**MEDIA STATEMENT**

**PUBLIC ENTERPRISES COMMITTEE BRIEFED ON ANNUAL PERFORMANCE PLAN**

**Parliament, Thursday, 12 May 2022** – The Portfolio Committee on Public Enterprises and the Select Committee on Public Enterprises and Communications held a joint meeting yesterday to receive a briefing from the Department of Public Enterprises on the department’s strategic plan for 2020-2025 and its annual performance plan for the 2022/23 financial year.

The committees asked the department how the government guarantees being transferred to the South African Airways (SAA) will benefit ordinary citizens, in light of the fact that the government will no longer be the majority shareholder in the airline. The committees told the department that the government is putting money into SAA instead of Eskom, at a time when the power utility should be the priority.

The department responded by outlining the budget decrease for the 2022/23 and 2024/25 financial years, at an average annual rate of 76.5 per cent. This is due to the substantial allocation made to Eskom, Denel and SAA in 2021/22 for the settlement of government-guaranteed debt and the implementation of the business rescue plan.

Excluding payments for financial assets, compensation of employees is the department’s largest cost driver. Spending on this item is expected to increase at an average annual rate of two per cent, from R177.4 million in 2022/23 to R188 million in 2024/25. Payments for financial assets include R21.9 billion for Eskom in 2022/23 and R1.8 billion for SAA to settle government guarantee debt.

The committee told the department that it had conducted an oversight visit at Denel and asked if the department had checked on the damage caused there. In his response, the Deputy Minister of the Department of Public Enterprises, Mr Phumulo Masualle, said the department has been doing their best to support Denel to deal with its long-standing challenges.

“Where we could, if we had the authority to do that, we could have provided them with an injection financially, so as to undertake some of the programmes that would help bring the entity back to its former glory,” said Mr Masualle.

As for independent power producers (IPPs), Mr Masualle said the Department of Mineral Resources and Energy can speak authoritatively on IPPs and the interaction with Eskom on the agreements in place.

**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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