

**CPD Points: 2 ECSA CREDITS**



Consulting Engineers South Africa

INFRASTRUCTURE  
**Indaba**  
2026

18 - 19  
March 2026  
Durban ICC

# The Effect of Late Payment on the Engineering Consulting Industry

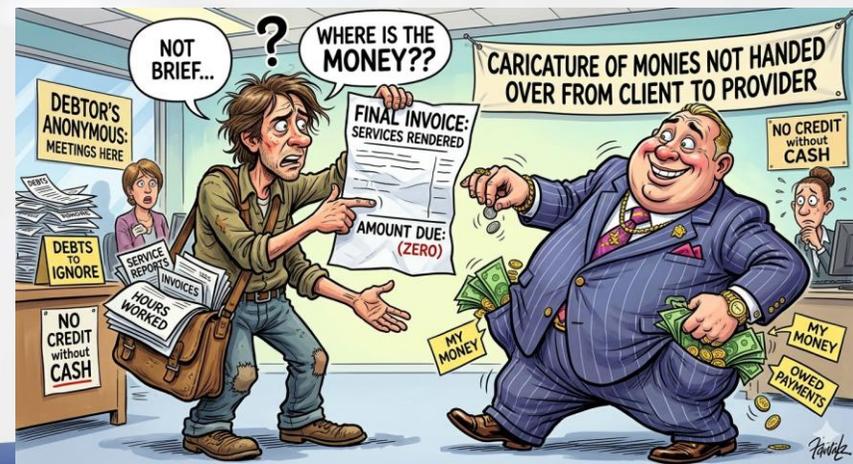
By Uzair Osman

**Theme: Pioneering Change** Engineering Infrastructure for Inclusive Growth

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# Background

- Observed Phenomena of late payment
- Research was proposed to confirm Phenomena
- Survey drafted to understand the dynamics and impact
- Survey conducted with senior representatives of Consulting Firms
- Results were compiled and interpreted



# Aims and Objectives

- Confirm the Phenomena of late payment
- Observe the degree of the delay
- Confirm the Effects
- Suggest a way forward



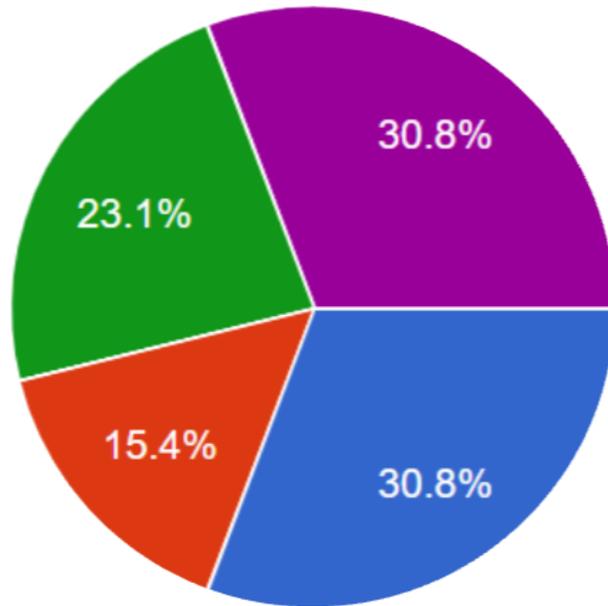
# Survey Questions

- Addressed to the senior Management
- Gauge the type of consultancy:
  - Number Employees
  - Footprint
  - Turnover

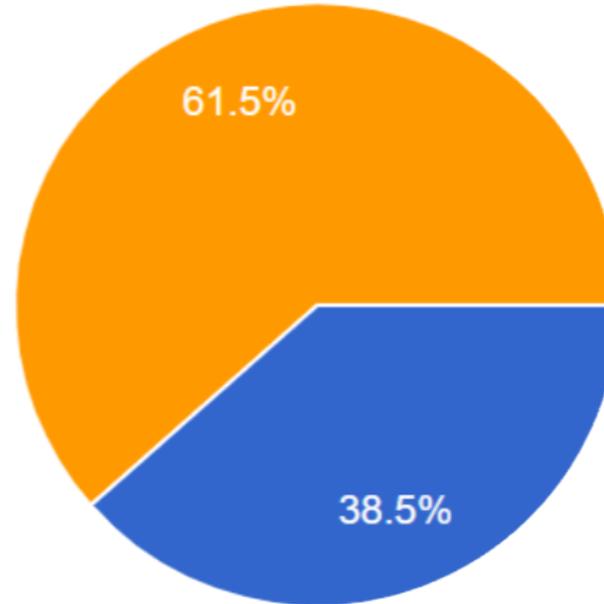


- Debt Profile
  - Debtors sector
  - Age profile
  - Footprint
  - Turnover
- Effects from Debt
  - Cost
  - Impact
- Reasons for delayed payment

