89 of 1998 Preamble –

The people of South Africa recognise:
That apartheid and other discriminatory laws and practices of the past resulted in excessive concentrations of ownership and control within the national economy, inadequate restraints against anti-competitive trade practices, and unjust restrictions on full and free participation in the economy by all South Africans. Corruption continues to have a negative impact on transformation of contractors that are best able to perform and deliver.

Strategic Outcome 4: Education, Training, Skills Development and Capacity Building

MBSA agrees with the CIDB and also recognises that the supply and availability of skills underpins the ability of the construction industry to transform; therefore transforming the industry cannot proceed at the desired levels without restoring the skills supply line at all levels and across all sectors of the construction industry.

This can also make a significant contribution to the improvement of Management Control and Employment Equity in line with the Amended BBBEE Codes of Good Practice.

The restoration of the supply line for artisan training in the construction industry is critical to the sustainability of the industry including the quality of such artisans, and the quality and relevance of such training including support of schools (Maths, Science and English) and tertiary level training institutions including appropriate accreditation thereof by bodies like the SACPCMP and others.

This underscores the need for partnerships by all role players including but not limited to schools, higher learning institutions (Universities), TVET, CETA, Government, Industry Bodies, Organised Labour, Civil Society, NEDLAC etc.

The above assertion is also supported by the ‘Skills for and through SIPs’ published jointly by the Departments of Economic Development and Higher Education and Training.

Bafikile Bonke Simelane
Vice-President Master Builders South Africa
ECONOMIC REPORT 2015

Introduction
The South African economy is going through a tough time at present. As the building industry is an essential component of the economy, the industry is reflecting this current poor economic performance. It is a major job creator and contributes about 15% to gross fixed investment that drives the economy. Together with civil works, the building industry makes up 45% of total investment, the essential component of infrastructural development. Several reasons can be proffered for the current poor cyclical performance; some international and domestic factors are examined below.

International economic growth
The global economy has yet to recover fully from the 2008/09 financial crisis that engulfed the world. Even though economic growth rates have improved since then, current rates are generally still below their long-run averages. Recent data show that the USA economy is expanding by roughly 2.5% per annum. The world’s second largest economy, the Chinese economy, is growing by roughly 6% per annum, sharply lower than the 12% rate to which one had grown accustomed. In the eurozone the economic growth rate is barely positive whilst several European countries are still struggling with debt-related problems. Against this rather austere background, commodity prices have fallen sharply. As South Africa is a major exporter of commodities, the local economy has suffered severely.

Domestic economic growth
The long-run economic growth rate of the South African economy is roughly 3.5% per annum. According to the SA Reserve Bank, when the first quarter of 2015 is compared to the first quarter of 2014, the economic growth rate is 2.1%. Thus, the cyclical performance is below par. Commentators have proffered several reasons for our lacklustre performance. First, as mentioned earlier, global demand is weak. Second, the country faces several supply-side constraints, such as energy shortages and disruption in the labour market. Third, political leadership is perceived to be weak. We explore this dimension in more detail below.

The accompanying graph compares two variables. On the left-hand axis, the quarterly year-on-year economic growth rate is shown. Observe that the rate of growth was negative during the 2008/09 global crisis, but has since improved. On the right-hand scale we show the perceptions of manufacturers regarding the political constraint. Note that the scale has been inverted to show the inverse relationship more clearly. We find that about 74% of survey respondents currently regard political developments as a constraint on their business. Phrased differently, the worse the political constraint becomes, the worse the economy performs (and vice versa). This comparison shows clearly that one needs a stable political climate for the economy to perform optimally.

Source: BER; MFA DATABASE
In summary, the South African economy and the building industry are finding the going tough at this point in the business cycle. Weak global demand, energy load-shedding, labour disruption and political constraints are interacting in such a manner that the economy is performing well below potential.

**Building activity levels**

The table below provides data on gross capital formation in the building and construction industries. According to the SA Reserve Bank, total investment in buildings and construction works rose in 2014 by 7.5%. However, growth in civil construction overshadowed the decline evident in the building industry. Investment in the residential sector dropped in 2014 by -5.8%. The non-residential declined by -1.5%. During 2014, overall investment in buildings decreased by -3.6%. By contrast, investment in civil construction grew by a respectable 14%, reflecting the public policy initiatives to boost capital spending on infrastructure in the roads, water and sanitation, energy, communication and transport sectors.

**Investment in Buildings and Construction Works: Annual Percentage Change**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>-8.2</td>
<td>-5.5</td>
<td>-18.3</td>
<td>1.2</td>
<td>-2.0</td>
<td>-7.1</td>
<td>-5.8</td>
</tr>
<tr>
<td>Non-residential</td>
<td>17.5</td>
<td>2.8</td>
<td>-3.8</td>
<td>-13.4</td>
<td>-6.0</td>
<td>-0.4</td>
<td>-1.5</td>
</tr>
<tr>
<td>Total building</td>
<td>2.7</td>
<td>-1.5</td>
<td>-11.0</td>
<td>-6.8</td>
<td>-4.0</td>
<td>-3.4</td>
<td>-3.6</td>
</tr>
<tr>
<td>Construction</td>
<td>45.0</td>
<td>18.8</td>
<td>-7.5</td>
<td>3.0</td>
<td>2.6</td>
<td>11.8</td>
<td>14.0</td>
</tr>
<tr>
<td>Total building &amp;</td>
<td>20.8</td>
<td>9.0</td>
<td>9.1</td>
<td>-1.2</td>
<td>-3.2</td>
<td>5.7</td>
<td>7.5</td>
</tr>
<tr>
<td>construction works</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SA Reserve Bank.

The accompanying graph shows how severe the drop in building investment was in the case of the residential and non-residential sectors. From the peak level recorded in 2007, the residential sector dropped by 40%. In the case of the non-residential sector, from the peak reached in 2008, the decline was 28%.

![INVESTMENT IN RESIDENTIAL & NON-RESIDENTIAL BUILDINGS AT CONSTANT 2014 PRICES](chart)

Source: SARB; MFA DATABASE

Several reasons can be found for the poor performance in the building sector. First, the National Credit Act (2007) made it much more difficult for prospective homeowners to obtain credit. Second, high consumer debt levels made housing less affordable. Third, during the past eighteen months a one percentage point rise in...
interest rates boosted monthly mortgage repayments. Fourth, real disposable income has been eroded by sharp increases in the rates for utilities and electricity, household maintenance expenses and property taxes.

Finally, low economic growth has moderated the demand for commercial and industrial buildings. The accompanying table reflects the poor state of private sector building statistics.

