

Minister of Public Works
Mr J Radebe
27 November 1997

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At the launch of the Green Paper on Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry

Honourable chairperson,
Your excellencies,
Respected members of the construction industry,
Honourable members of the media,
Ladies and gentlemen.

Today marks a special moment in the history of the construction industry in South Africa. We are gathered here to express our full confidence as government and stakeholders in the construction industry and its potential to contribute to the goals of social transformation. For the industry to make a significant contribution, it will itself need to overcome current constraints and adopt a path that is both sustainable and competitive.

Infrastructure development is indeed at the heart of the policy of the ANC-led government for achieving economic growth and improving the quality of life of the majority. The construction industry provides the infrastructure that remains so fundamental to the ongoing development of our country. The significance of today's transformative step should therefore not be taken for granted.

In the past years, construction contributed only 2.79 per cent of the country's gross domestic product. This trend is in contrast to the history of construction in other countries with similar status as South Africa. This reflects a serious weakness rooted in structural and operational distortions, which inhibits our ability to meet new demands. This, within the context of reconstruction and development necessitates qualitative transformation of the construction sector.

Ladies and gentlemen, transformation is a necessity due to the urgent challenge to increase output considerably above current levels, declining efficiency, output quality and gross inequalities which have seen disproportionate few dominate the market at the expense of the majority. Government and its social partners are at one on the core features and problems besetting the industry. To this end, the ANC-led Government initiated a comprehensive programme to create an enabling environment for the reconstruction, growth and development in the construction industry.

On behalf of government, I wish to congratulate our social partners on their constructive engagement with government on restructuring this important sector of our economy. We are also aware of numerous industry restructuring and empowerment programmes. We are therefore confident that the structures we will put in place will indeed enjoy the support of everyone-government, labour and the captains of industry.

Furthermore, there is broad recognition within and outside government that effective infrastructure development will require co-ordination and integration.

The challenge is to broaden this experience beyond government into industry itself. I am convinced that this will be achieved through an inclusive participatory policy formation process. The establishment of the Task Team itself should be welcome. By the end of this launch, we will have collectively created a common centre through which to transform, and to advance programmes for further development in the industry. Stakeholders now have a reference centre on the policies, ideas and strategies for change. The launch will ensure that the initiatives of government since 1994 are deepened and put to new heights.

Our policy initiative "Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry" provides for a comprehensive strategy and programmes to uplift and transform the construction industry well into the 21st Century. A central goal of this strategy is enhanced delivery to meet the needs of South Africa's majority population and to ensure that the role of the construction industry is maximised in the development of the economy, the development of the country's human resources and in the democratisation of society. These programmes embrace the development of a more stable delivery environment as a foundation for sustained skills formation, improved quality, productivity and health and safety. It also proposes programmes aimed at developing new capacity and the emerging sector' and at enhancing the role and delivery capacity of the public sector as fundamental to the clearing of delivery bottlenecks.

The successful creation of an enabling environment in which growth and development benefits are maximised in the construction industry represents a long-term endeavour of co-operation between government and the industry. Recognition of this reality makes it imperative to begin the process now. The establishment of the envisaged statutory development board, register of contractors and other institutional arrangements requires planning, consultation and, in some cases, legislation. It is also imperative that the groundwork is laid for co-ordination of programme implementation.

Ladies and Gentlemen, the success of this process depends on focused political support and co-ordination of measures aimed at enhanced infrastructure delivery, construction industry growth and improvement and at development of the required institutional capacity. Furthermore this will require co-ordination of all organs of the public sector involved in infrastructural delivery. At the national level we have already taken the initiative for effective co-ordination and integration through the establishment of the Inter-ministerial Committee comprising key national Ministries co-ordinated by myself. Other ministries include Transport, Housing, Water Affairs and Constitutional Development. This Committee will provide direction in the finalisation of policy and the implementation of strategic programmes and advise cabinet.