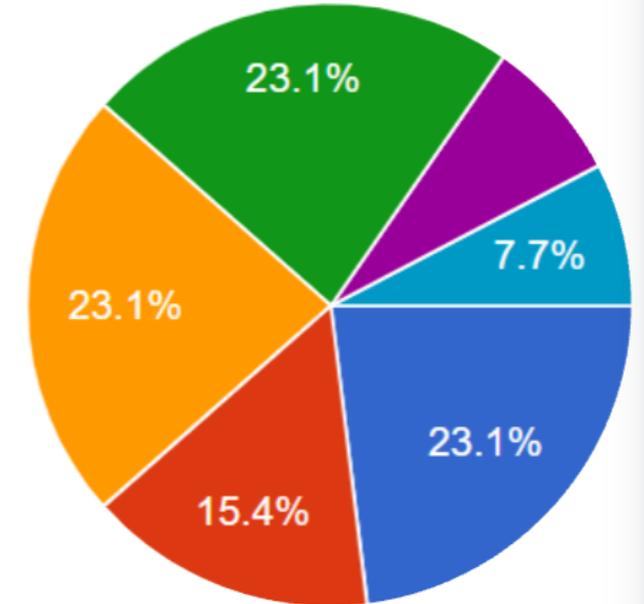
# Organisations' Profile 1



- 1 - 20 employees
- 21 - 50 employees
- 51 - 100 employees
- 101 - 250 employees
- More than 250 employees

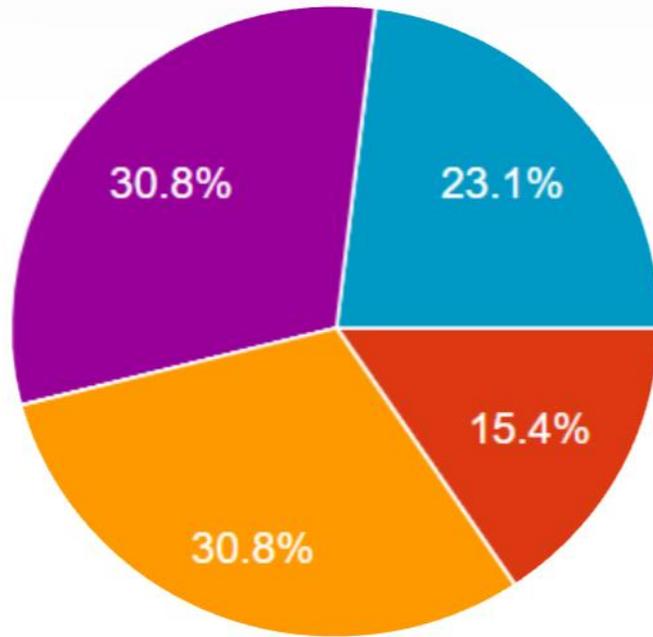


- Local
- International
- Both local and international

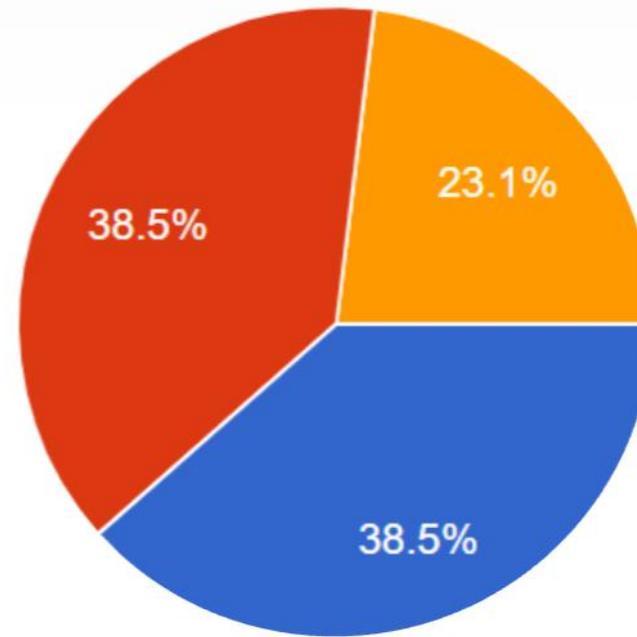


- 1 office
- 2 - 3 offices
- 4 - 5 offices
- 6 - 10 offices
- 11 - 20 offices
- More than 20 offices

