

Delays in payment of more than 2000 construction companies and service providers concerning: Duma announces that management is working with the national treasury and provincial treasury to clear payments of R1.5 billion delayed as a result of technical glitches caused by the new version of the Standard Chart of Accounts (SCOA V6)

Media and Public Statement by the MEC for Transport and Human Settlements, Siboniso Duma

15 May 2025

Inkosi Mhlabunzima Maphumulo House: From the onset, we remain committed to ensuring transparency and accountability and to providing timely information to the people of KwaZulu-Natal about the activities of the department.

In particular, we are extremely worried about the delays in the payment of service providers who are rendering services to the department across all corners of the province.

To date, there are pending payments for more than 2000 service providers in our system, totalling more than R1.5 billion.

About R600 million is waiting to be cleared this week, and the balance of R700 million is to be cleared over the next two weeks.

Some of the service providers who have been waiting for their payments since January include the following:

1. Construction companies for roads and bridges;
2. Public Transport Service providers;
3. And many other suppliers.

Although we have met with some of the service providers to apologise for the unfortunate situation, we continue to work with the National Treasury and Provincial Treasury to deal with technical glitches in the Basic Accounting System (BAS).

We reported last week that the National Treasury implemented a new version of the Standard Chart of Accounts (SCOA V6) on April 1, 2025, replacing SCOA V5, which had been in place since 2017.

Admittedly, this transition is not only affecting suppliers but also has the potential to reverse the gains we have made in terms of accelerating the roll out of road construction projects. These delays will have severe implications for service delivery.

In addition, this is a serious violation of our 30-day payment obligation we made to our suppliers.

It is for these reasons this morning that senior management, under the leadership of the Head of the Department, Siboniso Mbhele, spent the greater part of this morning discussing the implications of these delays and the radical intervention.

Our Chief Financial Officer, Thabani Nkosi and his dedicated team will continue to engage and update affected service providers. We once again apologise to our trusted contractors and service providers for this situation that is beyond our control.

Finally, we wish to inform members of the media that a press briefing will be held or a media statement will be issued to detail a clear programme of action to turn around the situation.

We have an obligation to account for every cent we spend, for every challenge we face, and to reflect on every success we achieve as a result of ongoing support from the people of KwaZulu-Natal.

Ends

Issued by the MEC for Transport and Human Settlements

Enquiries

Ndabezinhle Sibiya | 082 375 4742 | Spokesperson | MEC for Transport and Human Settlements