# BUDGET DEBATE VOTE SPEECH – PUBLIC ENTERPRISES

**By Inkosi EM Buthelezi MP
Spokesperson on Public Enterprises**

Delivered at Parliament

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### Vote 9: Public Enterprises

Honourable Chairperson,

At the outset, allow me to thank the honourable President and the Minister for their commitment and political will to turn the things around from the previous administration.

In the past, the Ministers defended the rot and attacked members of this house for their recommendations.

The role of this department is to drive investment, productivity and transformation in our State Owned Entities (SOEs) – to unlock growth, drive industrialisation, create jobs and develop skills.

The success of our state owned companies in driving economic growth is critical, and yet this has not quite been the case in the past.

Instead, Chairperson, this Department is truly the definitive poster child of this government in respect of grand corruption, kleptocracy, nepotism and cadre deployment. The crippling of our SOEs has played a major role in the country’s drop in international credit ratings.

In fact, it can be easily argued that the last decade in the history of this department was spent building nothing more than patronage networks through the misappropriation of public funds and elites lining their own pockets.

While we trust that the Minister has the will and expertise to address the failing state of our SOEs, but the question remains –

Will the Honourable Minister have the support of the ANC to clean up each SOE from within?

The various challenges faced by SOEs are internal and includes weak, inexperienced and incompetent leadership. Which then affects our entities strategically, operationally and financially.

Chairperson –

Eskom continues to fail all our people.

It not only regularly fails to keep the lights on in the country but it also charges more for poor service through its continual tariff hikes affecting the poorest of our people.

Chairperson, what is of grave concern is the fact that the government departments, municipalities and cities owe Eskom billions of rands – It is unacceptable that these bills have remained unpaid for years but more importantly, this self-sabotage must be strongly rooted out.

Who is this government serving when Mr Shoba of Embongombongweni receives a SASSA grant and is unable to make ends meet and when he buys electricity he does not receive the discount of being an indigent. If he fails to pay, the next day his power is cut. But, we’ve got departments that owe millions of rands, yet their lights are kept on.

On SAA – another entity of perennial bail-outs, staffing issues and dubious senior management appointments, we note many similarities. It is all internal.

Is it not time that we cut our losses and consider a public-private partnership, Honourable Minister?

Just two weeks ago Denel had to request a 2.8 billion rand bail-out and could not pay staff salaries in full at the end of June.

What does this do for staff morale? What does this say about the competency of senior financial management at this entity? Staff retention is affected due to instability. Who can work for a company when things are unstable within.

Furthermore, when we talk about Denel, we are not just talking about any company, but one which is part of ensuring the safety and security of our country. If Denel is left to fail, this may pose a risk in future to the sustainability of our national security.

Chairperson, a line must be drawn in the sand – which clearly states and demarcates this far and no further.

Corruption must be thoroughly investigated and competently prosecuted at all state-owned entities.

The fact of the matter remains, South Africans can no longer afford to pay more for SOEs who do not fulfil their mandate and do not add any value towards realising their mandate.

If we look at the strategic objectives of all our entities none of their targets are met.

* Economic transformation? No progress there.
* Job creation? Instead of creating jobs, SOEs can’t even manage to retain jobs.
* Building a capable and ethical state? We’ve got rot that is embodied from within that undermines the very objective.
* A better Africa and World? How is this even possible when we are currently on our knees.

This is the reality that we face, Honourable Minister. This department is an enemy of its own and it is counter-productive if it fails to deliver on its own key performance indicators.

However, in our commitment to work in the best interest of our country, the IFP supports this budget.

I thank you.