

# GEPPF

**VOL 2  
NO 2**

# MONITOR



**Monitoring the Government Employees Pension Fund (GEPPF)  
and the Public Investment Corporation (PIC)**

**Monitering van die Staatsdienswerknemerspensioenfonds  
(SWPF) en die Openbare Beleggingskorporasie (OBK)**

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## WELKOM / WELCOME

Hartlik welkom by hierdie uitgawe van die GEPF-**monitor**. Soos u sal opmerk is ons steeds besig met ons waghondfunksie. Ons het 'n sakeplan opgestel en is besig om meetbare doelwitte te bereik. Ons is ook besig om skakeling met die GEPF en OBK uit te bou.

## UITGEWER EN KONTAKBESONDERHEDE

Voorsitter: Albert van Driel: [drielaav@gmail.com](mailto:drielaav@gmail.com)

Sekretaris: Errol Massey Hicks: [errolhicks@gmail.com](mailto:errolhicks@gmail.com)

Skakelpersoon: AP Stemmet: [adamusp@telkomsa.net](mailto:adamusp@telkomsa.net)

Lidmaatskap: A van Vuuren: [vandries@telkomsa.net](mailto:vandries@telkomsa.net)

## **PUBLISHER AND CONTACT DETAILS**

Chairman: Albert van Driel: [drielaav@gmail.com](mailto:drielaav@gmail.com)

Secretary & circulation: Errol Massey Hicks: [errolhicks@gmail.com](mailto:errolhicks@gmail.com)

Liaison officer: AP Stemmet: [adamusp@telkomsa.net](mailto:adamusp@telkomsa.net)

Membership: A van Vuuren: [vandries@telkomsa.net](mailto:vandries@telkomsa.net)

## **COMMENT: ALBERT VAN DRIEL: CHAIRMAN GEPF MONITOR GROUP**

In the event of GEPF funding and management, there are a host of activities which have a direct bearing on the activities of the Treasury and Department of Finance.

The biggest concern of the GEPF Monitoring **Group** is the continued attempts of Government to pursue the procurement of completely unaffordable expansion of Nuclear Energy, whilst it represents a goal which has never been a part of the National Development Plan (NDP). Countless studies have been done both locally and internationally, as to the costs involved in firstly construction of plants, having indicated that more than USD 6500/KW is patently too high (SA plans with Russian-Rosatom already stands at USD 8000/KW, not even properly calculating escalations over a 15-20 year period); secondly the final cost to consumers even paint a more grave picture. The Nuclear Energy cost would be 25-67% higher than fossil and renewable energy, which could result at energy prices being ten to fifty times more than present prices for consumers. How on earth would industry and factories be able to remain competitive internationally?

How could it affect the GEPF and PIC? The rosy picture painted by Rosatom of USD 100 billion loan for such an unrealistic project, may result in an untold sovereign domino catastrophe; who would then be next in line for emergency funding? May well be "cash-rich" GEPF/PIC!

There are a whole train of actions lately, (and some lurking around the corner), which impact negatively on our Pension Fund, and which could indirectly affect GEPF, viz:

1. The Dec 2015 Tax Amendment laws (to be implemented in March 2018), which if not done carefully, could result in an unhealthy "run on GEPF" with disastrous results!
2. High value PIC loans to Eskom, the latter which has a poor track record of Corporate Governance, and above all transactions where the Gupta and Zuma families grossly benefitted unfairly. Examples are the Canadian Uranium One mine which was procured by Gupta Oakbay Resources for only 14 % of its value; the Canadians were forced to abandon an investment of USD 1.8 Billion; another deal where Gupta's acquired the Optimum coal mine from Glencore through Government intervention and due to an Eskom fine of R2,5 Bn. on previous owners.
3. At about 1997 Mr. Zuma tried to use the then CEO (Brian Molefe) of PIC to get a loan for the Guptas to purchase Uranium One (now Shivas) which was not approved by their Investment Committee, where-after they received a loan from the IDC. In return the IDC received equity of 3.57% only, when Shivas was listed at the JSE, which was worth only R182 million (equating to a discount of R68 mil.)

