



STATEMENT

Issued by A P Stemmet
On behalf of : The AMAGP
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CIVIL SERVICE PENSIONERS QUESTION PIC PAY INCREASES

Recent [media reports](#) about massive pay increases of up to 40% for Public Investment Corporation (PIC) executives who have featured prominently in testimony about governance failures before the Mpati Commission, is a matter of grave concern to pensioners who are dependent on the Government Employees Pension Fund (GEPF).

According to Auditor-general [Kimi Makwetu](#) there has, since 2018, been deterioration in the controls exercised at the PIC. It is clear that the Corporation does not make investments that comply with its own policies, procedures and the law. These investments are significantly under-performing in the areas where the GEPF should expand its asset exposure in future.

Despite this, base pay has doubled for those at the top of the PIC, "the leadership" referred to by the auditors.

What is disturbing is that, since last year, the emoluments of the former CEO, Dr Dan Matjila, increased by 113%. The 41% increase indicated by some reporters ignores the fact that the former CEO received the staggering amount of R7,4million for 8 months "work" in the 2019 financial year. As such his monthly base pay increased with R492 000 or 113% i.e. from R433k to R925k.

We must also remember that $\pm 80\%$ of the management fees accruing to the PIC come from public servants' monthly savings. These management fees compensate the executive directors at the Corporation, whilst pensioners get increases not exceeding inflation. In striking contrast the salaries of the PIC senior executives

have increased at a rate of 20x inflation. Despite this, the labour movements and unions supposedly representing workers' interests remain silent.

What is really disconcerting is the fact that not a word of objection about these massive salary increases has been heard from the Board of Trustees of the Government Employees Pension Fund.

Considering the above, it does appear as if the PIC has been operating in a universe far removed from the realities faced by the average South African. While pensioners talk in Rands, the PIC talks in millions and billions.

Something is seriously wrong with this model and method of work. It is not sustainable – it is ethically flawed.

The Board of the PIC responsible for the above situation was recently forced to resign and civil service pensioners have high hopes that the new board will rectify the current disturbing situation.

The Association for Monitoring and Advocacy of Government Pensions ([AMAGP](#)) welcomes the [raid](#) on Wednesday of the offices of [Dr Iqbal Survé](#). This seems to indicate that the R4.3 billion investment in AYO Technology Solutions by the PIC, which has lost the PIC - and thus civil service pensioners - [billions of rands](#), was potentially corrupt.

The AMAGP looks forward to the final report of the Mpati Commission of Inquiry into malfeasance at the Public Investment Corporation which is expected at the end of this month.

Unfortunately, not being included in its terms of reference, the commission could not investigate the situation pertaining at the Government Employees Pension Fund which will continue to be the subject of scrutiny by AMAGP.

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