

MINISTER SPEECH – LAUNCH OF THE CONSTRUCTION INDUSTRY REPORT

- Master of Ceremonies,
- My Colleagues, MEC's for Provincial Public Works
- Members of Parliament
- Your Excellencies, High Commissioners present here tonight
- Directors General
- Members of the Construction Industry Development Board
- Leaders of the Construction Industry and its Stakeholders
- Distinguished Guests
- Ladies and Gentlemen

INTRODUCTION

In this year (2004) we celebrate 10 years of democracy and freedom. We celebrate 10 years of reconstruction to advance our people, our country and our continent.

Tonight we also celebrate much that has been achieved by government together with the South African construction industry over the past 10 years. Our collective achievements include amongst others the following:

- 1.6 million houses have been built
- 70% of households have been electrified
- 700 new primary health clinics have been built
- 9 million people received water
- 56 000 school classrooms have been built to ensure that no children will learn under trees.
- Almost 4000 projects have been created as part of the Department's Rural Infrastructure Development Programme called Community Based Public Works Programme to bring essential services to the poor rural communities.

New roads and economic infrastructure, new sport and community facilities are transforming the lives of people everywhere in our country. All of these, and more, are delivered and maintained by "SA Construction", which itself has embarked on the tough but rewarding journey of transformation.

AN INDUSTRY IN CHANGE

Over thousands of years the construction industry has laid a concrete foundation for many great civilisations. The Pyramids of Egypt, the road network of the Roman Empire, the shrines of the Inca people and the stone kingdom of Zimbabwe at Mwene Mutapa, all bear testimony to the fertile imagination of the construction industry. Truly we are the offsprings of legends.

Tonight we celebrate 10 years of an industry in change. We have opened up opportunity to those previously excluded, including women in construction. We have created the basis for industry-wide skills training. We restructured the regulation of the professions, opening up greater access by society and creating the Council for the Built Environment.

Tonight I would like to recap on a few relevant milestones of the process we have engaged in over the past five years.

All of you who are here tonight have been participants in the process to develop ***“An Enabling Environment for reconstruction, growth and development in the construction industry”*** – the goal of the Government’s White Paper, which we published in 1999.

A year later in 2000, Parliament enacted legislation to establish the Construction Industry Development Board (CIDB) as a body that should provide leadership for change, for sustainable growth and empowerment, for improved delivery and performance. Through the legislation, Parliament equipped the CIDB with statutory instruments to drive these objectives.

In October 2002 we launched the HIV and Aids Awareness Strategy for the industry with full cooperation and support from the industry.

At the second Stakeholder Forum meeting in November last year, we reviewed progress made towards establishing these instruments. We reviewed the Construction Procurement Best Practice and Code of Conduct developed with your support in a Focus Group of industry and client specialists.

We reviewed the Toolkit for Public Sector Delivery Management that will be rolled out this year together with our National Treasury - to ensure that Government’s infrastructure investment is effectively delivered.

In particular we reviewed progress on the Register of Contractors and Register of Projects that clients and industry have helped to pilot. These registers will regulate the industry around a common development agenda underpinned by best practice procurement and project processes. They create a framework for sustainable industry growth and empowerment.

Since then we have taken the process forward and this year you have commented on the draft regulation published by my Department to establish these instruments of change. I am pleased to report that the comment has been supportive and helpful - and we are aiming to finalise the regulation later this month so that implementation can begin in May of this year.

THE STATUS REPORT

Ladies and gentlemen,

At last year’s Stakeholder Forum Meeting, we also reviewed and sought to understand a range of challenges on the way forward. I proposed then that we reconvene in March of this year as I was confident that the CIDB Status Report would capture and frame these challenges for discussion and appropriate action. I have not been disappointed and I believe the report reflects all the issues you have raised.

On behalf of government I would like to congratulate the Construction Industry Development Board for this report which coincides with the end of its first three-year term of office and also with the first 10-years of democratic government. The generous stakeholder input to the document reflects a common commitment to the industry and its pivotal role in creating the country’s future.

The review provides a sober assessment of the state of the construction industry and its preparedness for key development challenges facing our country. It highlights areas of progress and provides insight on significant challenges to industry growth and the accelerated delivery of infrastructure. These challenges are closely linked to the need for raised levels of performance and empowerment.

This year, as a further expression of our determination to address unemployment and poverty, Government will launch the Expanded Public Works Programme, announced by President Thabo Mbeki to intensify job creation through the delivery of infrastructure.

This report throws into stark relief, the special responsibility placed on the construction industry to spearhead job creation and skills development so that our growing economy is increasingly accessible to all citizens – and in turn is injected with the vigour of expanding productive participation.

I have no doubt that this Status Report will also inform the 2004 Construction Summit and the work in progress by industry and government towards a Construction Charter.

But beyond these important initiatives, it is my belief that the review should continue to inspire the responsibility and action of all stakeholders, including public and private sector clients, for a better industry. In order to equip South Africa with the built environment it needs for economic and social development.

Our construction industry is also key to Nepad and Africa's infrastructure that should be delivered with the same attention to socio-economic progress that defines our objectives at home.

CONCLUSION

Ladies and gentlemen,

Tonight we are gathered together to launch a new phase in our journey. The launch of this Status Report is in fact an invitation to all of you as leaders in your various constituencies to deepen your commitment - and to reflect on your role and response to the challenges ahead.

The Status Report crystallises 5 key areas of focus in the way forward. These are:

- To boost the all round capability to deliver South Africa's infrastructure by focused capacity building in the public and private sectors.
- To mobilise industry and client leadership for a culture of respect for people and the environment, including pride in the industry that builds South Africa.
- To implement sustainable BEE in a comprehensive approach to transformation across the full spectrum of the industry.
- To implement an improved regulatory framework that will drive a convergence of development focus by all stakeholders.
- To promote greater public and private sector partnership for improved construction performance and implementation.

Ladies and gentlemen,

Once again I thank the CIDB for this documented discussion framework.

Government's "*Towards a Ten-year Review*" published at the end of last year has called on other sectors to undertake their own detailed review of progress and challenges. To my knowledge the construction sector is the first to respond with this comprehensive review.

I thank you all for your contribution to this particular output and for your contribution and cooperation in the process we have engaged together over the past years.

I also want to take this opportunity to express my heartfelt appreciation and gratitude to the current members of the Construction Industry Development Board for their contribution during their term of office. Likewise my sincere sentiments go towards the members of the Stakeholder Forum.

In closing, I would like to assure you that the Government you will elect next week will continue this process and will build on the work done.

The new Government will continue the focus to grow, transform and nurture the national asset base of our industry so that SA Construction can deliver the built environment needed for our country's economic and social progress.

As a leader, I would be irresponsible if I did not encourage you all to go and exercise your democratic right to vote. After all, as contractors, and builders, you helped to build this democracy in more ways than one.

I thank you.