

Press release from Jan de Beer, cell 082 456 3677:

Quantity Surveyors Could Help Stamp Out Corruption

The South African government should follow Nigeria's example by employing reputable quantity surveyors to stamp out corruption and inflated construction costs in the building industry, the Association of South African Quantity Surveyors (ASAQS), has urged.

Larry Feinberg, executive director of ASAQS, says the government of Nigeria - which has one of the highest building costs in the world - has formally asked quantity surveyors in that country to join the campaign to stamp out corruption, particularly in the local construction industry.

"The Nigerian government has recently urged the Quantity Surveyors' Registration Board of Nigeria (QSRBN) to cooperate with key national institutions and anti-corruption agencies to wipe out corruption. The Nigerian government believes that quantity surveyors have a major role to play in achieving value-for-money and cost-efficiency in the implementation of projects both in the public and private sectors of the national economy. It is time the South African government took note of this contention.

"Nigeria realises that the expertise of construction economists - particularly quantity surveyors - hold the key to unravelling the mystery behind high project costs, often ostensibly caused by 'perceived risks' that are converted into monetary values added to the overall project costs," Feinberg stated.

He said the Nigerian Minister of Lands, Housing and Urban Development, Mrs Akon Eyakeni, recently stated that these inflationary "perceived risks" could include design, funding, high interest rates, security, and foreign exchange fluctuations. She stated that these risks had a huge impact on the cost of projects in Nigeria and suggested that reputable quantity surveyors should design templates for determining cost bands and ranges for various types of projects to "instill sanity" in the planning and preparation of capital budgets.

Feinberg said ASAQS had already issued a warning that the tendency to omit cost-controlling quantity surveyors from public sector projects could lead to spiralling construction costs and would encourage corruption. "We are, therefore, gratified to note that the South African Ministry of Finance has included quantity surveyors in the team appointed to investigate costs relating to the recent Constitutional Court finding on the Nkandla project. But it is imperative that the services of credible and responsible quantity surveyors be employed right at the outset of any major public sector project so that costs are controlled, and potential corruption avoided, right from the outset of any project."

ASAQS believes that sustainable development cannot be achieved when the activities of certain economic agents are mired in corruption and unethical practices. "As long as the costs of construction projects in South Africa are not professionally verified and controlled, each one will pose a threat to the

economic welfare of our country. South Africa should formally adopt a value-for-money principle to fight corruption in the construction sector," Feinberg stated.

"The Nigerian Quantity Surveyors' Registration Board believes that Cost Auditing should be recognised as a critical leg in the public sector procurement value chain, and that this should apply to national as well as regional governments where, as in South Africa, it appears that the level of cost inflation is at its highest peak. ASAQs believes that the South African government should strongly note the QSRBN call on its government to establish Project Cost Auditing and Monitoring departments in all appropriate state departments, staffed by registered quantity surveyors as construction cost management experts to stamp out corruption and rampant building costs."

Feinberg added that it was also essential to employ only the services of reputable and registered quantity surveyors as this would ensure that a professional regulatory body monitored the ethics and conduct of its member to guard against collusion to inflate the costs of construction projects. "ASAQs regularly receives reports of unqualified quantity surveyors operating in various parts of South Africa. Entrusting the cost-factoring and expenditure control on multi-million rand projects to such bogus 'professionals' would merely exacerbate the situation and create more opportunities for corruption," he warned.

He said although Quantity Surveying was by no means a new profession, there still seemed to be alarming ignorance about the vital role a QS played in, and could contribute to, building projects in both the public and private sector.

"Too often the inclusion of a QS in a project's professional team is seen as a dispensable, additional cost. However, a competent QS - such as the members of ASAQs - will provide the certainty and control a project needs, while also helping to reduce costs. Major building projects tend to be complex undertakings right from the outset, and can get even more complicated when design changes are introduced without the client and professional team realising the cost factors involved. This is when the skills of a QS are particularly essential. He or she will handle any unforeseen procurements and project management revisions so architects and the rest of the professional team can concentrate on their own tasks," he added.

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Caption:

South Africa should formally adopt a value-for-money principle managed by accredited quantity surveyors to fight corruption in the construction sector, ASAQs executive director, Larry Feinberg, has urged.

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