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## ESKOM KUSILE ACCOMMODATION

- The Mail & Guardian reported in October 2019, that Eskom had wasted R300 million on accommodation for employees at Kusile.
- The cost of building the accommodation rose from an estimated R160 million to R840 million.
- The project was abandoned and remains unfinished while Eskom is alleged to have spent billions on rental accommodation for the employees as well as on transportation to and from Kusile.
- 336 units were to be developed in the Wilge Residential Development project.
- The Liviero Group was contracted to construct the Wilge Flats in 2012.
- According to the Mail & Guardian, Eskom admitted that the project was fruitless and wasteless expenditure and would be investigated for corruption.
- In a meeting with the Standing Committee on Public Accounts (SCOPA) on Wednesday, 03 February 2021, the Office of the Auditor-General (AG) could not account for the ballooning of the budget from R160 million to R840 million. The AG's representative Mr. Siyakhula Vilakazi stated that the building was impaired down to zero as it would be very difficult to get tenants who would be willing to pay market-related rentals. He further stated that it was not in a state or condition where people can live in it.
- Eskom had assured the Auditor-General's office that they would conduct further investigations.
- However, in its 2019/20 integrated report, Eskom stated that, "The most significant impairment relates to 366 residential flats, intended to provide accommodation for artisans in Ogies, Mpumalanga for the duration of the Kusile project. The development remains incomplete, resulting in an impairment of R918 million, and has been put up for sale in its current state. The responsible manager was dismissed; civil recovery measures and possible criminal sanctions are being sought. The matter was recorded as an incident of fruitless and wasteless expenditure in terms of the PFMA." (pg 71)

## References

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