# Organisations' Profile 2

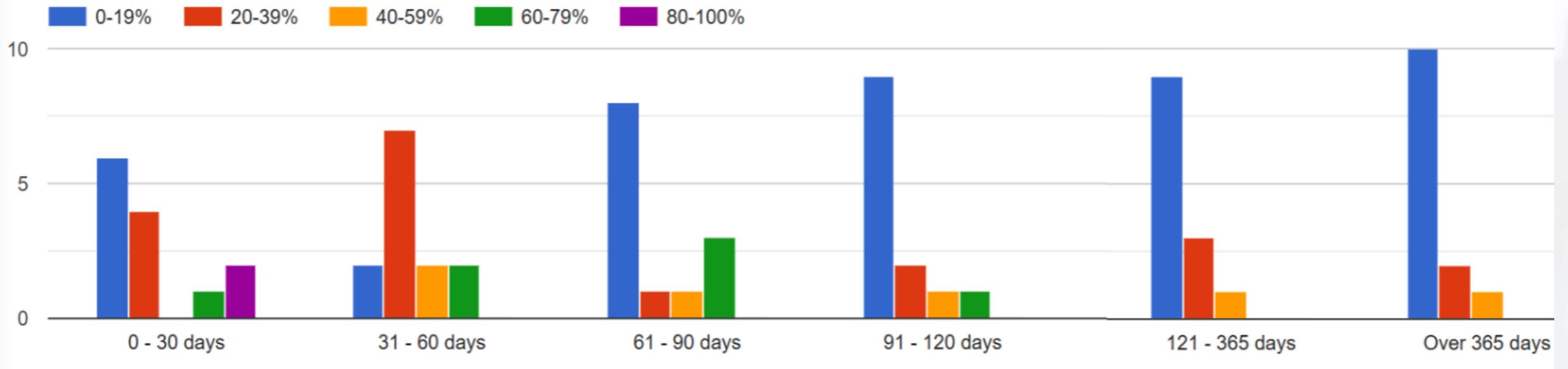


- Less than R1 million
- R1 million – R10 million
- R10 million – R50 million
- R50 million – R100 million
- R100 million – R500 million
- Over R500 million

