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Blacklisting warning for contractors

MEC takes aim at shoddy, incomplete work

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THE era of government contractors delivering incomplete and substandard work is over, as such contractors are to be blacklisted by the Department of Public Works and Infrastructure in KwaZulu-Natal.

At least seven contractors are currently at risk of being blacklisted, as revealed by MEC Martin Meyer yesterday.

The move was welcomed by the Public Works and Infrastructure Committee, which stated that the government will not tolerate poor service delivery.

But contractors have said the government must be fair when holding them accountable for incomplete projects.

MEC Meyer noted that substandard work by contractors has been very costly for the department, as it often has to be redone by different contractors.

He made these remarks while addressing members of the media yesterday on various matters concerning the department, including the progress being made to ensure that contractors who have completed work for the government are paid on time.

"The issue of shoddy contractors continues to be a thorn for us, as KZN Public Works and Infrastructure. Contractors have become too comfortable delivering substandard work with full pay and zero consequences. This has created a legacy of undesirable projects, many of which end up costing more than they should because a new contractor has to be brought in to complete the job of the first contractor," said the MEC.

He said this pattern resulted in the department losing money and credibility.

"The client loses trust in us, and the public loses faith that their hard-earned taxes are being used effectively. Well, those days are now officially over.

"Under the new KZN Public Works and Infrastructure policy, every contractor that delivers substandard quality work will face consequences, starting with blacklisting to ensure they don't return to do business with us.

"In this regard, seven contractors have been identified and will be blacklisted in adherence to the Public Finance Management Act," he added.

MEC Meyer explained that under the law, the department had afforded the entities the opportunity to provide submissions. He revealed that some entities had responded, and budget constraints and poor cash flow were among the reasons given for them being unable to complete the scope of works.

Furthermore, he stated that his department is also working to address the issue of non-payment of contractors.

"Over the past few weeks, it has emerged that a number of contractors were negatively affected by non-payment.

They had not been paid for work completed at various stages and amounts.

"The primary cause of this issue was that KZN Public Works had not received payment for several projects completed on behalf of client departments. At various intervals or stages of construction, KZN Public Works and Infrastructure would receive payment from the client, which would then go towards paying the contractors. Therefore, when payment for a particular stage is not received from the client, we are unable to pay the contractor, resulting in the contractor walking off the site."

He stated that their inter-departmental accounts balance as of 31 March 2025 was just over R800 million. The department successfully received payments totalling R300m in May, reducing the balance to R500m.

The department concluded the financial year with R491 m in payments owed to service providers and municipalities that could not be released. Additional payments were captured during April and May 2025, increasing the amounts owed to service providers and municipalities to R543m.

The department successfully released payments totalling R374m in May, reducing the amounts owed to service providers and municipalities to R169 million.

"This achievement means that the Department of Public Works and Infrastructure will now be in a position to settle payments within the 30-day period as stipulated by the Treasury. This is a first for the department in a long time," he said.

Wonder Jaka, the secretary general of the Black Business Federation, said while the government should deal with contractors who fail to complete projects, it should also be aware that departments don't pay on time.

"The government must be fair; it must deal with negligent contractors not completing projects. But it should take into account that departments don't pay on time. There are departments that have not paid contractors since November last year. How can you hold people accountable for incomplete projects on the one hand while also not paying them to work on those projects?" he questioned.

Chairperson of the Public Works and Infrastructure Committee Nhlanihla Msimango said those contractors that were not performing must be dealt with.

"We cannot play with service delivery; when you have been given an opportunity, you must perform. What we will not accept is when business people are being ill-treated and are not paid on time.

"That is why we appreciate the department's improvement in paying service providers because failing to pay them, especially the emerging contractors, affects their cash flow and damages their business."



EXHIBITION stands are going up as excitement mounts ahead of today's opening of Africa's Travel Indaba (ATI) at the Durban Exhibition Centre. Yesterday, KZN Tourism and Film Authority (KZNTAFA) board chairperson, Dr Sibusiso Ndebele, left, KZNTAFA interim chair, Sibusiso Gumbi and Reverend Musa Zondi, KZN MEC for Economic Development, Tourism and Environmental Affairs (far right) met Teshni Naidoo, CEO of African Skies and Dumi Mbatha, Director of Dumi Legacy Tours who will have stands at the Indaba. Some 711 South African tourism businesses are being represented, as well as 66 exhibitors from Botswana, 35 from Kenya, 56 from Zimbabwe and 25 from Namibia. | TUMI PAKKIES Independent Newspapers

TECHNOLOGY

Tensions escalate between ANC and Minister Malatsi over future of SITA

KAMOGELO MOICHELA and MAYIBONGWE MAQHINA

A GROWING rift has emerged between the African National Congress (ANC) in Parliament and Minister of Communications Solly Malatsi regarding the future of the State Information Technology Agency (SITA).

The ANC's Parliamentary Study Group on Communications has voiced strong opposition to Malatsi's proposal to permit government departments to apply for exemptions from using SITA's centralised procurement services.

This comes after it was confirmed this week that the Home Affairs department had applied to be exempted from using SITA for its IT equipment and services.

In a statement, ANC Communications spokesperson Imraan Subrathie warned that decentralising procurement to individual departments could lead to the displacement of nearly half of SITA's 3,200 employees, posing a serious threat to job security, economic transformation, and inclusive growth within South Africa's ICT sector.

"This situation jeopardises economic transformation and job creation within the ICT sector and could negatively affect

progress," Subrathie said.

The tension follows Minister Malatsi's recent appearance before the Standing Committee on Public Accounts (Scopa), where he clarified that no departments have yet been granted exemptions—though he acknowledged the need for SITA's operational improvements.

The problems at SITA were brought to the fore at recent hearings before Scopa and Scopa chairperson Songezo raised concerns about SITA's governance and performance failures.

Zibi said SITA has for several years failed to achieve satisfactory audit outcomes or to adequately support various government departments, agencies and other public institutions.

He said the challenges included a high number of vacancies, inadequate IT support, obsolete technology, faulty procurement processes and serious cybersecurity weaknesses.

"It is unacceptable that at a time when information technology is so critical to financial controls, governance and operational effectiveness, the sole agency tasked with supporting government is failing so dismally and for so sustained a period.

"Talk of modernisation in different areas, such as the police, will remain a

pipedream if reliance is placed solely on the SITA," Zibi said at the time.

The ANC has said that even the consideration of such exemptions runs counter to the broader objective of modernising and strengthening SITA's business model.

Subrathie emphasised the urgent need for government to refocus on revitalising SITA, advocating for a strategic, inclusive approach that prioritises agility, responsiveness, and innovation in public sector ICT service delivery.

"Increased investment in SITA's capacity-building initiatives and a SITA inclusive decentralisation approach are essential to achieving this goal," he said.

Currently, SITA provides services to only 37% of government departments, with many managing their own internal IT networks. This fragmentation, critics argue, undermines the efficiency and consistency of public sector digital infrastructure.

Meanwhile, ActionSA stated it would not appeal to Minister Malatsi to intervene at this time, despite concerns over SITA's governance and leadership stability.

Subrathie urged for a unified governmental effort to reinforce SITA's institutional capacity and reposition it as a leader in ICT innovation, digital transformation, and service excellence.