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**SUBMISSION TO THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION  
AND TRAINING ON THE SKILLS DEVELOPMENT AMENDMENT BILL  
[B16-2011]**

**3 NOVEMBER 2011**

## INTRODUCTION

Master Builders South Africa (MBSA) is a national organisation speaking on behalf of its members, the Master Builders Associations (MBA's) and a number of specialised affiliate member associations.

MBSA functions as a Federation of registered employer organisations which represent 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. The Master Builders Associations are individually registered as employer organisations in terms of the aforementioned Act.

MBSA is a member of the former Board of the Construction Education and Training Authority (CETA) in its capacity as a representative party on the CETA. MBSA has tirelessly partitioned and agitated for reform and change to the CETA on a range of issues relating to its constitution and operation. MBSA unequivocally supported the Minister of Higher Education in bringing about the placing of the Construction Education and Training Authority under administration and continues to work closely with the appointed administrator to ensure that the CETA is transformed into a viable, effective organisation which delivers on its mandate in terms of the National Skills Development Strategy.

A survey undertaken amongst the MBSA member companies during 2011, revealed the following:

The majority of MBSA member companies (29,8%) are small, with turnover less than R5m per annum. In fact some 80% of the companies could be regarded as small to medium enterprises with annual turnover less than R50m. However, some 20% of the MBSA Members have turnover in excess of R50 Million.

When the information is extrapolated it is estimated that the 3500 members of MBSA could have a combined turnover in excess of R100 billion annually. The MBSA Membership are therefore very important Stakeholders in the Building Industry.

Some 78% of the respondents employ less than 100 people and nearly 22% employ more than 100. On this basis it is estimated that the MBSA Membership provides employment for over 200 000 people (not including employment by informal subcontractors for outsourced work). It is again verified that small to medium enterprises in the Building Industry are important providers of employment.

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## **COMMENTS**

### **1. THE SKILLS DEVELOPMENT ACT**

#### **1.1. Section 1 (f) (a)**

The definition of organised employers includes “and any other associations or employers in that Sector that represents the interest of its members as employers”

We hold the view that this definition is far too broad and that it should be restricted to registered associations.

Whilst we recognise that not all associations are necessarily registered in terms of the Labour Relations Act, 1995 we do contend that such associations should at least be registered legal entities and thus in a position to take responsibility for any actions that the representatives may take in their dealings or participation within the CETA.

We further motivate the above by suggesting that any party who wishes to exercise a right of representation on an organisation such as CETA should be capable of exercising and being held accountable for its responsibility to that organisation.

#### **1.2. Section 1 (f) (a)**

In this Section provision is made for State Departments to be represented as part of the organised employers on a SETA.

We contend that sufficient provision is made for the participation of State Departments under Annexure 4 part 2 whereby two members representing the role players contemplated in part 1C of Annexure 4 are included.

You are further referred to Section 4 (3) of the Act – Constituents in Sector where separate reference is made to Government Departments, Professional Bodies, Bargaining Councils, etc.

Reference is also made to this in Item 8(5)(B)(ii)(bb) of the constitution in Schedule 5.

### **2. SCHEDULE 5 – CONSTITUTION**

In terms of the proposed amendment to Section 13 of the Act, the Minister must approve the constitution of a SETA which must be line with the standard constitution contained in Schedule 5.

We have the following submissions in respect of the Standard Constitution contained in Schedule 5 as follows.

#### **2.1. Item 1 (O) Organised Employers – part (i)**

Our comments in respect of this item are as per our comment in respect of section 1 (f) (a) of the Act 1.1 above

**2.2.** Item 1 (O) (ii) – Organised Employers – part (ii)

Our comments in respect of this item are as per our comment in respect of section 1 (f) (a) of the Act 1.2 above

**2.3.** Item 1(P) – Organised Labour

We submit that the same concerns raised in respect of item 1 (O) (i) in 1.1 above apply equally to item 1 (P)

**2.4.** Annexure 4 – Representation of Accounting Authority

Item 1 of Annexure 4 refers to the constituency in the Sector specifically referring to labour organisations, employer organisations and category of role players. We contend that in order to retain consistency through the Act these references should be in line with those defined in Section 1, definitions and should therefore refer to organised employers and organised labour.

**3. PUBLIC HEARINGS**

We record that it is our intention to attend the public hearings in Parliament on 8 & 9 November 2011.