

MEDIA RELEASE ESKOM: PSA calls for more decisive actions

DATE 15 February 2019

EMBARGO None

Enquieries communication@psa.co.za

The Public Servants Association (PSA) is calling for transparency and clarity following the announcement by President Cyril Ramaphosa, during his recent State of the Nation Address, to unbundle the struggling Eskom into three areas, namely generation, transmission and distribution.

While expressing the Union's understanding that solving the mismanagement issues surrounding all important state-owned enterprises (SOEs), the PSA pointed out that it is imperative that government and Eskom's management provide details of how this will not negatively impact the economy and plunge South Africa into a deeper energy crisis. "Research shows that one of the major challenges Eskom faces is its mounting debt, estimated to be over R400 billion currently with the energy utility spending R33 billion on employee salaries, as it continues to be burdened by unfulfilled coal contracts putting pressure on the energy grid. Decades of financial mismanagement have forced the Eskom to continue requesting tariff increases and bailouts. This situation impacts on consumers who still have to deal with daily rolling black-outs and a loss of R2 billion per day to the economy, impacting on job creation and retention," said PSA Acting General Manager, Tahir Maepa.

"Lack of accountability, rising corruption and the rot that is being unearthed during the State Capture Commission, continues to show that there needs to be a change in governance in SOEs. The safe guards that are meant to protect against wrong doing are clearly not enough, while punishment for those involved in fraud and corruption is a rarity," added Mr Maepa.

The PSA welcomes the actions taken by these various Commissions of Inquiry, including the Zondo Commission, but pointed out that these committees will not provide ongoing checks and balances to allow for accountability in SOEs.

"As the Minister of Finance prepares to deliver his Budget Speech next week, the PSA calls for more clarity on the activities at Eskom, and decisive action to strengthen regulations to curb corruption, and improve Eskom's governance and operational efficiencies, while also ensuring that jobs are not lost," said Mr Maepa.

END