

MEDIA RELEASE: **PSA welcomes amendments to *PIC Act***

DATE: 18 February 2020

EMBARGO: None

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The Public Servants Association (PSA) is pleased with amendments to the *Public Investment Corporation Act* to allow for the inclusion of three union representatives on the Public Investment Corporation (PIC) Board.

The PSA represents some 240 000 public-sector employees who are members of the Government Employees Pension Fund (GEPF), which invests its money via the PIC. The PSA has the second largest membership of all unions with members in the Public Service and has long been concerned with governance issues at the PIC. The PSA, as far back as September 2017, requested information from the Minister of Finance and the Chairperson of the GEPF Board relating to, amongst others, the composition of the PIC Board. The PSA's enquiries were aimed at ensuring adherence to good governance principles.

The PSA also approached the Zondo Commission regarding several burning issues. These matters include the PSA's concern that the GEPF Board has not properly exercised its fiduciary duties as trustees of a pension fund by permitting the use of its assets, albeit under investment management of the PIC, to "bail out" struggling state-owned entities in contravention of legislation regulating the financial sector. The PSA's submissions stemmed from concern that members of the PIC Board were appointed by the Minister of Finance in the absence of a rigorous process to ensure the prescripts of the *Public Investment Corporation Act, 2004* were followed for such appointments.

When the *Draft Bill* was circulated for public comment, the PSA contributed to influencing the amendment of the *Act* to provide for union representation on the PIC Board. The PSA's inputs in June 2018 called, amongst others, for the inclusion of three unions in the Public Service Coordinating Bargaining Council (PSCBC) with the largest membership, as determined by PSCBC vote weight determination procedures.

The final *Act* now provides for union representation with three representatives of registered unions. Two representatives must be from the union with the highest number of GEPF members. The other representative must be from any other union, selected by unions at the PSCBC.

The PSA's persistent efforts, including its application at the High Court, exposed the absence of good governance principles and assisted the process to its finalisation. The PSA is hopeful that the composition of the PIC Board will now be more representative of the labour force and cement labour's pivotal role in ensuring the responsible investment of public-sector employees' pension money by the PIC.

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