

MEDIA RELEASE: PIC Board: PSA pleased with positive changes

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EMBARGO: None

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The Public Servants Association (PSA) is proud to have played a pivotal role into depoliticising the Public Investment Corporation (PIC) Board and the inclusion of labour in the Board.

The PSA that represents more than 240 000 public-sector employees who are affected by investment choices by the PIC, attended the inauguration PIC Board meeting in Pretoria 25 July 2019. The PSA supported the appointment of Dr Reuel Khoza as Chairperson. Dr Khoza is a former chairperson of the Nedbank Group.

The PSA was the only Union that campaigned for the inclusion of trade union directors on the PIC Board and for Africa's largest asset manager to be de-politised and that the institute be independent to implement the mandate agreed with pensioners and public servants. 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 also launched a High Court application in August 2018 in which the Union expressed its significance and direct interest on how Government Employees Pension Fund assets are invested. The PSA also 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.

The PSA pointed out that it is important for the PIC Board to prioritise the recruitment and appointment of a new CEO and that institutional lessons be learnt from the former CEO, Dr Dan Matjila, who was responsible for growing the Assets Under Management (AUM) in March 2006 from R598 billion to more than R2 trillion in 2018. 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 is confident that the appointed interim PIC Board is capacitated to focus on corporate governance and the growth of the investment of Public Service pension monies.

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