I must however emphasise that Inter-ministerial co-ordination is a necessary condition for the achievement of the objectives of this strategy. I further recognise the need to draw on the expertise and commitment of the industry itself. Government will continue to play a leading and central role through creating an enabling environment, planning and financing of this process. Despite this leading role of government we will need to draw on the collective experiences of those involved in the industry for many decades.

In addition to the inter-ministerial committee, we will establish a task team whose main purpose will be to drive the institutional development as proposed in the green paper. It will further provide a focal point for consultation to refine the agenda for positive change. In this capacity it will act as a reference for further development of policy and of strategic programmes.

Ladies and gentlemen, we view the strategic significance of the Task Team as putting together the necessary conditions for the establishment of the statutory Construction Industry Development Board. I have confidence that the task team will remain focused on the critical task of establishing viability factors which will lead to the successful establishment of the board.

As mandated by cabinet to co-ordinate and oversee the transformation of the construction industry, the Department of Public Works and I are mindful of the complexity of the industry and the environment in which it operates. Through the Green Paper we are putting forward a vision and strategic framework that will take on board current and past experiences. We will ensure that the process is as inclusive as possible and mirrors the make up of the industry in all institutional arrangements, including the Construction Industry Development Board. The board will therefore consist of members rooted in the industry, influential, transformative and representative of South Africa's people and aspirations.

Consistent with this perspective, we have called for nominations in constituting the task team. I am proud to say, the response has been overwhelming, with more than 90 submissions received from organisations and individuals. I am convinced, as Minister responsible for this process that we have been able to select a balanced, able and dedicated team for the tasks that lie ahead.

Ladies and gentlemen, in our efforts to assemble an effective team, we have de-emphasised the issue of stakeholder representation. Thus, the team selected includes only a few of the elected leaders of various stakeholder groupings, whose major task must always be to represent the more immediate interests of their constituencies. However, this should not imply that the contribution of stakeholders is not valued. On the contrary, their participation will be actively engaged within the scope of the envisaged Reference Group and in specific focus groups set up by the Task Team. This commitment to the larger process is vital for its success.

The institutional arrangements put forward in the Green Paper will only succeed if they are focused and co-ordinated with effective executive capacity. Government will support measures aimed at building the capacity of these structures to play their role effectively.

The Task Team's function is about innovation and support to Government's role in encouraging the industry to adopt procedures and practices which we consider to be in the long-term interest of the industry, and of the country as a whole. Stakeholder leaders and the industry at large are invited and encouraged to participate actively in this project.

Ladies and gentlemen, a great deal of thought has gone into the selection of the Task Team itself.

We have sought to put together a balanced team which broadly embodies not only the branches and expertise of the industry, but also our vision for its development. It's members are women and men of stature and boldness, of maturity and vigour. The team embodies a breadth of skills and experience which include: construction and contracting, design and consulting, procurement, project management, labour relations, finance, public sector delivery, law, training and research.

In our efforts to constitute a balanced and representative team, with a spread of skills and stakeholder linkages, our over-riding concern has been to ensure a team of standing, and commitment. In all cases the candidates selected to serve on this Task Team have been selected for their outstanding individual performance and their potential in relation to the Green Paper objectives of Reconstruction, Growth and Development in the South African Construction Industry.

In conclusion, ladies and gentlemen, it is a great pleasure to present this team to you' to the entire industry and to all South Africans. It is a team we have confidence in and can take pride in. It is a team which we believe will champion the objectives of construction industry development as outlined in the Green Paper.

With the spirit, objectives and programmes of the Green Paper as the departure point, I am confident the Team will rally the efforts of all stakeholders, and will forge unity in action to create an enabling environment for reconstruction, growth and development in the South African construction industry.

In this way we can all contribute to the goal of accelerated and improved delivery of the physical and social infrastructure which must rapidly uplift the lives of ordinary South Africans. This responsibility inextricably underpins the project of national transformation. This is the responsibility which I, on behalf of my colleagues on the Inter-ministerial Committee and of Government, am vesting in the Task Team as we launch it today.

I THANK YOU !

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