Association for Monitoring and Advocacy of Government Pensions (AMAGP)
NPO Registration No: 198-822
SEMPER VIGILANS

The Association for Monitoring and Advocacy of Government Pensions: An independent group of pensioners and civil servants concerned about the long term viability of the GEPF and sustainability of its return on investments.

www.AMAGP.co.za
GEPF Watchdog - Waghond

GEPF
your investment, your future

NEWSLETTER NO 13 of 2019

AMAGP – Association for Monitoring and Advocacy of Government Pensions
BOT – Board of Trustees [of the GEPF]
FSCA – Financial Sector Conduct Authority [previously the FSB]
GEPF - Government Employees' Pension Fund
PEO – Primary Executive Officer
PIC – Public Investment Corporation
PSA – Public Servants' Association
ROI – return on investment
SC – state capture
SCOF – Standing Committee on Finance
SCOPA - Standing Committee on Public Accounts
SOC – state owned company
SOE – state owned entities

"The GEPF now has R1,8 trillion assets under management, up 8,3% (R1,7 trillion) from 2017. There are 1 273 125 active members, and 450 322 pensioners and beneficiaries." Moneyweb, 10 December 2018

The Editor's Word

For those of you who don't know, MS du Toit was the founder instigator of the AMAGP. He gathered like-minded pensioners to share his concern about the continued viability of our pensions, and continued to be an inspiration to those who became the concerned group that still ensure that the concerns of GEPF pensioners are clearly heard.
MS passed away recently and it is only right that we pay tribute to the man who kick-started AMAGP and significantly contributed almost up to the last day.

We are progressing with the summarising of the Mpati Commission's testimony. It would already be complete if we had sufficient co-workers…

Still quiet on the single national pension scheme, trust me, it isn't gone. Likewise 'prescribed assets'. I trust the financial industry has a myriad alternatives to pension funds or anything that contains words that even remotely consider pension or retirement.

The national health insurance scheme is looming. It works in other countries so it can work here. The biggest implication is of suddenly becoming the health care institution of Southern Africa, you know about our porous borders, huge illegal resident population, etc. Our health services are probably going to be swamped when NHI is implemented, forcing the government to look for funding elsewhere, yes, the GEPF/PIC investing in healthcare?

The Public Servants Association magazine 3/2019 has two pages about the PIC and GEPF, and the lack of due diligence in those two organisations for the sustainability of our Fund. Read it.

Some of the articles below equate the quandary our GEPF is facing as the result of government inability to govern and commitment to self-enrichment at the cost of the taxpayer. See Mike Schussler and RW Johnson below.

NEWS NEWS NEWS

Synopsis

Christo van Dyk's opinion: Lack of oversight by parliament

Synopsis

Parliament [SCOPA, SCOF] has been tardy in its oversight over our pension fund. The 2018 GEPF Annual Report has yet to serve before both committees, and the 2019 report is almost due. Also there seems to be careful manoeuvring to shield the trustees from the light of disclosure and accountability. They are paid handsomely by us *[our Fund]*…

My views above are that of one pensioner out of +- 400 000 and, as the PEO no doubt enjoyed doing at the Mpati commission, calculated the % representation, and in so doing, discount and reduce the views to zero.

[Our prolific contributor, Christo, says] "It's also easy for SCOPA and SCOF to ignore the correspondence of one pensioner, which to date, they in fact have. However, would SCOPA **ignore a petition** of say 10 000 concerned citizens and GEPF members requesting the appearance of the Trustees to spend time answering ALL questions about the Annual Report posed by GEPF members and taxpayers whilst in Committee?"

How many of us are willing to step forward for this noble cause?

Comment

I just love Christo's contributions. Very informed, to the point, factual, true.
Any interest in starting such a petition?

Synopsis

NATIONAL

Treasury not considering prescribed assets, Mboweni says

BL PREMIUM
5 November 2019 Linda Ensor

Tito Mboweni. Picture: Esa Alexander

The Treasury has for the first time categorically denied that it is actively considering the introduction of prescribed assets. Finance minister Tito Mboweni also warned on Tuesday that making public comments on such a threat could result in workers cashing in their pension funds prematurely.

Mboweni's remarks follow the recent statement by Deputy Finance Minister David Masondo that the government was committed to protecting workers' savings.

"I want to assure all members of any retirement fund that government's first and foremost responsibility is to protect their funds at all times, and we have in fact strengthened our regulatory system to continue to do so," Mboweni said in a written reply to a question by DA finance spokesperson Geordin Hill-Lewis. "In addition, the current regulatory framework in terms of the Pensions Fund Act places a fiduciary duty on trustees of funds to always invest prudently and in the best interest of the members," the Minister said.

"This naturally means investing for the long term in ways that support economic development and growth, and earning good returns based on fund and market fundamentals. This is good for pension fund members as well as the country."

"I would like to caution all who make public comments on retirement funds, including those who report on them, to take greater care that they do not in the process scare retirement fund members to cash out their funds and hence not to preserve their savings. They will become more vulnerable in old age, when they retire and no longer have a decent income or savings."

