

**MEDIA RELEASE**                      **PIC: PSA repeats demands for union representation on Board**

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**EMBARGO**                                None

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The recent damning findings by the Judicial Commission of Inquiry into the Public Investment Corporation (PIC) have far-reaching implications on the governance of the state-owned asset manager. The findings include the recommendation that measures should be put in place to insulate the PIC from undue influence.

The Public Servants Association of South Africa (PSA) has continuously campaigned for the inclusion of trade-union directors on the PIC Board and for the PIC as Africa's largest asset manager to be de-politised and be independent to implement the mandate agreed with pensioners and public servants. The PSA therefore welcomes the proposal that the PIC Board should not be chaired by the Deputy Minister of Finance and that Treasury should not have a say on who should sit on the Board. The PSA has continuously condemned the political stronghold on the PIC and demanded the removal of all politicians from the PIC, including the Deputy Minister of Finance as per the Commission's findings.

The PSA made written submissions to the Parliamentary Standing Committee on Finance concerning the *PIC Second Amendment Bill*, dated 15 June 2019, to break the unjustified tradition to have the Deputy Minister of Finance as the automatic Board Chairperson rather than the Chairperson being appointed from members of the Board. The Union also called for depositors being represented by unions on the PIC Board. The PSA launched a High Court application in August 2018 in which it expressed its direct interest on how Government Employees Pension Fund assets are invested. The PSA submitted a copy of the High Court application to the Commission of Inquiry into the PIC. The PSA insisted that the Minister must appoint members of the Board in consultation with Cabinet, after having had due regard to nominations submitted to him by depositors, as was done through the Public Service Coordinating Bargaining Council process.

It is vital for the PIC to be independent and to embrace the challenges of the country of high unemployment, massive retrenchments, and low economic growth as well as advancing social, economic transformation and Broad-Based Black Economic Empowerment (B-BBEE).

The PSA therefore cannot agree with the stance that trade unions that represent the largest depositors of funds managed by the PIC do not have to sit on the board and that the election process should not be done through a public process. Government is reminded that it was a union, namely the PSA, that placed constant pressure to investigate the Steinhoff debacle, which eventually led to the Commission of Inquiry into the PIC and the shocking findings. The PSA firmly believes that a combination of skills and stakeholder oversight are necessary to ensure adherence to good governance, especially in view of the host of challenges and shortcomings identified by the Commission.

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