

## MEDIA STATEMENT

### **Voluntary Rebuild Programme and cidb agreement with companies involved in construction collusion**

**Johannesburg, 11 October, 2016:** The Construction Industry Development Board has welcomed the announcement today, of the signing of the Voluntary Rebuild Programme (VRP) Agreement between Government and six of the fifteen companies involved in the collusion uncovered by the Competition Commission in the past.

The six companies are Aveng (Africa) Pty Limited, Raubex Pty Limited, Steffanutti Stocks Holdings Limited, WBHO Construction Pty Limited, Basil Read Holdings Pty Limited and Group Five Limited.

Commenting on the VRP agreement, the cidb Acting Chief Executive Officer, Ms Hlengiwe Khumalo, said that the agreement embodied the principles of development and growth of the emerging sector, which are in line with the cidb legislative mandate to advance national social and economic development objectives.

In terms of the agreement, the parties will collectively make a contribution of R1.5 billion to a fund to be established for social and economic development with a direct bearing on the construction sector. The contribution is additional to the R1.4 billion administrative penalties already imposed by the Competition Authorities. Among others, the concerned firms will further adopt a formalised development programme targeted at the emerging contractors, involving mentorship as well as attainment by the emerging contractors, of specified turnover targets.

Although the cidb is not a party to the Agreement, it has a monitoring role, along with the Presidential Infrastructure Coordinating Commission, to ensure that the signatories comply with their obligations under the agreement. The parties have an obligation to report progress to the cidb.

In view of the outcome of the negotiations between Government and the construction firms, Khumalo announced that the cidb had reached a separate independent agreement with the firms in terms of which it will withdraw its disciplinary proceedings against them. The agreement between the cidb and the seven companies obliges the companies to comply with their obligations as assumed under the VRP Agreement, to additionally withdraw their high court applications for review of the cidb legislative framework and to contribute to the costs incurred by the cidb and the Minister of Public Works for the court proceedings.

In total seven companies have been involved in negotiations with Government on the Voluntary Rebuild Programme which was signed today. Government has said that the seventh company, identified as Murray and Roberts, is also on the verge of signing the Agreement.

**Ends.**

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