

MEDIA RELEASE	PSA demands emergency intervention to resolve KwaZulu-Natal's R500 million debt crisis endangering education and infrastructure
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The Public Servants Association (PSA) is extremely concerned about the escalating financial crisis in the KwaZulu-Natal Provincial Department of Public Works and Infrastructure (DPWI), which is currently owed over R500 million for services rendered.

This alarming situation is largely owing to the Department of Basic Education's (DBE) failure to honour its financial obligations towards the DPWI. This non-payment has significantly hindered the DPWI's ability to meet its contractual commitments to service providers and contractors involved in critical infrastructure projects. The knock-on effect is now visible in the suspension and holding of infrastructure developments, particularly those affecting schools. These disruptions have dire consequences on teaching and learning across the province, especially in historically under-resourced communities.

The PSA underscores the importance of compliance with the *Public Finance Management Act*, which compels government departments to pay service providers within 30 days of receiving invoices. Non-compliance in this regard is a violation of procurement regulations, jeopardises the provincial economy, and undermines the livelihoods of businesses and workers.

According to internal sources and official records, the DBE has outstanding debt estimated at more than R4 billion. This staggering figure reflects deep-rooted challenges in budget planning, contract management, and interdepartmental coordination. The PSA calls for urgent intervention by the Provincial MEC for Finance and the Minister of Finance to issue clear directives and provide emergency funding to stabilise the situation. There is a critical need for proper budget oversight and structured payment plans to prevent a total collapse of infrastructure service delivery.

The PSA notes with appreciation the communication initiated between the DPWI and the DBE to explore payment plans and resolve intergovernmental disputes. The onus, however, remains on the executive leadership, particularly the Premier of KwaZulu-Natal, to issue clear directives and enforce accountability. Recent correspondence issued by the DPWI appears to be a preventive measure aimed at halting the accumulation of further debt. It also indicates a call for continued engagement, which the PSA strongly supports. The PSA further commends the acting Head of Department for his role as Accounting Officer and commitment to acting in line with legislative frameworks that govern public finance and procurement.

The PSA reminds all stakeholders that delayed payments to service providers affect more than infrastructure, but impact negatively on the employment of workers working in project management, supply chain, and finance units. These workers are increasingly demoralised by stalled projects and chaotic planning. These delays also have broader socio-economic implications that threaten job security and economic growth in the province.

The PSA urgently calls for immediate, coordinated action from Provincial and National Treasury, the DBE, and the Premier's Office. This crisis demands decisive leadership, transparent financial management, and a clear roadmap for debt resolution to ensure continued service delivery and the protection of public-sector workers' employment and service providers ability to continue delivering service.

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