

Unions denounce Maroga's 'excessive' claim

Former Eskom boss failed SA, says Cosatu; Solidarity points out he will still be paid millions in 'share' incentives

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THE Congress of South African Trade Unions (Cosatu) has criticised former Eskom CEO Jacob Maroga's R85m civil damages claim against Eskom, saying this embodies a culture of self-entitlement and greed.

Maroga's claim puts under the spotlight the large payments given to CEOs of state-owned enterprises when they leave their positions. Eskom is opposing the claim.

In a statement yesterday, Cosatu

said the R85m was "massively" excessive. "We should not condemn anyone who is aggrieved and wants to take their case to court but his action sends a terrible message to the public – that it is (fine) for the elite to get millions of rands in packages after resigning or being fired, regardless of how well they have performed," Cosatu said.

Maroga had failed to solve Eskom's problems when SA faced critical power shortages. "Maroga had plenty of time to tackle this problem and turn the situation

around, but abjectly failed to do so and presided over the disastrous load-shedding power cuts of 2008.

"This is yet another example of the culture of self-entitlement and greed, which has plagued the business sector and has been invading the public service as well.

"Eskom is still a public utility, with a mandate to provide power to all South Africans as efficiently and cheaply as possible. It is not, and must never become a business to maximise profits and a way of enriching a small elite of executives."

Meanwhile, trade union Solidarity said yesterday that about R9m in shares previously awarded to Maroga would be transferred to him later this year and next year.

"This means Maroga, despite having left Eskom last year, could still make R9m out of the company if he decided to sell the shares," Solidarity's deputy general secretary, Dirk Hermann, said.

Eskom has an incentive and bonus scheme to attract, retain and reward its executive committee members for meeting government-

set objectives. The scheme resembles that of publicly listed companies, except that Eskom does not have shares to offer, as government is its single shareholder.

Eskom's annual report says the vesting period for award of the "shares" is three years from the date of grant. At the end of the period, the human resources and remuneration committee decide on the amount to be paid, based on, among others, the performance conditions achieved.

In the report, Eskom said the current estimate for "shares" vesting on

March 31 is R1,33 a share, and R1,27 a share for those vesting on March 31 next year.

The trade union said Maroga would receive 2,9-million shares on March 31. A further 4-million shares awarded to him in April 2008 would be transferred on March 31 next year. Maroga received Eskom shares worth more than R2m last year. "In other words, Maroga has already made millions out of Eskom, despite the fact that he led (it) deeper into trouble," Solidarity said. *With Sapa njobenis@bdfm.co.za*