

**Minister of Public Works
Ms S Sigcau
21 June 2002**

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**Construction Industry Stakeholders Forum
CSIR
Pretoria**

Chairperson,
Colleague Ministers and Deputy Minister
Members of Parliament
Members of the Construction Industry Development Board
Leaders and Stakeholders of the Construction Industry
Representatives of the Media
Distinguished Guests
Ladies and Gentlemen

1. PURPOSE OF THE GATHERING

1. This first meeting of the construction industry stakeholder forum draws together significant formations of the South African construction industry together with a wide range of public and private sector stakeholders.

2. Today, I must thank the CIDB for succeeding to convene such a widely representative forum. We are assembled together as employers and labour, as established and emerging sectors, as constructors and materials suppliers, as clients, contractors and subcontractors, as designers, professionals and teachers and last, but not least, as the private and public sectors.

3. I am honoured to welcome you all as valued stakeholders for a sustainable industry that must deliver the backlog of infrastructure to our people.

4. Today is indeed an historic event that has its roots in a 5-year process of cooperation to develop the policy and legislative framework for construction industry development - a process that led to the appointment of the Construction Industry Development Board and indeed to this meeting - and all stakeholders contributed to the final legislation enacted by Parliament.

5. I thank all of you for making time available to contribute to this common development process that must fundamentally restructure our delivery processes. This is not going to be a "quick and dirty" process. It is not about quick fixes and minor adjustments to the way we conduct our business. Nor is it about "grandstanding" to assert yesterday's positions that may divert us from the forward path we have chosen.

6. This inaugural meeting is about gearing the commitment and ongoing contribution of all stakeholders to translate our vision and development strategy into realisable targets and outputs. If it accomplishes this task, the Stakeholder Forum will be remembered as a significant and positive turning point in the industry's development.

2. THE CONTEXT OF OUR CHALLENGE

7. Our meeting is indeed a timely one and I would like to reflect on the nature of our immediate and future challenge.

Ladies and Gentlemen,

8. Our economy has demonstrated a robust ability to withstand the turbulence of international markets. Government has succeeded in its effort to significantly reduce the inherited apartheid debt burden - enabling us to reach the goal we have aimed for, namely the increased availability of development finance for socio-economic upliftment.

9. Government's continued commitment to infrastructure investment is clearly demonstrated by the increased MTEF allocations within the budget. Provincial capital expenditure alone, is set to double over the next three years, from R7.6 billion in 2000/01 to R14 billion in 2003/04.

10. Increased public sector spending coincides with increased private sector investment, which is evidenced by mega projects in the mining sector and developments such as the multibillion-rand Coega port and industrial development zone - as well as others.

11. These investment realities define the enormous challenge facing the industry and all stakeholders. Are we ready as stakeholders to seize the opportunity presented by this potential for rapid growth and delivery? What is it that we need to do?

3. THE DEVELOPMENT CHALLENGES

12. To meet this challenge and further challenges such as NEPAD, we need to develop sustainable construction capacity and skills. We need to develop the delivery management of clients, particularly those in the public sector - so that the funds allocated are effectively spent on our much-needed infrastructure.

13. We need to develop best practice and consistency throughout the procurement and delivery system and to transform construction procurement for improved relationships in the contracting process. These are the fundamental building blocks of delivery and industry development.

14. Our joint efforts must unlock the effective participation of all role players, creating sustainable participation of the emerging sector, the workforce and women in construction. Sustainable enterprise development and employment are critical to skill formation, efficiency, value for money and a prospering industry.

15. A recently commissioned Construction Industry Status Report suggests that there is much to be done to improve the performance of public and private sector clients, the professions and the contracting sector. I am certain that such issues will form part of today's discussion.

16. I am pleased to note that these issues are addressed also in the CIDB business plan and I call on the CIDB to recommend concrete improvement targets that can be supported by Government and industry - so that we are able in the future to measure progress.

4. ROLE OF THE CIDB AND THE STAKEHOLDER FORUM

Chairperson,

I would like to say a few words about the role of the CIDB and the stakeholder forum.

17. The legislation enacted by Parliament charges the CIDB to drive a comprehensive industry development strategy in partnership with all government delivery agencies and the private sector.

18. The core objectives of the CIDB are:

- To establish and promote appropriate and uniform best practice standards and guidelines that promote improved industry performance as well as social and economic objectives;
- To ensure the uniform application of policy throughout all spheres of government as well as 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.

19. 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.

20. Ladies and gentlemen, the responsibility of the Board is immense. The Board will, therefore, continuously require the support and input of stakeholders. This forum, which enables the representation of all stakeholders, is one means to accomplish this objective. It provides an opportunity for all of us to exchange our experiences and work towards a shared approach.

21. I am sure you will agree with me that it is impossible for two South Africans to agree on everything - let alone a meeting of this nature. This meeting should allow us to understand different perspectives, raise issues and identify the possible action that each stakeholder can take to contribute to the overall strategy for industry development.

5. CONCLUSION

22. You all have a role to play in shaping the industry to the benefit of the South African people, who are the ultimate stakeholders. In the challenge of delivery, we in government regard the construction industry as a national asset, both in the development of our country as well as in the development of our region and in the context of NEPAD.

23. 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.

24. The CIDB has made a very positive start. I have no doubt that it will continue to rely on the commitment of all role-players to growth, development and transformation of the construction industry.

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