Address by (MP) Cde Valentia Thokozile Malinga on the Budget Vote Debate of the Department of Mineral Resources and Energy

Honourable House Chairperson, the ANC supports this Budget Vote.

This Budget Vote speech occurs at a critical time in the country, as it is attempting to ensure that the Covid 19 pandemic is defeated and at the same time ensure that Economic Reconstruction and Renewal occurs. Achieving this delicate balance is a challenge in the context of a third wave of the Covid- 19 pandemic.

The Department of Mineral Resources and Energy has been functioning under difficult circumstances, but at the same time, it has made much focussed progress to date as can be deduced from the third quarter GDP statistics. This is a positive sign of recovery and the current programme and plans are geared towards further progress in the mining and energy sectors.

Under the Covid 19 Disaster Management regulations, the mining sector was negatively affected until the sector was gradually reopened to ensure that coal was supplied to Eskom and ensure the continued supply of electricity. While mining activity gradually normalised itself, the Department had to simultaneously ensure the health and safety of mineworkers. This was a mammoth task.

Furthermore, the Department is embarking on a critical drive to improve the regulatory environment which encourages new mining investments. This will also assist the department in the recovery of employment lost, which will ultimately increase this sector’s economic contributions. In as much as the department has made noticeable progress, there is still room for more.

**Transformation and Women in the Mining & Energy Sector**

Transformation in the sector has been slow and difficult under current economic conditions and the department needs to constantly focus on improving in this area through all its different programmes such as WimSA. Transformation must include the involvement of women in both the mining and energy sectors. An issue of concern is that there still are no enough women executives which is something that needs to be strengthened going forward. For this will ensure better opportunities for women within these sectors, as well as ensure that focus is especially paid to the safety needs of these female employees; safety needs such as decent facilities with proper security.

**Small Scale Mining**

The programme for small scale mining is a vehicle for involvement of companies from the communities. The department programme for small scale mining has identified the necessary areas of support for companies seeking to participate in this sector. The assistance afforded to small scale mining in terms of prospecting rights is extremely encouraging as this allows for the success of small-scale mining ventures.

**Solar Water Heating**

The programme for the installation of Solar Water heating must be heightened and implemented as this is a social delivery project which is attempting to improve the quality of life of ordinary South Africans from working class and poor communities.

The Department must ensure the successful roll out of the programme as this will ensure that households have hot water and reduce electricity consumption and costs for households. The installation of solar water heaters will ensure that working class and poor households have more disposable income. This is what we correctly call creating a better life for all. The roll out of this project must occur in this year and the committee will focus as part of its oversight on this programme.

**Energy Supply**

The electrification of households must continue as this is a critical part of social delivery to ensure that communities are able to lead a normal life in modern society. This is occurring within the context of a reduced budget. Therefore, it is important that this programme occurs on efficient cost to ensure that the budget is utilised in maximizing electrification for a number of homes.

Increasing energy capacity is a critical part for economic recovery and this is part of the departmental programme for ensuring security of energy supply in the country, hence the mixed energy sources as outlined in the 2021 SONA by President Ramaphosa on the government’s bid window 5.

**IPP Generation**

New generation capacity will be required to enhance inclusive economic development. The progress to secure IPP generation capacity since the announcement by the President in the SONA 2020 and 2021 is very encouraging. It is pivotal that there is participation of South African companies in the IPP programme as it is the key to ensure further security of supply of clean energy and positively contribute to national economic development.

Participation of state entities in partnership with the private sector in the IPP space also affords Government the comprehension of the regulatory hurdles which these companies face in the green energy sector. This will assist with the efficient regulation of electricity tariffs as this is an important input cost and requires being investor friendly in support of the Economic Reconstruction and Recovery Plan.

The cost of IPP electricity and electricity in general should be monitored by the Department as spiralling energy costs creates hardship for the working class and poor in the country. Given that most South African households are women and child headed, the burden of financial hardship must be lessened as much as possible. Moreover, high electricity cost negatively affects economic development in the country.

**Conclusion**

In whatever issues and programmes which are being implemented by the Department it is critical that the issues of job preservation and job creation, service delivery, gender equality and transformation remain an urgent priority.

Whilst transformation of the mineral and energy sector has been occurring since the ushering of the new democracy the pace has been slow. It is imperative that the programmes of the department enable further progress in this sector.

The department has certainly laid a firm foundation for development and resolution of many issues in the mining and energy sectors and these require a focussed approach for implementation. The department is keen on making every Rand spent count for social delivery and economic renewal.