

# Delivering on promises

By Kim Kemp

**Government needs to deliver on its many promises and build an environment that supports investment and transformation, says Kostas Rontiris, CEO of SMEC.**

## The state of the 2018 economy

With continuing political and policy uncertainty so far this year, the South African economy is on shaky ground in terms of growth. The South African Reserve Bank has revised its forecast for growth downwards to 1.2% for 2018, which leaves little room for much-needed infrastructure development programmes, among other urgent needs. Yet, the opportunity for the private sector to innovate in the face of government incapacity should not be overlooked. The potential exists for private business to be one of the key drivers for training, job creation, and upliftment for South Africans in need.

There is no denying that the country needs to be freed from the constraints of negative influences and to create a government that is focused on governing. Organisations can do much to help South Africa back onto the path of growth, by investing in their people and leveraging diversity to create a fair and equitable high-performing company. Training and continuous professional development of staff, and even clients' employees, will ensure the sustainable and meaningful empowerment of previously disadvantaged individuals within the built environment.

However, government needs to provide the environment for such initiatives to thrive, as without their buy-in, South Africa will continue to flounder. The delay experienced in the promulgation of the B-BBEE Construction Sector Code has generated a great deal of uncertainty in the industry. The sector code was finally gazetted in December 2017, just two weeks before the building industry holidays. In addition, the new procurement system, SIPDM,

implemented by National Treasury, which is mandatory for 'Organs of State', has led to long delays in project awards and even some project cancellations.

## Innovative business methods

According to Sebastien Dessus, World Bank country programme leader: "Innovation can help improve the lives of the poor through the provision of better and cheaper goods and services and expanding economic opportunities through the introduction of disruptive technologies that can lower barriers to competition." The construction industry can adapt new technologies that will cut costs and reduce construction times while still adhering to best practice and safety regulations. An example of such technologies would be the use of drones to aid feasibility studies and monitor construction sites.

Wearable smart sensors in workers' boots, hard hats, and safety gear can track the number of hours a worker is on site and has the potential to boost productivity on a construction site. Mobile apps on smartphones or tablets reduce paperwork and allow managers to process their work on site as well as calculate costs and monitor suppliers in real time. SMEC South Africa already employs drones and mobile apps in many of the projects for which we are responsible.

## Industry needs change

The construction industry will only survive if the government delivers the simple promises made during the numerous State of the Nation Addresses over the past few years, and delivers infrastructure and services to the communities of South Africa

by having a definitive project pipeline and budgets allocated to implement it, which will result in continuity of work for our industry.

The private sector will then join in, either in the form of public-private partnership projects or other forms of partnership, to plan, design, and build the much-needed infrastructure that will ensure sustainable economic growth and prosperity for the people of South Africa.

## Challenges within South Africa's infra sector

Ageing infrastructure, together with a rapid urbanisation with younger generations opting to live in the cities to seek job opportunities, are the biggest challenges facing our infrastructure today. The skylines of our cities are constantly changing as councils approve more planning requests with ever-increasing density developments. This is creating unexpected or unplanned increases in demand, which puts additional pressures on our infrastructure systems. This, together with the lack of skills in various government structures, often results in our infrastructure being unable to maintain its effectiveness. Poor planning, lack of maintenance of existing infrastructure, and delays in implementation of new infrastructure projects exacerbate the lack of service delivery.

## Promotion of youth in the sector

To address the lack of skills in our industry, we need to look into the future and focus on our youth and how to best involve them in the engineering industry. Fortunately, many of our industry bodies, such as SAICE,

CESA, and others, have comprehensive programmes engaging the youth and promoting participation in the industry. SMEC South Africa is at the forefront of these initiatives. We at SMEC have established a platform in each of our regions for young professionals from different disciplines within the firm to engage with both each other and with the senior leadership of the firm on issues pertinent to their careers and working environment. Each forum meets on either a monthly or quarterly basis with a theme in mind and identifies a senior leadership figure with whom they engage. Topics covered in these forums range from business development to skills development and transformation.

Recently, SMEC launched the Rising Stars Summit, an initiative that aimed at converging the firm's most talented young professionals with the most senior leaders in the organisation on the business's strategic direction. The group had the opportunity to discuss the type of company that they would like to work for, how they wanted to be led, and what the future in engineering should look like.

### Company updates

SMEC joined forces in 2016 with Surbana Jurong (SJ), Asia's consultancy powerhouse in the urban, infrastructure, and management advisory sectors. SMEC's strength in major infrastructure projects, coupled with SJ's expertise in urban planning, industrial development, and management advisory services, enables us to provide critical value-chain services to clients around the world. SJ has a distinguished track record in shaping Singapore's landscape over the past 50 years. Their motto is 'Building Cities, Shaping Lives'. By creating spaces where people live, work, and play, SJ shapes cities into homes where communities and businesses can flourish.

This is an essential growth path for South Africa, if we are to advance our society and provide our people with work and educational opportunities. We need to

build homes, create Smart Cities, and improve infrastructure for seamless industrial and urban living. We are already seeing examples of this type of project with the award-winning Cornubia Mixed-Use Development in KwaZulu-Natal. The development is a multi-pronged initiative driven and funded by private industry and government, represented by Tongaat Hulett Developments and eThekweni Metropolitan Municipality, respectively.

Given its adoption by Cabinet as a national priority project, various other departments from all spheres of government are also engaged as official partners. ■■

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Kostas Rontiris, CEO of SMEC.