



**DEPUTY MINISTER
ENERGY
REPUBLIC OF SOUTH AFRICA**

**KEYNOTE ADDRESS BY THE DEPUTY MINISTER OF ENERGY,
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**WOMEN IN ENERGY CONFERENCE, GALLAGHER ESTATE, MIDRAND
TUESDAY 01 OCTOBER 2013**

Good Morning Ladies and Gentlemen

I am delighted to be here this morning to share with you the perspective of the Ministry and Department of Energy on the challenges and opportunities for women in the energy sector. I am even more delighted to share this platform with imminent women in the industry such as you who have defied the odds to become exemplary leaders in a male dominated industry.

I want to thank the organisers for creating this opportunity to engage in a frank and open discussion about where the South African energy sector is in terms of meeting our Government's transformation objectives in respect of the empowerment of women.

I recently had the privilege of reading an article which painted a very bleak picture of corporate diversity particularly in the energy space. According to the article, there is a concerning lack of a representative female component in leadership positions in the energy sector. It quoted research that has shown that only 15 CEO's out of Fortune 500 companies in 2011 were women or 3% worldwide. Furthermore, the percentage of

women directors on the Boards of Directors of those Fortune 500 companies is only 16% with the oil and gas sectors having the lowest percentage of women directors, at 9%.

The message which the writer conveys is that the journey up the executive ladder is a complicated one if you are a woman, more so if you are a woman in the oil and gas industries.

This message resonates strongly with the situation in our own country where, according to WOESA, which is an organisation supporting women in oil and energy in South Africa, women's participation in the energy sector is still very low. At one point WOESA's database had around 300 companies owned by women but several have not survived due to inadequate opportunities.

Ladies and gentlemen, with the female component of the total South African population standing at more than 50%, we will be ignoring a powerful social force at our own peril if we do not accelerate our efforts to transform the unequal social and economic relations that continue to exist between men and women in the energy sector.

The 1956 march to the Union Buildings provides us with a stark reminder of the collective power of women to enforce change and if we do not want to have another 1956 we need to act more decisively to promote their interest in this sector.

Apart from political considerations, there is also a constitutional obligation to break down the unequal social and economic relations between men and women. South Africa is governed by a Constitution that explicitly provides for equality between men and women as a fundamental part of its human rights approach.

Thus when the African National Congress assumed power, one of the first and most important tasks was to repeal laws and policies that discriminated against women. New laws such as the Employment Equity Act, the Labour Relations Act and the policy of affirmative action, meant that employers (in the public and private sector) must introduce

programmes, to ensure the representation of women in all professions and job grades and at equal pay.

The ANC has gone even further and ensured that gender issues are mainstreamed in all government programmes and structures, and has created a gender machinery to monitor and advise government on issues relating to women's empowerment.

Since the establishment of the Department of Energy four years ago, the transformation of the energy sector has been a key focal area of our work. In this transformation the issue of women's participation received particular attention.

You could not have it any other way when the Minister, Deputy Minister and Director-General were all women. This all-female leadership in the department provided a unique opportunity for transformative leadership in the energy sector by redefining priorities and placing items on the agenda that reflect and address women's gender-specific concerns.

The result of this was the appointment of women in strategic positions on the Boards of entities reporting to the Minister of Energy and the audit and review of the Liquid Fuels Charter. Allow me to spend some time to elaborate on the audit of the Charter because this really reflects the problems we are confronted with.

As you know, the LFC was a bold step to transform the petroleum industry to achieve a key the policy objective of the 1998 Energy White Paper, namely to achieve sustainable ownership and control by Historically Disadvantaged South Africans of 25% of all facets across the value chain.

The 25% target is not only a minimum empowerment target in terms of ownership, but also in terms of employment equity, particularly of women as they were historically excluded in this sector.

In terms of ownership, the audit revealed that exercisable voting rights by black women were a mere 7.31%; Economic interest in the enterprises to which black women are

entitled is 6.72%. Most of the black women ownership indicated are as trust beneficiaries or junior consortium partners- i.e. there is no attendant participation as shareholders in most of the companies; and therefore no control or active exercising of their ownership rights.

What these figures tell us is that the industry unfortunately has not been very forthcoming in terms of supporting government's objectives with the Charter which will force us to become a bit more heavy-handed in terms of implementing the recommendations arising from the compliance audit.

We will ensure that there are appropriate incentives for women appointments built in the future score card aligned to B-BBEE codes of Good Practice.

As informed by the Audit recommendations the DoE will align the Liquid Fuels Charter with the BBEE framework and revised codes. One of the key changes in the B-BBEE revised Codes is the position of Redefined Enterprise & Supplier Development beneficiaries to only include black owned and black women owned Qualifying Small Enterprises and Exempted Enterprises.

This is important in that it will enable the Department of Energy to strategically position the Supplier Development Agency (SASDA) to create more opportunities for women in the procurement sector of the oil industry. Women must take advantage of this institution and further empower themselves and others.

As I am talking to woman leaders in the industry who appreciates the knowledge intensity of this industry it is important to promote a supportive culture that need to be managed directly and supported and reported to boards.

Woman requires a supporting environment through appointment to key strategic positions and also being given appropriate skills. Job shadowing should be implemented as one of the means of fast-tracking women and also incentivise to enhance success of this programmes.

The petroleum sector needs to review the recruitment and retention strategies if woman empowerment is to become a reality in this sector. Efforts aimed at ensuring that women flourish in decision making and management echelons as shareholders, Managing Directors, CEOs, COOs and CFOs therefore need to be enhanced.

Because of the male dominated character of the oil and gas industry there is a scarcity of high end role models for women. This places an even more daunting task on you as women leaders in the industry to take the lead and be the role models other women can look up to.

As government we will support you but then you must show a commitment to shape and mould other women to aspire to greater success. You need to use your positions of influence to empower other women through capacity building and mentoring and bring up other young women in your organisation.

Through our collective effort as women leaders in the sector our singular purpose must be to create an environment that will force companies operating in the petroleum sector to improve their human resource needs by changing the current workforce profile in which female employees are the minority. We must spare no effort in ensuring that gender diversity becomes the buzzword in corporate policies and boardroom meetings.

I thank you