

**Minister of Public Works  
Ms S Sigcau  
13 May 2002**

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## **Breakfast Discussion with Captains of the Construction Industry**

Deputy Minister  
Director-General  
Chairperson of the Construction Industry Development Board  
Captains of Industry  
Distinguished guests and members of the media

### **INTRODUCTION**

1. It gives me great pleasure to thank the Construction Industry Development Board for hosting this breakfast and for enabling an exchange of ideas on the many challenges we are facing.

I thank all of you for responding positively and for participating today.

In cooperation with Government you, as Captains of the Industry, have demonstrated leadership for positive change, as well as commitment to ensure improved delivery and the development of the construction industry.

2. This breakfast meeting provides us with an opportunity to share a few thoughts on an industry which should be regarded as a national asset in the ongoing South African effort towards delivery and transformation. In fact "delivery" and "construction industry development" should be inseparable - they are two sides of the same coin.
3. Equally important is that this occasion enables you, as leaders of the industry, to enlighten me and your fellow captains of industry, on some of your ideas. I invite you to take advantage of this opportunity and to raise issues frankly.

### **CIDB**

4. Some of the issues raised can be taken further by my Department or by the Construction Industry Development Board (CIDB), which we have established as a public/ private partnership to drive a common development strategy.

Led by the Chairperson, Brian Bruce, and the Deputy Chair, Pepi Silinga, its purpose is to ensure that the construction industry develops to its full potential. If there are issues that impede this development - today provides an opportunity to identify them.

Of course the ability of the CIDB to make an impact will depend on the commitment and action of all of us. So today I am also asking you to reflect on what you can do to make a difference, - and to continuously strive for positive change!

### **MANDATE**

The strategic projects that are proposed for this financial year are derived from the Board's mandate to:

- Drive an integrated industry development strategy
- Provide strategic leadership to construction industry stakeholders to stimulate growth, reform and improvement of the construction sector for effective delivery and the industry's enhanced role in the country's economy.

The projects that are being prioritised and developed include:

- Socio-economic benefits of infrastructure investment and the impact of under-spending
- Roll out of procurement and public sector delivery best practice to address improved spending of the infrastructure budget
- A "Know Your Rights and Responsibilities" campaign for the emerging sector
- Developing the registers of contractors and projects to be fully operational by the end of 2003
- Establishing a body of knowledge and a website as a resource to the industry
- Developing CIDB governance procedures
- Taking forward important work flowing from the Department's commissioned reports on the Status Quo of the Industry, Investment Review and Construction Industry Indicators

As per the stipulation of the Act, the CIDB must constitute a construction industry stakeholder forum. The Forum's main objective would be informing the CIDB on matters that affect the development of the construction industry. Stakeholders also have an important role to play in mobilising improvement on the ground. The CIDB is now in a process to constitute the Forum with a call for nominations having been published earlier this year. The Forum's first meeting is scheduled for 21st June 2002.

So far nominations from the public sector have been very few. It must be stressed that the process towards developing the construction industry is the responsibility of both the public and private sectors. As a key stakeholder, the public sector has a very important role to play in informing the Board on significant issues that impact on delivery and the industry.

#### DPW

5. Allow me to say a few word about the action we are taking at Public Works.
6. This year, for the first time in its history, the Department has spent its entire capital budget. This is an achievement of which I am very proud because the R1,7 billion spent means development - it means work for the industry - it means empowerment! And our success was achieved with the active support of the construction industry. I thank you.
7. The failure of many public sector agencies to spend their infrastructure budgets means a lost opportunity for South Africa, for our industry and for transformation. That is why our Department will champion improves public sector spending. We are committed to being a best-practice client to the industry.
8. We will therefore also continue our campaign to promote an ethos of responsibility for prompt payment - not only in Public Works but within the public sector as a whole. Poor payment practices affect the sustainability of the emerging and established sectors of industry. They are an indicator of poor delivery management and we are looking to the CIDB to promote a programme of improvement.
9. The Department's initiative to create the State Property Management Agency is perhaps the most significant expression of our commitment to improved delivery and service to our client departments.

#### CONCLUSION

Ladies and Gentlemen

10. Together, we must address the scourge of HIV/AIDS that will not leave the construction industry unscathed. In fact the industry is the third most affected in South Africa - (after mining and transportation).

As part of our commitment as a responsible client, the Department plans to introduce a requirement for HIV/AIDS Awareness on all our projects. This will translate into a specification that will be priced as part of future contracts.

What can the industry do to support this initiative?

11. In conclusion I would like to throw out a few more questions to stimulate some discussion:

- What can the industry do to support growth, development and empowerment?
- About women in construction?
- As Captains of the Industry what can you do to promote these and other initiatives that will ensure that the construction industry develops to its full potential?
- Finally, do you actually ask these questions of yourselves on a regular basis? I am convinced that if you do, the CIDB's slogan "Development through Partnership" will become a reality.

Please be free to express your hopes and your concerns.

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