



EFF STATEMENT ON THE DECISION OF THE MINISTER OF FINANCE TO WITHDRAW ESKOM'S EXEMPTION FROM DISCLOSING IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Thursday, 08 June 2023

The Economic Freedom Fighters (EFF) welcomes the decision of the Minister of Finance to deny Eskom's request for exemption from section 55(2)(b)(i) of the Public Finance Management Act and the Treasury Regulation 28.2.1. Approval of the exemption would have allowed Eskom to avoid disclosing irregular, fruitless and wasteful expenditure, and material losses from criminal conduct in its annual report.

The EFF is vindicated as we initially considered the decision as irrational, reckless, and deplorable. Eskom has been plagued by high levels of corruption, which, according to its former Chief Executive Officer, involves senior ANC members and members of the cabinet. Today, Eskom cannot supply reliable and affordable electricity due to the ANC's failure to build much-needed additional generation capacity and endemic corruption.

For far too long, the National Treasury has operated without being accountable to anyone, behaving like a super-ministry that answers to no one. When information about the Minister of Finance's decision came to light, the EFF promptly and appropriately wrote to the Standing Committee on Public Accounts (SCOPA), Standing Committee on Finance (SCoF), and the Portfolio Committee of Public Enterprises demanding answers

from the National Treasury. This led to the suspension of the exemption pending consultation.

While we welcome this decision, we remain wary of the ANC's attempts to conceal their complicity in corruption. The National Treasury's seemingly arbitrary decisions suggest a governance style akin to a mafia operation, threatening to cast a long shadow over our democracy. The National Treasury should instead engage genuinely with all stakeholders to revise the framework that addresses irregular, fruitless and wasteful expenditure. This would lessen the reporting burden on state-owned companies while protecting public strategic assets.

The EFF maintains that the biggest challenge facing Eskom today is the confusion surrounding energy policy. Unless South Africa drives the construction of additional generation capacity and continues the use of coal to generate electricity, the load-shedding crisis will be with us for a long time. Eskom must transparently report all irregular, fruitless and wasteful expenditure, and all losses from criminal conduct in its annual financial statements.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

Sinawo Thambo (National Spokesperson) 072 629 7422

Leigh-Ann Mathys (National Spokesperson) 082 304 7572

✉ communications@effonline.org

🌐 <http://www.effonline.org>

🐦 @EFFSouthAfrica

📷 @EFFSouthAfrica

📘 Economic Freedom Fighters

THE YEAR OF MASSIVE

POLITICAL EDUCATION AND VOTER REGISTRATION

TO REGISTER TO VOTE: **DIAL: *134*20024#**