**Private sector: Numbers of square metres**

<table>
<thead>
<tr>
<th>Buildings Completed</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable housing &lt; 80m²</td>
<td>906 246</td>
<td>902 955</td>
<td>808 514</td>
<td>764 769</td>
</tr>
<tr>
<td>Dwelling houses &gt; 80m²</td>
<td>2 773 544</td>
<td>2 805 442</td>
<td>2 859 082</td>
<td>2 769 008</td>
</tr>
<tr>
<td>Flats &amp; townhouses</td>
<td>996 413</td>
<td>1 104 767</td>
<td>1 218 234</td>
<td>1 164 171</td>
</tr>
<tr>
<td>Other residential</td>
<td>149 523</td>
<td>45 645</td>
<td>88 659</td>
<td>88 528</td>
</tr>
<tr>
<td>Additions &amp; alterations: residential</td>
<td>1 762 670</td>
<td>1 466 959</td>
<td>1 722 368</td>
<td>1 119 778</td>
</tr>
<tr>
<td>Non-res: Offices</td>
<td>381 922</td>
<td>462 586</td>
<td>795 560</td>
<td>609 266</td>
</tr>
<tr>
<td>Non-res: Shopping</td>
<td>583 192</td>
<td>499 159</td>
<td>565 853</td>
<td>572 864</td>
</tr>
<tr>
<td>Non-res: Industrial</td>
<td>785 354</td>
<td>1 128 375</td>
<td>955 483</td>
<td>1 124 811</td>
</tr>
<tr>
<td>Non-res: Other</td>
<td>246 577</td>
<td>200 640</td>
<td>229 563</td>
<td>213 251</td>
</tr>
<tr>
<td>Additions &amp; alterations: Other bldgs</td>
<td>693 344</td>
<td>549 710</td>
<td>665 363</td>
<td>496 990</td>
</tr>
<tr>
<td>Total</td>
<td>9 278 795</td>
<td>9 166 238</td>
<td>9 908 679</td>
<td>8 923 436</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa.

Public residential building plays an important role in the building industry. First, this sector provides housing for low-income people. Second, it provides many skilled and unskilled jobs. Third, the import component of materials used in public housing is low, with minimal effect on the balance of payments. According to the Department of Human Settlements, more than one million housing opportunities have been provided since 2010.

**Selected performance indicators of the Department of Human Settlements**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of houses completed</td>
<td>120 610</td>
<td>115 079</td>
<td>105 936</td>
<td>66 655</td>
<td>103 983</td>
</tr>
<tr>
<td>No. of rental units completed</td>
<td>8 710</td>
<td>15 554</td>
<td>4 984</td>
<td>5 668</td>
<td>4 987</td>
</tr>
<tr>
<td>Total</td>
<td>129 320</td>
<td>130 633</td>
<td>110 920</td>
<td>72 323</td>
<td>108 970</td>
</tr>
<tr>
<td>Households living in informal settlements upgraded to level 2</td>
<td>74 358</td>
<td>54 918</td>
<td>41 496</td>
<td>28 898</td>
<td>138 521</td>
</tr>
</tbody>
</table>


In summary, during 2014 the overall level of investment in the South African building industry dropped by -3.6%. Lower demand levels have put pressure on building contractors.

**Profitability of building contractors**

It is known that the building industry is cyclical because demand levels are unstable. Research has shown that the industry is sensitive to movements in the business cycle. Besides this cyclical instability, there are several other factors that influence the perceptions of building contractors regarding their own business operations. One of the most important of these is the profitability of contracting.

How can one measure this profitability, as perceived by building contractors? A business survey is conducted by the Bureau for Economic Research (BER) every quarter. The percentage of BER respondents reporting growth in their profitability then becomes a proxy for profitability itself. If 34% of survey respondents report growth in profitability, it means that 66% of respondents experience lower profitability. The accompanying graph shows that profitability in the South African building industry fluctuates around the average of 34%. The current reading is 28% and this shows that building profitability is “below average”. This finding comports with a general drop in the demand for building work.
Liquidations of construction firms

It is well known that construction is a high-risk industry. There are several reasons for this situation. First, as mentioned earlier, the industry is sensitive to movements in the business cycle (over which builders have no control). Thus, feast or famine prevails as building demand fluctuates. Second, bottlenecks often occur in the supplies of labour and materials. Skilled labour shortages, especially, are a perennial problem. Third, unforeseen cost pressures pose a serious problem to the financial viability of firms. Fourth, site security poses a problem. Fifth, cash flows in companies have to be monitored carefully because of late payments by clients. In severe cases, non-payments to builders can lead to liquidations of construction companies.

Figures relating to the number of liquidations of construction companies are gathered by Statistics SA. Trends in this indicator are reflected in the accompanying graph. Observe that more than 500 construction firms went into liquidation in the period after the Asian financial crisis of 1997/98. However, this number dropped sharply in subsequent years. The latest data from Stats SA reveal that liquidations of construction companies have fallen below 170 per annum. This suggests that builders are getting better at coping with the cyclical fluctuations in building demand. Lower inflation and lower interest rates are important factors contributing to this positive outcome.
Employment

Despite the slowdown in building demand evident in SA Reserve Bank and Stats SA building data, employment in construction is on a rising trend. Stats SA monitors employment in the formal and informal construction sectors. According to the Stats SA surveys, about 500 000 people are employed in the formal sector of the construction industry. These data are gathered from formal business enterprises that contribute to the quarterly Stats SA employment survey. A separate labour force survey conducted amongst households yields a figure of 1.4 million people employed in construction. Thus, the overall construction industry supports almost one million workers in the informal sector, making it one of the country’s most important job creators. Current positive trends can be observed in the accompanying graph. This finding suggests that the informal construction sector is soaking up unemployment.

![CONSTRUCTION EMPLOYMENT in the FORMAL and INFORMAL SECTORS](image)

Source: Stats SA; MFA DATABASE

Building costs

Movements in building costs, as experienced by building contractors, are captured in the indices of the Contract Price Adjustment Provisions (CPAP). These indices are based on a combination of producer price indices and the consumer price index (representing labour). Movements in building costs, as experienced by clients, are reflected in the BER Building Cost Index (BER BCI). The BER BCI is an analysis of accepted tender prices that reflect market conditions. Research has shown that movements in tender prices are sensitive to movements in the business cycle (i.e. building demand fluctuations). Thus, we find that during the upswing phase of the business cycle, builders’ tender prices tend to rise more rapidly than increases in their input costs. This implies that builders are widening their profit margins.

