**MEDIA STATEMENT**

**PUBLIC ENTERPRISES COMMITTEE CALLS FOR PRODUCTIVE PARTNERSHIPS BETWEEN STATE OWNED COMPANIES**

**Parliament, Thursday, 17 March 2022 –**The Portfolio Committee on Public Enterprises received a briefing from the Department of Public Enterprises on its policy impediments that hinder the state owned companies from advancing their developmental objectives.

The department informed the committee that the approval of contract variations by National Treasury should be done away with, as it has contributed to a marked increase in the state-owned companies' irregular expenditure as some contracts have expired due to the additional timelines required for internal processes together with National Treasury's final approval. This has had an impact on the state owned companies' operations as well. The accounting authority is accountable for such transactions whether National Treasury approves or not.

The committee expressed its concern over that and stated that the presentation insinuates that legislation prohibits public institutions from forging partnerships. It questioned why can't Transnet and Prasa collaborate as state institutions to assist government with its rail and transport challenges.
The committee said that it appeared from the department's presentation that the government do business with the private sector and ignores state owned companies such as Denel although they have advanced capabilities that can assist government to implement its developmental objectives.

Members of the committee said the Department of Defence, the South African Police Service and the Department of Correctional Services procure security items which are imported that can be manufactured locally.

The Chairperson of the committee, Mr Khaya Magaxa, said: "The truth of the matter is that, all the state owned companies are set up for failure, the intention is not for them to prosper because legislation favours private sector more than it favours public enterprises. When the state owned companies fail, the private sector devour on the leftovers of the enterprises."

On the issue of load shedding, the committee was of the view that Eskom's Chief Executive Officer and the Chief Financial Officer need to brief the committee and the country as the situation of switching the lights on and off is not the right thing

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES, MR KHAYA MAGAXA**

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