

1. SABC and SAA Board Appointments

Reinforcing the importance of good governance and sound financial management in SoE's, BUSA has been advocating through a variety of different fora for the appointment of credible and capable individuals to the Boards of SoE's. In this regard, we extend our congratulate BUSA Vice President Martin Kingston, and members of the BUSA family, Nolita Fakude (who has been appointed as Deputy Chairperson) and Geoff Rothschild on their appointment to the SAA Board.

The following media statements have been released relating to the new boards:

BUSA welcomes the changes to the SAA board (19 October 2017)

Business Unity South Africa (BUSA) welcomes the appointment of the new South African Airways (SAA) board as announced by National Treasury.

Business views the appointments as a step in the right direction to ensuring financial stability and good governance at SAA. The appointment of JB Magawaza, an accomplished businessman, as chairperson, together with a number of experienced business persons to the board will bring much needed capabilities to the board.

BUSA stated that the eradication of wasteful and fruitless expenditure and curtailing losses of State-owned Enterprises (SOEs) requires urgent support and implementation. The recent bail-outs of SAA by National Treasury – in the absence of implementable, time-bound measures to address both governance and oversight shortcomings and structural options which can secure the long term viability of the airline– have been an ongoing concern to business. South Africa at this juncture simply does not have the funds necessary to provide financial support to chronically underperforming SOEs and this needs to be addressed as a matter of urgency, including in the case of SAA to prevent a contagion impact on the public and private sector. Business expects the new board to attend to these issues as a matter of urgency.

BUSA calls for continuity in stabilising the SABC (18 October 2017)

Business Unity South Africa (BUSA) notes the appointment of the new SABC board by President Jacob Zuma. BUSA recognises the inclusion of members of the previous interim board in the new board and hopes that this will ensure continuity in the process of stabilising the SABC.

“We welcome the appointment of a permanent board. Our expectation as business is for the new board to exercise its fiduciary duty and governance oversight without any interference. We trust that the board will

continue on the path of reform that will return the SABC to financial stability through sound financial management and good governance. It is important that the SABC remains capable of fulfilling its mandate as an impartial public broadcaster while doing everything to contain costs”, says Tanya Cohen, CEO, BUSA.

BUSA noted that it was crucial to ensure that the boards of State Owned Enterprises (SoEs) be constituted with individuals that have significant financial, governance and business expertise, particularly in the relevant technical areas of the SoE. Not only would this assist in limiting the drain on the fiscus, but it would also bring much needed confidence to these enterprises.