

Eskom briefs Parliament on turnaround strategy

National power utility Eskom has tabled phase one of a strategic review that will deliver a turnaround blueprint that will include a short-term improvement plan.



Photo: Eskom

The Eskom board and executive management briefed Parliament's Public Enterprises Portfolio Committee on the company's 2017/18 annual report and financial statement.

Briefing the committee, Eskom group chief executive Phakamani Hadebe said the power utility has experienced difficult years following leadership and governance instability.

A new board and leadership team was appointed to clean up, stabilise and set Eskom up for future growth. Despite experiencing a difficult year, there was improved liquidity, and continued improvement in operational performance at the power utility. There was also advancement in governance and control systems.

The blueprint has been taken to the board, which will then culminate in a corporate plan that will be finalised in February 2019, in line with the Public Finance Management Act (PFMA) requirements.

In its presentation, Eskom said 11 implicated senior executives had left the company and the finalisation of outstanding disciplinary hearings relating to senior executives had been accelerated.

The committee heard that 11 criminal cases have been opened, five of which involve nine senior executives. In total, there have been 1,049 disciplinary cases since April 2018, of which 822 have been finalised, resulting in 97 employees leaving the employ of the company.

“In ensuring the power utility becomes a trusted state-owned company, remedial action has been taken against 25 staff members doing business with Eskom. Seven have left the company. Lifestyle audits of senior management are in progress,” Hadebe said.

Regarding load shedding, committee members said it is important for the power utility to constantly inform and update the public.

Quizzed by the committee on the reported privatisation, Eskom said the Department of Public Enterprises would be best placed to respond.

Regarding Independent Power Producers (IPPs), questions of clarity were raised on the costs associated with the programme.

Members of the committee were of the view that the IPP programme should not weaken the power utility as a whole, as there were reports in the public domain that Eskom purchases from IPPs at an increased amount and sells cheaper to consumers.

The committee commended Eskom for its honesty during its presentation, with committee chairperson Lungi Mnganga-Gcabashe saying this should be the norm.

The committee is of the view that what the company is experiencing are the effects of State capture in the country. Members of the committee suggested that the Hawks (Directorate for Priority Crime Investigation) and National Prosecuting Authority should be invited to appear before the committee on investigations conducted at Eskom.

The committee said it is disgraceful that there have been no arrests where there is substantial evidence.

Mnganga-Gcabashe said a joint portfolio committee meeting needs to be organised in order to address issues that have been raised by the committee relating to investigations into Eskom and mounting municipal debt.

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