4. In the entire saga of the envisaged Nuclear programme, the Government is violating its own Laws e.g. the PSFM Act; also making additional Laws e.g. "Promotion and Protection of Investment Bill", in order to sidestep the PSFM Act, and to benefit Rosatom!

In the end the GEPF may have to pay the price for a lack of realism and due diligence by Government.

The following literature mainly served for Reference purposes:  
-RDM Articles by Lilly Gosam during **the** latter half of Jan 2017.

### **BRIEF VAN LEROY ABBOTT**

Beste vriende.

Baie dankie aan Errol vir nog 'n uitstekende produk. ("Eintlik is hierdie Hennie Heymans se produk - Errol")

Die nuus dat daar nog geen reaksie t.o.v. antwoorde op ons navrae is nie, wek kommer.

Miskien is dit tyd dat ons verdere aksies oorweeg.

Die nuus oor Gerrie Nel se skuif en Afriforum se agenda kan miskien tot ons voordeel gebruik word.

Ons kan nie verwag dat hulle ons kosteloos bystaan nie, derhalwe word geld-insameling nou van belang.

Is dit haalbaar dat alle belangstellendes gevra word om 'n bydrae te lewer. Nie almal kan dieselfde bydra nie. Stel voor R10 per R1000 pensioen ontvang. Ek glo dit is nie te veel gevra nie. Ons sal net moet wag tot ons genoeg het voordat enige aksie ingestel word.

Groete,

3 Februarie 2017.

### **BRIEF: AP STEMMET AAN MNR STEENHUISEN DA**

Geagte mnr. Steenhuisen, ek het pas na u puik toespraak in die parlement geluister. Hartlik geluk met die **hoë** vlak daarvan. U het met reg die lae vlak van die toesprake aan regeringskant aangeval. Dit is werklik pateties soos selfs ministers nie in staat is om intelligent te debatteer nie.

Your reference to the investments on the JSE by the PIC on behalf of the GEPF was spot on. You are quite correct by stating that more than 90% of the members of this pension fund and who are actually the owners of the fund are black civil servants. Talk about white money when they refer to the fund is therefore false.

On behalf of the GEPF Monitor Group I wish to thank you and your colleagues for your efforts to safeguard our pension fund. More information about the pension fund for possible use in debates to come about this matter will follow in due course.

Regards,

AP Stemmet.

## **BRIEF AAN DIE BURGER**

Jan Herselman se brief in Die Burger 15 Februarie 2017 oor Transnetpensioene laat die vraag ontstaan of die Staatsdienspensioneringsfonds besig is om dieselfde paadjie te loop.

Dit is so dat die fonds geweldig sterk is. Glo meer as R1,8 triljoen en dit dus nie maklik sal wees om die fonds uit te put nie. Daar is dus geen rede tot paniek nie maar dan moet ons waaksaam wees.

Die Staatsdienspensioneringsfondsmoniteringsgroep (Die Groep) probeer juis dit doen want die rooiligte flikker sterk. Die Groep het al verskeie agterdogwekkende beleggings aan die kaak gestel. Veral beleggings met 'n politieke geur en wat dus nie tot voordeel die fonds gemaak word nie, wek agterdog. Daar is ongelukkig vele van hulle. Vrae wat hieroor aan die Raad vir Trusteas van die fonds gestel is, bly na maande onbeantwoord en verhoog die agterdog. Geheime beleggings, al 250 van hulle, is op 18 Oktober 2016 onder politieke druk openbaar gemaak.

Maar daar is steeds vrae oor sommige. Die GEPF is egter berug vir sy vrot kommunikasie. Briewe word nie beantwoord nie en probeer hulle gerus bell!