Conversely, during a downswing in the business cycle, profit margin compression occurs and builders’ tender prices then rise less rapidly than the increases in their input costs. This cyclical pattern of price formation in the South African building industry is well established.

What are the current trends? The accompanying table shows that during the period 2009/10, builders’ tender prices dropped in absolute terms, i.e. by -0.9% in 2009 and by -0.2% in 2010. This period represented lean years during which time builders’ profitability came under severe pressure (recall the previous graph when profitability was “below normal”).

However, during 2012/14, builders were partially able to restore their profit margins. Currently, increases in builders’ input costs and their tender prices are in greater cyclical harmony. Builders’ input costs are increasing by less than 5% per annum, whilst tender prices are rising by 5.4%, more or less in line with overall inflation.
Comparison: Builders’ input costs and their tender prices (Annual percentage change)

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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CPAP Work Group 180 (Housing)</td>
<td>1.7</td>
<td>3.9</td>
<td>5.3</td>
<td>5.7</td>
<td>6.4</td>
<td>6.5</td>
<td>4.1</td>
</tr>
<tr>
<td>CPAP Work Group 181 (Commercial &amp; Industrial Buildings)</td>
<td>0.7</td>
<td>3.5</td>
<td>5.9</td>
<td>5.8</td>
<td>6.2</td>
<td>6.5</td>
<td>3.2</td>
</tr>
<tr>
<td>BER Tender prices</td>
<td>-0.9</td>
<td>-0.2</td>
<td>3.4</td>
<td>6.9</td>
<td>7.3</td>
<td>10.2</td>
<td>5.4</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa and Bureau for Economic Research, Stellenbosch University. The data for 2015 are estimates, based on data available up to the second quarter of 2015.

Summary and conclusions

The South African economy and the building industry are experiencing tough times at present. Total building demand dropped by -3.6% during 2014. According to the SA Reserve Bank, investment in residential buildings declined by -5.8%. The non-residential sector dropped by -1.5%. Lower demand levels caused building profitability to drop in recent quarters. A rise in liquidations of construction companies is evident. Nevertheless, employment levels are rising. This finding suggests that the construction industry is soaking up unemployment. Building costs are rising moderately in line with overall inflation. A rebound in economic growth and a more stable political climate are required to enable builders to prosper.

Dr Johan Snyman
Medium-Term Forecasting Associates, Stellenbosch
20 August 2015
OVERVIEW and OPERATIONAL REPORT

Board and Standing Committees

The Board of Master Builders South Africa continues to provide direction to the strategic objectives of the organisation and four regular Board meetings were held during the year under review. These took place in Johannesburg, Cape Town, Bloemfontein and Durban. A special and fifth meeting was held at the OR Tambo International Airport at which the structure of the Federation was deliberated with the assistance and direction of a specialist consultant. Without the valuable contributions from the Board and Committee members, appointed by the Corporate and Affiliate members, to serve the Federation, our business could not be effective and meaningful and we sincerely thank all these members.

Meetings of the standing committees responsible for Contractual and Legal matters, Education and Training and Occupational Health and Safety were, with a few exceptions, held by way of teleconference which has proved to be both cost and time effective. More comprehensive reports on these subjects, including the 2015 Economic Report, compiled by Dr Johan Snyman of Medium-Term Forecasting Associates, follow below. A number of face-to-face meetings were necessary because of the complexity of the agenda items, since teleconference meetings would not have served the purpose. Furthermore, we thank those members who represented the Federation on the external committees and boards, those being BUSA, CETA, CIDB, CSCC, JBCC, NHBRC, SABS and the SOUTH AFRICAN Builder.

We must also thank those companies that subscribed to the National Partner Programme and for the guidance received in meetings of the group.
BOARD and STANDING COMMITTEES

BOARD
N V Cloete – President
B B Simelane – Vice President
C J L Cozens – Immediate Past President
C Bain – Western Cape
M Behardien – KwaZulu-Natal
A Bodill – Western Cape
A Dempers – Boland
F du Plessis Jr.- Free Sate
V Harbhajan, Mrs – KwaZulu-Natal
J Matthews Co-opted
M Mphomela – North
N M Mhlongo Ms – Co-opted
V Naidoo – Co-opted
G Nell – Free State
D J Phillips – Greater Boland
H Pretorius – Northern Cape
B M Richardson – SARACCA
H A Schefferlie – AAAMSA

K Sharpe – East Cape
V N Smailes – Northern Cape
G B Steele – East Cape
J D Tembe, Ms – Co-opted
J Thomas – SARCEA
C Venter – North
D Uys – Boland
R Williams Ms – Greater Boland
Executive Director – Vacant
Operations Director – P C Fourie

Executive Committee
Office-bearers
N V Cloete – President
B B Simelane, C J L Cozens
East Cape
G B Steele
North
M Mphomela
KwaZulu-Natal
V Harbhajan
Western Cape
A Bodill
Affiliated Association
B Richardson
**Contractual & Legal Committee**
D de Villiers (North) – Chairman
East Cape – L van Rensburg, M Belman
Free State – F S Vermaas, F du Plessis
North – G Stock, W Soutter
KwaZulu-Natal – R Stembridge
Western Cape – J Garner, C Bain
AAAMSA – H A Schefferlie
SARCEA – J Thomas
SARACCA – B M Richardson

**Development and Finance**
Office-bearers – C J L Cozens – Chairman
North – B B Simelane, N V Cloete
Western Cape – M Mphomela

**Education and Training Committee**
Chairperson – L Smith (North)
East Cape – C Townsend, J S Strydom
Free State – I Harris
North – N M Duncan, D Landmann
KwaZulu-Natal – V Smith
Northern Cape – H Pretorius
Western Cape – A Keal, J Matthews
SARCEA – J Thomas

**Occupational Health and Safety Committee**
Chairperson – P Fourie (MBSA)
Boland – W Liebenberg
East Cape – G Olivier, D Vermaak
Free State – M J Venter, N de Bruyn
North – D Michell, G Roets
Northern Cape – V N Smailes
KwaZulu-Natal – C J Nortje, N Enslin
Western Cape – D Bester, D Mtyalela

**Transformation**
Office-bearers – B B Simelane – Chairperson
Boland – N V Cloete, C L J Cozens
East Cape – Represented by MBAWC
Free State – K Sharpe, G B Steele
Greater Boland – G Nell
KwaZulu-Natal – D J Phillips
North – M Behardien, V Harbhajan
(Alt. V Naidoo)
Cape – L Smith, M Mphomela
Western Cape – H Pretorius

