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Stalled government projects cost taxpayer billions

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A TOTAL of 71 infrastructure projects, valued at R4.4 billion and managed by the Public Works and Infrastructure Department, have stalled for periods exceeding a year.

This was revealed by Public Works and Infrastructure Minister Sihle Zikalala when he was responding to parliamentary questions from EFF MP Sinawo Thambo.

Thambo wrote to Zikalala enquiring about projects that have stalled for a period exceeding 12 months due to construction company incapacities in the past five years.

In his response, Zikalala said: "The department has approximately 71 stalled projects for a period exceeding 12 months due to construction companies' incapability to complete the various contracts."

Zikalala's responses showed that the tender for the demolition of a workshop and upgrading of buildings in his department's head office in Pretoria was cancelled in February, and R32m of the R115m contract had already been paid. The project will not continue as a new site has to be identified.

A R962m project of the Department of Defence at Bloemfontein Air Force base

was cancelled in November 2022. The reason for cancellation was given as "no funding" after R42m had been paid to the contractor.

Contracts were also cancelled in the Goodwood Wingfield Military Base and Oudtshoorn Infantry School due to poor performance by the contractors, in January 2023 and July 2022 respectively.

The Department of Defence asked for several projects to be cancelled in 2021 while they were at different stages of inception, sketch plan, contract awarding and appointment of consultants.

In at least four projects of the Department of Public Works and Infrastructure contractors had cash flow problems, and in one the court ruled that an R88m contract be re-advertised.

Zikalala's responses also showed that the SAPS asked that projects be cancelled in about 20 instances. These projects involved the painting of offices and police stations as well as installation of security, among others.

The repairs and upgrading of the Department of Correctional Services Departments' Mogwase Prison in Mmabatho were cancelled after a contractor was liquidated.

In Mthatha, a contractor was booted out of the site for not complying with health and safety regulations and not complying with contract conditions for

the construction of a new 10111 Radio Control Centre.

Zikalala said a range of measures had been taken by his department against the contractors, which included warning letters, "mora" letters and ultimately the termination of the contracts.

Yesterday, Zikalala's spokesperson Lennox Mabaso said the minister has set the stalled projects as a priority and that he has been criss-crossing the provinces to demand accountability on the more than 70 projects.

"Minister Zikalala has tasked Infrastructure South Africa, the Construction Industry Development Board and the Council for the Built Environment to deal with the causal factors to this problem," he said.

Mabaso detailed that some of the reasons for the stalling of projects was due to funding problems, poor costing of projects, capacity and skills challenges, inaccurate scoping of projects, governance, monitoring and evaluation, high labour turnover, labour disputes and threats by the construction mafia. "We have also noted fraud and corruption activities where false liquidation and ceding of contracts which delays project implementation," Mabaso said. ACDP deputy leader Wayne Thring said the cancellation of infrastructure project contracts was an unfortunate reality.

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