‘BLING CULTURE’ IN SOES NEEDS TO BE ADDRESSED, COSTAU TELLS APPROPRIATIONS COMMMITTEES

The “bling culture” in state-owned enterprises (SOEs) should be addressed urgently, said the Congress of South African Trade Unions’ (Cosatu) Parliamentary Coordinator, Mr Matthew Parks, during the public hearing of the Standing and Select Committees of Appropriations.

Cosatu today participated in public hearings of the Standing and Select Committees on Appropriations, which focussed on the 2019 Appropriations Bill, a Section 77 Bill that provides for the appropriation of money by Parliament from the National Revenue Fund in terms of Section 213 of the South African Constitution and Section 26 of the Public Finance Management Act of 1999.

“It cannot be that CEOs in SOEs earn more than the President”, said Mr Parks, who highlighted both the need for the state to be more assertive when it comes to SOEs and for comprehensive forensic audits of all SOEs.

Whilst Cosatu is sensitive to the budgetary pressure government faces in relation to declining revenues and challenges of corruption and inefficiency, it does not believe that the Appropriations Bill and budgets reflects the vision outlined by the President during his 2019 State of the Nation Address.

“The President gave many good visions, commitments and objectives, but we didn’t get a sense from the budgets and Appropriations Bill of government’s plan is to deal with the economic, governance and budgetary crises,” said Mr Parks.

The Appropriations Bill makes no reference, Mr Parks noted, to plans for recovering the wasteful expenditure on Eskom’s Medupi and Kusile power stations, the billions wasted on the Giyani water project and the challenge of tall trains with low platforms faced by the Passenger Rail Agency of South Africa.

As part of Cosatu’s recommendations on the 2019 Appropriations Bill, Mr Parks highlighted the need for government to engage with labour on plans to stabilise, save and grow key SOEs, such as Eskom, South African Broadcasting Corporation and Denel. Cosatu also recommended the development of clear plans to save and intervene in the challenges faced by SOEs. These plans (as per the submission received) “should find alternatives to retrenchments e.g. redeploying staff from Eskom to work in municipality electricity departments or to departments experiencing staff shortages e.g. Home Affairs”.

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