

CESA PRESIDENTIAL SPEECH - Reshaping our Future Together!
Midrand – 13 February 2019

The Dalai Lama said:

“We cannot change the past, but we can Reshape the Future! Young People have the opportunity to create a happier, better Future”.

Good morning ladies and gentlemen, the MEC for Transport in Gauteng (MEC Vadi), Esteemed guests, partners and colleagues. The theme for 2019 focuses and builds on the momentum created from our 2018 drive “Our Future is Now”. We are cognizant of all the efforts to redress the past but are acutely aware that ploughing our energy into the future will be what is required to set us on the right path.

President Ramaphosa delivered a powerful and rousing SONA last week and in calling for a “Brave New Future” summoned us all to be a part of South Africa’s growth and development. The renewed focus on the education and skills development in our country specifically around math’s and science and the emphasis on the 4th Industrial Revolution are all positive messages for our sector. Over and above this the Presidents call for further investment into Africa and latest statistics showing increased interest in South Africa as an investment destination are all positive indicators at the start of 2019.

Our theme this year retains our focus on the future but brings two important elements forward:

Reshaping – we live in a wonderful country that has so much that is good and positive that picking up on all these elements and enhancing this further is probably all that is needed. Secondly, the word Together – as part of the global citizen drive we all need to take account of our own actions and drive this agenda further if we want to truly achieve success for South Africa.

It is for this reason that ‘Reshaping our Future Together!’ was chosen as our theme for the coming year: All South Africans can be mobilized to participate and actively reshape our economy, our country, our projects, our government and ultimately our lives. It starts with us!

As a quick recap, 2018 saw us focus on the following key objectives:

Effective Ethical Leadership – most importantly creating role models that inspire our future generations;

Focusing our transformation efforts on changing the hearts and minds of our people;

Embracing the 4th Industrial Revolution, the new world of digitisation and new ways of doing things through innovation and data informed techniques;

Focusing on industry integration and working collaboratively on common issues that benefit our industry and society;

Working with our clients in addressing Corruption, Governance and Client leadership.

These themes and sub themes will continue to form pillars within our strategy and infrastructure road map in 2019.

Over the course of 2018 CESA embarked on several high-profile campaigns:
Raising the awareness around ethical leadership and corruption in infrastructure development and we drove a strong message that proper conduct on the part of all is a must for Infrastructure in South Africa;

We focused on procurement of professional services and abuses currently being experienced from the Section 32 appointments through to the use of professional companies without the necessary industry accreditation;

Our increased collaboration with government departments from National Treasury on Procurement, the Auditor General's office on compliance support, together with partnering agreements with Client Bodies like SANRAL, Transnet and COGTA. CESA was involved in detailed engagement to address current challenges and the way forward;

An awareness of the overall cost of infrastructure assets together with the components of professional services, construction and operation & maintenance to demonstrate the need for 'Value for Money' as opposed to focusing on the lowest cost;

And lastly and probably most importantly we raised the question of Transformation Holistically. To further our sector, transformation needs to go beyond just the demographic and social elements but include a dialogue on Gender, Youth and Technology.

This golden thread will continue to run through our work this year but our focus and objectives for 2019 are:

Establishing trust between the private sector and the public sector by delivering purpose and engagement;

Building skills, capacity and competence through collaboration of industry bodies;

Ownership and Accountability through Activism, Volunteerism and Values;

Value for money, Resilience and Sustainability;

Fostering healthy Relationships with all Stakeholders in our industry;

Changing social norms and creating a 'New Normal by Doing What is Right'.

The 17 UN Sustainable Development Goals (SDGs) provide us all with the perfect platform to deliver purpose and engagement and a way for us to build trust between the public and private sectors. The private sector and public sector need to join hands, 'ubuntu style'. The increased dialogue and communication must be open and transparent with clear lines of accountability for the various roles and responsibilities. Participants need to say what they mean and mean what they say! The investment platform should encourage investment by entrepreneurs and allow for prosperity and growth that is free of corruption and does not promote undue exploitation but rather drives social improvement.

The following engineering skills feature on the top 20 National Scare Skills:

1 Electrical Engineer

2 Civil Engineer

3 Mechanical Engineer

Working with universities, learned institutions and research bodies to drive our education system but also training people sufficiently in both the private and public sectors to undertake the roles they are meant to play in delivering infrastructure. This can easily be undertaken through the CESA School of Consulting Engineering, the Thuthuka Bursary Programme, the SAICE Road to Registration and the CESA Business of Consulting Engineering (BCE) and other Development Programmes etc.;

Our latest industry statistics shows an alarming picture. Notwithstanding all the efforts being made in promoting and encouraging greater numbers of black engineers to enter the industry, the numbers tell a different story. This is a long-term plan that must be supported over a much longer period than we have embarked on. The results are not going to change overnight and the only requirement for us as an industry, is to drive these programmes further. To do this there needs to be much more work on offer to companies thus allowing recruitment, training and development. This picture will only change over the next 20 years

as we skill more youngsters in the math's and science fields and then encourage them to study engineering and most importantly convince them to remain in engineering. There is a huge attrition rate of engineers either leaving our industry to join the advisory and banking sectors or alternatively emigrating to other parts of the world. This is largely due to the decreasing workload in engineering, driven directly through economic decline. If we are not able to provide more opportunities for professional consultancies there will be fewer engineers being employed and in turn lower growth and succession in this sector which ultimately will lead to closing of companies and over time, there will be an erosion of current skills which is clearly shown by the aging profile of our industry.

