



Construction Industry Development Board

DEVELOPMENT THROUGH PARTNERSHIP

# CONCRETE

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## IN THIS ISSUE:

Editor's note

Work or home, safety is an imperative

The cross-border benefits of boarding the BEPEC bandwagon

Keep your finger on the financial pulse, business owners urged

Sun shines on emerging contractors, setting them on the road to a better-skilled future

'Hear, hear's as cidb listens to concerns

Constructing a great success story, molefe style

Bim set to boom as institute builds a case for digital construction

Another brick in the South African talent wall

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# EDITOR'S NOTE

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It has been a busy period for cidb, with, to name but three developments, the production of our annual report, a series of provincial stakeholder liaison meetings and the continued review of the cidb Act that will make us more effective and fuel our repositioning and re-engineering strategy.

Our annual report highlights progress and achievements for the 2015/16 year, some of which are discussed in this issue. In his foreword in the report, Minister of Public Works, Thulas Nxesi wrote: "It is encouraging that during the year under review, the cidb placed a specific focus on strengthening its organisation's capacity and capability to deliver on its mandate at all levels, including areas of organisational governance and accountability.

We will continue to partner with the cidb."

If you have not seen the report yet, please visit [www.cidb.org.za](http://www.cidb.org.za) to read more.

The provincial stakeholder liaison meetings provided much food for thought, whilst creating a platform for further liaison and a growing partnership as we work together to improve the industry on all levels.

More details on these meetings are included in this issue of Concrete.

In this issue we introduce you to two very interesting and inspiring people, one a cidb Board member who lives, eats and breathes safety, and the other, a young man who is making his mark in the construction industry through his entrepreneurial spirit, with a little help from cidb's Employment Skills Development Agency (ESDA) pilot programme.

We also explore the mandates of two organisations that are making a difference in our industry – the BIM Institute, which promises solutions through digital communication, and BEPEC, through which SA construction companies can access overseas contracts that will put local skills on the global talent map.

Enjoy this edition of Concrete, the last for this year. As we head towards the festive season and a well-earned break from the competitive and incredibly hectic world of business, the cidb wishes all its stakeholders a productive end to 2016 and a blessed time of relaxation with family and friends.

See you again in 2017.



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Views expressed in this newsletter, particularly in articles that profile other industry bodies and independent companies, do not necessarily reflect the views of cidb. We do, however, see them as an opportunity to spur constructive debate. Thus we welcome your comments on any article in our publication. Likewise, if you would like us to cover a particular issue, please let us know.

**Email us on [zingisan@cidb.org.za](mailto:zingisan@cidb.org.za)**

*A regular Concrete feature that looks at the decision makers driving cidb's destiny*

## WORK OR HOME, SAFETY IS AN IMPERATIVE



cidb Board Member:  
Dr Natalie Skeepers

At home, Dr Natalie Skeepers keeps a fire extinguisher at the ready in her kitchen and another one by her fireplace. When she travels, she always checks the escape routes at hotels. Safety is, quite simply, ingrained in her.

Her passion for it and for the wellbeing of people has taken her from the buildings of Boksburg to the boardrooms of blue-chip companies.

Reiger Park-born and bred, Natalie started work life as a health and safety inspector for the then-Boksburg Municipality. Safety, in particular, piqued her interest at a time when the role was not afforded to minorities and certainly not to women. This served not to deter Natalie, but to spur her to forge ahead and she landed an assistant directorship with the Department of Labour, where she blossomed and her career

bloomed. She went on to work for a bank, the railways, and various manufacturing and construction companies.

She brings to the cidb Board, on which she has served for three years, her formidable experience in governance and compliance related issues. "My knowledge of risk management and my leadership capabilities are particularly relevant in this role," she says. "But, more importantly, I appreciate a challenge, and this industry is a challenge in all aspects."

She believes cidb has a major role to play in the development and transformation of the industry, as it provides the structure and development needed to ensure a sustainable future.

"It needs to assume a true leadership position and become a regulator that is taken seriously," she says. "Then we will see standards of excellence soar in all areas of the industry."