'n Nuwe probleem het die laaste tyd kop uitgesteek. Verdragings van tot meer as ses maande word ondervind voordat die eerste pensioenbetaling ontvang word en dit aan persone met tot **47 jaar** diens. Dan moet in gedagte gehou word dat amptenare enigiets van drie tot ses maande kennis gee van voorgenome aftrede.

Enige foute soos byvoorbeeld vorms wat foutief ingevul is kan dus betyds reggestel word. Die vorms word in elk geval deur "kundige" amptenare van werkgewerdepartemente voltooi en geen foute behoort dus daarin voor te kom nie.

Alles dui daarop dat daar 'n groot skroef los is. So 'n sterk fonds kan tog nie kontantvloei-probleme ondervind nie, maar dit is presies die soort afleiding wat gemaak word. Die stilte van trusteeas van die fonds is egter daverend.

A P Stemmet

Segsman. Moniteringsgroep.  
(15 Februarie 2017)

## **LETTER TO MINISTER OF FINANCE: AP STEMMET**

Dear Sir,

I am reacting to the honourable Minister's invitation and on behalf of the Government Employees Pension Fund Monitor Group, suggest the Minister to give GEPF members the assurance that care will be taken to ensure that no irresponsible investments of the funds in the pension fund will be made and that the financial management, which includes the timely payment of pensions, will be undertaken with prudence.

I thank you for your kind consideration

AP Stemmet.

Spokesperson: GEPF Monitor Group  
(15 February 2017)

### **RSG-NUUSBERIG: 21 FEBRUARIE 2017**

Volgens RSG 9 nm nuus verklaar mnr. Sithole dat daar R600 Miljoen onopgeëiste geld in GEPF is. Hy stel voor dat opbrengs daarvan aangewend moet word vir tersiêre onderwys. Op 18 Oktober 2016 het hy hom in parlement sterk uitgespreek teen aanwending van bates van fonds vir dieselfde doel. Hoekom nou omswaai?

#### **Comment**

The GEPF Monitoring Group noticed with great concern that the Principal Officer of the pension fund Mr. Abel Sithole proposed that so called unclaimed pension benefits in the amount of R600 million be withdrawn from the fund for the purpose of funding tertiary education. Mr. Sithole admitted that in order to do so will require amendments to the Pension Act.

The GEPF Monitoring Group expresses serious objections to Mr. Sithole's proposal as such move will lead to the detriment of the pension fund's finances. Mr. Sithole's comment that should a pensioner come to claim his or her benefits at a later stage that the Government pay such benefits to the claimant is found to be somewhat absurd as such payment will fall to the expense of the tax payer.

- Mr Sithole has been contacted and asked for an explanation.

## **Kommentaar deur Errol Massey Hicks (Ten opsigte van die enorme bedrag onopgeëiste pensioengeld by die GEPF)**

Almal, net interessantheidshalwe (ook vandag gebeur). My dogter is opgespoor deur 'n agentskap, namens 'n werkgewer waar sy 18 jr. gelede gewerk het, t.o.v. 'n pensioenuitbetaling wat haar toeval.

## **SAW-VETERANE: MOSSELBAAI**

1. Die SAW-veterane en hulle gades wat woonagtig is in die Oos-Kaap – sowat 160 persone - het op 16 Februarie 2017 te Mosselbaai vergader, vir 'n gesellige ete. Tydens die geleentheid is die GEPF Monitorgroep genooi om 'n kort uiteensetting van hulle aktiwiteite voor te dra. Die volgende is bespreek:

**2. Hoekom is 'n Monitorgroep nodig?** Meeste van ons teenwoordig, kry ons pensioen gereeld vanaf die Staatsdienswerkerspensioenfonds (GEPF). In die lig van die regering se swak bestuur, omvang van korrupsie in die RSA, die grootte van die GEPF fonds (R1,8 triljoen) en dit wat met die Spoorweë se pensioen gebeur het – is daar genoeg rede om die Fonds deurlopend te monitor. Verder is 'n aantal swak beleggings en beleggings met 'n politiekekleur (Afribank, Independent Newspapers, ens.) deur die pers ontbloot. Om die rede is die GEPF Monitorgroep gestig met die doel om wag te hou ten behoeve van die staatsdienspensioenaris.

