

**Media and Public Statement by the MEC for Transport and Human Settlements
Siboniso Duma on the occasion of the Media Briefing on the Contractors
behind schedule and those failing to finish road construction projects in
KwaZulu-Natal**

Archie Gumede Conference Centre, Public Works, Mayville

Contractors failing to deliver are costing the department R4.6 billion

06 May 2025

Head of the Departments Siboniso Mbhele;
Chief Operations Officer of the Department of Human Settlements, Thulani Bhengu;
Deputy Director General Responsible for Infrastructure Simphiwe Nkosi;
CFO, Thabani Nkosi;
Chief Director for eThekweni Region Musa Sithole;
Our Traffic Anchor, Ayanda Msweli
The people of KwaZulu-Natal who are following us through social media platforms

We wish to thank members of the media who are present this afternoon.

From the onset, we wish to indicate that as we count down to the Nedbank Cup Final between Kaizer Chiefs and Orlando Pirates this weekend, our highly efficient team from Road Traffic Inspectorate will be visible throughout major routes.

We want to ensure the safety of soccer lovers as they arrive in KwaZulu-Natal from all corners of the country. We urge soccer lovers not to drink and drive.

We are collaborating with the Passenger Rail Agency of South Africa to ensure the availability of trains to Moses Mabhida Stadium.

Importantly, we pause to salute RTI and all other law enforcement officers who ensured the decrease in road fatalities over the Easter Holidays and the Passover weekend.

We will continue to strengthen our road safety campaign as we move forward.

The use of cutting-edge technology such as Ummemezi Wezimoto will help us apprehend lawbreakers and criminals who are using our road networks.

We are firmly enforcing Alufakwa KwaZulu-Natal – Zero Tolerance campaign.

HUMAN SETTLEMENTS MATTERS

Let me turn my focus to human settlements matters.

We wish to pay tribute to the Team Human Settlements - from national and in the province - as well as a team from eThekweni Municipality. The teams worked flat out during the evacuation of more than 144 residents from H Section, Umlazi.

From 216 residents who were earmarked for evacuation, only 16 are yet to be evacuated. Some were at work during the evacuation, and others were with their relatives.

We express our deepest appreciation to the Minister of Human Settlements Thembu Simelane for her support. She spent two days here in KwaZulu-Natal augmenting our efforts, focusing on the rollout of human settlements for the people of this province.

We visited Melmoth, eThubalethu Township Project to monitor progress. We are happy that after investing R61 million for bulk infrastructure, we will be ensuring the completion of the project. People cannot wait any longer for what belongs to them.

At this stage, we wish to express our appreciation to the members of the media who are with us and those who could not join. We thank you for your continuing reports on disasters that occurred in the province recently. You are indeed the Public Watchdog.

We must hasten to point out that the successful evacuation of residents of H Section, Umlazi following the collapse of their house has ensured that we prevent an increase in disaster mortality.

The collapse of houses during natural disasters is the main cause of the disaster mortality. We are informed that between 40 000 to 50 000 people die annually, globally, as a result of the collapse of houses caused by natural disasters.

As KZN we now have a case study on how to prevent disaster mortality.

We wish to report that there are 30 learners from H Section who have been affected by the recent disaster.

We are finalizing scholar transport for these learners. This includes one learner who was buried alive from P Section in Umlazi.

We are appealing to the private sector to help with school uniforms for these future learners. All categories of staff from both departments will also be involved in a campaign to collect food and clothing for the victims of disasters. We want to be exemplary in our conduct and show the world that Siletha Ithemba – We Inspire Hope for a Better Future.

TRANSPORT MATTERS

Today's media briefing is unprecedented.

We are here to demonstrate our commitment to Inspire Hope for a Better Future.

We are here to foster a collective belief in positive change and a sense of optimism for tomorrow.

We have convened this briefing following an engagement with contractors who have been awarded tenders to construct new roads and rehabilitate some of our road network throughout the corners of the province.

This meeting was convened following a groundswell of complaints about the department's poor performance on most of its capital infrastructure projects. This owes to unfinished/stalled projects and those construction projects that have been left abandoned.

As an elected public representative, I must be accountable to the people of this province and take the people of the province into confidence in some of the challenges the department faces.

A lot of blame, at times rightly so, has been placed at the feet of the department as the custodian of public transportation.

However, the reality is that we have contractors who are failing to honor their contracts, and it is time that we, as the department, name and shame these contractors.

Ladies and gentlemen of the media, we wish to announce that as of today onwards, we will be implementing punitive measures to ensure that we recover monies from those contractors who have abandoned road construction projects and those who will fail to complete projects on time.

This is a demonstration of our firm commitment to ensure that taxpayers' money is not misused.

We acknowledge that in the past few months, there have been challenges with supplier payments due to budgetary constraints as we wind up the financial year.

We also acknowledge that in the past few weeks, there have been delays with payments of some contractors owing to technical glitches in the Basic Accounting System (BAS).

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.

We want to assure you that, working with National Treasury and Provincial Treasury, we have taken immediate steps to address these technical issues and prevent future occurrences.

However, it must be noted that challenges faced by contractors, whom we will be naming and shaming today, predate all these issues.

Members of the media, we also note and understand that in recent years, contractors contracted by the department were severely affected by the COVID-19 pandemic, as projects had to be halted to ensure the safety of workers.

This impacted contractors who ended up experiencing cash flow challenges. As we were recovering from the pandemic and as construction of our infrastructural projects resumed, the province experienced major floods in December 2021 and 2022, resulting in adjustments and reprioritization.