Mboweni emphasised in reply to Hill-Lewis's question that the Treasury had not held any

consultative meetings in 2019 with industry or anyone else about prescribed assets.
ensorl@businesslive.co.za

Comment
Taking your pension money before you are due for pension and leaving is really not a good decision. Think carefully before doing it, get expert advice, not just from the GEPF but qualified financial planners too.
Note: Treasury isn't "actively considering", meaning it is considering but not "actively". Wonder how long it will take to go from not actively to active?

Synopsis
Daily Maverick

The constitutional challenges facing the prescription of assets


Paul Hoffman

Until all alternative avenues have been properly explored it will be easy to argue that 'less restrictive means' to achieve the purpose of prescribing assets have not been tried**.**

Somewhat vaguely, the President has confirmed that government is considering the "prescription of assets" as a way of raising funds to keep underperforming or technically insolvent state-owned enterprises funded.

Who would lend money to a loss-making enterprise? Only extreme optimists and those compelled to do so. By requiring private pension schemes to lend to SOEs the government hopes to find "easy money" to keep the state functioning, the lights on, and the SAA aircraft flying.

This step was taken in the darkest days of apartheid when the ability of the state to pay its creditors came under considerable pressure due to banking sanctions and other anti-apartheid activities. Why not now?

The difference is that during apartheid SA was a parliamentary sovereignty, but now we are a constitutional state in which the provisions of the constitution and the rule of law are supreme.

This change in the foundation of the state has a direct impact on the ability of the government to introduce the prescription of assets. It cannot be done "willy nilly" and simply because someone in the Union Buildings considers it a capital way of raising funding.

Section 2 of the Constitution tells us that "law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled." In turn, Section 7(2) of the Bill of Rights requires the state to respect, protect, promote and fulfil all of the rights in the Bill of Rights. One of these rights is the right to property. A pension is undeniably property. Under Section 25(1):

"*No one may be deprived of property except in terms of law of general application, and no law may permit arbitrary deprivation of property."*

A law targeting those prudent enough to contribute to a private pension fund is not a "law of general application". It is arguably a form of unfair discrimination against savers who invest in pensions and would accordingly fall foul of the proscribed forms of unfair discrimination itemised and outlawed in section 9 of the Constitution, our "Equality Clause".

There will be those who argue that the right to your pension is not an unlimited right and that a law allowing the prescription of assets is still a "law of general application" because it involves all holders of pension rights.

It is true that Section 36 of the Bill of Rights lays down that:

"*(1) The rights in the Bill of Rights may be limited only in terms of law of general application to the extent that the limitation is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom, taking into account all relevant factors, including-*
(a) the nature of the right;
(b) the importance of the purpose of the limitation;
(c) the nature and extent of the limitation;
(d) the relation between the limitation and its purpose; and

(e) less restrictive means to achieve the purpose.
(2) Except as provided in subsection (1) or in any other provision of the Constitution, no law may limit any right entrenched in the Bill of Rights."

Assuming, without conceding, that the "law of general application" hurdle can be overcome by skilful legislative drafting, the further hurdle is likely to see the whole scheme of the notion of prescribed assets crash and burn. The crafting of a limitation that is "reasonable and justifiable in an open and democratic society" is not legally possible. When the factors in (a) to (e) above are examined and considered the introduction of prescribed assets will not be able to pass constitutional muster.

The "nature of the right" (in this case the right to property that every pension holder and pensioner has to their pensions) is one of the cardinal aspects of the Bill of Rights. The right to property is internationally regarded as part of the rule of law. The rule of law cannot be tampered with other than by way of a 75% majority in Parliament, and, even with EFF support, the ANC does not command sufficient votes to get over this hurdle. Expropriation of pension rights without compensation is not allowed under Section 25.

The importance of the purpose of the limitation on the rights to pensions is that the state needs to raise funds to keep failing SOE afloat. Vanity projects such as SAA are not a worthy cause; other avenues, such as the unbundling or privatisation of Eskom, Prasa, Denel and others are available to the government; only hidebound and outdated ideology is preventing the alternative cures from being implemented. These are not good reasons for the introduction of prescribed assets.

The nature and extent of the limitation have been described as "theft" by the DA. Even if theft is not involved in the way in which the prescription of assets is constructed, it is difficult to see how the expropriation of the pensions or a percentage of them are not in direct contravention of the provisions of Section 25.

The relation between the limitation and its purpose is that the state will be seen to be scrounging around for easy targets to relieve of assets to prop up its failing SOE. This is hardly a convincing argument for limiting rights guaranteed to all in the Bill of Rights.

