

MEDIA RELEASE PSA SLAMS THE PIC'S PROPOSAL TO BAIL OUT ESKOM

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The Public Servants Association (PSA), one of the largest public sector Unions, with a membership of almost 250 000 public servants, has slammed the Public Investment Corporations (PICs') proposal, to once again willingly waste pensioners monies on Eskom. The proposal by the PIC's Chairperson made to the media, to convert Eskom debts into equity shares, is viewed as direct endorsement of Cosatu proposal to use public servants hard earned pension monies, for an institution that has not shown any signs of recovery. This proposal entails that over R200 Billion of public servants hard earned pension fund money be utilised such a bailout.

The PSA is of the view that although the GEPF is a defined benefit fund, this does not give the PIC the mandate to continuously fund Eskom and other entities that have been besieged by maladministration, fraud, corruption, and poor governance. In addition, such a decision may impact negatively on the asset liability model read together with the fund's Developmental Investment Policy, whose objectives are to earn good returns for members and pensioners of the fund, while supporting positive long term economic, social, and environmental outcomes for South Africa. The Developmental Investment Policy has four key pillars, which amongst others include the sustainable future (green economy). Eskom is one of the highest fossil fuel producer and the GEPF as a responsible investor should consider its environmental impact before taking any decision in this regard.

The PSA outrightly condemns such a proposal, as it will be regarded as reckless and irresponsible given the economic environment and the fact that Eskom is not even in a position to fulfil its financial obligations. The PSA has previously slammed the PIC for providing a five (5) Billion Rand loan a month to Eskom in 2018, to get out of a liquidity crisis and questioned whether the PIC was in violation of its mandate. The State must take full responsibility for the mess at Eskom and not rely on pension savings from public servants to continuously prop up ailing State-Owned Entities.

The PSA calls on the new incoming Executive Director and CEO of the PIC to immediately halt any proposal to fund Eskom and rather sell its holdings in the troubled entity.

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