

Electricity war room focused on keeping the lights on

The "electricity war room" is focusing all its energy towards implementing government's five-point plan, Rural Development and Land Reform Minister Gugile Nkwinti said on Tuesday...



(Image: GCIS)

The Minister said this during a briefing by the Economic Sectors, Employment and Infrastructure Development Cluster at the Imbizo Centre in Cape Town, which he chairs.

Government's various clusters are briefing media on the implementation of government's programme of action following President Jacob Zuma's State of the Nation Address on 12 February.

The Minister said the five-point plan entails implementing Eskom's maintenance and capacity improvement programme; introducing new generation capacity through coal; entering into cogeneration contracts with the private sector; introducing gas to power and accelerating demand side management.

"In order to mitigate energy challenges faced by the country, government will provide R23bn to Eskom in the next fiscal year to improve its finances.

"The process of renewing the existing co-generation contracts has been issued. One of government's objectives in the medium- to long-term includes the diversification of our energy sources.

"Our state-owned companies are undertaking programmes to accelerate the exploration for oil and gas," Minister Nkwinti said.

He also said a number of exploration wells will be drilled over the next 10 years in partnership with the private sector and gas infrastructure will be expanded.

This, the Minister said, would lead to the refining of capacity, pipelines, storage tanks and port facilities.

The Minister said this would also include import hydropower and nuclear and renewable energy.

In December last year, Cabinet announced that a war room had been set up following the power outages which were impacting on the daily lives of South Africans. The war room comprises the Departments of Energy, Cooperative Governance and Traditional Affairs, Public Enterprises, National Treasury, Economic Development, Water and Sanitation and Eskom, as well as technical officials.

Revitalising agriculture and agro-processing

Minister Nkwinti said to revitalise agriculture, government would establish Agri-Parks in 53 district municipalities.

He said, however, that the 27 poorest district municipalities would be prioritised during the 2015/16 financial year.

"These will be fully-fledged agro-hubs that will offer all services along various commodity value chains.

"This 'one district, one agri-park' and 'every municipality a CRDP [Comprehensive Rural Development Programme] site' approach will include the selection and training of smallholder farmers, in partnering with the district land reform committees.

"R2bn has been set aside to implement this programme in the coming financial year.

"An interdepartmental task team involving organised agriculture is already working on plans to implement the programme," he said.

Minister clears up foreign land-ownership proposal

The Minister also used the opportunity to clarify the announcement made by President Jacob Zuma that the ownership of land by foreign nationals would be limited.

The Regulation of Land Holdings Bill, which will soon be sent to Parliament, will see foreign nationals being prohibited from owning land for agricultural use.

According to the proposal, they will be eligible to hold a long-term lease with a minimum of 30 years.

"The policy does not apply to residential property. A maximum ceiling of 12,000ha on agricultural land will apply to all legal and natural persons," he said.

The Minister said, meanwhile, that government's 50/50 policy framework, which paves the way for farmworkers residing in farms to co-own land with farmers, would be implemented immediately.

"Government has received a number of proposals from commercial farmers and will pilot at least 50 projects during this period," he said.