

## **To get good government, you must have good people in charge of government.**

By **Ghaleb Cachalia** – DA Shadow Minister of Public Enterprises

Let me take you back to last year when President Ramaphosa published his open letter on SOEs.

He said that despite severe financial difficulties, operational problems and being mired in debt, he would not allow any of these strategic entities to fail.

He said he would seek strategic equity partners to save the companies and that he would summon extraordinary effort and, in some cases, make tough decisions.

Minister Gordhan echoed this and added, “SOEs require special measures, which include greater intervention from the shareholder”.

Well, a year of intervention later, the SOEs are – almost without exception – in a worse state than before.

Despite continued bailouts, at our collective expense, financial difficulties, operational problems and ongoing graft still bedevil these companies that struggle to deliver adequate public goods.

Take Transnet where our ports are more expensive – in some cases double the average cost of ports in high-income countries, and where the cost of rail transport is almost three times that of road transport. This is supposed to be the spine of our economy? Some spine, some economy!

Electricity is neither affordable nor available –in direct contradiction of Eskom’s mandate – It cannot continue as a going concern, massive bailouts notwithstanding, without consumer-crippling tariff increases. Eskom should be the lifeblood running through the veins of the economy – pity though that the arteries are fatally blocked. It posted a staggering R20,5 billion loss for the year to March and remains the biggest risk to the nation’s economy.

SAA is bust and SA Express is buried but the minister is hell-bent to trying to save a dead duck in the hope that it will fly – shamefully, in a time of Covid, at the expense of health, policing and education – with more injections from the public purse scheduled down the line.

Denel, once a world leader in its field is unable to deliver on key projects or even pay salaries as it records a loss of R1.75 billion.

Even SAFCOL reported a loss of R47 million with irregular expenditure hovering around the R350 million mark – indicative of yet another SOE continuing to fail in corporate governance.

Alexkor – a diamond mining operation – though why the state should own a diamond miner is beyond my ken – reported a loss with zero revenue-generating activities. Its 2019 losses amounted to R173.6 million. It's beset by corruption, mismanagement and the wholesale dereliction of the Northern Cape community it is supposed to serve. It's a disgrace.

These are Your SOE's, under Minister Gordhan's aegis.

As the founding father of modern Singapore, Lee Kuan Yew, once said:  
*To get good government, you must have good people in charge of government.*

And the plain fact of the matter is that this government and its predecessors governs through a tripartite alliance with the South African Communist Party and the Congress of South African Trade Unions, and they seek to influence government policy and decisions for their own ends.

They have mismanaged, stolen, deployed useless cadres and driven these SOEs into the ground with devastating effects on the fiscus, our debt levels and our ability to borrow and service the debt.

We now borrow R2.1 billion per day because, as long as the system gave unto Caesar his due, the crimes and mismanagement were tolerated. Worse, they were encouraged... and now we're being spun a tale that, yet again, speaks of fixing, cleaning and delivering – pull the other one!

Give the good people of our country one plausible reason why you should be trusted. I put it to you – we do not have good people in charge of government. Failure upon failure attests to this and it should be clear to Minister Gordhan – the chemist he is – that no Panado is going to cure this cancer.

What is needed is transparency and accountability across the board now, the truncation of the state's dead hand in the running of these businesses, the privatisation of entities and business units and companies by bringing strategic private sector partners on board. And, make no mistake, they will have terms governing their investment – and it won't be based on your tripartite alliance's whims that proverbially binds with briars our joys and desires.

The flexibility of the labour market will need to be addressed, and your procurement regulations like those concerning pre-qualification criteria – the biggest facilitator of corruption under the guise of BEE which the Supreme Court has just ruled against, will have to go.

Actually this government, will in all probability, have to go, because you are structurally incapable of dismantling the web of toxic vested interests that conflate state, party and alliances. If you had any semblance of responsibility you'd call a snap election now – but you won't – because the passengers on that side of the house are still aboard the gravy train.

Make no mistake though, the rails are coming off.....And ain't that the truth.