

18 April 2020

Urgent Industry Update

Reopening of Construction Sites and Guidelines for Protection of Workforce during COVID-19

Dear Industry Colleagues,

I am happy to inform you that the documents pertaining to the reopening of construction sites and guidelines for protection of the workforce, were submitted on behalf of the entire construction sector on 08 April 2020 by SAFCEC in its capacity as Public Private Growth Initiative (PPGI) Construction Sector Leader, via the PPGI as well as to the Director General Infrastructure and Public Works, who, *inter alia*, was assigned by the South African Presidency to service the construction sector within the PPGI. The documents have been positively received and announcement of the final decision in this regard is imminent, as the said submissions are receiving urgent attention (see attached for ease of reference).

It is also important to note that, in keeping with the requirement that labour within our sector be part and parcel of an inclusive response and compliancy, the submission was shared with and supported by organised labour - in particular, the General Secretaries (GSs) of both NUM and BCAWU. Both these GSs are being kept abreast of developments in this regard, as any plan to reopen the construction industry will be stillborn without the concurrence of the unions that comprise our workforce. Further to this, it is common cause that SAFCEC in particular, is the only association within the construction sector that has an established, fully functional and successful bargaining council in the Bargaining Council for Civil Engineering Industry (BCCEI) and, unlike similar industry associations, are therefore obliged to work collaboratively with labour in all plans and responses to COVID-19 imperatives.

Further to this, it is equally important to note that prior to the aforementioned submission, and with the objective to ensure the unfettered, smooth operation of construction sites, we undertook to consult with both the President and General Secretary of the Forum for Radical Economic Transformation (FFRET), an umbrella body for the business forums operating in the construction sector in South Africa, with whom we have in the past successfully reduced the occurrence of violent site disruptions. They have welcomed and supported the submission and have undertaken to ensure that their members continue to play a constructive role in the reopening and full operation of the construction sector.

The PPGI has proven itself the most effective special purpose vehicle to address the challenges facing all economic sectors in South Africa, including the construction sector. I am very happy to further inform you that at the PPGI

meeting with President Cyril Ramaphosa held on 17 February 2020, he expressed grave concern and sympathy regarding the challenges faced by the construction sector. This meeting was also attended by Trade, Industry and Competition Minister, Ebrahim Patel, who noted that, among other things, there is an urgent need to develop a Construction Sector Master Plan.

Through SAFCEC's leadership within the PPGI, many construction sector challenges such as site disruptions, non-payment, lack of work for the industry, etc. are constantly being addressed. Following the SAFCEC-led industry delegation who met with the National Prosecuting Authority (NPA) on 8 October 2019, and more recently, on 20 March 2020, with the National Commissioner of Police, it is very clear that government is taking the construction sector seriously. This is evident by the announcements made by President Cyril Ramaphosa at the State of the Nation Address (SONA), as well as the budget speech made by the Minister of Finance regarding violent site disruptions, which is why the NPA agreed with our proposal in the first place; that violent site disruptions and extortion related thereto should be addressed in terms of the Prevention of Organised Crime Act (POCA). As was echoed by the President during SONA, this is indeed a major development.

As the leader of the construction sector, I therefore place on record that there is absolutely no need by any party to duplicate the efforts and achievements that have and continue to be made via the PPGI. In its role as the leader of the sector, SAFCEC welcomes any initiative that seeks to either complement and strengthen these efforts or consolidate achieved gains as it pertains to challenges faced by the construction sector and will continue to speak on behalf and for the benefit of the construction sector as a whole. We will not, however, be party to any process that is either patently in duplication of, or in competition with, the PPGI process that is recognised and supported by the President of the Republic of South Africa.

In light of the above, and following discussion with the SAFCEC Presidency, SAFCEC has therefore made the decision to withdraw participation in and its endorsement of the recently formed COVID-19 Construction Rapid Response Task Team, on the basis that it has failed to demonstrate compliance with the **two cardinal principles** we had advanced as reasons for our initial decision to participate and / or endorse such a task team, namely; (i) **inclusivity**, i.e. involvement of broader structures, including organised labour; and ii) **complementarity**, i.e. it must complement and support the existing PPGI process and must not be in duplication and /or competition thereof, as government is already paying serious attention to the same issues via the PPGI.

It must be noted that SAFCEC will not stand in the way of any organisation from exercising or pursuing the right to put their point of view to authorities on any matter, but a "reasonable man's test principle", would beg a serious question as to the reason for duplication and parallel processes, instead of complementing and strengthening the existing PPGI process. Especially since the efforts that have already been and are currently being made on the same matters, are receiving favourable attention from authorities via the PPGI - a presidentially recognised and effective platform - which I personally regard as one of the best things since sliced bread.

It is also important to contextualize the standing of SAFCEC within the construction sector. Out of the 5 (five) construction sub sectors, our legal scope, *inter alia*, roads and civils, constitutes approximately 70% of all levy paying employers, measured by the size of their workforce, as registered with the Construction SETA. This means that that the remaining 4 (four) sub-sectors, including building, constitute the remaining 30%. It is therefore common cause that when reference is made to the construction industry in South Africa, SAFCEC becomes the most strategic stakeholder with the requisite critical mass to participate in and advance the sector challenges in collaboration with other like-minded stakeholders who have an interest in complementing efforts beneficial to the construction industry in its entirety.

As previously stated, not only is SAFCEC the only the employer organisation with a fully functional and successful bargaining council (hence we cannot move forward without the concurrence of organised labour), but it is also one of only two voluntarily associations in South Africa that operate on international quality management standards and is ISO certified according to the latest standard. As an important industry information repository through our quarterly state of the industry reports, used, *inter alia*, by some economists, industry players and the South African Reserve Bank, we also take extra care in terms of our participation with other stakeholders, provided that the principles of inclusivity and complementarity are strictly adhered to.

In conclusion, in my capacity as the PPGI construction sector leader, I would like to thank all those who have committed themselves to genuine unity within our ranks and in our partnership with like-minded organisations. Through the PPGI, the construction sector is no longer a second cousin to other sectors, but has been identified by President Cyril Ramaphosa as an important sector in the effort by all to reignite the South African economy, so that we can all work towards attainment of the noble goal – however elusive it may currently seem - that will see infrastructure investment contributing 30% of the Gross Domestic Product by 2030. We also extend our gratitude for the sterling leadership demonstrated by our government under the stewardship of President Cyril Ramaphosa, and for his deep understanding of the construction sector's contribution to and role in the South African economy.

We eagerly await government's response to our impassioned plea to reopen the construction industry and the favourable response to the guidelines that we have submitted to ensure compliance with COVID-19 imperatives.

Sincerely,



Webster Mfebe
Chief Executive Officer

Copy : Aubrey Tshalata: PPGI Emerging Sector Representative and NAFBI President.
: David Siphunzi - NUM General Secretary
: Narius Moloto – BCAWU General Secretary