

Budget Debate on Vote 1: The Presidency

Speech by Samantha Graham-Maré MP

DA Additional Deputy Member in the Presidency

South Africa has a top-heavy energy bureaucracy but no electricity

Honourable Speaker,

Vote 1 – The Presidency has a budget of R 625.1 million. An extraordinarily large amount of money.

Do we get value for this money?

The Annual Report on The Presidency for the 2021/22 Financial Year, states, *“Progress has been made and Eskom is gradually being repositioned onto a path of optimal performance backed up by good governance, and long-term financial sustainability.. working towards the full implementation of institutional reforms aimed at improving its performance, transparency, and accountability.”*[1]

Well, aside from this statement being completely out of touch with reality, we heard yesterday that Eskom has posted a loss of R21.2 billion for the last year.

Ergo, the energy crisis that reached a critical point in mid-2022. In response, President Ramaphosa established the National Energy Crisis Committee – NECOM and with it, the Energy Action Plan. The objectives were to immediately reduce the severity of loadshedding with a view to ending it completely and, at the same time, achieve energy security through five specific interventions. **One job – deal with the electricity crisis!**

Almost a year later, we are experiencing outages of up to 12 hours a day. Every day.

Under growing pressure from desperate South Africans, the President declared a State of Disaster in February and announced the appointment of a new Minister in the Presidency. It took another month for the President to actually name the new Minister of Electricity and a further 6 weeks for him to define the powers of this Minister.

His initial role, defined by the State of Disaster, gave Dr Ramokgopa specific powers to address load-shedding, along with heading up NECOM and implementing the Energy Action Plan.

However, the abrupt end of the State of Disaster a month after his appointment left the Minister with no real powers.

Last week, President Ramaphosa finally gazetted powers for Minister Ramokgopa. If anything, these ostensible powers do nothing more than entrench the idea that the Electricity Minister is merely a Project Manager. Section 34(1) of the Energy Regulation Act of 2006, which has been transferred to the Minister, allows him to identify the energy mix required to ensure an ongoing supply of electricity. It further allows him to determine what percentage can be generated and from which sources, as well as to whom it may be sold.

Section 34(2) has also been transferred to Minister Ramokgopa. This section has 5 subsections numbered (a) to (e) which include the activities that may be undertaken to give effect to Section 34(1). Astonishingly, all 5 subsections are excluded and remain with Minister Mantashe in Mineral Resources and Energy. It is a complete mystery as to why the President would explicitly stipulate the transfer of powers contained in a clause and then expressly exclude the entire clause.

In effect, this means that Minister Ramokgopa does not have the executive authority to implement any of the 5 interventions identified in the Energy Action Plan. He is not authorized to fix Eskom – that remains within the powers and purview of Minister Gordhan. The procurement in terms of independent power producers remains under Minister Mantashe in respect of the Integrated Resource Plan. Minister Mantashe further remains firmly in control of regulatory reform, as well as the acceleration of rooftop solar which is in the domain of NERSA. The reform of the energy sector as a whole continues to be the joint responsibility of both Ministers Mantashe and Gordhan.

So, if Minister Ramokgopa has no real powers, he should, at the very least have a measure of accountability.

During the debate on the establishment of an ad hoc committee to oversee the Minister of Electricity, the ANC argued that there was no need for Dr Ramokgopa to report to such a committee because his ministry has no staff members, no department, no annual plan and no budget. No committee also means no accountability, despite this being a constitutional imperative.

Since his appointment in March, Minister Ramokgopa has yet to account to the National Assembly. Instead, he reports weekly to the media on his progress. So, his powers to end load-shedding – his singular mandate – are dubious. Accountability mechanisms are being bypassed. Has he, at least, been properly resourced to achieve his objective?

It seems that Minister Ramakgopa has resources – just not from the Presidency. According to the Minister, the private sector will capacitate his office to the tune of R100 million. This money, ostensibly already raised by the Resource Mobilisation Fund[2] which the Minister helped to launch two days after his appointment, will be used to recruit highly skilled staff for technical and administrative support. This will be undertaken by the National Business Initiative[3], which has been appointed to assist with providing resources to the Presidency.[4]

So, it appears that the ministry is being funded and capacitated by the private sector. And if business is funding the programme of the Minister in the Presidency, then the Minister will be accountable to business. This does not auger well for a country reeling from the effects of State Capture which contributed in great measure to the catastrophic state of our electricity sector.

Speaker, there is absolutely nothing discernible in this budget that will result in an immediate easing of load-shedding. The President insists that his government is taking this seriously. I beg to differ. If Minister Ramokgopa is going to have any impact on the electricity crisis, he needs real powers, he needs to be held accountable in Parliament by a designated committee, he needs a budget and he needs the backing of the entire Cabinet.

Mr President, you have pinned this country's hopes on Dr Ramokgopa. Your time is running out.

2024 and the Moonshot Pact are around the corner and the Democratic Alliance stands ready to lead a new national government that will roll out best practice measures for mitigating load-shedding that is already being implemented by DA-run governments in the Western Cape. While the ANC government fails to provide power to our residents, I have no doubt that the residents are gearing up to give a DA-led government power in 2024.

[1] The Presidency Annual Report 2021/2022 page 24

<https://www.iol.co.za/capeargus/news/new-ministry-of-electricity-to-cost-r100m-minister-reveals-his-recruitment-plans-01cffcff-1ed6-4b5e-9166-e7db4505f3db>

<https://www.nbi.org.za/>

<https://www.nbi.org.za/wp-content/uploads/2023/03/RFP-Legal-Support-March23F2.pdf>