**EXTERNAL COMMITTEES**
**Business Unity South Africa**
Governing Body – Unisectoral Group
I Dlamini (until February 2015)
Standing Committee on Social Policy
W Soutter
Committee on Education and Training
D Landmann
Standing Committee on Economic Policy
M Mphomela
Standing Committee on Trade Policy
I Dlamini (until February 2015)

**Construction Industry Development Board**
Stakeholders Forum
Contractor Employer Bodies
The 2015 Stakeholders Forum has not yet been constituted

**Construction Education and Training Authority**
Board – Ministerial Appointment
No representation

**Construction Sector Charter Council (CSCC)**
Council
H Bester, E G Forbes
BBE Alignment
D Landmann

**Contract Price Adjustment Provisions**
P Fourie
C Bain

**Department of Labour**
Advisory Committee on Health and Safety
The Advisory Council will be reconstituted in 2015
Technical Committee, Construction Regulations
D Michell – BUSA nomination

**Institute for Timber Construction (ITC)**
Board
D B Hattingh

**Joint Building Contracts Committee**
Board of Directors
P C Fourie
Executive Committee
D de Villiers
P C Fourie
Technical Committee
Representing MBSA
J Garner, G Stock
Representing Main Contractors
D de Villiers
C Bain
Representing Sub-Contractors
B B Simelane

**Transnational Construction Industry**
Board
D B Hattingh

**Business Unity South Africa**
Board of Directors
P C Fourie
Executive Committee
D de Villiers
P C Fourie
Technical Committee
Representing MBSA
J Garner, G Stock
Representing Main Contractors
D de Villiers
C Bain
Representing Sub-Contractors
B B Simelane
MBSA/ASAQS
Good Practice Committee
A Hall
R Stembridge
Standard System Joint Committee
T Kay

National Home Builders Registration Council
Industry Advisory Committee
J Matthews
R Stembridge
M Mphomela

National Regulator for Compulsory Specifications (NRCS)
J S Strydom, M Coetzee – nominated (not yet constituted)

South African Builder
Advisory Committee
Mrs E G Forbes – Chairperson
P C Fourie
E Roper
I Dlamini (until February 2015)

South African Bureau of Standards
Technical Committee TC 5120.61 Construction Standards
Mrs E G Forbes
H A Schefferlie
Technical Committee TC 59 SANS 10400
H A Schefferlie
R H M Johnson
Sub-Committee SC 59Q – Universal Access and Universal Design in the Built Environment
Mrs E G Forbes
Sub-Committee SC 60Q – Facilities for persons with disabilities – Standards 10400-5
Mrs E G Forbes
Sub-Committee TC 1090 – Safety of Playgrounds and Playground equipment (including the Work Group Committee)
Mrs E G Forbes

South African Council for Project and Construction Management Professions
Committee of Voluntary Associations
P C Fourie
OCCUPATIONAL HEALTH and SAFETY

2015 National Health and Safety Competition

The general standard of sites entering the national competition was very high with the exception of a few sites that could not meet the 5-Star criteria.

The audit team set out with a number of objectives, namely: There would be no interrogation of the participants; documentation would be accepted at face value and the judging team would not make comments on the documentation; the Team would do random sampling of scaffolding and equipment on site to verify documentation; competitors would be treated with respect; and there would be no attempts at coaching members.

The audit team was made up of two independent auditors from ASHREQ Environmental & Occupational Hygiene Consultants (Pty) Ltd, namely, Tony Putter and Tiandre Du Preez, and Deon Bester MBA Western Cape OH&S Manager, as the co-ordinator/lead auditor. The scores of the two independent auditors were used to determine the average score per site/yard whilst the co-ordinators score was used to moderate the score, if there was any discrepancy greater than 2% between the two independent auditors.

For the first time, the auditors used Windows based tablets supplied by MBSA instead of printed documents. This, it was found, improved accuracy and productivity and the team was comfortably able to complete two audits per day. The team made sure that all three auditors had the same number of applicable items in each section by ensuring that we all agreed to the final points available for each section.

The current interactive score sheet calculates the DIFR automatically and provides a final score based on the DIFR maximum allowable.

The scores recorded indicate the standards in most of the regions are extremely high and contractors really needed to be on their “A” game on the day of the audit to win. The audit team could only judge what they were presented on the day both on the physical site and during the admin audit.

An interesting observation was that all the winning sites had a strong involvement by the site management during the audit. It was not left entirely up to the safety officer to present the site and the three auditors were accompanied by management and given a clear introduction to the site activities. This is a lesson for all contractors. Site management on these sites were clearly on top of health and safety.

We thank all the participants and congratulate the companies and site staff of the sites achieving first place in the 2015 competition!

Deon Bester
National Co-ordinator
2015 National Safety Competition

Department of Labour

Ahead of the implementation of the registration of Construction Health and Safety professionals and the implementation of the Construction Work Permit in terms of the new regulations, the Department of Labour hosted a Construction Sector Seminar under the theme “Construction Regulations 2014 – Implementation Phase”. Some 650 delegates attended the event and the Master Builders organisations were well represented.

This initiative was prompted by a need to work towards creating safe and healthy working environments in construction and maintenance sites in South Africa.

Temporary exemptions to Construction Regulation 3 were announced affecting the compliance dates and construction works contract values. The seminar furthermore decreed that any person who has applied for registration with the SACPCMP for CHSO, CHSM or Pr.CHSA prior to 7 August 2015 and who has not been registered by Gazetted date, of 7 August 2015, will be issued with a “Registration Verification Letter” on proviso that all the application documents have been submitted and that application fee payment has been made. These concessions were widely welcomed by Industry.

We formally congratulated the newly appointed Chief Inspector, Mr Tibor Szana, and committed the organisation to working closely with the Department going forward.
Safety Manual and CD

The Master Builders Construction Industry Occupational Health and Safety Manual was successfully re-launched in March 2015. The 2015 Edition has captured all the 2014 Construction Regulations and provides all the necessary appointment forms, registers and checklists. The take-up by members has been most gratifying – and all the collaborators are sincerely thanked.

Federated Employers Mutual

The relationship with the management of FEM, and the generous financial assistance received from the company, is truly valued and we thank them for involving the Master Builders in the development of their SAFETEMBER initiative.

