

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 234**

**234. Ms B M van Minnen (DA) to ask the Minister of Public Enterprises:**

(1)       In view of his confirmation to the Standing Committee on Public Accounts on 19 February 2020 that each state-owned entity (SOE) must be evaluated for viability, (a) by what date will the process of evaluating the 131 SOEs commence, (b) who will be carrying out the evaluation and (c) what will be the criteria for such evaluations;

(2)      (a) what does his department intend to achieve with the evaluations and (b) how will the evaluations be connected to the financial viability of the SOEs;

(3)       how does he intend to deal with SOEs that are found not to be adding value and/orthat are not financially viable?                                                                        NW317E

**REPLY:**

(1)

Government as a whole is concerned about the number of state-owned enterprises and entities, and their respective governance operational and financial status. A process of review has been discussed and the relevant departments are establishing which entities can be merged, closed or retained. This will be an on-going process with regular reports to government.

Once the Presidential SOC Council begins its work, further measures and initiatives will be put in place.

(2)

As above:

In addition, Boards as the accounting authority in terms of the PFMA, will also be responsible for ensuring operational performance and financial viability of entities.

(3)

Government, in consultation with the relevant Departments, will determine the response to financial and other issues. The example of restructuring of Eskom as a result of the governance, operational and financial challenges arising from corruption and state capture.

Government initiated a process to change the business model, restructure the generation, transmission and distribution components with a view to better transparency, and focus on operational performance and financial efficacy.

The repositioning of state owned entities will continue to receive intense focus – particularly, ensure that dependence on the fiscus is stopped.