

**Minister of Public Works
Ms Stella Sigcau
13 October 2000**

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Introduction of Construction Industry Development Board Bill, NA

Madam Speaker
Honourable Members

Today's session of the National Assembly will be considered by our people as a landmark of immense significance for the future of the construction industry. This Assembly culminates a 5-years period of intense labour that has engaged all formations of Government and the industry in an historic policy-making process. This process and the legislation before us constitutes a foundation for the rejuvenation of the construction industry.

The collaboration that has led to this landmark moment was set in motion by a meeting in 1995 between the Department of Public Works and Captains of the South African construction industry.

That meeting addressed the partnership role of the industry and Government in reconstruction and development, as well as the structural impediments to growth, development, and transformation of the construction industry.

It gave impetus to the shaping of a comprehensive policy framework within which the industry can play a more strategic role in the social development and economic growth of our country.

1. PURPOSE AND NATURE

The Bill before us emanates from the White Paper "Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry".

Published last year, the White Paper sets out a comprehensive industry development strategy and proposes the establishment of a statutory Construction Industry Development Board (CIDB) to drive this strategy in partnership with all government delivery agencies and the private sector.

This is the essential purpose of the Construction Industry Development Board Bill before this House.

Madam Speaker, Honourable Members

The construction industry, which is a national asset, has a pivotal role to play in infrastructure delivery to meet the needs of ordinary South Africans.

It is this objective which underpins Government's vision and its commitment to construction industry development.

We are fortunately able to build on an industry, which is strategically developed and which provides much needed employment and dignity to thousands of people.

In the South African context, and indeed in the context of our region, the industry's development must be geared to rolling back the enormous legacy of an inadequate infrastructure, its inequitable distribution, and the underdevelopment of locally based physical and human resources.

Unlocking the industry's potential to address this stark reality is at the core of the enabling legislation before this Council. But this potential is impeded by a number of structural constraints.

2. BACKGROUND TO POLICY AND LEGISLATION

Previous Government policies and market forces have distorted the nature and profile of the South African construction industry, which is characterised by adversarial relationships between clients and contractors, contractors and subcontractors, as well as the workforce itself.

Demand volatility and instability impact negatively on sustainable employment and human resource development. This affects performance in relation to quality, productivity, safety, health and the environment. It ultimately impacts on value for money to clients and investors.

Previous legislation affecting the construction industry reinforced the fundamental intentions of apartheid and limited black participation to the domain of unskilled artisans and cheap labour.

This was achieved not only through the Bantu Education Act but also through the Native Building Workers Act of 1951. Job reservation was further reinforced by the Industrial Conciliation Act of 1956.

These instruments of policy shaped the entire industry to the benefit of white artisans, contractors, professionals and materials suppliers.

Today, the emerging black sector faces a range of hurdles. Inability to access markets, training and finance contribute to a vicious circle that pegs the sector's growth.

Honourable members,

It is against this backdrop that Government and the private sector embarked on a structured process of engagement to reshape the industry. It is important that I should highlight some of the significant milestones of the process that underpins the legislation before us:

With regard to policy development:

- The Green Paper, published in 1997, invited public comment on the draft policy.
- To enable thorough planning and consultation with all stakeholders towards the establishment of the CIDB, an Inter-ministerial Task Team was appointed, and started its work in 1998.
- The Task Team established an industry-wide Reference Group to ensure the inclusive input of public and private sector stakeholders. It further set up Focus Groups of industry specialists to refine key outputs identified in the Green Paper, such as the Register of Contractors, which is an important function of the CIDB.
- This partnership refined Government policy as embodied in the White Paper of 1999.

With regard to the legislation itself:

- In November 1999, a two-day Industry Summit Workshop was convened to debate the first draft of the legislation.
- In December the amended draft legislation was published for public comment.
- In June 2000, the draft Bill was appropriately amended.
- In August 2000, together with Provincial MECs, I convened public sector workshops in all provinces.
- Since then the legislation has been refined by the Select Committee and was supported in the NCOP by all nine provinces.

Honourable Members,

Capably led by Chairperson, iNkosi Hlengwa, the Portfolio Committee has provided insight and guidance to the Department throughout the policy making process and has reviewed and endorsed the improvements effected by the NCOP, including the structured inputs of all provincial legislatures.

Industry stakeholders have backed the process and the legislation that will bind all organs of state in partnership with the private sector.

I am therefore able to declare, that the legislation to establish the CIDB has been thoroughly reviewed by all structures of our democracy, and enjoys the broad support of all stakeholders.

3. THE ESSENCE OF THE LEGISLATION

Honourable members,

I will now deal with the essence of the legislation.

Recognising the dispersed nature of the industry and its many role-players, including clients and service providers, the Construction Industry Development Board will constitute a national competence for industry development.

It will provide strategic leadership to realise Government's vision of "... a construction industry policy and strategy that promotes stability, fosters economic growth and international competitiveness, creates sustainable employment, and addresses historic imbalances as it generates new industry capacity" (White Paper).

Madam Speaker,

The core objectives of the CIDB are:

- To establish and promote appropriate and uniform best practice standards and guidelines that promote improved industry stability and performance as well as social and economic objectives;
- To ensure the uniform application of policy throughout all spheres of government as well as providing uniform and ethical standards throughout the industry.
- To promote the sustainable growth of the construction economy, an improved investment environment, and the participation of the emerging sector in the mainstream economy.
- The Board will drive "best practice" through programmes and instruments that include the establishment of a Register of Contractors, a Register of Projects, and a Code of Conduct.

Honourable Members,

It is important that the Board itself should comprise outstanding practitioners with a broad development perspective and commitment that looks beyond the narrow interests of individual stakeholders.

The appointment of the Board must also take account of the need to reflect the race, gender and geographic composition of our land - and to reflect the aspirations of our people, who are the real beneficiaries of our industry's activity.

The responsibility conferred on the Board is immense. The Board will, therefore, continuously require the support and input of stakeholders, and this will be accomplished through the establishment of a Stakeholder Forum.

This Forum will enable the representation of all stakeholders including Government Departments, Provinces and local authorities. It will also include representation by employers bodies, the professions, organised labour, the emerging sector and others.

4. CONCLUSION

Madame Speaker, Honourable Members of the House,

The CIDB must be a catalyst for change. It must ensure sustainable growth, regional and global competitiveness and the continuous inclusion of historically marginalised sectors of our society. It must promote investment and value for money to clients.

In conclusion, I would like to thank the Task Team as well as the Department's drafting team, and all stakeholders for the hard work that has been put into the legislation before us.

In particular, I wish to thank the members of the Portfolio Committee for their effort to ensure that the legislation has been finalised in time for consideration at today's assembly.

Today is indeed an historic day. The passage of the Bill before this House will place the construction industry firmly on the national agenda - in the interest of all South Africans.

The industry has the full support of Government and we will continue to value its contribution to the development of our people and our democracy.

As we move forward to implement this enabling legislation we will continue to rely on the commitment of all role-players to growth, development and transformation of the construction industry.

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