2015 National Safety Competition Results

• Plant Yard and Manufacturers Section
  Plant & Storage Yards – Vice-President’s Shield
  1st Place: Tiber Construction (Pty) Ltd
  2nd Place: WBHO Construction (Pty) Ltd
  3rd Place: WBHO Construction and Assets Coastal KZN

• Manufacturers and Allied Trades
  • Allied Trades Master Builders Association Shield
    1st Place: Brand Engineering SA (Pty) Ltd
    2nd Place: Formscraft Pietermaritzburg
    3rd Place: Peri Formwork Scaffolding Engineering (Pty)Ltd Polokwane
  • Manufacturers – Master Builders Association Shield
    1st Place: Much Asphalt (Pty) Ltd EC
    2nd Place: Much Asphalt (Pty) Ltd KZN
    3rd Place: Aveng Manufacturing Steeledale

• Building Section
  • Contracts less than R10m – Chief Executive Officer’s Shield
    1st Place: Patcon Building and Civil Engineering (Pty) Ltd
    2nd Place: Gordon Verhoef & Krause – Siya Zama (Gauteng) (Pty) Ltd
    3rd Place: Gordon Verhoef & Krause WC
  • Contracts R10m to R25m – Safety Management Shield
    1st Place: Liviero Building Coastal
    2nd Place: GVK Siya Zama Building Contractors (Pty) Ltd
    3rd Place: Isipani Construction (Pty) Ltd
    • Contracts R25m to R75m – Ramsay Herd Shield
      1st Place: Liviero Building Coastal
      2nd Place: GVK Siya Zama Building Construction (Gauteng) (Pty) Ltd
      3rd Place: Aveng Grinaker – LTA Coastal KZN
    • Contracts R75m to R150m – Vice President’s Shield
      1st Place: Belo & Kies Construction (Pty) Ltd
      2nd Place: Gordon Verhoef & Krause CT
      3rd Place: Liviero Building Coastal KZN
    • Contracts R150m to R300m – President’s Shield
      1st Place: WBHO Construction (Pty) Ltd PE
      2nd Place: WBHO Construction (Pty) Ltd CT
      3rd Place: Belo & Kies Construction (Pty) Ltd
    • Contracts R300m to R500m – Federated Employers’ Mutual Shield
      1st Place: WBHO Construction (Pty) Ltd CT
      2nd Place: WBHO Construction (Pty) Ltd EC
      3rd Place: Liviero Building Coastal KZN
    • Contracts R500m plus – Master Builders Association Shield
      1st Place: Stefanutti Stocks /Basil Reed JV
      2nd Place: Murray & Roberts Cape
      3rd Place: Aveng ENZA JV
Throughout the past year, the monthly official journal of Master Builders South Africa and the Master Builders Associations across the country, South African Builder, now in its 92nd year, continued to provide its readership with consistent high quality news coverage on all aspects of the building and construction industry.

South African Builder is distributed to all members of the Master Builders Associations (MBAs) in South Africa as well as to the Chartered Institute of Building (CIOB), which includes architects, structural engineers, quantity surveyors, small, medium and large contractors, sub contractors and builders merchants. The magazine is also published online monthly and is circulated to an extended readership via electronic email transmission.

South African Builder is the most widely read magazine in the construction industry with a readership exceeding 30000.

Amongst the highlights addressed in South African Builder for the period are:

**MBSA and MBA news**

Communication of the MBSA President’s regular Comment page.

Sequential regional features on the Master Builders Associations each month, reporting on AGMs, Regional Safety Awards and member projects.

In depth coverage of Congress 2014 which was held in Port Elizabeth. Included in this report was the MBSA National Safety Awards which this year was dominated by Stefanutti Stocks.

Saluting of MBA stalwarts such as Lawrie Shuttleworth on his 100th birthday; and mourning the sad loss of Western Cape MBA Executive Director, Rob Johnson.

**Construction Health and Safety**

Regular up-front coverage of Construction Health and Safety issues across the country and the continent, including features such as Safety at Heights, FEM’s SAFETEMBER initiative, the inculcation of wellness into an organisation and the tragic building collapses which occurred in Nigeria, KwaZulu-Natal and Gauteng.

**Regular slots and features**

The ongoing regular reporting on important news developments is categorised into regular slots, which include: Industry News, Company News, Economic News, Project News, and Sustainability.

In addition, South African Builder runs important features throughout the year in which topics of special interest are addressed, such as Roofing and Cladding, Timber in Construction, Transport in Construction, Construction Equipment, the World of Bricks, Housing, Plumbing, and a new special interest topic on Acoustics and Sound Management.

Each month Industry News discusses current industry activity, such as the upheavals experienced by PPC; the ongoing economic crisis – about which companies such as Credit Guarantee and FNB/BER provide a meaningful contribution; and the threat of a steel supply crisis.

An important and popular annual feature is the industry Outlook for the forthcoming year, published each January. Here the captains of the construction sector are invited to submit their economic and operational views for the year.

Important and technically interesting projects are covered in depth throughout the year. During the period, projects covered include the new FAW assembly plant in Coega, Eastern Cape; the Mall of the North in Midrand; Baywest Mall in the Eastern Cape; Zendai’s Modderfontein City; and the unusual construction techniques required for the Two Oceans Aquarium in Cape Town.

Industry Awards, including Women in Construction Excellence; Regional MBA Safety Awards; and Architectural Student of the Year are published regularly, as is news of exhibitions and conferences around the country, including the Totally Concrete Expo and the Southern African Readymix Association’s (SARMA) annual conference.
The application of new technologies in all fields of construction, especially in design, energy efficiency, advancements in concrete and light steel frame building technologies, and geotechnical engineering, all form an important part of South African Builder’s news content.

With regard to developments in Africa and abroad, important news from Africa is covered as is international news, for example from the Royal Institution of Chartered Surveyors (RICS).

**Industry bodies and Government organisations**

South African Builder maintains close relationships with industry bodies, institutes and associations, as well as with Government departments and organisations, such as the Department of Public Works, the Department of Labour, the Construction Industry Development Board (CIDB), the SA Institute for Steel in Construction (SAISC), the SA Forum of Civil Engineering Contractors (SAFCEC), SA Institute for Civil Engineering (SAICE), and important University construction education hubs such as University of Pretoria and Nelson Mandela Metropolitan University (NMMU), to name but a few.

This enables the magazine to ensure prompt communication of important industry developments to its readers, in particular the ongoing reporting of MBSA and MBA initiatives with government and industry bodies – such as the long awaited CIDB Prompt Payment Regulations.

Although South African Builder has felt the impact of the sustained difficult economic climate, the stalwart support of key industry players in the cement manufacturing sector, health and safety, construction equipment, building products and many others, still remains strong. Such regular participants in the magazine include AfriSam; Barloworld Equipment; BlueScope; Corobrik; Credit Guarantee; FAW; FEM; Franki; PPC; RMD; Sephaku; Steelform; and Trellidor.

