



public enterprises

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REPUBLIC OF SOUTH AFRICA

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Eskom Wage Negotiations

The Minister of Public Enterprises, Mr Pravin Gordhan, departmental officials and Eskom Board members met the leadership of COSATU yesterday, at their invitation. The Minister wanted to understand the concerns from organised labour about the wage dispute with Eskom and related matters.

Amongst the concerns expressed by COSATU were the manner in which wage negotiations have been conducted, the zero percent wage offer, and allegations that the Independent Power Producers programme is crowding out jobs in the mining sector.

The Minister outlined and explained the current challenging environment:

- The contraction in economic growth in Q1 of 2018 and lower growth projections for 2018
- Current fiscal constraints – government does not have the money to continuously bail-out SOEs
- Eskom's own difficult financial position – the utility is currently borrowing money to pay for operational expenses, including salaries. This is unsustainable. Urgent and decisive intervention is required to strengthen its balance sheet.

The Minister agreed that it was improper to raise the issue of down-sizing Eskom at the same time as the current wage negotiations. The Minister undertook to discuss the resumption of negotiations with the Eskom Board and to ensure that a constructive and respectful atmosphere for negotiations is created.

It is the responsibility of the Eskom Board to determine what kind of wage increase Eskom can offer its employees, within the framework of the Board's fiduciary responsibilities. The Minister is in no position to instruct the Board on this issue.

In addition, the Minister offered to convene an information-sharing session between Eskom and COSATU so that the company's financial position is understood and taken into account by all parties.

The Minister also called on all parties and stakeholders to give the wage negotiation process an opportunity to succeed. All parties are called upon to desist from violence, intimidation or the disruption of coal deliveries to power station

It is in the interest of everyone concerned – workers, unions, employers, government and the public – that there is a continuous supply of electricity and that nothing is done to compromise the growth of our economy so that more jobs can be created.

The Department is making arrangements to engage other labour unions on the wage dispute, including NUMSA.

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