

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 1204**

**QUESTION:**

**Ms B M van Minnen (DA) to ask the Minister of Public Enterprises:**

(1)(a) At what stage are the negotiations with the unions regarding the unbundling of Eskom into three separate subsidiaries, and (b) which unions are involved in the process?(2) How will (a) the outstanding debt of Eskom be accrued to each of the three potential subsidiaries, and (b) Eskom debit to creditors be secured prior to the unbundling process?

**REPLY:**

**According to the information received from Eskom:**

(1)(a) In terms of the Collective Agreement, Eskom engages with organised labour at various

participative structures. National structures include - Strategic Forum, Central Consultative Forum and Central Bargaining Forum. There are also Group Structures and Business Unit Level. The purpose of these structures is for Eskom to engage (share information, consult and bargain) with organised labour on matters that have direct impact on the employee’s conditions of employment in line with legal prescripts.

Post the publication of the Eskom Roadmap in October 2019, Eskom has had two formal consultative meetings with the leadership of NUM, NUMSA and Solidarity where Eskom shared the Strategic Turnaround Plan and Operating Model, the latter detailing the divisionalisation plans in support of the Eskom Roadmap. The table below lists engagements that have taken place as well as those planned.

Eskom is also party to the NEDLAC process where only NUM is in attendance as prescribed by the NEDLAC regulations.

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| Consultative Forum  | Dates of past meetings | Discussions | Organised labour representation  | Planned meetings |
| Strategic Forum (SF)  | 26 May 2020  | Eskom shared the Eskom Strategic Turnaround Plan and Operating Model. | NUM/NUMSA/Solidarity leadership.The engagements are targeted at Secretary General level. | 26 November 2020 |
| 21 July 2020 | A follow up meeting to engage further on issues tabled at the meeting. |
| Central  Consultative Forum (CCF)  | - | The Eskom Turnaround Plan as shared at the Strategic form meetings of 26 May and 21 July. | NUM/NUMSA/SolidarityThe engagements are targeted at local leadership. | The CCF meeting is scheduled to take place on 22 September 2020. With another meeting scheduled for 3 December 2020. |
| NEDLAC | 15 October 20194 December 201911 February 2020 | The Roadmap for Eskom in a reformed electricity supply industry 2019 | As per NEDLAC’s prescribed regulations. | Dates and agenda is set by NEDLAC. |

(1)(b)The recognised trade unions at Eskom are National Union of Metalworkers of South Africa

 (NUMSA), National Union of Mineworkers (NUM) and Solidarity.

(2)(a)In line with the divisionalisation decision, proforma financial statements: income statement

and balance sheet, etc. have been formulated for each of the units to enable proper performance monitoring by the established divisional boards. However, the decision on the group debt remains an outstanding matter and a solution will be finalised before the debt is allocated to each division and prior to attainment of the legal separation.

(2)(b) The decision on a long term solution will include engaging and reaching agreement with

the creditors, after taking into account the regulatory methodology and the profitability of the proposed subsidiaries. It would be premature at this stage to provide a definitive decision on this matter, as the work has not been concluded.