**3. Waarmee hou die Monitor Groep hom besig?** Die groep bestaan uit 'n aantal vrywillige staatsdienspensioenarisse wat tersaaklike informasie insamel en vertolk en kommunikeer met die GEPF, die media, politici en ander drukgroepe ten einde die Fonds te beskerm.

**4. Wat het die Monitorgroep nou al bereik?** 'n Grondwet is opgestel en gepromulgeer; die groep se Beleid is opgestel; 'n aantal persverklarings is uitgereik; samesprekings is gehou met die GEPF se Trusteas asook met kundiges soos Dawie Roodt en Flip Buys; persone met spesifieke kundighede is gewerf; 'n digitale tydskrif (kyk GEPF Monitor) verskyn gereeld, waarin gebeure en beleggings, beide positief en negatief, wat die Fonds raak, aangespreek word.

**5. Wat wil ons in die Korttermyn bereik?** Vergrote lidmaatskap, uitbou van ons fondse vir noodwendige uitgawes, die uitsaai van 'n gebalanseerde beeld, 'n goeie verhouding met die GEPF en die OBK maar ook groter druk om antwoorde van hulle te verkry.

**6. Wat kan jy doen om te help?** Lees die GEPF Monitor gereeld, word 'n lid, maak 'n finansiële bydrae in jou eie belang en samel informasie in.

**7. Ten Slotte.** Oor die algemeen gaan dit goed met ons pensioenfonds. Daar is egter meer as genoeg rede om dit in ons eiebelang op te pas. Moenie vergeet van hoe die Spoorweë se fonds geplunder is nie!

**8. Vrae.** Die volgende is gevra:

- Vraag 1: Hoekom kry my vrou slegs 50% van my pensioen as ek te sterwe kom?  
Antwoord: Ons het almal 'n geleentheid gehad om 'n keuse uit te oefen om die 50% na 75% op te skuif. Dit beteken egter dat jy self (terwyl jy lewe) dan ietwat minder pensioen sal ontvang. 'n Groter bedrag aan jou gade moet van êrens afkom.

- Vraag 2: Wat gebeur met die ander helfte van my pensioen as ek te sterwe kom?  
Antwoord: Dit word nie aan jou boedel uitbetaal nie. Statisties maak die Fonds daar op staat dat die pensionaris teen 'n sekere ouderdom te sterwe sal kom. Party lewe langer- en ander korter as daardie ouderdom.

## **PERSVERKLARING UITGEREIK DEUR AP STEMMET NAMENS DIE STAATSDIENSWERNEMERSPENSIOENFONDS MONITERINGSGROEP.**

Kaapstad  
23 Februarie 2017

Die moniteringsgroep het met groot kommer kennis geneem dat meneer Abel Sithole, hoof uitvoerende beampte van die pensioenfonds, voorgestel het dat die sogenaamde onopgeëiste pensioenvoordele van R600 miljoen gebruik word om tersiêre onderwys te finansier. Meneer Sithole **se** dat die onopgeëiste voordele jaarliks meer as R100 miljoen aan rente verdien. Hy is van mening dat dit die moeite werd is om wetgewing te oorweeg om dit moontlik te maak om dié fondse dusdanig aan te wend en dat die regering instaan indien 'n lid na 'n tyd sy voordele kan opeis. Die las wat sodoende op die belastingbetaler geplaas word, maak sy voorstel absurd en onaanvaarbaar.

