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THE government's new construction action plan aims to ensure that state projects are completed on time and within budget.
Independent Media

INFRASTRUCTURE

No second chance for contractors who fail the state

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PUBLIC Works and Infrastructure Minister Dean Macpherson has announced the South African Construction Action Plan (SACAP), a new framework to recover delayed construction projects and restore accountability, saying this meant the "days are numbered for underperforming contractors".

He said the plan was "a framework of collective and individual accountability, a plan that sets measurable targets, real timelines, and enforceable consequences," Macpherson said.

He said it aimed to ensure projects were completed on time and within budget while restoring public trust through transparency, performance monitoring and quarterly public reporting. The plan introduces six key actions, including the blacklisting of defaulting contractors, ring-fencing of project budgets, digital tracking of all construction projects, the establishment of procurement war rooms, real-time audit collaboration with the Auditor-General, and the professionalisation of built environment practitioners within the public sector.

"For too long, underperforming contractors have operated with impunity. They fail on one site, only to resurface in another province under a new name or company number. That will come to an end," Macpherson said. "All national and provincial departments will establish restriction committees to work with the Construction Industry Development Board in identifying and blacklisting defaulting contractors."

"If you have failed the state once, you will not be given a second chance to waste public funds," he said.

The minister added that all departments would enforce catch-up plans on stalled or delayed projects, with progress reports submitted quarterly to members of the executive council for Public Works and Infrastructure. These reports will track performance against milestones and costs, and where progress is not made, contracts will be terminated, and consequences will follow.

"Cash-flow mismanagement is one of the biggest reasons projects stall. Budgets are approved but not released on time. Contractors go unpaid for months. Work stops, costs climb and the public bears the consequence."

"To end this cycle, we are advocating for the introduction of strict ring-fencing of project budgets. Our goal is to work with the National Treasury, provincial treasuries and departments to ensure that infrastructure funds are protected and cannot be diverted to other uses," he said.

By March 2026, every Public Works department, national and provincial, will implement a digitised, integrated Asset Information Management System based on modern Enterprise Resource Planning, or ERP, technology," he said.

When questioned about attacks on projects by the construction mafia through the dashboard, the minister said that since the Construction Summit in Durban last year, more than 850 people had been arrested, resulting in 240 convictions.

"In some instances, according to construction companies, we've seen an 80% decline in lost construction hours, so that is remarkable success that we've seen in less than a year because of collaboration with SAPS, with our own department, and setting up a hotline for tip-offs. Our view now is that failed construction projects, by and large, have very little to do with the construction mafia and more to do with budget issues, and so on."

By June 2026, all built-environment professionals working for or contracted by Public Works departments will also be required to be registered with their statutory councils.