The decline in the number of registered professionals is a worrying sign because this is the main ingredient for our Skills development drive. There is no reported evidence as to the reasons of this decline but regardless of the reasons the drop-in professionals should be addressed. This attrition be through retirement, immigration, moving away to other industries requires a collective effort from all stakeholders to ensure that we retain our existing skill base to put us in a position to drive our future generation engineers to greater heights.

The Age profile of our industry when considering all categories of professional is quite an interesting story in fact! Many engineers (age group 60) are almost all at retirement age, the age group between 44 to 56 group is much smaller, however the under 35 age group when one considers male and female is huge – The question is? Will the older group have enough time to mentor and coach this group of young engineers?

As a professional industry we need to be more vocal on issues around values and accountability. As the owner of public infrastructure, government needs to be held more accountable for the failure to deliver public infrastructure.

Developers of public infrastructure need to be more circumspect of inherent risk to the public induced through 'cutting corners' or 'excessive cost savings. It is this activism that needs to be driven positively to help improve society achieve its objectives. It is ideal for this to become self-regulating but until then we are participants in the Infrastructure road mad and need to set the right values for all of us.

Infrastructure is not a short-term investment and hence should not be viewed against short term KPI's. It is important to consider the overall life cycle of costs related to Infrastructure Assets as opposed to only the costs for either professional services or construction. Cost Effective solutions that offer a long-term benefit with sustainable maintenance programmes can only be derived through proper optioneering and competent skills being employed. It is on this basis that we recommend greater consideration be given to selecting the correct professional engineering services as opposed to those that are supposedly the cheapest or priced at the lowest cost.

Our industry is currently subjected to costly tendering processes that serve merely as a tick box exercise to demonstrate compliance with little or no relevance to skill competence or value for money. With the current lack of technical skills in government infrastructure decision making is being driven by compliance as opposed to proper technical knowledge. This needs to be addressed by capacitating government departments with appropriate technical skills. Infrastructure decisions need to be driven on the overall cost benefit over the entire life cycle of the asset. It is therefore imperative that the best skills are employed to provide the best overall outcome.

Alternatives of framework contracts and experts' panels need further exploration if we are going to regain sustainability and stability in our consulting engineering industry.

Society has found itself in a dark place. Doing corrupt and morally questionable deeds gets you rewarded and recognized as being successful. I believe we need to change the social norms and create a new normal by doing what is right. We need appeal to everyone's conscience. Our value system and society's morality has been eroded over the years and continues to slide because our role models are being benchmarked on material wealth as opposed to contribution to society. We need to restore the pride of helping people and about speaking out about those who erode our values and try to exploit the current need for infrastructure through sheer greed. Deliver value and be remunerated appropriately – lets us preach Fairness;

Competition is good for generating a healthy industry. This competition needs to be Fair, Transparent and consistently applied across government departments so that confidence is restored in the market place. Ultimately competition based on a value for money offering is all that is expected. This way performance, experience and competence needs to be valued appropriately for the project requirements.

Our world is changing and to remain relevant and to offer appropriate service our industry and skill set needs to adapt. Our global population has grown from 1 billion in 1800 to about 7.6 billion currently. It is expected to keep growing to reach 8.6 billion by 2030 and 9.8 billion in 2050 and about 11.2 billion in 2100. This world demands more, occupies more, consumes more and to put this in perspective every day we are adding 120 000 people. If we are not able to cope with current pressures can you imagine what will happen in the years ahead. It is for this reason that technology needs to be embraced to address the current global challenges.

The infrastructure space, in general has been spending far less than other sectors in Research and Development (R&D) around technology. The current project demands, and performance will demand a greater involvement and influence of technology into the future. It is for this reason that we need to embrace technology going forward.

In an ideal world, with the correct balance of skills and the adoption of digital tools we should see a complete synchronisation of all these elements working seamlessly together to form a productive and efficient Digital Construction environment. The use of technology to speed up delivery and to properly satisfy demand will soon become a reality for all of us. We need to start future-proofing our teams and reinventing our service offering to embed technology going forward. All these advances will be targeting faster design, more cost-effective solutions and more consistent delivery of infrastructure and construction projects from both a time and cost perspective.

Our immediate actions for working with government will include:

- Addressing the technical competence in Government departments. We are available through secondments, capacity building or even personnel swapping to address this need
- Help government through working groups and dialogue draw up the best procurement policies that achieve the correct level of delivery in Infrastructure.
- Work with government bodies to increase the planning needed so that there is a healthy consistent pipeline of work to build this sector of our economy.

Our proposed roadmap for infrastructure in SA starts with:

- An unbiased technically skills group of advisors to the presidency – this should preferably be engineers or built environment professionals that can advise from a position of practical knowledge and not only the theoretical basis.
- Consistency and execution of procurement policies to promote competition, increases fairness and reward competence and skill.
- Increasing technically competence professional practitioners in client bodies
- Help the Auditor General drive a culture of compliance and ethics but more importantly look to set up an Engineers General Office to ensure that spending of the capital budget is done with the public's best interest in mind.
- CESA makes this offer that through our membership we believe we are in an ideal position to systematically address all these actions with government. We would like to be active participants in this process

Our 2019 Manifesto of actions will be:

- Industry collaboration to increase quality and standards of our skills
- Capacity building with government
- Increased research & development
- Drive accountability across all areas of our sector.

To conclude:

Ladies and gentlemen my message is a simple one this year but hopefully impactful in that it needs all of us to do something. If we are true about wanting to turn our country around, if we are passionate about South Africa and if we are true about making a difference in the world today let us all stand up and work hard together!
Let's help each other in Reshaping our Future together!!!!