Since then, the province has become prone to ongoing floods, which is affecting our performance in achieving targets that we have set in our Annual Performance Plan.

As the Department of Transport, we recently tabled an R13 billion rand budget, of which we declared that over R9, 2 billion would be spent on transport infrastructure.

We declared that over R3, 8 billion would be spent constructing new infrastructural projects, while over R4, 3 billion would be spent on maintaining our road network.

Over R102 million would be spent on infrastructure planning and design, with over R927 million being allocated to support programmes within transport infrastructure.

In addition, we allocated a budget of over R216 million towards pothole patching due to a need for our 8,705.5 kilometers of paved road network, which needed heavy investment in maintenance and rehabilitation.

In addition to the already 55 procured trucks we will be procuring a further 25 trucks to reinforce our efforts to eradicate potholes on our network. The department has appointed more than 100 road worker aides and foremen to be on the line in our fight against potholes.

We believe that continuing to invest the bulk of our budget into maintenance of existing surfaced and gravel roads is the correct thing to do.

It is thus prudent that we see outputs given the above monies and resources that we are investing.

Despite the significant backlog for infrastructure upgrades, we are committed to ensuring that every rand is stretched to its maximum potential.

We cannot afford to drop the ball due to contractors' failures. Our focus remains on accountability and efficiency, ensuring that KZN citizens see value for their money.

The scale of the backlog of our road infrastructure warrants us to take a hard line against contractors who fail to finish projects on time; hence, we felt that we needed to name and shame these contractors, which we also hope will serve as a deterrent to future contractors who will do business with this department.

The department has a total of 39 and 44 active construction and rehabilitation/resealing projects, respectively. Out of these, 18 are construction projects and 17 are rehabilitation/reseal projects.

We currently have 30 contractors from Construction Industry Development Board (CIDB) grade 6 to grade 9 who are failing to complete capital projects across the province on time.

CIDB Grading	Number of Defaulting Contractors
6	1
7	5
8	13 with 1 already suspended
9	11 with 1 already suspended
Total Number of Defaulting Contractors	30

Projects managed by these contractors have stalled, with some having been abandoned. There are instances where projects, including site establishment, have not even commenced.

To date, the cost of such delays is **R4.6 billion**.

Our expectation is that contractors at that level would have sufficient experience to handle big construction projects.

However, what we are finding is that at the adjudication and award stages, the contractors might have been active on CIDB. However, when their status is currently being reviewed, they either have no record of being registered, show lower grades, or have been suspended.

In our engagement with these contractors, we also found that most of these contractors had a lack of resources, in particular cash flow challenges. Other challenges cited were that the scope creep tended to increase once contractors were established onsite.

However, we are finding that even long-established contractors with years of experience in the construction industry are the ones who are failing us the most.

This tells you that the government is correct in wanting to change the economy at scale by ensuring that there is a fair and equitable distribution of work by ensuring that contracts reflect the demographics of the country.

The so-called established contractors are taking on too many projects at once, which, in the long run, has a knock-on effect on all projects they are working on. When there are cash flow problems in one project, it has a knock-on effect on other projects that they are working on within the department.

During Friday's meeting, we agreed with some of these contractors nearing completion on clear timelines for when projects need to be finished.

I will be intensifying my Operation Siyahlola, a comprehensive project monitoring and evaluation initiative, focusing on these projects.

In addition, I have directed the Head of Department, Mr Siboniso Mbhele and DDG responsible for Infrastructure, Mr Simphiwe Nkosi that our department must develop strong communication and project tracking tools to ensure effective monitoring of all departmental projects.

These contractors who fail to adhere to the new timelines will be terminated.

There are contractors we can already see who will not be able to complete their projects in the foreseeable future, which necessitates that we begin terminating them.

In addition, we will follow the necessary laws to blacklist them from working for the department, which can be up to a maximum of ten years.

In addition, the department will also be following the necessary steps and protocols within the prescripts of the law to recover funds as a result of the failures of these service providers.

I have directed that our supply chain management process be strengthened. This includes a thorough vetting of any contractor before hiring them to check if they have the requisite capacity. In some instances, there are contractors that do not have a yellow fleet.

I have also directed that no contractor must have a monopoly over projects in the Department of Transport.

There are contractors with many projects, which has resulted in them failing to deliver on all projects concurrently. It is very clear that they have bitten off more than they can chew.

Ladies and Gentlemen of the media, we have taken an unprecedented decision to account publicly and directly to the people of KwaZulu-Natal who voted us into office.

We initially planned to publish the name of companies involved in projects that are delayed. We have been advised by the legal team not to publish at this stage as there are legal processing being undertaken to terminate their services. They have just cited contractual obligations.

We will be going to the legislature to account to Honourable Members about failed projects. We will account to SCOPA and to the Portfolio Committee on Transport.

By presenting this information, we are adhering to key principles of Batho Pele such as the following:-

Access: As the department we are compelled to ensure equal access to public services for all citizens, with specific efforts to address the needs of disadvantaged groups.

Information: Citizens should have access to accurate and timely information about public services and how to access them.

Openness and Transparency: Public services should be transparent and accountable, with information about their operations, budgets, and performance made available to the public.

In conclusion, we wish to salute all contractors that are excelling and finishing all projects that were given to them. At the right time, we will also name them publicly as they are strengthening service delivery.

I thank you

Ends

Issued by the MEC for Transport and Human Settlements Siboniso Duma

Enquiries

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