### **AP Stemmet**

Segsman: GEPF-Monitorgroep  
021-9759474

## **PRESS STATEMENT ISSUED BY A P STEMMET ON BEHALF OF THE GOVERNMENT EMPLOYEES PENSION FUND MONITOR GROUP.**

Cape Town.  
23<sup>rd</sup> February, 2016

The GEPF Monitor Group noticed with great concern that the principal executive officer of the pension fund Mr. Albert Sithole proposed that so called unclaimed pension benefits in the amount of R600 million be withdrawn from the fund for the purpose of funding tertiary education. Mr Sithole admitted that in order to do so will require amendments to the Pension Act. The GEPF Monitoring Group expresses serious objections to Mr Sithole's proposal as such a move will create a precedent and will lead to the detriment of the fund's finances. Mr Sithole's comment that should a pensioner come to claim his or her benefits at a later stage, the government



pay such benefits to the claimant is found to be somewhat absurd and unacceptable as such payment will fall to the expense of the taxpayer.

**AP Stemmet**

Spokesperson: GEPF Monitor Group  
021-9759474.

## **STATE-OWNED COMPANIES**

PRETORIA – State-owned companies that rely on expensive borrowings while delivering little or no return on equity are destroying value fast, says National Treasury.

According to the 2017 Budget Speech, the 16 largest companies are required to be financially stable under the Public Finance Management Act (PFMA).

In 2015/16 their combined return on equity was, however, only 0.8%. “Using the R186 bond as a proxy, government’s average cost of borrowing is 8%. When government borrows at 8% and provides capital to state-owned companies that are generating a lower return on equity, it represents value lost to the public finances,” Treasury states.

Treasury points out that several of these state-owned companies play a dominant role in key sectors of the economy. It states that government’s “twin objectives of growth and transformation would be well served by a shift from monopoly control to well-regulated, competitive markets that are open to new entrants”.

It says public companies would still play a strategic role in furthering developmental mandates.

In his budget speech, minister Gordhan said he met with the new SAA board last week. The board was appointed in September last year, with the retention of controversial chair Dudu Myeni.

During a media briefing before delivering his speech, Gordhan said Myeni did not attend the board meeting.

He said the board well understands the challenges the airline faces and that the advisory work in progress has clarified the way forward.

This is a reference to consultants appointed to review the state’s aviation assets and a possible merger between SAA and SA Express that was mooted in last year’s budget.

The review is expected to be completed by the end of March. “The goal is to develop a stronger, more efficient and sustainable state aviation sector,” the 2017 Budget Review states.

The embattled SA Express’ 2015/16 financial statements have not been finalised due to doubt about its going-concern status. It has underperformed on its long-term strategy developed in 2013 and has seen some of its aircraft grounded due to delays in raising funds for spares, according to the 2017 Budget Review.

It points out that SAA has narrowed its R5.6 billion loss in 2014/15 to R1.5 billion in 2015/16, largely thanks to lower fuel prices and lower asset impairments.

The airline is, however, still technically insolvent with its going-concern status relying on its R19.1 billion state guarantees.

SAA’s liquidity constraints are expected to persist over the next three years and in 2017/18 government will assist it financially “in a manner that does not increase the budget deficit”.

The South Africa Post Office (SAPO) hopes to return to profitability in the new financial year, following a R1.14 billion loss in 2015/16 and R1.5 billion in the previous financial year.

According to the 2017 Budget Review this was largely the result of reduced costs, while revenue dropped by R440 million as a result of the strike in the previous year and liquidity pressure, which limited its ability to pay creditors.

Government has granted SAPO guarantees of R4.4 billion, which enabled it to raise R2.7 billion to fund operations and a turnaround. In April last year government provided it with R650 million-worth of recapitalisation funds.

SAPO has applied for a full banking licence for the Postbank. It will be corporatised and further capitalised over the medium term.