The construction industry is a dangerous business and place in which to work and undoubtedly, we will see more serious accidents and fatalities. This is due to a dearth of leadership, as well as skilled and experienced professionals.

"The need for safety in design will become non-negotiable and critical in construction projects."

Transformation issues also cast a shadow over the current industry, she adds, with profits top of mind and the culture of layoffs during economic downturns impacting on society. "Broken service and seasonal jobs don't make for worker sustainability," she elaborates. "The industry may be experiencing seven lean years, as I describe them, but this does not justify workers not benefiting from the proceeds of the business other than through their salaries."

CONTINUED ON PAGE 4

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“The industry should also invest much more in skills development, as leadership and technology will become increasingly important in projects. Training and skills development will remain at the heart of the cidb’s development agenda, as the more skilled people, the more potential leaders we have.

Training and development are closely linked to which position employees will potentially hold - the less they earn, the less chance they have of uplifting themselves and their communities. “I see training as a crucial developmental area in retaining skills in the sector. Money alone cannot retain and reward employees.”

Construction, she adds, has great potential to help alleviate poverty and improve the lives of ordinary South Africans, but it must respond to the social, economic and environmental challenges to effect real transformation.

“Right now, it is failing to meet the transformation agenda of the cidb. We need to see more blacks and females in charge of billion-rand enterprises.”

Natalie’s views hold the considerable weight of her impeccable credentials. She recently completed her PhD in Engineering Management from the University of Johannesburg (UJ), her thesis not surprisingly centring on safety leadership and safety management in the construction industry. The study revealed that the industry has not produced thought leaders, game changers, influential and true pioneers. Instead, the behaviour of companies points mainly to minimum regulatory compliance.

In addition to her doctorate, Natalie has a Master’s degree in Health and Safety, an Mphil in HIV/ Aids Management and various Risk Management qualifications. She has written and published several international peer-reviewed papers and is

a sought-after speaker on leadership and safety management. She is a part-time lecturer at UJ and is a guest speaker at the GIBS Board leadership core programme.

Her current role is as a consultant, which, she says, complements her lifestyle and gives her the flexibility she likes. When she’s not beating the essential health and safety drum and helping to make the construction industry a better place for its people, Natalie can often be found in a studio – either a dance one, where she indulges her love of and talent for salsa dancing, or a photographic one, where she practices a much-loved hobby at which she is very proficient.

Then it’s back home to Boksburg for some relaxation with hubby, Anthony, and teenaged children, Kyle and Kirstin. After she’s checked the foam levels in the extinguishers, that is.

“I see training as a crucial developmental area in retaining skills in the sector. Money alone cannot retain and reward employees.”

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# THE CROSS-BORDER BENEFITS OF BOARDING THE BEPEC BANDWAGON

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South African built environment professionals now have many more routes to market, with the Built Environment Professions Export Council (BEPEC) focusing all its energies on securing exciting global export opportunities for local expertise.

And the best news is that the Department of Trade and Industry (dti) has expanded the Council's domain to include contractors who are cidb registered. "This is very welcome news," says cidb's Construction Industry Performance Project Manager, Pumelele Qonqo, "as it enables contractors to showcase their skills and professionalism outside the country."

Through its strong links with dti and the Department of International Relations and Cooperation, BEPEC has all South African embassies and high commissions across the world on speed dial, opening doors that previously may have been shut to South African expertise.

This alone makes being a member of BEPEC worthwhile, says one enthusiastic member whose company provides architectural services. The company's testimonial states that the practice has traditionally done 60% of its work outside South Africa over the past 22 years and that they, "know the pitfalls of doing so and can strongly recommend membership of BEPEC to any company seeking professional appointments internationally."

Says the Council's Chief Executive Officer, Con Korsten: "BEPEC walks the journey with its members to ensure that their export development objectives are met. We provide important information and leads that enhance our members' ability to make sound business decisions.

"BEPEC companies gain a competitive advantage when attempting to export their professional services and capital goods into Africa and beyond, as we are well placed to gather intelligence on markets and upcoming projects."

The Council plans to focus its attention on diversifying its membership base of small and medium enterprises and black-owned enterprises.

