



EFF STATEMENT ON MINISTER OF ELECTRICITY GRANDSTANDING ON ACCESS TO FREE BASIC ELECTRICITY

Tuesday, 13 August 2024

The Economic Freedom Fighters (EFF) notes the Minister of Electricity and Energy's grandstanding and pathetic attempt at a media contest with the Democratic Alliance Ministers in Cabinet, using poor households who do not have access to free basic electricity. The Minister mentions that 8 million indigent households are not receiving free basic electricity, as if this is a new discovery when we have known about this for the past 10 years.

The Minister claims that there is a conditional grant that comes from the national government to municipalities and Eskom that is meant for free basic electricity, and suggests that if it is used for the intended purpose, it will lead to access to free electricity. This not only demonstrates the Minister's lack of understanding about the structural challenges facing municipalities and funding for indigent free basic services, but it also demonstrates that the intention was to drive media engagements more than finding a solution.

The EFF has consistently demonstrated that South Africa's fiscal policy, driven by the National Treasury's austerity measures, only works if municipalities deliberately pass budgets that exclude millions of people from accessing indigent free basic services, such as water, electricity, and sanitation.

It is a known fact that if municipalities draft proper budgets that include the delivery of necessary infrastructure and indigent free basic services, these budgets are often considered unfunded and against the law.

The reality is that the conditional grants that municipalities receive are based on a structurally incoherent and unworkable equitable share formula. The assumption that municipalities must rely on revenue collected from the sale of water, electricity, sanitation, rates, and taxes to build public infrastructure and deliver basic services is bankrupt, cruel, and punishing to the poor majority. This is especially true in a country where over 50% of people live in poverty, more than 12 million are unemployed, and spatial and economic inequality remain deeply entrenched.

The EFF has consistently called for a comprehensive review of funding for local government, which should form part of reorganising the overall allocation and distribution of revenue collected nationally by the Division of the Revenue Bill. The objective of this exercise must be to ensure that municipalities receive sufficient funding to meet all constitutional obligations, recognising that these are not profit-driven institutions but exist solely to serve a public purpose. We must do away with the cost recovery service delivery model and instead prioritise the needs of working and poor households, rather than maintaining the comfort of a privileged few.

This exercise should not be entrusted to the National Treasury because of their obsession with budget cuts, spending limits, privatisation of free basic services, and eagerness to maintain and perpetuate apartheid spatial planning and the economy for the benefit of the minority few.

The practical and long-term implementable solution to the provision of indigent free basic services will not be resolved by conditional grants but by building internal municipal capacity, and the abolishment of tenders for recurring services such as waste collection, building, and maintenance of infrastructure. Until then, the poor will continue to be told they qualify for free electricity and water when it is made deliberately impossible.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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