<https://www.moneyweb.co.za/in-depth/budget/state-owned-companies-destroying-value/> (Via Hennie Roux)

### **Kommentaar deur ’n regsman:**

Dit is my beskeie mening dat die GEPF nie staatsinstansies kan befonds nie, maar wel daarin belê indien daar goeie of redelike en vergelykbare dividende uit die belegging verdien word.

Ons moet onthou dat die fondse van die GEPF trust gelde van die lede van die fonds is. Ek het alreeds daarop gewys dat die Trustees verantwoordelik gehou kan word vir enige verliese wat uit beleggings voortspruit indien hulle nie die betrokke belegging met behoorlike sorg en verantwoordelikheid wat regtens van ’n Trustee verwag word, nagekom het nie.

## **OPGEBLASE STAATSDIENS / INFLATED CIVIL SERVICE**

Klik op / Please see:

<http://www.fin24.com/Budget/state-workers-could-face-voluntary-severance-packages-20170223>

### **Kommentaar deur AP Stemmet**

Geagte vriende, dit sal ongetwyfeld 'n uitwerking op ons pensioenfonds **hê**. Ons moet in gedagte hou dat die opgeblase (inflated) staatsdiens tans salarisse van 40% bo die van die privaatsektor betaal en dus groot pensioene vir lang tydperke gaan kry. Dit sal onbillik wees om te verwag dat die fonds die las moet dra vir foute van die regering. Die opgeblase staatsdiens het nie toevallig ontstaan nie. Beste groete

### **AANSOEK OM LIDMAATSKAP: GEPF-MONITERINGSGROEP**

Neem asseblief kennis van die aansoekvorm op die volgende bladsye (Afr en Eng). Voltooides vorms kan per e-pos gestuur word aan Andries van Vuuren ([vandries@telkomsa.net](mailto:vandries@telkomsa.net)) of per Faks aan Albert van Driel ([012 6544848](tel:0126544848))

**AANSOEK OM LIDMAATSKAP: GEPF-MONITERINGSGROEP**

**GEPF-MONITERINGSGROEP**

**Aansoek om lidmaatskap**

Drukskrif asseblief

1. VAN: .....

2. VOORNAME: .....

3. NOEMNAAM: .....

4. ADRES:

Woonadres:

.....

.....

Posadres:

.....

.....

E-posadres: .....

Telefoon:..... Selnommer:.....

6. ID Nommer .....

7. Ek onderneem om maandeliks/jaarliks (skrap wat nie van toepassing is nie) R..... te betaal. Die voorkeur ledegeld is R300.00 per jaar, dog lede kan ook minder betaal indien hulle so verkies.

Geteken te ..... op die .....dag  
van.....20.....

Handtekening: .....

**Bankbesonderhede:**

A S Janse van Vuuren

ABSA Bank Lyttelton 632005

Rek. No. 020226560

Gebruik u naam as verwysing.

**Sien oorsy vir Engelse vorm.**

**APPLICATION FOR MEMBERSHIP: GEPF MONITORING GROUP**

**GEPF MONITORING GROUP**

**Application for Membership**

**Please Print**

1. **SURNAME:** .....

2. **FIRST NAMES:** .....

3. **NAME (Commonly used)**.....

4. **ADDRESS:**

**Residential:**

.....  
.....

**Postal:**

.....  
.....

**E-Mail:** .....

**Telephone:**..... **Cell:**.....

6. **ID Number** .....

7. I undertake to pay R ..... monthly/annually (delete inapplicable). The preferred membership fee is R300.00 p.a. but members may contribute less if they want to.

Signed at ..... on the .....day of.....20.....

**Signature:** .....

**Bank Details:**

**A S Janse van Vuuren**

**ABSA Bank Lyttelton 632005**

**Acc. No. 020226560**

**Use your name as Reference.**

## **GREETINGS / GROETE**

We would like to hear from you! We greet you from Cape Town and Pretoria – please take care!

Ons hoor graag van u. Ons groet u vanuit die Kaap en Pretoria – pas uself op!