

**MEDIA RELEASE**                      **PSA outraged by NERSA's selling out of South African consumers**

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**EMBARGO**                                None

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The Public Servants Association (PSA) sharply condemns the National Energy Regulator of South Africa's (NERSA) decision to grant Eskom massive increases over the next three years and questions NERSA's neutrality as a regulatory body.

"In the midst of sharp increases in fuel prices, which have a spiral effect on food and other commodity prices, as well as a hike in value-added tax, South African Consumers are embattled and heavily indebted. NERSA's announcement makes mockery of its so-called public consultations as the increases do not reflect any regard for the will and situation of consumers and cast doubt about NERSA's motives," said PSA General Manager, Ivan Fredericks.

"The current projected Consumer Price Index stands at 4.7%, which could mean that public servants are facing sliding-scale salary increases of only between 4.7% and 5.7% in April 2019. On top of the 4.4% increase granted to Eskom in 2018, the 9.41% increase for 2019/20, will in effect mean that consumers will have to absorb a double-digit increase of 13.8%. Clearly, public servants and other consumers will find it even harder to keep the lights on," said Mr Fredericks.

The PSA pointed out that whilst the state capture inquiry continues, the President should speed up investigations into the Medupi, Kusile and Ingula power stations that have been plagued by engineering design problems and massive cost overruns. "Once again, corruption and the capture of state resources have taken their toll on consumers who have to fork out as part of an expensive rescue plan for Eskom which, in our view, is a crime scene. Those responsible for this dire situation should be brought to book and steps should be taken to recoup the losses from those who benefitted lucratively from their corrupt activities," said Mr Fredericks.

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