

■ STIMULUS

State-owned construction firm not in works yet – Nxesi

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THE establishment of a state-owned construction company has not yet been considered despite the stimulus package announced by President Cyril Ramaphosa focusing partly on infrastructure development.

This emerged in a written response from Public Works Minister Thulas Nxesi in reply to a question from the EFF's Leigh-Ann Mathys.

Mathys had wanted to know whether Nxesi had found it an opportune moment for the government to establish a state-owned construction company in light of the focus of Ramaphosa's stimulus package on infrastructure development.

Nxesi said the priority for the Department of Public Works was to make the Property Management Trading Entity (PMTE) manage state properties optimally and to leverage the portfolio for economic development, job creation and empowerment initiatives.

"The government has not at this stage come to a decision to establish an end-to-end state-owned construction company.

"With the little technical capacity at our disposal, our priority is to facilitate programmes for the training and employment of the necessary skills and capacity to properly manage contracts with construction companies to ensure that the state, and the public derive value for money from projects commissioned by the government," Nxesi said.

His department, through its Professional Services Branch and the Council for the Built Environment, was implementing programmes aimed at developing young professionals for the built environment industry, he also said.

"The stimulus package, if it were to focus on infrastructure development, would certainly contribute positively to creating the much-needed construction jobs, as well as opportunities for emerging black contractors and professionals," he said.

In September, Ramaphosa announced what is now called the stimulus and recovery plan.

It is aimed at igniting economic activity and restoring investor confidence, among other things.

The stimulus and recovery plan also entailed the establishment of an Infrastructure Fund.

Ramaphosa had said the plan would prioritise infrastructure spending as a critical driver of economic activity. "Infrastructure expansion and maintenance have the potential to create jobs on a large scale, attract investment and lay a foundation for sustainable economic expansion," he said.

Nxesi also said there was ongoing work in the department and the Property Management Trading Entity to address performance challenges, including by way of developing systems and controls.

He said the operationalisation of the PMTE was key to unlocking effectiveness and efficiency in the delivery of core services.

"To this extent, the business processes are being aligned towards the PMTE's strategy and business model.

"This includes the development of procedures required to support the business and ensuring the application of standard operating procedures for each line function."

Nxesi also said improving the business processes within the PMTE constituted a significant step in enhancing efficiencies and effectiveness in implementation of departmental programmes and projects.