Published by Malnor (Pty) Ltd on behalf of Master Builders South Africa, South African Builder has enjoyed a challenging yet successful 2014/2015 period in servicing the needs of MBSA and the MBAs and throughout the period has received considerable positive feedback and compliments from MBA directors, members and readers alike.

*Wendy Ansell and John Thomé – South African Builder, Business Development Manager and Editor*
CONGRESS 2014

Structured under the theme of Building a Sustainable South Africa, the 109th Master Builders Congress was staged over two days at the Boardwalk Hotel in Port Elizabeth in September 2014 and attracted over 120 participants from around the country, from Africa and abroad.

Congress 2014 addressed issues such as skills development, growth, transformation and job creation within the building and construction industry. Transformation took centre stage in what has now been termed a successful, informative and invigorating Congress aimed at addressing both local and global issues that continue to impact the construction industry.

Following the traditional pre-Congress Golf Day and welcoming of delegates by the MBSA Executive Director on the Sunday evening, Congress 2014 went straight into full swing on the Monday morning as the line-up of influential world-class speakers shared their views and opinions. Content ranged from political and government policies, to all-important Construction Health and Safety, to innovative projects, skills and education, as well as international operational and business survival tactics – all of which maintained focus on every nuance of the word “Sustainability.”

Many of the speakers had at the core of their deliveries – as a thread running invisibly through Congress – phrases incorporating concepts such as “the need to be different”; “focus on the future”; and “the time is now”.

Addressing delegates, Immediate Past President of MBSA, Colin Cozens stated: “To ‘build a sustainable South Africa’, we need to have an all-inclusive building industry. We simply cannot leave out the previously marginalised parties as has happened in the past. The industry needs to transform at a faster rate than before and we need to win back our government’s trust that has been strained with the recent ‘collusive tendering’.”

Delegates were also honoured to have economic insight from the esteemed Dr. Azar Jammie speaking on the subject of ‘Challenges facing South Africa’s economic prospects in the longer term’ who assured the delegates that despite the pedestrian growth rate of the South African economy, the good news is that government has a strategy to address this – the National Development Plan.

Eastern Cape Premier, Phumulo Masualle echoed Jammie’s statements and raised further concerns over the many challenges that continue to persist, including the fact that only 24% of the built environment professionals are black and only 9% are female. He reiterated that we can build a sustainable South Africa in partnership and with a much greater sense of urgency and improved accountability.”

Amongst the other speakers of calibre to address Congress 2014 were: Prof Roger Flanagan, School of Construction Management and Engineering, University of Reading: “The race to the future is running. The future is now”; Prof Jonathan Jansen, Vice Chancellor and Rector of the University of the Free State: “How we are to rectify the tragedy of our education system”; Dr Chris Mulder, CMAI Property Development – Crossways Farm Village: “Sustainability at its best”; Clem Sunter, scenario specialist: “Things you know you don’t know and things you don’t know you don’t know”; Mninawa Ngcobo, training manager, National Home Builders Registration Council (NHBRC): “Participate in the skills revolution”; and Professor John Smallwood, Head,
Department of Construction management at NMMU: “There is no such thing as an accident”;

Breakaway sessions were also held to enable delegates and experts to discuss and debate issues such as ‘Energy Efficiency/Sustainability in the Building Industry’, ‘Building Standards’ and ‘Education and Training/Skills Development’. Resolutions from these will be presented to the MBSA board for possible consideration and implementation.

At Congress 2014, MBSA re-launched the Small Builders Manual which is designed to meet the need for an understanding of the principles of running a small building company.

The Small Builders Manual was first produced by MBSA in 1996, and has now been reviewed and published in more interesting and understandable terms.

As is MBSA tradition the Congress was officially closed with an Annual General Meeting during which the new President Neil Cloete and his Vice President, Bonke Simelane, were installed as office bearers for the ensuing year.

Eighteen students from the Construction Management programme at the Nelson Mandela Metropolitan University, pictured here with Greg Steele – executive director of East Cape MBA (left back), Prof John Smallwood (third from right) and Tumi Dlamini – (second from right) executive director of MBSA, gleaned valuable information from the captains of the construction industry.

In true Congress tradition, the social outings, Golf Day and evening functions were enjoyed by all. FEM sponsored and hosted the fantastic “Great Gatsby” theme party on the evening of Day one, and the black tie Gala Dinner was hosted by PPC, premier sponsor of Congress 2014.

Once again, we thank our sponsors of Congress 2014, as well as the exhibitors, for their strong contribution to this event – which was described by some as “possibly the best ever.”
ACRONYMS

AFCCA .................. African Federation of Construction Contractors' Associations
AAAMSA ................. Association of Architectural Aluminium Manufacturers of South Africa
ASAQS .................... Association of South African Quantity Surveyors
BUSA ..................... Business Unity South Africa
CBE ....................... Council for the Build Environment
CESA ..................... Consulting Engineers South Africa
CETA ..................... Construction Education and Training Authority
CIDB ..................... Construction Industry Development Board
CIOB ..................... Chartered Institute of Building – Africa
CSCC ..................... Construction Sector Charter Council
FEM ....................... Federated Employers’ Mutual Assurance Company Ltd
JBCC ..................... Joint Building Contracts Committee
NCAC ..................... National Contracts Advisory Committee
NDP ....................... National Development Plan
NHBRC ................... National Home Builders Registration Council
PICC ..................... Public Infrastructure Coordinating Commission
PPC ....................... Pretoria Portland Cement
QCTO ..................... Quality Council for Trades and Occupations
RICS .................... Royal Institution of Chartered Surveyors
SABTACO ................. South African Black Technical and Allied Trades Organisation
SACPCMP ................ South African Council for Project and Construction Management Professions
SAFCEC .................. South African Forum of Civil Engineering Contractors
SAIA ..................... South African Institute of Architects
SAICE ................... South African Institution of Civil Engineering
SAISC ................... South African Institute of Steel Construction
SARACCA ................. South African Refrigeration and Air Conditioning Contractors' Association
SARMA .................. Southern African Readymix Association
SARCEA .................. South African Reinforced Concrete Engineers’ Association
SAWiC ................... South African Women in Construction
PAST PRESIDENTS