BEPEC has noted opportunities in the oil and gas sector, the North-South Corridor transport infrastructure and industrial projects, the mining industry and agriculture and agri-processing projects.

A cidb report examining the export of contracting services noted that, although constraints exist, such as funding, political and legislative, South African contractors are well positioned to contribute to the development of infrastructure in Africa, and have notable competitive advantages in doing so.

Expanding into international and cross-border construction markets is an essential growth strategy for many South African construction companies.

The cidb commits to supporting this vision and seeks to work with industry to achieve it whilst also contributing to the development of Africa.

Under the BEPEC umbrella, possibilities for continental and international exposure abound and cidb members can avail themselves of the benefits that other companies are already acknowledging.

"BEPEC is not only the 'export' voice of consulting engineers, architects, quantity surveyors and construction project managers among South African stakeholders, it is also the eyes and ears of members internationally," states another satisfied member. "Members are continuously exposed to opportunities and informed of the latest trends internationally. The BEPEC radar screen covers 360 degrees."



## KEEP YOUR FINGER ON THE FINANCIAL PULSE, BUSINESS OWNERS URGED

It is a sad reality that many business people shy away from involving themselves in the books, the budgets and their own company's financial affairs. While this is perfectly acceptable for a bricklayer in a building firm, for a contractor, that could be business suicide.

In its interaction with contractors, the cidb often encounters what could be termed 'hands-off financial management'. The owner delegates the responsibility to fellow partners, an employee or an external accounting firm, and simply wipes his/her hands of the responsibility.

Sound financial management is one of the criteria by which cidb judges contractors when assessing the grades they should attain, says Registrations Manager, Enoch Masibi. Thus, he says, it is essential that business owners have a handle on every aspect of their business to ensure that good governance is upheld and anything untoward or non-compliant is detected early and remedied.

When the South African Revenue Service rings its bell, heralding the start of the tax year, it is imperative that the business owner is familiar with everything that is submitted, as he or she is responsible for all returns sent in the company's name. This applies to documents submitted to the cidb too, when contractors apply for grading. This is not to say, says Enoch, that financial managers are not a valuable resource for

companies. "A financial manager is a key staff member as his sole focus is keeping the books updated daily and advising the company constantly on its financial performance," he explains. "But it's just as important that the owner keeps a watchful eye over the financial aspects of his business."

It is advisable, particularly for emerging or small-company owners, to be hands on and 100% involved on the financial affairs, so that the company can grow and prosper.

The rate of failure of small businesses in the first two years of trading is as high as 63%, according to sources, highlighting a pressing need for financial skills and involvement from the top. As cidb registration is aligned to legislation such as the Companies Act. Full financial statements

are a must and have to be signed off by the appropriate company structures before they are reviewed in terms of cidb grading. "As we are assessing overall capability of a company, below-par financial records are a problem," warns Enoch.

"Good financial management is the recipe for success and growth. A healthy cash flow will enable the business to grow and finance its short-term liabilities. It will contribute to its ability to advance up the cidb grading ladder."

And that, you can bet your bottom rand, is sage advice.

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# SUN SHINES ON EMERGING CONTRACTORS, SETTING THEM ON THE ROAD TO A BETTER-SKILLED FUTURE

The Sunshine Coast is aptly named for 34 emerging contractors who have just completed a three-year contractor development programme in East London. The candidates well and truly shone throughout the R9,2-million programme run by the East London Industrial Development Zone (ELIDZ) in partnership with Amathole District Municipality.

For up-and-coming contractors, the benefits of a good contractor development programme cannot be overstated. It not only enables them to build their businesses through prestigious projects, but exposes them to the processes and skills of the larger construction companies, and affords them access to expert mentorship.

The project was initiated when ELIDZ noted that few small, medium and micro enterprises from the Eastern Cape were awarded construction contracts in the Zone. *MasakheSonke* ('let us build together') set out to provide an enabling operational environment and facilitate growth for civil engineering and general building works contractors with cidb gradings of between level 2 and 7.

"The programme targeted enterprises owned by black people, women and disabled individuals," says cidb's Contractor Development and Procurement Support Officer, Fezeka Tabu.

