

Speaker Notes
Eskom Board Chairman: Jabu Mabuza,
Launch of Electricity System Status Report
7 June 2018

Honourable Minister of Public Enterprises, Mr Pravin Gordhan

Group Chief Executive, Mr Phakamani Hadebe

Eskom executives and staff

Members of the media

Ladies and gentlemen

Good morning

A critical step for my fellow Board members and I when we took office in January was to release Eskom's interim results on a going-concern basis, which we successfully did. We saw this as one of many more steps in the journey of renewal. Today, this is an important starting point, because when we presented our results then, we also articulated what we believe is our non-negotiable mandate as a Board – rooting out financial mismanagement, malfeasance and maladministration as a critical foundation to restoring transparent and effective governance.

As a Board, we still strongly believe that fulfilling our duty to improve trust, restore confidence and re-establish the credibility and integrity of this institution underpins the stabilisation of Eskom. So today has particular significance for us because it is a practical implementation on the part of our mandate that deals with improving trust and restoring transparency.

Bulgarian Political Scientist, Ivan Krastev, once said: “transparency is not about restoring trust in institutions. Transparency is the politics of managing mistrust.”

On that note, I would like to commend Phakamani and his team for once again publicly sharing critical power system status information. It is a step in the right direction in inculcating a culture of effective and transparent leadership and governance.

Incidentally, we make this undertaking at our National Control Centre – a national key point – which remains the centre of excellence for the organisation and the country. The centre has its hand on the pulse of the electricity system and operates on a 24-hour basis, 365 days of the year, effectively managing the balance of supply and demand and ensuring that Eskom provides reliable electricity through the national electricity grid. It is also our team at National Control that feeds information to the electricity system status report being launched today.

Allow me to reflect on the time since our appointment as the Board. Our focus and discussions have centred around finding neat solutions to the liquidity issues and addressing governance-related matters as a matter of urgency.

Redoubling our efforts to curb governance irregularities has restored the organisation's credibility and improved investor confidence, providing some much-needed financial relief. To date, Eskom raised R43 billion between January and March 2018, and, since April, we have secured 22% of the required funding for the new financial year.

The Board has approved a financial viability plan, which will be shared with the Minister. Phakamani and the team have invested and continue to invest time and energy in developing a long-term strategy that will move Eskom towards achieving economic and financial sustainability.

As you are aware, several senior executives have exited the organisation since the beginning of the year, and we continue to finalise further investigations. We have begun conducting mandatory lifestyle audits for executives and senior managers, two levels below the Group Chief Executive.

Along this line, our unified efforts against financial mismanagement, malfeasance and maladministration are yielding the desired results. This is evidenced by the fact that more and more employees continue to use our whistle-blowing channels. Implicated employees are subjected to internal disciplinary procedures while plans are in place to pursue criminal prosecution, money recovery as well as other appropriate punitive actions against implicated suppliers.

While the risk of load shedding always exists, we remain confident that management is on a direct course to keeping the lights on for South Africa this winter.

Ladies and gentlemen, while there remain challenges, we are confident in the ability of Phakamani and his team to take decisive action in dealing with such issues.

On that note, it is a pleasure to welcome the Honourable Minister Pravin Gordhan to what our Transmission colleagues proudly refer to as the beating heart of Eskom. We remain grateful to the Minister for his inspirational and ethical leadership that enables us as the Eskom Board to take bold and decisive action where and when necessary in line with our fiduciary duties.

Minister Gordhan, it is always a pleasure, and I congratulate you on the progress you have made in the short period of time you have been in office.

Before I ask the Minister to come and address us, allow me to reiterate my strong belief that with the right governance structures at a Board- and executive management-level, our priority remains to entrench financial and business discipline as a foundation to restoring the credibility and integrity of the utility with financial markets. For us, these remain the key principles that are critical to stabilising, reforming and ultimately setting Eskom up for sustained success.

Ladies and gentlemen, please welcome Minister Pravin Gordhan.

Language edited

A handwritten signature in black ink, appearing to be 'Mafu Ramotshela', written in a cursive style.

Mafu Ramotshela

Language Services

Corporate Affairs Division