W R Poynton Durban 1904/06
F Turner Pretoria 1906/07
J Z Drake Cape Peninsula 1907/08
T W Reynolds Port Elizabeth 1908/09
M C A Meischke Witwatersrand 1909/10
A E Parfitt Bloemfontein 1910/11
J Prentice Pretoria 1911/12
T Clark Witwatersrand 1912/13
A F Turner Durban 1913/14
J J Kirkness Pretoria 1914/17
J Thompson Witwatersrand 1917/18
W Nottingham Pretoria 1918/19
H W Harris Port Elizabeth 1919/20
A R Midgley Durban 1920/21
D F Corlett Witwatersrand 1921/22
A B Reid Cape Peninsula 1922/23
P J Hittinger Witwatersrand 1923/24
A Andresen Pretoria 1924/25
C Carr Durban 1925/26
R G McClelland Port Elizabeth 1926/27
D M Evans Witwatersrand 1927/28
F Bakker Cape Peninsula 1928/29
W M Patterson Pretoria 1929/30
H O Tunmer Durban 1930/31
A Barrow Witwatersrand 1931/32
J R Hedden Cape Peninsula 1932/33
J B D Clark Witwatersrand 1933/34
B P Jones Bloemfontein 1934/35
J Garnett Pietermaritzburg 1935/36
H O Young Cape Peninsula 1936/37
W Knuckey Witwatersrand 1937/38
F Vercoe Durban 1938/39
C C Pike East London 1939/40
J Downie Pretoria 1940/41
A J Brokensha Durban 1941/42
J N Bird Cape Peninsula 1942/43
R Rutherford Witwatersrand 1943/44
R Barras Pietermaritzburg 1944/45
J Glendinning Port Elizabeth 1945/46
J C Bitcon Witwatersrand 1946/47
J J Smith Durban 1947/48
F B Blomkamp Cape Peninsula 1948/49
J P Lamb Pretoria 1949/50
G J R Bulman Pietermaritzburg 1950/51
J J Annand East London 1951/52
F H Mitchell Witwatersrand 1952/53
F H Radford Durban 1953/54
C Bakker Cape Peninsula 1954/55
R T Morrison Bloemfontein 1955/56
J A Barrow Witwatersrand 1956/57
H Aitken Durban 1957/58
J W L Ruddy Port Elizabeth 1958/59
F E Kennard Pretoria 1959/60
T Pattullo Cape Peninsula 1960/61
W F Hamilton Durban 1961/62
H L Lobban Witwatersrand 1962/63
H McCarthy Cape Peninsula 1963/64
H T Stirling Witwatersrand 1964/65
J A Reardon Durban 1965/66
R A Briggs Cape Peninsula 1966/67
P J van Twisk Pretoria 1967/68
M Lipshitz Durban 1968/69
D R Herd Witwatersrand 1969/70
H N Dodd East London 1970/71
J Zylstra Pretoria 1971/72
F Williams Witwatersrand 1972/73
C H R Kincaid Durban 1973/74
G K Breed OFS Goldfields 1974/75
B L Moyle Witwatersrand 1975/76
L Fish Durban 1976/77
D F D Allan Cape Peninsula 1977/78
D H Mitchell Witwatersrand 1978/79
R L Stevenson Durban 1979/80
J A Barrow Witwatersrand 1980/81
L S Glaser Cape Peninsula 1981/82
P O Morris Witwatersrand 1982/83
G H Rowses Kimberley 1983/84
A J M Stewart Durban 1984/85
B J S Zylstra Pretoria 1985/86
A P Jacobsen Witwatersrand 1986/87
D N Fraser Cape Peninsula 1987/88
B G Thompson Port Elizabeth 1988/89
R G Hurry Witwatersrand 1989/90
E V Hulme Witwatersrand 1990/91
V N Smailles Kimberley 1991/92
R M Giurich Transvaal South 1992/93
G P Volck Transvaal South 1993/94
B R Buys Bloemfontein 1994/95
R A Edwards Gauteng 1995/96
S E Jones Cape Peninsula 1996/97
W S Deacon East Cape 1997/98
J A Dempers Boland 1999/00
N L Klopper Gauteng 2000/01
M B van Breda Cape Peninsula 2001/02
N F Maas Gauteng 2002/03
B A Botha East Cape 2003/04
S D Moffatt KwaZulu-Natal 2004/06
G R Roberts Western Cape 2006/07
E G Forbes (Mrs) Gauteng 2007/09
M J Talbot East Cape 2009/11
D B Hattingh Western Cape 2011/13
C J L Cozens KwaZulu-Natal 2013/14

Life members
J A Barrow
A M Stewart
E G M Forbes (Mrs)
HIGHLIGHTS FROM THE REGIONS

The Master Builders Associations are the Corporate Members of the Federation and offer numerous services and benefits to their contracting members. This year, the focus is on the East Cape and KwaZulu-Natal Master Builders Associations.

East Cape MBA
It has been another busy year for the East Cape MBA and to condense the association's activities into a short summary is somewhat of a challenge. The association's activities have again broadly covered the areas of education and training, health and safety, industrial relations, contractual and legal as well as business advice, and social events and networking activities.

In June 2014 the MBA reported to members that it had once again been awarded funding from CETA for internship, candidacy and apprenticeship training and though the association still faces many challenges in its relationship with CETA, slow and steady progress is being made. As a result of the low numbers awarded in the various disciplines above, the MBA opted to negotiate the consolidation of these into one learnership opportunity, namely that of the Occupational Health and Safety Learnership and now, almost twelve months later, we are on the verge of launching this additional training project.

Whilst our apprenticeship training projects have got to the stage where they are now running smoothly, a number of the new projects that have come on stream present new challenges as we establish the necessary policies and procedures with the CETA. We are pleased to report that we successfully completed the first internship programme for second year national diploma construction study students during 2014 and hope to repeat this project again in 2016. Our training project involving 30 bursaries for construction management and Btech students which also took place in 2014, has also been successfully concluded and the association is considering applying for a new batch of second year construction bursaries for 2016.

The Nelson Mandela Bay Metropolitan Municipality has been plagued by numerous demonstrations by disgruntled SMME's who claim that they are not benefitting from their fair share of subcontracts in the building and civil engineering industries in the region. Demonstrations initially took place at the Coega Development Corporation's Industrial Development Zone (IDZ) and later spilled over to other construction sites within the Metro. Both the CDC and the MBA were obliged to seek protection from the courts in respect of members and their employees who were threatened by these activities. The MBA is committed to assisting and supporting legitimate SMME companies with the necessary education, training and support and is currently working on a programme to promote this in the metro.

