



Food wastage situation at Medupi Power Station

June/July 2010

The public have recently been exposed to a chain email and media reports bearing pictures of discarded food parcels that were thrown away by a contractor's employees at the Medupi Power Station construction site in Lephalale, Limpopo Province. This protest action by approximately 1 200 of the 3 762 employees of MPS-JV (one of the on-site construction contractors) occurred on 3 June 2010.

Eskom, MPS-JV and organised labour officials from Solidarity, the Building Construction and Allied Workers' Union (BCAWU) and the National Union of Mineworkers (NUM) expressed disappointment and condemned this behaviour and manner of protesting.

Labour relations on the Medupi Project are governed by the Project Labour Agreement (PLA) which addresses site specific conditions of employment. In terms of a 2009 Project Labour Agreement; all employees who fall under the Project Labour Agreement are entitled to a midday meal. This agreement was negotiated by the South African Federation of Civil Engineering Contractors (SAFCEC), the Construction Engineering Association of South Africa (CEA SA) and the six industry trade unions.

Of the 8 000 employees working at the Medupi Power Station construction site, 7 500 employees, employed by several contractors, fall under the Project Labour Agreement. The provision of these meals has been contracted to Lephalale Site Services since 1 February 2010. To date, about 1.3 million meals have been served under this contract. Prior to this, Fedics, a JV partner in Lephalale Site Services, operated a temporary contract which served about 1.8 million packages over a 12-month period. The food packages were developed under guidance of a nutritionist and complied with the relevant health specifications.

Since 21 June 2010, all contractors' employees on-site have been receiving hot meals, in accordance with an agreement of 8 June 2010 between Eskom, the Medupi Contractors

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Management Forum and Organised Labour. The completion of four new dining halls is also being expedited and will be operational in August 2010.

Significant progress has been made at the Medupi Power Station. Once completed, Medupi will add 4764 MW to the current South African electricity generating capacity. The station's six units are scheduled to be commissioned at eight-monthly intervals, in line with international practice. Construction started in May 2007 and the first unit is scheduled to be commissioned in 2012, with the last unit scheduled for commissioning by 2015.

The modern design of Medupi incorporates supercritical technology, which is able to operate at higher temperatures and pressures than previous generation boilers and turbines, and most importantly operate with greater efficiency. The supercritical design is a first for Eskom and with the higher efficiency will result in better use of natural resources, for example, water and coal, and will have improved environmental performance.

Medupi's contribution, apart from the supply of electricity, will benefit the South African economy in many ways; for example an estimated positive contribution of 0.34% per annum to the National GDP, creating employment estimated at 9000 - 10 000 direct jobs and 10 000 indirect jobs at the peak of construction, and an impact of 95% on the local development of Lephalale. Approximately 50% of the 8 000 employees that are currently on-site were employed from the local communities. These employees, ranging from skilled, semi-skilled and unskilled employees, collectively have an average wage bill of R13m per month, a significant portion of which is injected back into the local community.

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