

# FISH HOEK VALLEY RATEPAYERS & RESIDENTS ASSOCIATION

*(Incorporating Fish Hoek, Clovelly and Sun Valley)*

~~65B Central Circle, Fish Hoek 7975~~

Web: <https://www.fhvrta.org.za/> Facebook: [www.facebook.com/FHVRRA/](https://www.facebook.com/FHVRRA/)

Heritage Western Cape: Conservation Body

TO: ADVOCATE MELANCHTON MAKOBE [Nationalstateenterprisesbill@dpe.gov.za](mailto:Nationalstateenterprisesbill@dpe.gov.za)

SUBJECT: COMMENTS ON DRAFT NATIONAL STATE ENTERPRISES BILL <sup>1 2</sup>

DUE DATE: WITHIN 30 DAYS OF 14-09-2023

We, the Fish Hoek Valley Ratepayers & Residents Association (FHVRRA), note that due to the National budget constraints, that if subsidies are not afforded, the current political party may not be re-elected. However, as our state coffers are running dry, this process needs to be concluded before the upcoming elections.

If our State Owned Enterprises (SOEs) were folded into a company structure, it could allow other investors to share ownership and provide the necessary board level decisions for making profits instead of the constant bail-outs currently required. Shared ownership with the State or outright outside investor ownership of the subsidiaries would allow for the long-term commercial sustainability of each. Other investors must be brought in to effectively implement any corrective action for non-performance to targets and objectives. Otherwise, all subsidiaries must be placed under administrators.

So far, it appears that COSATU is supporting this.

If the intention of a holding company is to run SOEs along business lines rather than as charities, as is currently being done, then we applaud this move. However, the state must not be the only shareholder as politicians do not usually make good business people nor know about best business practices. (In fact, we feel that the mess that SOEs are in was directly correlated to cadre deployment.) Otherwise, the SOEs should be shut down and the assets sold resulting in many more job losses than just the expensive, upper management level in the phased succession of state enterprises to the holding company.

Until there are other stakeholders, the state-owned companies will continue not earning returns and continue to be a drain on our fiscus and economy. What is needed is private investors with a sufficient stake in the SOEs (proper skin in the game) to want to make them work properly and not be like a charity. There must be no political interference in order for this to work. Public-private partnerships might work, but no appropriate model has been offered by this government to entice entities to invest. A sufficient sale of subsidiaries could help this government to find the funds to balance its budget and finance grants, etc.

1 <https://www.gov.za/documents/national-state-enterprises-bill-draft-15-sep-2023-0000>

2 [https://www.dailymaverick.co.za/article/2023-09-19-whats-the-new-national-state-enterprises-bill-about/?utm\\_source=TouchBasePro&token=MEdjczVNYUpZcFBuZmN2SkdvQUIXQINuWXJReEdQeUQ0cGZ1cTd4SlhNVzFDMmxKMkpaQjNH0VdnYitxQThlTGFIWXJyNTdDa1p2ZTlaRINTNUFjZWc5ZWxHT3FucEE1czRyelpNZ2k5MTFuTjAwTGO2RIVXN1hVeGpZR2hMMzNKN3QrVVPNQVloTTVKT0NISGlpS0hnPT0=&utm\\_medium=email&utm\\_campaign=Business%20Maverick\\_Tuesday\\_19%20September%202023\\_Lamborghini&utm\\_content=Business%20Maverick\\_Tuesday\\_19%20September%202023\\_Lamborghini+CID\\_75090702268ef20a37ebb0ae0f115ac1&utm\\_source=TouchBasePro&utm\\_term=Whats%20the%20new%20National%20State%20Enterprises%20Bill%20about](https://www.dailymaverick.co.za/article/2023-09-19-whats-the-new-national-state-enterprises-bill-about/?utm_source=TouchBasePro&token=MEdjczVNYUpZcFBuZmN2SkdvQUIXQINuWXJReEdQeUQ0cGZ1cTd4SlhNVzFDMmxKMkpaQjNH0VdnYitxQThlTGFIWXJyNTdDa1p2ZTlaRINTNUFjZWc5ZWxHT3FucEE1czRyelpNZ2k5MTFuTjAwTGO2RIVXN1hVeGpZR2hMMzNKN3QrVVPNQVloTTVKT0NISGlpS0hnPT0=&utm_medium=email&utm_campaign=Business%20Maverick_Tuesday_19%20September%202023_Lamborghini&utm_content=Business%20Maverick_Tuesday_19%20September%202023_Lamborghini+CID_75090702268ef20a37ebb0ae0f115ac1&utm_source=TouchBasePro&utm_term=Whats%20the%20new%20National%20State%20Enterprises%20Bill%20about)

## SUMMARY

The Fish Hoek Valley Ratepayers & Residents Association supports State Owned Enterprises (SOEs) being folded into a company structure, if share ownership can include other than exclusive State ownership.

The SOEs, now subsidiaries, must be run along business lines.

If the subsidiary does not show a profit after one year within this new structure, their assets must be sold and the business shut-down.

Many of the subsidiaries must be merged to reduce costs (a business term).

If within a year a subsidiary does not attract outside investors, it must be placed under administration.

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DATE	23 September 2023