



public enterprises

Department:  
Public Enterprises  
REPUBLIC OF SOUTH AFRICA

## MEDIA STATEMENT

### **DPE APPALLED BY POLITICAL MECHANISATIONS BY CHAIR OF PARLIAMENT'S PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES**

**PRETORIA, 20 March 2024** -- The Department of Public Enterprises is appalled by the disingenuous way the Chairperson of the Portfolio Committee on Public Enterprises, Mr Khaya Magaxa, has sought to mislead the South African public by insinuating impropriety in the strategic equity partnership (SEP) deal that was proposed for South African Airways (SAA).

Rather than stick to the terms of what National Assembly Speaker, Honourable Nosiviwe Mapisa-Nqakula, had asked the Committee to do, Magaxa appears instead to have gone on what increasingly looks to be a rogue campaign to accuse and convict the DPE, and by extension Minister Pravin Gordhan, of impropriety without a shred of verifiable evidence, and by going beyond his mandate and by sidestepping the legal opinion of Parliament's own legal adviser.

In essence, Mr Magaxa has turned a legitimate oversight exercise into a kangaroo court at which the DPE and its staff have been slandered, denigrated, and pilloried for the sake of politicking.

Despite Parliamentary Legal Adviser, Mr Andile Tetyana, declaring in his briefing to the committee last week that he found no sign of corruption in the proposed transaction, Magaxa on Wednesday insisted that he would ask the Speaker to institute an investigation by the Special Investigative Unit (SIU) into what was the proposed SAA-Takatso deal -- that has since been terminated by mutual agreement.

"When the Speaker instructed the committee to look into a complaint by the former Director-General of the DPE, she was not giving Mr Magaxa any right to act *carte blanche*, and beyond his mandate. It is troubling that a legitimate process has been hijacked for political opportunism and for misleading the South African public," the DPE said.

“At issue was whether there was any impropriety in the deal. This is what Parliament’s own legal adviser pronounced upon, saying there was no sign of corruption in the deal, and yet Mr Magaxa sees it fit to conflate issues by entertaining new lies by the former DG, wherein he denies that he had signed off on correspondence addressed to prospective partners during the evaluation of the expressions of interests,” the DPE said.

“Mr Magaxa cannot change the mandate of the Committee midstream, by suggesting that he does not have the capacity to make determinations on a matter that has already been subject to intense scrutiny and pronounced upon by Parliament’s own legal adviser,” the DPE added.

On Tuesday, Minister Gordhan wrote to Mr Magaxa to reiterate that the Takatso Consortium was not “hand-picked” by him, and that Takatso was appointed through a process that was led by Mr Kgathatso Tlhakudi, the former DG of the DPE.

The Minister also informed Mr Magaxa that he had received legal advice that even though the deal had been terminated, documents relating to the transaction remained confidential and must be dealt with *in camera*, consistent with the rules of the National Assembly.

Furthermore, Minister Gordhan reminded Mr Magaxa of the principle of separation of powers which undergirds our democratic order. In an unprecedented subversion of the principle of separation of powers, Mr Magaxa asserted on Wednesday in a statement attributed to the portfolio committee that Parliament should be part of overseeing deals involving the private sector.

In the correspondence to Magaxa the department included following documents for the Committee’s consideration:

- A duly certified copy of a Memorandum on Appointment of RMB as a Transaction Advisor dated 28 July 2020, signed by Mr Tlhakudi.
- A duly certified copy of a Memorandum on update on SEP process for SAA and advising potential SEPs on the next stage dated 07 April 2021, and signed by Mr Tlhakudi.
- A Briefing Note by Parliament’s Legal Adviser Mr Andile Tetyana, in which he provided a review of the SEP transaction, and showcased instances from the documentation furnished to the committee, which underscore the key role played by the former DG in the SEP transaction.

The actions of Mr Magaxa are inconsistent with the need to foster transparency, honesty, and integrity in an open society. Throughout the DPE’s engagement with Mr Magaxa it has become clear that his pronouncements and actions hark to a sinister agenda, which begs the question of Mr Magaxa’s true intent.

“A legitimate platform for public accountability cannot and should not be used to assail the character of those that Mr Magaxa deems to be his nemesis,” the DPE said.

“The DPE’s focus at this juncture is to ensure that SAA continues on its recovery path now that there is certainty about its future in view of the decision to terminate the SEP transaction.”

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