

**NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER: 164 [NO2373E]
DATE OF PUBLICATION: 1 JUNE 2015**

★164. Ms T V Tobias (ANC) to ask the Minister of Finance:

- (1) Whether, with regard to his announcement during his introduction of the Appropriation Bill and the tabling of the Division of Revenue Bill on 25 February 2015, that Eskom will receive a capital injection of R23 billion (details furnished), the funding model is sustainable; if not, why not; if so, what are the relevant details;
- (2) whether he considered alternative funding models to avoid contingency liabilities especially with regard to the policy of private sector investment and broadening ownership control; if not, why not; if so, what are the relevant details;
- (3) whether capitalisation of Eskom will take place only when funds are realised or through extension of term?

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REPLY:

1. For any company to be sustainable, its revenues need to exceed its costs. The interventions that made up the government support package included Eskom improving efficiency through reducing costs and applying for tariff adjustments in line with regulatory processes – which are key for ensuring the utility's long term sustainability. The equity injection will provide immediate support to the company by strengthening its financial position.
2. The possibility of private investment in Eskom, which would broaden ownership control, is being explored.
3. Government maintains its policy as stated in the Budget Review 2015.