



BUDGET VOTE SPEECH

DEPUTY MINISTER OF ENERGY

AMBASSADOR THEMBISILE MAJOLA

16 MAY 2018

Honourable House Chair

Honourable Minister of Energy, Jeff Radebe

Honourable Ministers, Deputy Ministers, Members of
Parliament

Chairperson of the Energy Portfolio Committee, Fikile Majola
and Members of the Portfolio Committee

The Leadership of State Owned Entities

Senior Officials of the Department of Energy and Government

Our Special Guests and Invitees in the gallery

Members of the Media

Fellow South Africans

Good Afternoon

Let me start by paying homage to our struggle stalwarts, the late Mama Winnie Madikizela-Mandela and Dr Zola Skweyiya. These two stalwarts who passed on not so long ago, were respected veterans of the ANC, Parliamentarians, and dedicated servants of our people. We have also lost other notable freedom fighters and cadres of our movement like Bra Willie Kgositsile, Bra Hugh Masekela, Ambassador Faith Radebe and others. “A ba robale ka kgotso”. I stand here today in this House as a proud product recipient of teachings of some of these veterans.

Honourable Members

As we present this Budget Vote, the country and the world is celebrating the centenary of the birth of the late Isithwalandwe, President Nelson Mandela, the first democratically elected President of our country, and the icon of our Movement, the people of South Africa and the rest of the world. As part of the celebrations in honour of Madiba, Mamelodi Sundowns will be playing Barcelona FC tonight in a Mandela Centenary Cup match.

It is also the centenary celebration of the life of a struggle veteran and a leader of the Mass Democratic Movement and of our people, Mama Albertina Sisulu. She was a steadfast leader of our struggle against the brutal system of Apartheid, and a fierce defender of Women’s Rights, as well as Human Rights. She never accepted the fallacy that women are any less capable than men.

Honourable House Chair

May is also the month of workers, many of which struggle to make ends meet and are continuously striving for a living wage. I am happy to say that a good start has been made with the minimum wage.

We would also want to pay homage to the peoples and nations of the African continent, during this Africa month. The continental body the African Union, and its predecessor the Organisation of African Unity played a critical role in the struggle for the total liberation of Africa, and of South Africa in particular. The Frontline States bore the brunt of the murderous military incursions by the SADF that led to massive loss of life, destruction of social and economic infrastructure while people lived with the constant threat of attacks from the regime because of their support for our just cause for freedom and dignity. We will forever be indebted to this great continent and its peoples.

It is therefore incumbent upon us, to ensure that we play our role, in line with our foreign policy that places Africa at the centre, and enjoins us to ensure that the rich and diverse resources of our region are exploited in a responsible manner for sustainable universal access to energy, and facilitate industrial development through energy related infrastructure projects. Over 600 million Africans face energy poverty, which stunts economic growth and adversely impacts the nations' fight against poverty, and access to health and education. We trust the Pan-African Parliament will prioritise energy.

Honourable Chair

The National Development Plan outlines the need for an energy sector that promotes economic growth, development and social equity through

expanded access to energy services that are sustainable and contribute to the reduction of pollution and mitigation of the effects of global warming.

The mandate of the Department of Energy is to ensure access to secure, sustainable, accessible and affordable energy for all.

The ANC Manifesto identified access to reliable energy supply in all its forms, as priority for this Administration.

It is in line with the NDP that we are working tirelessly to ensure universal access to electricity by 2025. During the last financial year we delivered over 292 700 connections, exceeding the set target of 235 000.

During this financial year, the electrification programme of both grid and non-grid envisages connections to 200 000 households around the country. Parallel to this, the Department will also be addressing challenges related to bulk infrastructure, such as rehabilitation and building of substations and transmission lines, especially in rural areas. This will enable seamless process of energising these connections.

To further increase basic electricity services the non-grid programme will not only focus on rural and inaccessible areas, but will also be rolled out in informal settlements in urban areas.

Honourable Members

May is a very busy month as well for the department, as it is our Energy Month, whereby we take the opportunity to make South Africans conscious and aware of the issues of Energy Efficiency in their daily lives. I again take this opportunity to make a call to the nation to be energy smart at all times by using energy efficiently and within the safety boundaries.

Honourable Chair

A number of women in our country are making inroads into the energy sector and deserves our continued support, among those making inroads in the sector are present with us here today:

- Ms Hart: Managing Director and Founder of Africa Energy Indaba
- Ms Chili: CEO: Makwande Energy Trading, Products & Supply focusing on Petroleum Products and
- Ms Nyker: CEO: Biotherm Energy focusing on Wind and Solar Projects

Honourable Members

The Department of Energy in collaboration with its entity, the South African National Energy Development Institute (SANEDI) has been developing and piloting the concept of smart grids in South Africa. The programme mainly focused on, “Technology as an enabler for Change” in the municipal environment. Municipalities are currently under huge financial pressure largely as a result of poor revenue collection and incorrect tariff designs. The Enhanced Revenue Management projects, piloted in 6 municipalities, have been designed to assist municipalities with this challenge.

SANEDI's Cleaner Mobility programme, with support from the United Nations Industrial Development Organisation (UNIDO), has been actively engaging with the Department of Transport as well as various cities to explore and introduce cleaner mobility options. SANEDI has been instrumental in doing applied research and demonstration regarding the use of electric vehicles and charging batteries using solar PV with good success.

