



MUNICIPAL **ACCOUNTS DISPUTES**

ESKOM TARIFF INCREASE – PUBLIC HEARING
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MUNICIPAL
ACCOUNTS **DISPUTES**

Municipal Problems Solved!

INTRODUCTION

ESKOM is the ONLY company worldwide that DISCOURAGES

**the purchase and use of their product
– the more that ESKOM increases tariffs the LESS customers use –
“VICIOUS CIRCLE”**



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BACKGROUND

Key economic driver for South Africa is the cost of electricity

Most Smelters, Mines and Industries in SA receive electricity from Eskom

Especially the Mining industry in Rustenburg & North West has already been adversely affected

- Closure of mines
- Business rescues
- Job losses /Retrenchments
- Further anticipated job losses of over 5000 employees just in the Rustenburg Area – Sibanye, Glencore and Samancor

90% of economic existence generated from mining, industrial and commercial industries

Small businesses hit the hardest by electricity increases and load shedding



ESKOM HAS DONE NOTHING

- Cost of electricity has risen by more than 200% since the first load shedding in 2008
- ESKOM had 35 000 employees in 2008
- Currently ESKOM has 45 000 employees
- ESKOM IS OVERSTAFFED – Has done nothing to reduce costs or turn the situation around
- More than 10 years since first load shedding and ESKOM has deteriorated and is at its worst level ever
- Stage 6 load shedding on 9 December 2020 – ESKOM is destroying the livelihood of South Africa's economy
- Load shedding is damaging municipal infrastructure – no funds to repair – causing more power interruptions
- Municipalities must pay overtime for officials doing switching during load shedding – eats into their budget and they cannot attend to actual power outages



ESKOM HAS DONE NOTHING CONTINUED

- ESKOM is SELFISH and GREEDY and is destroying South Africa's economy for SELF GAIN
- Main reason for the deterioration of ESKOM – CORRUPT and non-performing Employees especially management –
- NOTHING HAS BEEN DONE TO BRING THESE PEOPLE TO BOOK or recover the looted money
- ESKOM has not generated additional capacity – customers are actually using less electricity due to the high Eskom tariffs
- Smelters are off and closed – therefore the electricity demand is less
- ESKOM has been plundered and captured by corrupt senior officials and managers

PUBLIC is sick and tired of paying the price for ESKOM's inefficiencies, empty promises and mis managements since 2008



ESKOM ROT

- LOAD SHEDDING is an ESKOM tactic and business practice to force exorbitant tariff increases that are unaffordable and unsustainable
- It is a known fact the LOAD SHEDDING worsens every time ESKOM does not get its way with a high tariff increase

It does not make economic sense to have the same staff complement if a company is UNABLE to meet its financial obligations

The public demands to see ESKOM reducing their staff complement especially MANAGEMENT POSITIONS with AT LEAST 70% – M – band upwards

- ESKOM large staff complement especially management is another fact that ESKOM is selfish and has done nothing to mitigate their dire financial situation



MUNICIPAL DEBT

- ESKOM needs to “think out of the box” with regards to outstanding municipal debt recovery – recover directly from municipal customers
- Unacceptable that there are some municipalities who have not paid their account for the last 4 years
- Key Customer Executives are not doing their jobs – how do you allow a municipality not to pay for 4 years without taking action
- These employees should be removed and be held accountable for the non-payment of municipalities
- Non Performance – must be given 3 months to improve or removed from their jobs
- non performing individuals one of the key reasons for ESKOM'S failure and huge debt burden



POSSIBLE SOLUTIONS

- The Eskom split into Distribution, Generation and Transmission must be implemented as a matter of urgency
- Sell off Generation and allow other players to produce electricity
- Cut Eskom staff complement to half – reduction of at least 16 000 employees
- Ensure that the responsible persons for the corruption are dealt with accordingly – monies recovered, and criminally prosecuted
- Non performing employees – the first to be reduced to help reduce Eskom staff complement and salary bill
- Encourage electricity consumption by clawing back on tariff increases by decreasing tariffs



Conclusion

- Any additional Eskom increases will cause adverse effects on economy and cripple South Africa
- On top of this MUNICIPALITIES will also increase electricity tariffs
- Will end up paying 500% more for electricity

This makes the situation more dire and will kill the South African economy

- Further increases will be suicidal to South Africa's already struggling economy
- Investors will be scared off
- If ESKOM does not seek alternatives and think "out of the box"
- there will be NO MORE ESKOM in the future as
- energy users will seek alternative sources to be Grid Free

We request NERSA to not grant any increase that will be unsustainable for the South African economy

ESKOM has already been granted increases for 3 years therefore no additional increase should be granted