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Author: Edward West

INFRASTRUCTURE

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EDWARD WEST
edward.west@inf.co.za

THE MINISTERS and Members of the Executive Council had at their last meeting endorsed the Construction Industry Recovery Plan (Cirp), which aims to develop the sector considering the lagging investment in infrastructure over the past decade.

This was according to Department of Public Works and Infrastructure Minister Sihle Zikalala, who spoke at the Master Builders South Africa annual conference in Cape Town on Friday.

The government accounts for at least 40% of infrastructure investment in the country.

"Cirp enables a focus on the entire infrastructure delivery and maintenance value chain. It is a construction industry-wide plan focusing on the public and private sectors.

"The Cirp ... signifies our commitment to propel our country towards sustainable growth, economic resilience, and infrastructure development in support of the National Development Plan, the Economic Reconstruction and Recovery Plan and the National Infrastructure Plan," Zikalala said.

Of the R791 billion planned infrastructure spending over the 2021/22 to 2023/24 Medium-Term Expenditure Framework, public-private partnerships (PPPs) account for R18.5bn or 2% of the public sector infrastructure budget.

"This (the amount of PPPs) needs to improve," said Zikalala.

He said the department was working with the National Treasury on the legal frameworks and guidelines required to mainstream PPPs.

Alternate models needed to be explored for improved infrastructure delivery through collaborative approaches with shared ownership and commitment to the success of infrastructure projects, Zikalala said.

He said the department had made it a requirement for all contracts to have a standard, built-in maintenance plan, and to be coupled with basic energy efficiency requirements.

The department's commitment to enhance industry capacity and promote transformation included bolstering materials supply chains and meeting ambitious transformation targets.

He said economic recovery had to be accelerated through the Cirp's focus on project bankability, innovative practices, and streamlined processes.



DEPARTMENT of Public Works and Infrastructure Minister Sihle Zikalala, who spoke at the Master Builders South Africa annual conference in Cape Town on Friday. | FILE

The plan was to build on a "robust infrastructure project pipeline with sustainable funding".

"We aim to meticulously assess all funding proposals to ensure their feasibility, bankability – only the most viable projects should move forward.

"Working with Infrastructure South Africa (ISA) and the Infrastructure Fund, we will keep up the momentum on the Strategic Integrated Projects due to the catalytic potential," said Zikalala.

He said the National Treasury

had allocated R600 million to ISA for project preparation over the medium term.

The permit regime should be reviewed and standardised for ease of obtaining development permission, so that infrastructure projects could get off the ground more quickly.

He said the department had also prioritised the implementation of the refurbishment, operate and transfer programme (ROTP), which aims to attract capacity (capital and skills) from private sector to work in partnership with the government.

"The ROTP will be rolled out in two phases, with the first phase being a project on at least three strategic facilities that require immediate intervention and the second phase being the long-term roll-out of the ROTP," he said.

"We are concerned about the increase in poor performance of contractors and abandonment of projects.

"We know contractor performance is integrally linked to the performance of the client, in terms of prompt payment to contractors which the department has been leading on, as well as the performance of the professional consulting team," he said.