

**MEDIA RELEASE**                      **Eskom: PSA warns that load shedding during lockdown signals end**

DATE    11 September 2020

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The Public Servants Association (PSA), representing more than 240 000 members of the Government Employees Pension Fund (GEPF), is concerned about the collapse and sustainability of Eskom as the sole power supply in the country.

Challenges at Eskom have persisted since the appointment Andre De Ruyter. These problems relate to operations, management, and strategy. Throughout the COVID-19 lockdown period, the country has gone through intermittent power outages. These have negatively affected the mood of South Africans who are weighed down by the effects of lockdown and the associated socio-economic pressures owing to job losses and reduced income.

It was expected that with the new management in place, Eskom would start stabilising. Much has been said in the media about the impending Eskom restructuring into three units, i.e. generation, transmission, and distribution, all running autonomously under a holding company, with greater participation by the private sector in generation and energy trading. There has, however, been little information or progress communicated on these plans.

The PSA is concerned about the lack of progress with Government's various other plans and roadmaps on restructuring state-owned enterprises. In addition, what has emanated from the state-capture testimonies, especially by the former Chairperson, Zola Tsotsi, is deeply disturbing. Even though his testimony on Eskom's financial support to the Gupta family and the conjectures that it may have also bankrolled the ANC suggests that not much has been done to improve transparency and account for management and board failures in the past. The PSA believes that there is yet more to know about Eskom and its shenanigans in the past.

The PSA is more concerned after the state-capture revelation that the government alliance union federation shockingly supports Eskom bailouts with pension monies. It would be foolhardy for PIC to use the assets of public servants to rescue Eskom. Since the new management was announced, Eskom has not made any progress towards restructuring. In 2019, it experienced financial losses of some R20bn. The announcement of 2019/20-financial results was delayed ostensibly owing to COVID-19. The country remains in the dark about the state of affairs at Eskom. The PSA finds the leadership uninspiring. The only route to saving Eskom is to restructure it to reorient strategy, refocus management and improve the financial performance.

The PSA thus proposes that the National Treasury should tighten its financial oversight, especially given the danger posed by the current situation. At the same time, the GEPF must adhere to its investment mandate and ensure that pension monies are not used to bail out Eskom without generating any returns on investment.

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