SANEDI as hosting agency and partner to the Renewable Energy and Energy Efficiency Partnership (REEEP) is also involved in the 'Climate Change, Clean Energy and Urban Water in Africa' project. The project promotes market-based deployment of clean energy technologies and services in municipalities. The three year project is funded by the European Union, implemented by UNIDO and executed by REEEP and seeks to catalyse commercial activity to improve energy and water efficiencies in municipal water and wastewater infrastructure. Besides saving energy, the solutions targeted will also help municipalities save water, improve water quality, improve service delivery and realise cost savings.

However, much more needs to be done to ensure innovation and increased localisation which will require additional budgetary support for SANEDI.

Honourable Members

The application of radioactive materials and radiation provides numerous benefits to people and society, and plays a significant role in everyday

life. This includes scientific, medical, agricultural and industrial applications. It is a natural consequence of such applications that radioactive waste is generated.

Against this backdrop, the management and disposal of radioactive waste in a technically sound, socially acceptable, environmentally responsible and economically feasible manner is an apex priority for the Government and the Department to ensure that no undue burden is placed on future generations due to our past, present and future involvement in nuclear energy applications.

Low level waste, which represent 95% of all radioactive waste generated, has been disposed since 1986 at our National Waste Disposal Facility for low level waste, Vaalputs, in the Northern Cape. The disposal operations and waste acceptance criteria for Vaalputs are in line with international best practise and as a country we should be proud that the International Atomic Energy Agency (IAEA) has identified Vaalputs as a global leader in the disposal of low level waste in near surface repositories.

The National Radioactive Waste Disposal Institute (NRWDI), requires more support from us through funding and in order to meet the funding gap of NRWDI during this financial year, priority will be given to the draft Bill to establish the Radioactive Waste Management Fund (RWMF) for the collection of levies and imposition of penalties on waste generators which is based on the polluter-pays-principle.

Honourable Members

Globally the energy sector is going through a transition which encompasses changes to the fuels and technologies employed, the services provided, and the environmental impacts. The provision of energy services is therefore not dependent on any one fuel or technology. While many developed countries are making progress in transitioning their energy mix, many challenges remain, especially so for developing countries. Energy transition is not an overnight activity, but long term. The transition must take into account the economic and social impact, it must be just and should therefore leave no one behind. Sustainability is a core value that should serve as a unifying framework to meet our economic, social, and environmental goals.

At an international level and at forums such as the G20, there is recognition and acceptance that the energy transition is different for each country and will depend mainly on local circumstances. For us here in South Africa the discussion needs to go beyond technology preferences. We need to agree on a just transition path that is environmentally sustainable, affordable and ensures job creation and security.

Honourable Members

With regard to demand side interventions, the government spends millions on solar water heaters, energy efficiency and non-grid electrification on an annual basis. These programmes provide an opportunity for localisation and job creation. Local content, manufacturing and installations in these programmes can go a long way in the development of small and medium enterprises. While there are challenges, some progress has been made to ensure increased local

content for solar water heaters. Similar initiative will be rolled out for energy efficiency and non-grid electrification to ensure technology localisation and job creation for the previously marginalised, mainly youth and women.

Honourable House Chair

Even though we live in the era of technology where information is readily available at the click of a button; it is not all youth that have the luxury to enjoy this technological advancement. In this regard the Department initiated a Learner Focus Programme aimed at disadvantaged learners studying Science, Technology, Engineering and Maths (STEM) from township and rural schools and exposes these learners to various career opportunities that can be pursued within the energy sector.

During the Programme various companies are invited to come and present on their respective value chains that expose learners to how the industry functions. In addition site visits are conducted where learners get to experience and interact with the operations of respective companies.

Furthermore, some of the learners are awarded bursaries to further their studies in any science, engineering, technology and related fields. The programme also contributes towards building a skills base for the energy industry and the South African economy in general. Some of the learners will get an opportunity to work for the companies that sponsors them.

To date 159 scholarships have been awarded valued at approximately R63.6 million, and it is envisaged that 300 learners will be attending the 2018 edition.

Honourable House Chair

In our midst I would like to recognise some of the beneficiaries of this programme:

- Mr V Ntoyakhe from Eastern Cape now studying BSC Chemical Engineering at the Cape Peninsula University of Technology, 1st year sponsored by Mulilo
- Ms G Lekgetho from North West now studying BSC at Wits University, 1st year sponsored by Mulilo
- Mr E Mokaedi from North West now studying Electrical Engineering at Wits University, 2nd year sponsored by Shell

Honourable Members

It is acknowledged globally that the creation of a conducive environment for small businesses to operate present good opportunities and platforms for people to participate in the economies of their respective countries. In this regard we as the Department are also presenting opportunities to our people to participate in the economy.

We have partnered with various oil companies and municipalities to establish Integrated Energy Centres (IeCs) across the country to enhance access and affordability to energy in rural areas, to create jobs, alleviate poverty and stimulate the rural economy. Amongst the IeC's

established are the Makwane leC in QwaQwa and Mbizana leC in Bizana. I would like to recognise within our midst this afternoon:

Mr TE Tshotetsi and Ms E M Montoedi from Makwane leC and also Ms RT Nkomo-Khwela and Ms N Sikhwela from Bizana leC.

Honourable Members

In conclusion I would to take this opportunity to welcome Minister Radebe to Team Energy and also assure him of our commitment to bettering the lives of our peoples through the provision of sustainable and reliable energy. We trust he will be with us for a while. May I also thank the Portfolio Committee on Energy for keeping us on our toes and ensuring oversight. Sincere gratitude to my hard working staff in office and to Team Energy.

We remain committed to continue contributing to the building of a democratic, non-racial, non-sexist and prosperous South Africa as Team Energy.

I thank You