

16 January 2025

**Minister of Public Works and Infrastructure, Mr Dean Macpherson, Speaker Notes
Five-Year Review Report Handover, 16 January 2025**

1. Recognising the work of the Review Panel.

The work of the Review Panel, led by Ms. Zimbini Hill and her excellent team is recognised. The panel was carefully chosen to conduct the review and judging from the Review Report they have exceeded our expectations.

The Review coincides with the strategic planning cycle of the cidb for the five years i.e. 01 April 2025 to 31 March 2030 and is designed to drive the cidb's enhanced contribution for the inclusive development of the construction industry.

2. Set the scene for the environment in which the Report is developed

CIDB Act Review

The cidb Amendment Bill was published in May 2024 with extensive stakeholder consultation conducted across all provinces. The Amendment Bill seeks to extend the developmental mandate to the private sector, to expand the rollout of national registers under the cidb, to improve compliance and enforcement provisions, to modernise the legislation, and to provide for improved governance provisions. The Department is working tirelessly to finalise the process and this Review will strengthen the evaluation process.

National Construction Summit for Crime-Free Sites

We have recently held a successful National Construction Summit for Crime-Free Construction Sites in November 2024. The cidb facilitated the Summit in support of the Department of Public Works and Infrastructure.

This resulted in the Durban Declaration as an outcome of the Summit which included commitments to improve data collection systems; reporting and early warning systems, including establishment of anonymous whistle blower hotlines and reporting tools; and Rapid response leading to arrests for extortion on construction sites. The summit addressed safety concerns and criminal activities on construction sites, fostering dialogue among stakeholders to develop practical solutions for building crime-free environments within the industry.

There was also commitment to develop a national Social Facilitation Framework led by DPWI that will be applied on construction projects to ensure that there is inclusivity and development on construction projects, thereby protecting the project from being taken over by extortionists.

3. Observations from the Five-Year Review Report

Some of the positives:

The cidb is also recognised as being an entity that is well governed, with improved financial governance and improving their governance to a clean audit. The Five-Year review recognises the cidb's role as custodian of the national Register of Contractors and Projects.

It is also noted that cidb **B.U.I.L.D Programme** is a critical lever for the cidb to drive the inclusive development of the construction industry. The B.U.I.L.D Programme involves the acceleration of skills development through infrastructure projects and the structured development of emerging enterprises. The cidb has developed the applicable best practice standards and guidelines that infrastructure clients are required to integrate in their procurement and delivery processes. The B.U.I.L.D Programme also includes the B.U.I.L.D Fund which unlocks cidb's broader development support strategy which includes performance improvement, skills development, infrastructure technical capacity improvement and funding for the emerging sector.

Areas where focus is required:

The areas of focus for the cidb must underpin the critical challenges facing the construction industry which includes the high-rate of project failure; poor productivity; the need for innovation and sustainable practices such as green building and the integration of renewable energy, aligning the local industry with global environmental standards; protection of local construction companies which could be strengthened through policies to protect and promote local companies; site disruptions and lack of compliance; poor payment practices; and Corruption.

The Review Report provides the following areas of focus for the cidb:

- a. The cidb needs to address critical staffing gaps so that its interventions are accelerated and are effective. Operational responsiveness remains a priority.
- b. The cidb occupies a unique space as a regulator and also a developmental entity. The functions for regulation and for development needs to be clearly delineated so that the cidb can effectively drive compliance to standards while also driving the development of the industry.
- a. The cidb has a crucial role to play in driving technological advancements and digital transformation within the construction industry, ensuring South Africa's construction sector remains competitive and responsive to global trends.
- b. Emerging contractors need simplified access, improved mentorship and training.
- c. Fostering partnerships with public entities, industry bodies, and educational institutions to support training, procurement reform, and workforce development.
- d. The cidb is to enhance its contribution to procurement reform driving improved performance of infrastructure clients for effective delivery of infrastructure projects.
- e. It is to be noted that the delivery capability of contractors on the cidb Register to successfully complete projects is critical and requires improved validation of contractors. There was also a general concern among stakeholders that cidb registered contractors perform poorly. This is a theme that emerged across the provinces.
- f. There is opportunity for the cidb to extend its existing Registers to encompass the construction industry value-chain of material manufacturers, suppliers, professional service providers and contractors, considering the implementation recommendations in the review report.

- g. The cidb could play a pivotal role in the reforms outlined in the Medium Term Budget Policy Statement, including delivery mechanisms such as project delivery through Public-Private Partnership (PPP).
- h. In terms of sustainability the cidb to focus on supporting green building codes; incentivising the adoption of sustainable construction methods; supporting the use of modern methods of construction; implementing carbon reporting and reduction policies; promoting the circular economy in construction; encouraging renewable energy integration; and driving sustainable best practices education within its training programmes.

Conclusion

We thank the Review Panel for their sterling work and hand this Review Report to the cidb Board for implementation so that the cidb enhances and accelerates its contribution to the inclusive development of the construction industry.

THANK YOU