
GENERAL NOTICE

NOTICE 862 OF 2009

Issued in terms of Section 9 (1) of the BBBEE Act 53, 2003

(DEPARTMENT OF TRADE AND INDUSTRY)

CODES OF GOOD PRACTICE ON BROAD BASED BLACK ECONOMIC EMPOWERMENT

Whereas I, **Mandisi Mpahlwa**, Minister of Trade and Industry:

- (a) Having issued a DRAFT CONSTRUCTION SECTOR CHARTER for public comments in terms of **Section 9(5)** of the Broad-Based Black Economic Empowerment (Act No. 53 of 2003) on the **5th December 2008** in terms of which ;
- (b) the public and interested persons were invited to comment on the draft Sector Charter within a period of **60 days** from the date on which the Draft Sector having been published,
- (c) Now publish the CONSTRUCTION SECTOR CHARTER as a SECTOR CODE on black economic empowerment in terms of **Section 9(1)** of the BBBEE Act, 53 of 2003.

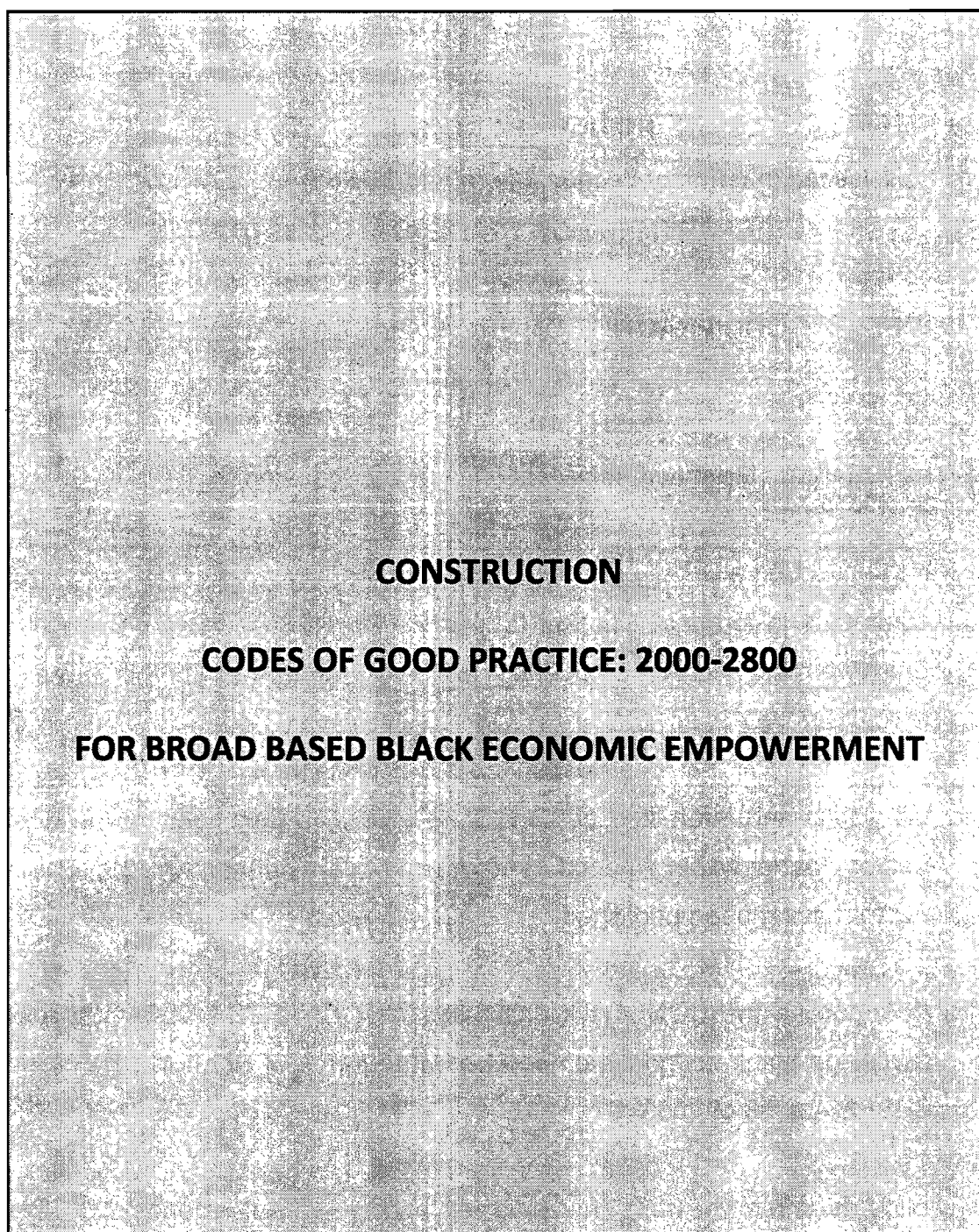
This notice is effective from the date of publishing and means that the CONSTRUCTION SECTOR CODE is binding on all stakeholders operating in the Construction Sector.



MANDISI MPAHLWA

MINISTER OF TRADE AND INDUSTRY

DATE: 04-05-2009



CONSTRUCTION

CODES OF GOOD PRACTICE: 2000-2800

FOR BROAD BASED BLACK ECONOMIC EMPOWERMENT

CONSTRUCTION CODES

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Code Series 2000: Introduction**1. Preamble**

- a. Despite significant progress since the establishment of a democratic government in 1994, South African society is characterised by racially based income and social service inequalities. Consequently the vast majority of South Africans remain excluded from ownership, control and management of productive assets and from access to training in strategic skills.
- b. This is not only unjust, but inhibits South Africa's ability to achieve its full economic potential.
- c. Noting that:
 - i. The Broad-Based Black Economic Empowerment Act (No. 53 of 2003) establishes a legislative framework for the promotion of BBBEE, provides for the gazetting of transformation charters and empowers the Minister of Trade and Industry to issue codes of good practice;
- d. The construction sector believes that positive and proactive response through the implementation of a Construction Code of Good Practice would address inequalities in the sector, unlock the sector's potential and enhance its growth.
- e. The Construction Sector Transformation Charter published in Government Gazette no.29616 provides the basis for the development of a Construction Code of Good Practice as it support the commitment of the parties thereto to actively promote a vibrant, transformed and competitive construction sector that provides adequate services to the domestic economy, reflects the South African nation as a whole, and contributes to the establishment of an equitable society.

CONSTRUCTION CODES

2. Objectives

- a. The Code provides a framework for the construction sector to address broad based transformation, enhance capacity and increase the productivity of the sector to meet world best practice.
- b. The Code in general supports all the objectives of the Construction Transformation Charter and in particular aims to:
 - i. Achieve a substantial change in the racial and gender composition of ownership, control, and management in the sector;
 - ii. Promote the effective advancement of employment equity in the sector and adherence to principles of non-racialism and non-sexism;
 - iii. Provide to the construction sector the first quantitative method for monitoring and evaluating the progress of an enterprise towards BBBEE and thereby contribute to ending the malpractice of fronting;
 - iv. Address skills development in a manner that accelerates the advancement of black people, black women and designated groups with a particular emphasis on learnerships, technical and management training;
 - v. Increase the procurement of goods and services from BBBEE enterprises and standardise preferential procurement methodology;
 - vi. Enhance entrepreneurial development and promote the sustainable growth of micro, medium and small BBBEE enterprises.

3. Monitoring

- a. The Construction Charter Council will oversee and monitor the implementation of the Code. It will act with executive capacity and provide the necessary links to relevant government institutions.