"It also provided support to learner contractors in the form of training in construction management and mentorship support."

Contractors were to achieve NQF in Construction Management on levels 2 to 4 and to improve their cidb grading by two or more levels.

Although not 100% of the objectives were met, the results were very encouraging, says Zandile Mtebele, Supplier Development Officer of ELIDZ. "All contractors enrolled for the formal qualification and ended the project with that all-important piece of paper," she says. "50% of participants moved up two cidb grades, 20% moved up one grade and 30% could not move due to other grading considerations."

Zandile believes that even greater success could be achieved through closer engagement with the Department of Public Works, the Department of Human Settlements and major players in the construction industry.

That said, the *MasakheSonke* contractors will never forget their experience. Some R215 million worth of projects were allocated to them over the period, boosting their turnovers. More than 1500 temporary jobs and 50 permanent positions were created. Add to that the invaluable mentorship and support the contractors gained in key technical areas and on the business development side, and you have a bright and shining outcome all 'round.

"The programme targeted enterprises owned by black people, women and disabled individuals," says cidb's Contractor Development and Procurement Support Officer, Fezeka Tabu.

# 'HEAR, HEAR's AS CIDB LISTENS TO CONCERNS

Amid the continued cry for transformation in the construction industry, cidb serves as a willing sounding board for business owners' concerns and issues.

The recent series of Provincial Stakeholder Liaison Meetings (PSLMs), held between July and September around the country, picked up where the National Stakeholder Forum held in March 2016 left off, with transformation the word on everyone's lips and minds.

The Board and cidb's Chairperson, Lufuno Nevhutalu, certainly had to put their best listening ear forward, as contractors expressed their frustrations on issues including sluggish transformation, lack of work opportunities, cidb registration criteria and registration service, tender-related corruption in client departments, conditions of subcontracting and late payment to contractors.

Making a high-level appearance at the 2016 PSLMs, the Chairperson of the cidb Board, Lufuno Nevhutalu, set the tone for the sessions, acknowledging that the road ahead is long and that the cidb faces many challenges that must be addressed, including the limitations of its own empowering legislation. He outlined the four core areas identified by the Board as strategic imperatives to move cidb into the next phase of delivery, namely **transformation, regulation, development** and **partnerships**.

## Going forward the cidb aims to see:

- Improved performance by all industry players, including contractors and clients.
- Increased total government spend to unlock the industry's potential to create work opportunities and the participation of the black emerging sector.
- Improved client capacity and capability to procure infrastructure.
- Good governance in enterprises and in client departments.
- Development and sustainability of black enterprises.

The Minister of Public Works, Thulas Nxesi, guest of honour at Western Cape PSLM, reaffirmed his support for open and robust debate with contractors on their challenges and the challenges affecting transformation. He reiterated that cidb must regulate and, to do so, it must have power. "The government must unblock the blockages that affect the cidb's ability to deliver and that includes looking at legislation." This process has already started, he assured the attendees.

Calls came in from a wide range of participants, asking for the cidb to eradicate downgrading of contractors, to review the financial



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criteria for registration and make registration simpler so that contractors can easily understand what is required.

Some contractors pointed to a need to protect contractors from client practices that undermine business sustainability, stating that clients, sometimes force contractors to deliver projects late by allowing unreasonably long time lags between the closing of a tender and the award of the project. As a result, the contractor is forced to deliver on outdated prices.

There was also a plea to guide clients on how to estimate work so they can correctly apply cidb gradings. Sometimes, contractors said, clients advertise jobs calling for higher grades when the job, in effect, is suited to a lower grade.

A request was made to stop clients from disguising barriers to entry as quality criteria in their tender documents. Some clients, participants explained, require contractors to have project managers who are registered with the South African Council for Project and Construction Management Professions (SACPCMP) as a deliberate ploy to exclude small contractors from participation.

The sessions gave contractors a golden opportunity to air their views on issues that affect their day-to-day business activities and gave the cidb much to ponder as it walks with the industry on the road to greater professionalism and prosperity.