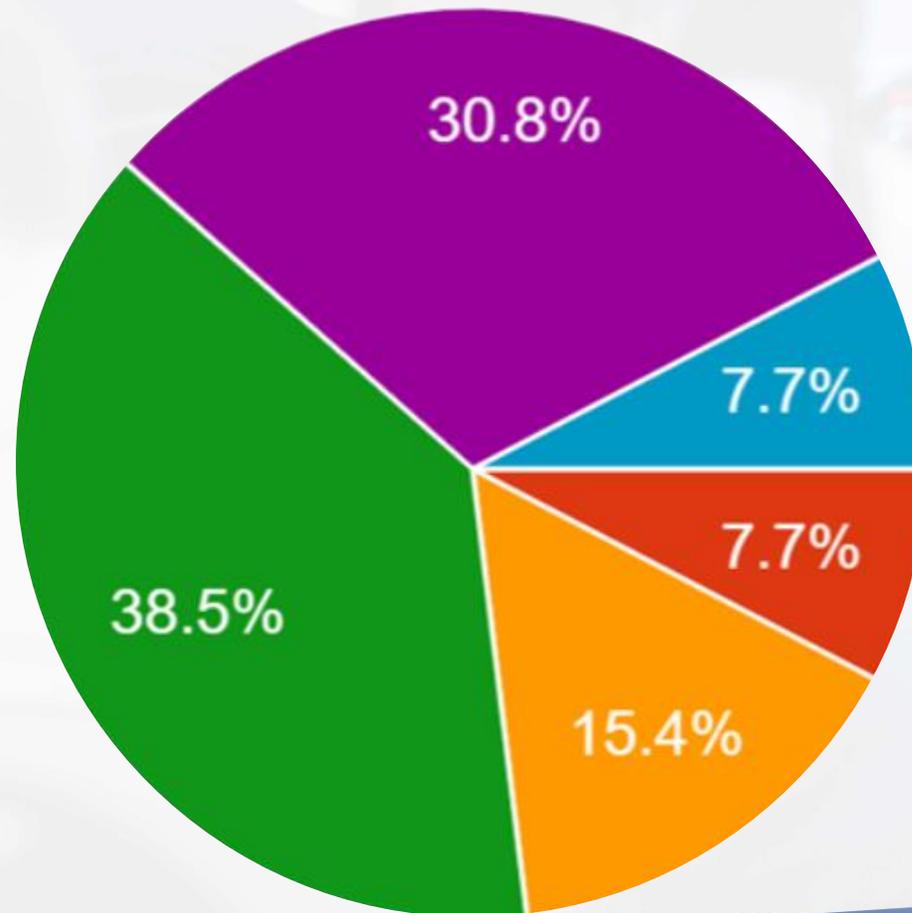


- Mainly public sector (>75%)
- Mostly public sector (50-75%)
- Evenly split (around 50/50)
- Mostly private sector (50-75%)
- Mainly private sector (>75%)

