



2011 Budget Vote Speech by the Deputy Minister of Energy,

Ms. Barbara Thompson, MP

E249, National Assembly, Parliament, Cape Town

26th May 2011

Honourable Speaker

Honourable Chairperson and Members of the Portfolio Committee on
Energy

Honourable Members of Cabinet present,

Director-General, Executive Management of the DoE and Government

Representatives of State Owned Entities

Invited Guests and Stakeholders

Ladies and Gentlemen,

The energy future of our children depends on the decisions we make today. It is therefore imperative that the choices we make do not result in undue burden for our children. Our department is fully alive to the impacts of our programmes on the lives of our people beyond the mere

provision of energy. In this regard we have a number of initiatives that I would like to highlight. Before I go into the details of our programmes, allow me, Chairperson, to briefly discuss the resource allocations of the Department. Minister Peters has already indicated that the department is under resourced by at least 48%. This has a major impact on the capacity of the Department to deliver. This implies that the Department is unable to:

- Ensure security of supply of energy optimally;
- Adequately exercise oversight over the SOE's
- Engage effectively with the stakeholders.

The Department will need all the support to ensure that requisite resources to run its operations effectively are allocated.

However, Chairperson, it is not all doom and gloom. 62% of the staff compliment is women, which indicate that we have exceeded our target of 50%.

Honourable Chairperson,

Let me provide the overview of the programmes that our Department has embarked upon to provide service to our communities.

ACCESS TO ENERGY

Electrification programme

The quest for universal access to electricity continues. The electrification programme not only provides a modern energy option for our people, but it also has positive socio-economic impact on the lives of ordinary South Africans. We have seen improvements in the education, health, and social circumstances of communities that have been electrified through the grid and off-grid technologies. To date South Africa's energy penetration stands at over 75%, and this year, with the R3.2 billion allocated to the electrification programme, we will connect an additional 150 000 households, build 10 sub stations and contribute about 5000 jobs. In 2010/11 financial year, we managed to create 5811 jobs and connected 195 000 homes to the electricity grid. We exceeded our target by 45 000 households.

Integrated Energy Centres (IeCs)

Last year, in partnership with Sasol Oil, the 7th Integrated Energy Centre (IeCs) was constructed at Qunu in the rural Eastern Cape and is operational. This IeC not only provides rural communities with access to energy services but also includes a computer centre with Internet

facilities and is located next to a school. Two more leCs, one of which will be funded by PetroSA, are planned for completion this year, as we strive to improve access to energy in rural areas. We will ensure that the skills training provided for the leCs is biased towards the local women, the youth and people living with disabilities. Such programmes and interventions will have a positive socio-economic impact on targeted vulnerable groups.

Working for energy programme

Another programme through which we intend to diversify our energy mix and increase access to energy is the “Working for Energy” Programme, which, amongst others, promotes labour intensive energy projects across the country. During the year we shall be spending about R25 million on this project. This amount excludes funds received from Governments’ of Finland and Austria.

ENERGY EFFICIENCY

We are looking forward to the positive contribution that our newly formed SANEDI is going to make in the energy efficiency programme that we have earmarked. The Department will work with the National Treasury to

ensure that SANEDI is properly resourced to deliver on its important mandate. One of the key activities that will be undertaken by SANEDI is to oversee energy efficiency and demand side management.

In terms of SANEDI's role, it is expected that they will become the repository of all energy efficiency programmes. This requires them to oversee energy efficiency initiatives, in particular, to assist with the certification of energy savings achieved by those companies that seek to claim tax deductions under the Income Tax Amendment Act. We have secured the concurrence of the Minister of Finance for energy efficiency incentives under the Standard Offer and Energy Efficiency Tax Incentive Scheme, which will be in place this year.

The "49m" campaign was launched by the Deputy President during the first quarter of this year. The campaign seeks to mobilise all South African to save our energy. Let us all rally behind this campaign and save electricity.

In addition, our Department continues to engage the Department of Public Works to ensure that the public buildings are retrofitted to reduce energy consumption.

SOCIO-ECONOMIC PROGRAMMES

Women, Youth, Children and people living with disabilities

We have to constantly remind ourselves that energy is the lifeblood of any form of existence as it impacts on what we do and affects our very existence. This year, going forward, special focus will be given to our interactions with organisations for women, youth, children and people living with disabilities.

In August this year, we will be launching the South African Chapter of the Clean Energy Education and Empowerment (C3E) Programme. This is one of the international Clean Energy Ministerial Initiatives, where our Honourable Minister of Energy, Minister Peters has been designated the Clean Energy Ambassador for Africa. Through this initiative, we seek to empower women of all ages to participate in the clean energy space through business and professional networking, mentorships, coaching, training and clean energy ambassadorships. We are in partnership with the industry and other interested parties to promote this initiative.

We will also enhance and streamline WOESA and its governance structures in order to intensify its operations.

In July this year, together with our SOEs, we will be hosting the annual Learners Focus Week, which is one of our youth information sharing and awareness sessions that addresses Grades 9 and 10 learners from all provinces on careers available within the energy sector.

Public Participation and Engagement Programmes

We have heeded the call by Cabinet to have a minimum of 10 successful public engagement events throughout the country annually. We take these Public Participation Programmes very seriously as they provide us with opportunities to interact with communities in an unmediated manner. More importantly, these events give our people an opportunity to express their views on service delivery issues to government leaders directly.

We require that our state owned entities must always contribute to the socio-economic development of the areas in which they operate. Our national oil company, PetroSA, recently contributed to the provision of water to the Mossel Bay community through investment of over R80 million for the construction of a desalination plant. The plant will provide

PetroSA with all water requirements for the GTL refinery and drinking water to the residents of Mossel Bay. PetroSA has also spent R16 million towards the construction of a school in Vredenberg and R2,5 million towards the restoration of Healdtown Combined School, where former President Mandela attended his High School education.

We continue to improve on one of our important strategic outputs of providing an effective and efficient communication service to the public. Our communications strategy is being aligned with the government communication strategy as set out by the Government Communications and Information System (GCIS). Our Department continues to strive to resolve all Presidential Hotline issues within the given timeframes and we continue to maintain a 100% resolved cases status. We are in a process of strengthening our Presidential Hotline office to ensure that we have sustained improvements on our turn-around time.

We have continued to strengthen our relationships with stakeholders such as the media, NGOs, other government departments, the private sector and SOEs through increased interaction. In this regard, our engagement with mainstream media through regular roundtable discussions has been effective in communicating the views of government on key energy matters.

Conclusion

Whilst ensuring that energy security is critical, service delivery at a community interface is also something that we undertake with gusto.

Mphathi Sihlalo Ohloniphekile

Njengo Khongolose sesiphinde sanikwa igunya ngabantu basemzansi Africa lokuthi sethule izidingo kubantu. Thina kulomnyango Wamandla sizimisele ukuqhubeka nokubambisana nomphakathi, uhulumeni wasekhaya kanye neminye iminyango kahulumeni esiyidingayo ukuthi sithuthukise izimpilo zabantu bakithi.

Njengoba besishilo ekuqaleni, ngokubambisana singenza ngcono izimpilo zabantu!!!!

In conclusion Chairperson, I would like to dedicate this budget vote speech to Gugu Jeanet Wood, who passed on two weeks ago. Despite her short stint in the Department, she made a tremendous contribution. May her soul rest in peace.

Siyabonga!!!!!!!

