



## **REQUEST FOR INPUT FROM ROLE-PLAYERS AND STAKEHOLDERS**

### **SOUTH AFRICA'S REVIEW OF STATE-OWNED ENTERPRISES**

President Zuma announced the establishment of The Presidential SOE Review Committee (PRC) on the 12 May 2010 during his budget vote. This establishment is a response to the acknowledgement that there is a need to strengthen the role of SOEs to ensure that whilst they remain financially viable, they respond to a clearly defined public mandate and support the developmental state aspirations of government. The SOEs are also expected to respond to the industrial policy and economic transformation objectives of government. To undertake the review, the PRC set up four key work streams:

- The Role of State Owned Enterprises in Development and Transformation;
- Governance and Ownership of State Owned Enterprises;
- Business Cases and Viability of State Owned Enterprises; and
- Strategic Management and Operational Effectiveness of State-Owned Enterprises.

The work streams are set up to:

- support and enable the PRC to achieve the review objectives
- To cluster the 21 Terms of Reference of the PRC allowing for common and related matters to be dealt with by a dedicated work stream and to allow for in-depth attention to matters pertinent to the enhanced delivery of outputs

The PRC acknowledges the fact that SOEs should be aligned to:

- South African circumstances and strategic priorities;
- Political imperatives;
- Social impact ( creation of jobs; development of critical skills; quality and access of services; pricing; economic empowerment and facilitation);



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- Economic impact (creation of new industries, facilitating value creation by Government, effective utilisation of state resources in driving economic growth);
- Increasingly, environmental imperatives that have gained momentum through the Kyoto protocol etc.

The objectives of the review are to:

- Review and clarify the definitions of a Developmental State and State-Owned Enterprises including the classification of SOEs. Also, to outline the role of SOEs in a developmental state within the South African context of balancing socio-economic, and political imperatives;
- Review the contribution of SOEs to human capital development;
- Propose viable shareholder and governance models for SOEs in relation to legislative frameworks and accounting standards with due cognisance of the developmental state context;
- Proposing sustainable SOE business models that strike a balance between commercial, developmental and shareholder objectives;
- Propose appropriate strategic and legislative frameworks or policies on remuneration, collaboration between government Ministries and SOEs, and proposals for strategic management and operational effectiveness of SOEs.

The PRC invites role-players and stakeholders including individual South African citizens; State-Owned Enterprises; government departments (national, provincial, and local); organised business; labour; political parties; civil society; professional bodies; and industry associations to make inputs into the process of reviewing South Africa's State Owned Enterprises. The inputs **should address issues/challenges/distortions that are either broad or specific and relate to the area(s) of the role-players' or stakeholders' operations.** Where possible, the issue raised should be accompanied by a submission of evidentiary value (current or previous review/audit or research or any other relevant report) to support the claims made. Also, **where possible, provide a proposed solution from your perspective.**



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Overall, the input should seek to address the following three key challenges identified by the PRC:

1. Is/are the SOE(s) currently viable, effective, and adding value to development and transformation; or are they likely in future? If not, what could be done?
2. Is the SOEs' governance and ownership model, policy, legislation, and implementation appropriate to enable SOEs to be viable and effective and to optimally contribute to state's development and transformation plans? If not, how can it be improved?
3. Is the agenda for SOEs made clear and aligned to State's Development and Transformation Plans? If not, how do you make it clear and aligned?

The submissions should be made in electronic Word format emailed to:

Dr. Godwin Ounoha: Email Address: [gonuoha@hsrc.ac.za](mailto:gonuoha@hsrc.ac.za)

Or

Dr Bheki Mfeka: Email Address: [bheki@christpro.co.za](mailto:bheki@christpro.co.za)

The supporting documentation can be submitted in electronic format (Word or PDF or any other compatible format) to the email above; as well as hard copies to the following address:

Postal Address:

Attention: **Dr Zwelakhe Tshandu c/o PRC**

**PRC SOEs Public Submissions**

**Private Bag X 41**

**Pretoria**

**0001**

Submissions should reach the PRC on or **before Friday, 1<sup>st</sup> July 2011.**

***NOTE: All information and documentation submitted will remain confidential and will be solely used by the PRC for the review process only.***



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For Presidential Review Committee on State Owned Enterprises' Terms of Reference and further enquiries please do not hesitate to contact:

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Thank you

Ms Riah Phiyega  
Chairperson  
Presidential Review Committee on State Owned Enterprises

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