# Debt Age Profile

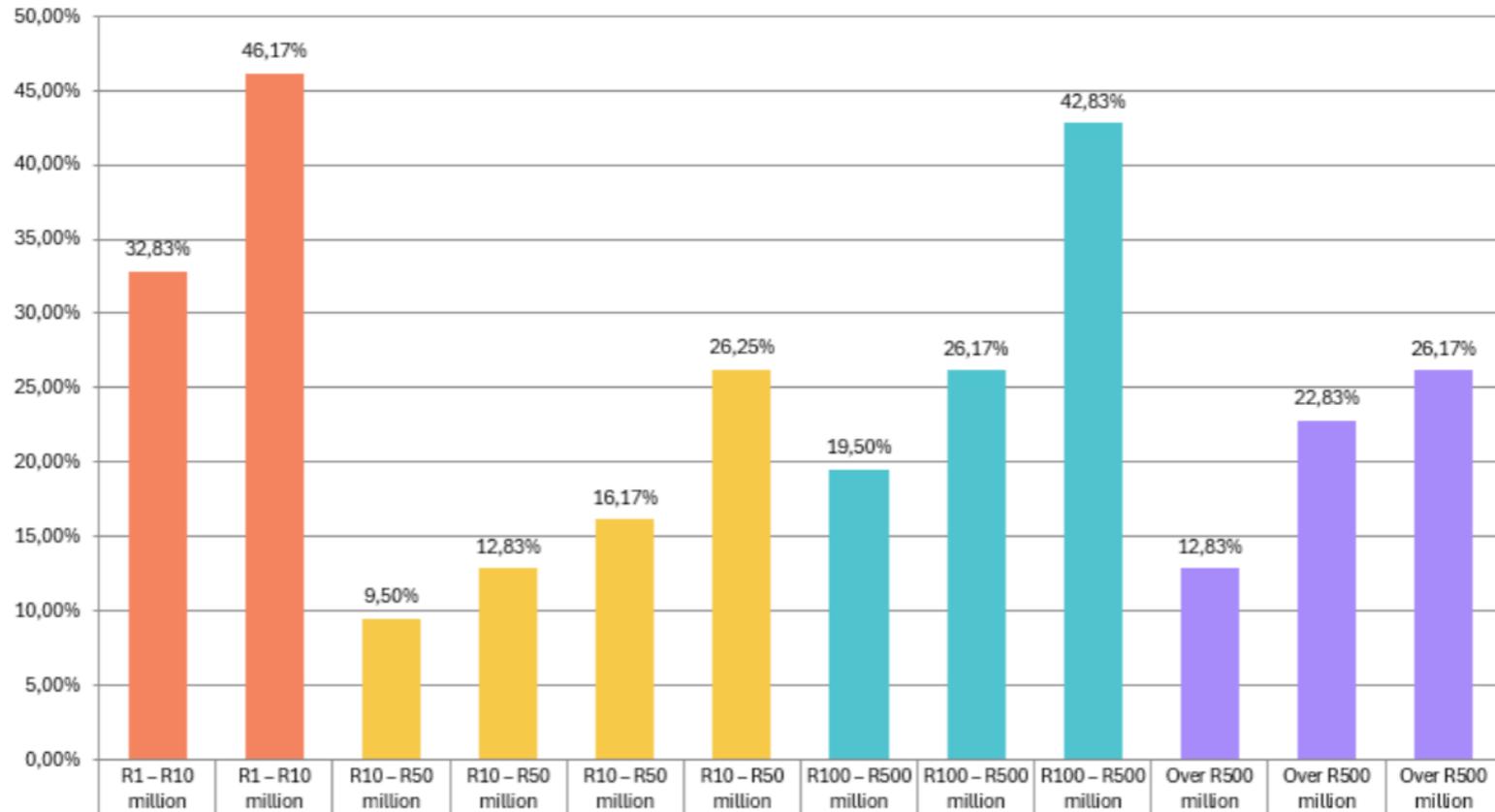


# Annual Cost to Organisation

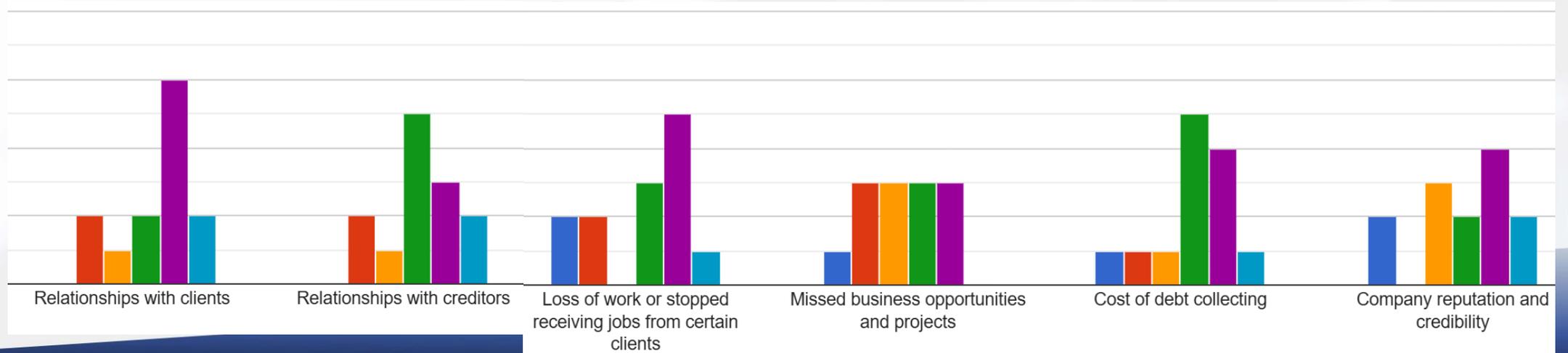
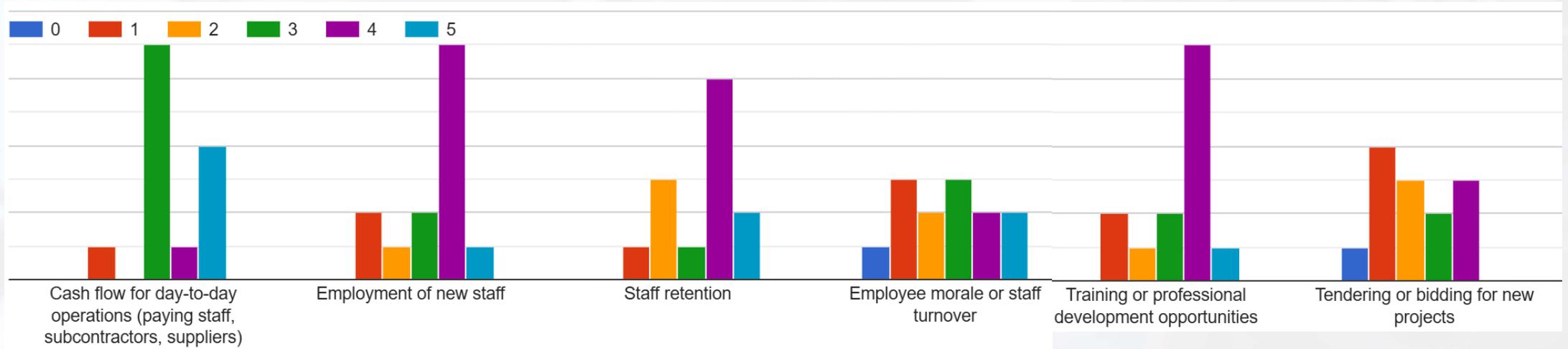


- Less than R50 000
- R50 000 – R100 000
- R100 000 – R500 000
- R500 000 – R1 000 000
- R1 000 000 – R10 000 000
- More than R 10 000 000