The MBA again embarked on significant health and safety activities including the Annual Regional Safety Competition which was well supported by members across the entire Eastern and Southern Cape. The association's activities also included the general auditing of construction sites throughout the region, assisting members with the preparation of health and safety plans based on clients’ specifications, the preparation of numerous articles and news flashes on health and safety matters particularly on the changing legislation in the form of the new Construction Regulations. The latter was achieved through a series of road shows in late 2014 and early 2015 throughout the region. We must acknowledge FEM’s continued financial support of our Health & Safety Programme.

The association once again boasted a full social Calendar with 3 regional cocktail functions, 6 annual dinners and 3 golf days not to mention the numerous other branch activities and events. Significant aspects of the annual dinners included...
the presentation of the Association’s annual Membership and Health & Safety Awards, as well as the newly established collaboration with FEM for the presentation of their Merit awards at the three Main MBA dinners.

The MBA was represented at the various Department of Labour hearings in our region over the last two weeks and made further submissions to the Department regarding a possible sectoral determination for the Building Industry. The sectoral determination is a provision in the Basic Conditions of Employment Act which allows the Minister of Labour to regulate minimum wages and conditions of employment in an industry or sector in the absence of any formal collective agreement.

The East Cape MBA joined members of the PE Joint Practice Committee in a meeting with representatives from the Nelson Mandela Bay Metropolitan Municipality (NMBM) for a presentation on the Built Environment Performance Plan. The meeting was a continuation of the SAPOA NMBM Property Development Forum which is being re-evaluated and revived to deal with important Metro issues affecting property development and building in the Metro. The MBA is also represented at the NMB Civil Society Coalition which meets regularly to review progress on a range of issues to be addressed with the Metro.

2014 saw the East Cape MBA welcoming MBSA Congress delegates to our PE shores. The weather played ball, golfers enjoyed a sunny 21°C day at Humewood with a moderate easterly breeze. The East Cape MBA hosted the top 20 Building students from NMMU’s Construction Management and Building Departments thanks to our local sponsors namely: Aveng Grinaker/LTA, Dekon Projects, GVK Siyazama, M&R, NMC, SBT Building, Speyers Construction, WBHO. Congress arrangements were flawless and an exceptional time was had by all.

There have also been significant changes to labour legislation recently, all of which may have an impact on our members’ businesses. The MBA ran a series of Labour Relations Workshops throughout the region on the implications for member companies.

The largest building project underway in the Eastern Cape employed 4200 people as at the end of 2014 and had 1650 workers on site at the time. The project was handed over towards the middle of 2015 but further phases are reportedly in the pipeline. The CDC reported 2400 employees on sites in the Coega Zone and there were 6000 employees registered with the Building Industry Bargaining Council (Southern & Eastern Cape) at the same time.

NMMU’s School of the Built Environment held its Prize Giving early in 2015 and our congratulations go out to the various award winners.

As well as being the Main Sponsor of the event, which showcases the cream of the crop in the School of the Built Environment at NMMU, the MBA also sponsored its usual prizes as follows:

Best National Diploma Building Student – Phumela Mapukata
Student with the Highest overall mark in any year of study BSc (CS) of BSc Hons (CM) – Kelvin Bradfield

We look forward to building on these activities in the next Calendar Year whilst always keeping our members’ interests first.

Master Builders KwaZulu-Natal

Master Builders KwaZulu-Natal recorded its 114th year of existence, with a record number of 753 members at the close of its financial year.

The Association drives a number of key portfolios in the building industry and we highlight some of our special projects which contribute to the industry and our national imperatives.

We have invested resources in an Emerging Contractor Programme which was established with a view to develop the business acumen of emerging contractors by guiding and supporting them in becoming legally compliant and maintaining sustainable businesses.

The two year programme allows participants to be taken on a journey of training which covers both business and contractual principles. This is followed by a mentorship phase and an adopt-a-company phase. The programme had an enrolment of 106 emerging contractors, of which 25 have recently graduated,
the remaining 81 in a mentorship programme across the province under the guidance of senior mentors drawn from the industry.

The Association Quality Improvement Programme progressed as envisaged with pleasing participation in the Building Industry Forum established under this programme. The Forum includes SAFCEC, SAPOA, SEIFSA, the Institute of Architects, SASSDA, ASAQS, SAICE, FEM, IOPSA, CIDB and SAWIC, among others.

A highlight of the year was the launch of the Master Builders KwaZulu-Natal Occupational Health clinic situated at 40 Essex Terrace, Westville. The mobile clinic service was also expanded with a second unit taking to the road.

A further highlight was the establishment of the Master Builders Recruitment agency which is steadily making placements in the industry, whilst members continue to benefit from the discounted rate on offer.

Master Builders KwaZulu-Natal Training Academy took giant strides forward. This CETA Accredited training initiative has effectively become known as an academy: “By Builders for Builders”. It experienced significant growth over the past year completing 963 training interventions and currently offering 56 courses. “E-learning” interventions are also offered and 4826 delegates completed the SafeBuild modules on the e-learning platform. The Association also hosted career days across the province in their quest to make construction a career of choice.

The Association also launched the Vuka Makhi programme, inspired by the “Go for Gold” model with 20 Grade 11 learners currently in the programme.

The objective is to groom identified learners from school to employment by providing relevant learning tools and financial support, thereby addressing the improvement in the quality of building skills for the industry, simultaneously creating youth employment.

Learners are identified in grade 10 and during their grade 11 and 12 year, they attend extra classes on Saturdays and during school holidays. The programme intervention includes lessons in Mathematics, Physical Science, English, Life Skills, Basic Computers and Career Guidance. Following grade 12, there is a Gap year during which learners are placed in building companies to allow them to gain workplace experience.

The third phase of the programme is the tertiary studies and the final phase is securing full-time employment with the relevant company.

In addition, the Association has set up a bursary fund for deserving students, particularly in building related disciplines. To this end, 2015 saw bursaries of just under R1 million being granted to students to pursue their studies.

The Association is currently pursuing a mobile training initiative and hopes to have this addition to our training facilities in the near future.
THE BIFSA TAPESTRY COLLECTION

The BIFSA (Building Industries Federation South Africa) tapestries (displayed throughout this report) are a unique and vibrantly colourful collection, which was commissioned, in 1988, for the federation’s head office in Midrand.

Designed by Liz Macleish, the tapestries reflect two distinct themes. The first is a single frieze, depicting the built environment from cave and cobbled stone house through to high rise building and the sophistication of 20th century industrial development. The second shows the diversity of South African flora and fauna.

The tapestries, some of which are five metres high, were hand-woven by women from the St Joseph’s Community Centre in Levubu using karakul wool spun and dyed at the centre. These beautiful works of art are still displayed in the foyer and the auditorium that previously belonged to BIFSA.
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