“The roadshow brought into sharp focus the issues contractors experience in registering with cidb and in competing in an increasingly crowded marketplace. The cidb reassured participants that the imminent overhaul of its strategies and approaches will benefit them greatly and make their lives far easier.”





# ***BIM SET TO BOOM***

## AS INSTITUTE BUILDS A CASE FOR DIGITAL CONSTRUCTION

There's a catchy new acronym in town and it shouldn't be long before it becomes synonymous with construction projects throughout South Africa, as it has done worldwide.

BIM or Building Information Modelling, has become part of the language of global construction projects. BIM is a process that allows software systems to connect effectively to the architectural model of a building with various other processes that play a role in completing the project, including structures surveying, measurements, costings, planning and energy efficiency. The coordination of these different activities of a project are made possible through cloud-based collaborative systems, which facilitate collaborative work and real-time data updates between project participants throughout the project's life cycle.

Now in its second year, the BIM Institute of South Africa has created a platform for an international framework of standards that can transform local project delivery methods and provide a foundation for a BIM environment, with all its benefits, says the institute's executive director, Vaughan Harris. The vision, he adds, is to "promote the development and improvement of information technology processes in the construction industry".



Among the several advantages BIM is billed to offer contractors design integration, improved tendering, fewer design information requests during the project, supply chain integration, and fewer clashes during the construction process, especially monitoring and evaluation.

But the primary focus of the institute is pushing not BIM, Vaughan continues, but digital construction or 'internet of construction' (IOC). The second digital construction expo will be held in May 2017 in Midrand, Gallagher Estate co-located with the African Construction Totally

Concrete Expo, with a view to exploring solutions to optimise the effectiveness of digital design technologies in private and public infrastructure projects.

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Bricklaying may not immediately spring to mind as a spectator sport, but all eyes will be on the skill, speed and dexterity of the world's bricklaying boffins come the October 2017 Abu Dhabi International competition. The event is WorldSkills, which could be regarded as the Olympics of Vocational Skills.

cidb, as WorldSkills South Africa committee member, is organising the bricklaying competition on South African soil in the run-up to the grand finale in the shadow of the world's tallest building, Burj Khalifa. Of course, the contestants, aged between 22 and 25, won't be required to build a structure quite that high, but they are expected to bring their A-game in the fight for the bouquet over the brickbat.

In South Africa, 64 entries were received for the local leg of the competition, from youngsters keen to take up their trowels and tape measures to showcase their prowess in a skill that is fundamental to construction.





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Spirit levels are high, as competitors are currently vying for top spot in a series of college competitions, before moving on to provincial competitions and then to Durban in February 2017 for the National Competition, where the national winner and runner-up will be chosen. The pair will then undergo further intensive training with experts until one emerges the champion who will represent the country.

cidb chose bricklaying as an initial trade for the construction sector because, explains cidb Manager: Construction Industry Performance, Ntebo Ngozwana, "it is a skill that is used extensively in the building and construction

industry". Other building trades such as plumbing, drywalling and electrical works are already part of the South African entry to WorldSkills, but these are not cidb-managed, she points out.

In terms of its involvement, cidb is recruiting experts to set and adjudicate the competition test projects; arranging all materials, tools and equipment for the competitions; supporting the winner and runner-up as they prepare for the ultimate showdown, and facilitating the triumphant candidate's participation in the Abu Dhabi final.

Currently, the technical and vocational educational training (TVET) colleges are staging the internal competitions in preparation for the national competition..

cidb is calling on expert bricklayers to load up their chisels and hammers and share their expertise with these up-and-coming tradespeople, expose them to real-life decorative bricklaying projects, or sponsor tools and materials.

Says Ntebo: "We are looking at creating partnerships between industry and colleges, with a focus on the quality of training and innovation in the sector."

The lessons from this project will be applied in the 2019 competition, in Russia, and thereafter, cidb may consider increasing the number of trades it supports, perhaps to tiling or painting.

"We see great potential to develop a core of highly skilled, competitive bricklayers who will host skills workshops at colleges to facilitate high-quality development of the trade and showcase the importance of trades as career destinations," says Ntebo.

The cidb team wishes all candidates wall-to-wall success.