**MEDIA STATEMENT**

**COMMITTEES INFORMS PUBLIC ENTERPRISES DEPARTMENT TO PLACE MEASURES IN PLACE TO ASSIST STATE OWNED ENTITIES**

**Parliament, Wednesday, 12 May 2021 –**The Portfolio Committee on Public Enterprises held a joint meeting with the Select Committee on Public Enterprises and Communications where the committees were briefed by the Department of Public Enterprises on its annual performance plan (APP) and budget for the 2020/21 financial year.

The committees said they note the constraints in which state-owned entities (SOEs) operate. However, the committees said it is disappointing that the non-submission of annual reports by SOEs is as a result of the Covid-19 pandemic. They  said even during the pandemic, work is being done and non-submission is non-compliance by SOEs.

Briefing the committees, the department said a board performance framework has been developed.  It told the committees that it will implement this framework by ensuring that each existing board undertakes an independent board performance to ascertain that boards are performing.

The committees expressed their concern over the performance of some board members who serve on multiple boards. They questioned if board members bring any critical skills if they are double-dipping.

The committees informed the department that during oversight, they learnt that SOEs are competing with the private sector. They questioned to what extent bureaucracy hinders progress and affects the SOEs’ balance sheet and income generation? They said SOEs are businesses but most of them are in financial distress, something which is a cause for concern.

The committees informed the department that with the operational and financial instability deteriorating at the SOEs, the department still needs to put in place measures to assist the SOEs and identify risks to the government’s developmental goals timeously.

The committees questioned the department on whether the deadline it has set for itself for the Government Shareholder Management Bill will be achieved. The department informed the committees that it will table the Bill in 2022.

The Chairperson of the Portfolio Committee on Public Enterprises, Mr Khaya Magaxa, said: “We are concerned about the poor hostile relationship among state owned enterprises. The case in point was the grounding of Mango Airlines by Airports Company of South Africa Limited (ACSA). We would like to see these state entities engaging and resolving issues amicable among themselves.”

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSONS OF THE PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES, MR KHAYA MAGAXA, AND THE SELECT COMMITTEE ON PUBLIC ENTERPRISES AND COMMUNICATIONS, MR TSHITEREKE MATIBE.**