# Turnover to Debt Ratio (Est.)



# Severity per Impact





# THE DOMINO EFFECT OF LATE PAYMENT ON THE CONSULTING INDUSTRY

## 1. THE CAUSE - UNPAID INVOICES



## 2. IMMEDIATE IMPACT

STRAINED CASH FLOW



AVAILABLE FUNDS DROPPING  
LIQUIDITY CRISIS

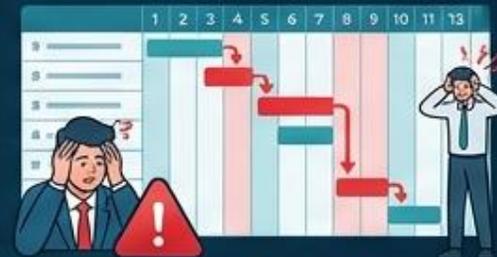
PAYROLL ANXIETY



STRESSED EMPLOYEES

## 3. OPERATIONAL SLOWDOWN

DELAYED PROJECT DELIVERY



PROJECT TIMELINES EXTENDED

PAUSED HIRING & INVESTMENT



FLATLINE CHART FOR GROWTH

## 4. LONG-TERM CONSEQUENCES

LOSS OF COMPETITIVE EDGE



WEAKENED MARKET POSITION

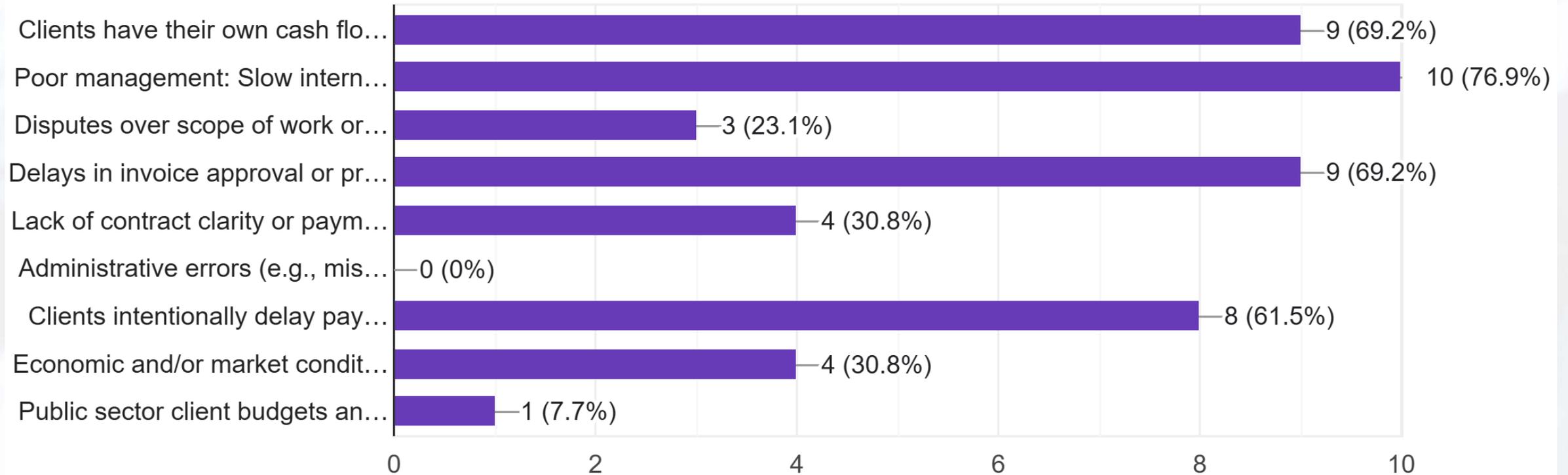
REDUCED GROWTH & TRUST



REPUTATION  
DAMAGE

FINANCIAL  
INSTABILITY

# Perceived Reasons for Late Payment



# Conclusion

- Phenomena of late payment has been confirmed
  - Systemic issue deeply affecting Engineering Consultants
- The degree of the delay is observed
- The Effects (as expected)
  - Growth compromised
  - Operations suffer
  - Global Economy
  - Infrastructure Delivery
  - Smaller businesses are more impacted



# Recommendations

- Clear Contracts
- Automative Invoicing
- Industry Advocacy
  - Build Awareness even at a political level
  - Look for systematic changes
- Client Communication



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Thank you!

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### Sponsors



### Exhibitors

