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# Outa wants probe into 'excessive' road construction costs\*

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**THE ORGANISATION Undoing Tax Abuse (Outa) wants a commission of inquiry to be appointed to investigate the excessive construction costs of the Gauteng Freeway Improvement Project (GFIP) and other projects.**

Ben Theron, the transport portfolio director of the organisation, said yesterday that Outa wanted the commission to also investigate the general high cost of road construction in South Africa over the past decade, the R15 billion cost indicated for the planned 80km N3 Cedara to Durban freeway project and the appointment of the previously promised transport regulator.

Wayne Duvenage, the chairperson of the organisation, said

even if their calculations were out by about 20 percent, the cost of the GFIP would have increased to about R12bn compared with the excessive R18bn the SA National Roads Agency (Sanral) paid.

If the GFIP had been built for about R10bn, the decision on electronic tolling could never have happened, he said.

## Corrective action

"Sanral could never have substantiated to the (Transport) minister (Dipuo Peters) how it could cost more to collect the money than to pay over and service the bonds.

"We would like to see corrective action if indeed it is found that Sanral's management are implicated. This is a

state-owned entity that should be looking after the interests of the country," he said.

## 'We cannot believe how government allowed the collusive construction industry off the hook.'

Duvenage said Sanral had not been transparent and provided detail about how and why they paid almost R18bn for the project.

He said a lot of detail, drawings, tenders, designs and bills

of quantities about most road projects in South Africa were available on the internet, including Sanral road projects.

However, there was nothing available about the GFIP or the N3 Cedara to Durban freeway project, he said. "That tells you something. Something is being deliberately hidden from the public," he said.

Duvenage said it was too easy for Sanral and the government to fob off Outa in a media statement last year and tell the organisation it had got it all wrong.

"We haven't got it all wrong. There is a problem here and it will not abate until there is full transparency and an independent inquiry is commissioned," he said.

Duvenage said inter-

national benchmarking was an acceptable method of comparison and Sanral's own mandate referred to it.

"You do it is because if you just keep a narrow view on what is happening in your own country, then you will get the wool pulled over your eyes, because you don't know the extent to which the local industries are manipulating the market," he said.

## 'Held to ransom'

Duvenage added that if local construction companies did not want to comply and continued to be collusive, Sanral should bring in foreign contractors from Italy, China and elsewhere to do projects so it was not "held to ransom by a collusive industry".

Duvenage said Outa believed the South African construction industry was protected.

He referred specifically to the recent agreement reached by the government and the SA Forum of Civil Engineering Contractors on behalf of six listed construction companies that had admitted collusion.

"We don't believe (the agreement) was punitive at all. We cannot believe how government allowed the collusive construction industry off the hook," he said.

Duvenage said the Construction Industry Development Board had also been ordered by government to halt its investigation into the collusive conduct by the industry.

Sanral was not immediately available for comment.