**SELECT COMMITTEE ON PUBLIC ENTERPRISES AND COMMUNICATIONS BRIEFED ON ANNUAL PERFORMANCE PLANS AND BUDGET VOTE**

**Parliament, Thursday, 18 July 2019 –** The Select Committee on Public Enterprises and Communications was briefed by the Department of Public Enterprises on its annual performance plans and budget vote for 2019/20.

Members of the committee welcomed the presentation and the detail. However, the committee said the department needs to be mindful of the structure and content of its presentations to the committee. Presentations should include impact on provinces, for instance, what effect does the South African Forestry Companies Limited (Safcol) have in areas such Lusikisiki or Mpumalanga?

During the discussions, the committee was of the view that state-owned entities (SOEs) should contribute to economic growth in line with government strategy. Questioning the department, the committee also enquired how Transnet could be strategically positioned to contribute to economic growth and create employment opportunities. Rural provinces like Limpopo, which offers mining, agriculture and tourism, could be used strategically by Transnet because of the rich platinum reef in the province.

The committee noted with concern the strain on road infrastructure, as a result of poor rail infrastructure. The committee indicated that maintaining the roads is expensive and not sustainable. This is an area the department needs to address, as the damage caused by trucks on the roads is extensive. The members of the committee voiced communities’ complaints about road damage caused by the trucks. The committee also urged the department to upscale the frequency of trains that carry manganese.

The committee expressed concern about the department’s 16% vacancy rate. The committee also said the presentation did not provide a timeframe in terms of addressing the problems. Members of the committee said the detail would enable proper and effective oversight, to keep government accountable in addressing its problems.

Minister of Public Enterprises Mr Pravin Gordhan informed the committee that the department is closely monitoring SOEs’ financial and operational performance through weekly and monthly monitoring. The recovery of stolen money is in process, he said, as law-enforcement agencies are pursuing cases against those implicated.

The committee commended the Minister on the bold steps to expose state capture, as the committee understands the damage it causes.

On Eskom, the committee wanted to understand the extent to which unions pose a risk in unbundling Eskom. The committee also expressed its concern about Eskom’s R400bn debt and revenue generation, which is insufficient to meet its financial obligations.

The committee welcomed the Government Shareholder Management Bill and directed the department to fast-track the bill.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE SELECT COMMITTEE ON PUBLIC ENTERPRISES AND COMMUNICATIONS, MR TSHITEREKE BALDWIN MATIBE.**