



Commission for Gender Equality
A society free from gender oppression and inequality

**SUBMISSION TO THE STANDING COMMITTEE ON FINANCE ON THE PUBLIC
INVESTMENT CORPORATION SECOND AMENDMENT BILL**

16 JULY 2018

1. INTRODUCTION

The Commission for Gender Equality (CGE) is a Chapter 9 Institution and in terms of Section 11 of the CGE Act it is obliged to evaluate proposed legislation and to make recommendations to any relevant authority. Accordingly, the CGE has considered the Draft Public Investment Corporation Second Amendment Bill and we take this opportunity to make recommendations that follow hereunder.

2. COMMENTS

The PIC operates in a paradigm where it can alleviate the structural challenges that face the South African economy. These include growth in certain sectors that do not necessarily generate jobs (which is referred to as jobless growth). This creates more pressure on the nation's socio-economic challenges. Furthermore, for a long time the majority of South Africans have been excluded from meaningful participation in the economy. This is reflected by the fact that more than 17 million people in South Africa are dependent on social grants. Many of these people are African females. Such a situation cannot be allowed to continue or even develop further where more people will consider social grants as their means of a livelihood. In fact, this is a dangerous situation as it is impoverishing the economically active and hard - working salaried middle class in South Africa who are experiencing hardship because they primarily carry the tax burden which funds social grants.

As an influential role player in the economy the PIC has a responsibility to respond to the nation's economic plight by adopting an investment strategy that will address :

- (i) Economic Infrastructure such as transport, water resources, mining, ICT and Logistics.
- (ii) Social Infrastructure such as access to affordable residential accommodation, health and education.
- (iii) Strategic Investments that generate jobs such as agriculture, tourism, agro-processing, beneficiation and construction.

- (iv) A focus on small and medium sized business enterprises and
- (v) The environment and sustainable development which would include green buildings, renewable energy and eco-tourism.

Against the above background The CGE supports the proposed amendments because numerous checks and balances are absent in the Principal Act which may compromise good governance within the Public Investment Corporation (PIC) and prejudice the depositors as well as investors in the PIC. Furthermore, as a State - Owned Enterprise (SOE) which operates under the Companies Act the PIC is obliged to promote aspirations of the NAP and constitution in addition to pursuing profitability for its investors. Accordingly, the CGE takes this opportunity to make recommendations that aim to gender mainstream the draft bill concerned.

3. COMMENTS

3.1 Definition

The CGE recommends an insertion in the list of definitions contained in the Principal Act (Act 23 of 2004) to read as follows :

“major depositor” - means a depositor or Assets under Management of a specific person or entity that is 10% or more of the total assets under management of the PIC at any given time.

3.2 Clause 1

This Clause is supported in its current form.

3.3 Clause 2

The CGE recommends a revision to this clause by way of a new insertion (i) at 5(2) that reads as follows :

- (i) The attainment of the SDG's and Agenda 2063 by enhancing socio-economic development including the promotion of

gender equality within the sphere of its influence and operations.

3.4 Clause 3

Although the board members are representative in terms of race and gender this could change for the worse and this would be permissible within the existing legal framework. Therefore, the CGE recommends the following revision. An amendment to sub-clause 2(b) by way of a new insertion (iv) that reads as follows ;

(iv) All appointments must be made in a manner that promotes both equity and equality in terms of race and gender.

4. CONCLUSION

The Commission for Gender Equality takes this opportunity to thank you for your initiative that seeks to improve the PIC Act and we trust that you will consider our comments favourably.