

MEDIA RELEASE	PSA calls for urgent review of PIC investment mandate amidst <i>Daybreak Foods</i> scandal
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The Public Servants Association (PSA), representing more than 245 000 public-sector employees, is extremely concerned about the persistent misuse of the Government Employees' Pension Fund (GEPF) through risky and politically connected investments.

The most glaring example of this is the catastrophic collapse of *Daybreak Foods*. More than R1.44 billion of public servants' retirement savings have been poured into *Daybreak Foods*, a poultry venture riddled with red flags since its inception. Despite the Public Investment Corporation's (PIC) claims of responsible investment, transformation, and sound governance, as highlighted in its 2024 Integrated Annual Report, the ongoing financial and operational meltdown at *Daybreak Foods* exposes a crisis of accountability and a dangerous tolerance for poor judgment, mismanagement, and political patronage.

The PSA finds it deeply disturbing that the PIC, after the damning findings of the Mpati Commission, continued to support this technically insolvent and mismanaged entity, even approving an additional R250-million lifeline, most of which was never fully disbursed in time to avert collapse. Salaries remain unpaid, retirement contributions are missing, and livestock have been left to die. The former Chairperson of the board exited the company with a R625 000 payout, whilst 3 400 workers and their families face devastation.

This is not merely an investment failure – it is a betrayal of trust. The PSA therefore calls on the GEPF Board to immediately review its investment mandate policy to ensure a more conservative, transparent, and socially responsible approach to managing public servants' pension funds. The PIC must provide a full disclosure of its unlisted and high-risk investments, including all those with political exposure, and explain the rationale behind continued support for *Daybreak Foods* despite early insolvency warnings. Government must hold all individuals involved in this debacle accountable, including board members and executives who either enabled or ignored the decline. Misappropriated funds should be recovered.

The PSA acknowledges the appointment of Mr Patrick Dlamini as the new CEO of the PIC and expects his leadership to reflect a sharp departure from practices that enabled investment failures. Mr Dlamini and the PIC Board are urged to treat the *Daybreak Foods* scandal not as an anomaly, but as a symptom of deeper structural problems in the PIC's investment philosophy and governance framework.

South Africa cannot afford to treat pension funds as funders of politically motivated ventures. Public servants deserve the assurance that their hard-earned pension savings are managed with prudence, professionalism, and accountability, not squandered in the name of transformation at any cost.

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