



MEMORANDUM

To: Premier of the Free State, Sisi Ntombela
From: Leader of the Official Opposition, Mmusi Maimane
Date: 21 February 2019

Dear Premier Ntombela

CALL FOR PREMIER NTOMBELA TO INSTRUCT ANC FREE STATE MUNICIPALITIES TO PAY BACK OVER R5 BILLION DEBT TO ESKOM

The Free State province is the biggest defaulter when it comes to paying its Eskom bills. Maluti A Phofung, Matjhabeng and Ngwathe municipalities owe Eskom R2.809 and R1.815 billion and R940 million respectively. These are the 1st, 2nd and 4th most indebted ANC municipalities to Eskom in South Africa as at November 2018.

Finance Minister, Tito Mboweni's, 20 February 2019 Budget Speech confirmed that Eskom bailouts will total R69 billion in the Medium Term. South Africa literally cannot afford to pay for the sins of the ANC in government.

There is hope for these worst indebted ANC municipalities. Three practical solutions that must immediately be implemented by the Premier to climb through the pile of debt owed are:

- Instituting a name and shame campaign for non-payers of electricity by releasing the names of the worst offenders to websites and local papers to make sure the community knows who is skipping on payment;
- Installing smart meters that will allow the timeous collection of payments from municipalities to Eskom; and
- Taking urgent action with consequence management for managers in these municipalities and others that are not paying and do not meet payment targets for outstanding payments to Eskom.

ANC corruption, inefficiency, mismanagement and mountainous debt has brought the South African economy to its knees on the edge of a fiscal cliff. The power utility is the greatest risk to the country's sovereignty.

Sovereign credit ratings agencies have warned the ANC government that if State Owned Entities (SOEs) like Eskom raise government's debt burden, South Africa's credit rating could be downgraded which could trigger another dip into recession and plunge the

country's economy deeper into darkness. The Finance Minister's Budget Speech announcement that South Africa's debt-to-GDP ratio is expected to soar to over 60% for the first time since 1994 will likely have confirmed rating agencies' concerns.

South Africa needs decisive leadership during this national emergency. I urge the Premier of the Free State, Sisi Ntombela, to heed this call to take immediate action against the municipalities in the province which have failed to pay a combined more than R5 billion in bills owed to Eskom.

It is wrong for the people of South Africa to continue to pay for the sins of the ANC government.

Yours sincerely,

A handwritten signature in black ink, reading "Mmusi Maimane". The signature is written in a cursive, flowing style.

Mmusi Maimane MP
Leader of the Official Opposition