



# Challenges of Construction Industry Development

Spencer Hodgson

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# Current Challenges

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- To increase the contribution of the industry to GDP.
- To meet basic infrastructure needs.
- To promote “best practice” and value for money to clients.
- To promote equity and the emerging sector



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# Construction Industry Development-Definition

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“the deliberate and managed process to optimise the contribution of the construction industry in meeting national construction demand and promoting national development objectives, including international competitiveness and promotion of domestic capacity, improved value for money to clients, etc....”



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# Policy Framework

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- Green paper - vision and strategy for industry development
- Range of proposals grouped in key programmes
- Programmes and support measures form basis for integrated industry development strategy.
- CI DB - vehicle to drive this strategy on behalf of all stakeholders.



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# Aim & Vision

→ Our vision is of a construction industry policy and strategy that:

- promotes stability,
- fosters economic growth and international competitiveness,
- creates sustainable employment, and
- addresses historic imbalances as it generates new industry capacity



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# Strategic Programmes

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## **Support Programmes Grounded in Green Paper**

- Stabilising the delivery environment
- Enhancing industry performance
- Restructuring industry training and HRD
- Promoting new capacity and the emerging sector
- Developing the capacity of the public sector



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# Towards Implementation

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Structured process of engagement with all stakeholders:

- Interministerial Task Team,
- Reference group of stakeholders,
- Focus groups of industry specialists



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# Work of the Task Team

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- White Paper
- Lay the foundation for CI DB
  - CI DB Business Plan
  - Culture of "Development through partnership!"
  - Programme outputs through focus groups



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# Outputs and Focus Groups

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- CI DB business plan
- Register of contractors
- Public sector capacity development
- Scheduling of public sector spending
- Improved public sector payment procedure



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## Outputs and Focus Groups (cont)

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- Alternative dispute resolution mechanisms
- Skills training strategy - access, funding
- Guidelines for labour intensive construction
- Targets for industry performance improvement
- Model joined venture agreements/sub-contracts



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# CI DB - ROLE

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- **Provide leadership for industry transformation and development**
- **Bind public and private sectors**
- **Develop priorities, targets & performance indicators**
- **Promote research relevant to industry development**
- **Advise Inter-ministerial Committee**
- **Promote and drive development programmes**



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# DEVELOP A STABLE DELIVERY ENVIRONMENT

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- **Stimulate demand and Counter volatility**
  - Promote Public/Private sector partnerships
  - Schedule Public Sector spending
- **Create a stable work environment**
  - National register of accredited contractors
  - Promote stable labour relations



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# ENHANCE INDUSTRY PERFORMANCE

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- **Work process transformation**
  - Quality and productivity
  - Environmental protection
  - Integrate design and construction process
  - Establish standards
- **Best Practice standards**
  - Monitor requirements
  - Promote industry-wide co-operation



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# EDUCATION, TRAINING AND H. R. DEVELOPMENT

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- Promote funding, access and training in line with integrated development strategy
- Industry skills training
- Built environment professionals



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# NEW CAPACITY AND THE EMERGING SECTOR

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- Support emerging contractor initiatives
- Review, simplify and standardise documentation
- Payment and surety arrangements



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# CAPACITY and ROLE of the PUBLIC SECTOR

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- Ongoing review of regulation to promote development
- Improve public sector capacity to manage delivery
  - HRD and other measures
- Promote regional cooperation



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# Derived functions of the CI DB

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- Business Development (market growth)
- Industry Development (value for money)
- Public Sector Capacity
- Economic Analyses
- Register of Contractors
- SETA



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# Way ahead

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- Implementation through focus groups
- CI DB - finalise business plan as basis for legislation (April 1999)
  - constitution, composition, powers
  - resourcing and financing
- Establish CI DB as permanent vehicle for "development through partnership"



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