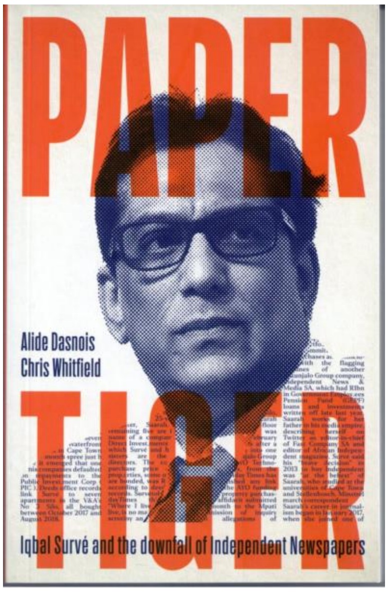
There are many less restrictive means of achieving the funding of failing SOE, such as selling them, closing them down and unbundling them with a limited sell-off of a percentage of those SOE which seem to stand a chance of survival. More importantly, the failure of SOE is attributable to their mismanagement and to the looting of their assets during the heyday of state capture. The state is well able to take steps to discharge the incompetents in management positions; it does not do so at its peril and for fear of upsetting parts of its constituency.

The recovery of loot, wherever it may be in the world, is a possibility that has not yet been sufficiently explored by the state. The Saxonwold complex abandoned by the Guptas has not been on the receiving end of attention from the Assets Forfeiture Unit, funds schlepped offshore by a myriad of miscreants ranging from the Guptas to the Watsons have not been followed up, as they easily can be if the necessary political will to take on the state capturers can only be generated by those now governing. Fear of a "fight back" is no justification for the ongoing inaction on this front.

Until all these alternative avenues have been properly explored it will be easy to argue that "less restrictive means" to achieve the purpose of prescribing assets have not been tried. Pensioners should draw comfort from the wording of Section 36(2) and the DA should, as it says it will, gird up its loins for a constitutional challenge. **DM**

Paul Hoffman SC is a director of Accountability Now.

Comment
Thought provoking article. Read it again and decide what action to take if/when 'prescribed assets' is implemented.
I like the words 'vanity projects' and 'hidebound and outdated ideology', they make sense.
Trusting the government isn't something any citizen in any country should consider easily.



Comment
This is the book mentioned in the previous newsletter. And no, I don't get commission from including it in the newsletter.
We keep reading about Survé and his involvement with borrowing from and repaying money owing to the PIC/Fund. Lots of detail about what he did with our money and how, is in the book.
It must be uncomforting to know a book has been written highlighting your unlovable wheeling and dealing. He and/or his companies, however constituted, owe the Fund [us] an inordinate sum, the recovery of which is probably going to revolve about lengthy and expensive court actions.
I trust Commissioner Mpati and his team read the book.

No synopsis

amaBhungane
Centre for Investigative Journalism

Dear Reader,

You will have noticed that there are some stories we follow fairly consistently, despite our limited resources. The PIC is one such preoccupation – especially as regards its largesse towards Dr Iqbal Survé.

The reason is clear: the PIC has been a giant slush fund for the ruling party, to the detriment of government pensioners and our polity. Among other things, it was used, via Survé, to buy out an important media outlet – Independent Newspapers – that government had sought for years to control or supplant.

The misuse of the PIC has been so egregious that, now the political winds have changed and at least some PIC skeletons are being dragged into the light, Survé must fear losing his fortune if not his freedom. And so he has dug in, making his Independent titles a rallying point and propaganda tool for the anti-Ramaphosa fight back.

That abuse, which is bad for what's left of Independent and bad for the media generally, is still being funded by the remnants of the pensioners' money.

You may notice we have some unkind words for the role of a law firm that remains a staunch professional ally of amaBhungane. That's no mistake.

The damage to our country is so severe that, if we are going to recover, every one of us who wants South Africa to succeed is going to have to step up beyond the habits of ethical complacence.

Sam Sole, amaBhungane managing partner.

Digging dung. Fertilising democracy

Comment
Always impressed by the quality of amaBhungane's reporting.
Follow amaBhungane to read about the law firm.

Synopsis
Politicsweb
OPINION

The ANC can't govern

6 November 2019
RW Johnson writes on South Africa's resultant politics of drift

The Medium Term Budget Statement delivered by Tito Mboweni in late October was in effect a declaration that the government acknowledges the gravity of the economic and financial situation but that it has decided to do nothing. Instead it has opted for continuing drift. This is not surprising when one considers the Ramaphosa presidency has done nothing but drift since it began.

In this respect it is like the Zuma presidency, especially since staggering corruption goes on just as before. Indeed, two years ago, in the twilight of the Zuma period, the then Finance Minister, Malusi Gigaba, delivered a similar address when he too pointed out the gravity of the financial situation – but did nothing. Moreover, the previous finance ministers Pravin Gordhan and Nhlanhla Nene, must have been aware of the mounting crisis. Instead they steadily increased taxes, taking more and more away from the public rather than face up to their responsibility to control government spending.

Mboweni’s announcement was that to show how serious they were in their bid to cut public spending, cabinet ministers’ pay was to be frozen, the amount they could spend on a car was R 700 000, subsistence and travel allowances would cease, and cabinet ministers’ and provincial premiers’ salaries would have a “downward adjustment”.

However, by the next day the car allowance had risen to R 800 000, the promise of a pay freeze or cut had disappeared, and the ban on subsistence and travel allowances had clearly been relaxed as well. In other words, the ministers were not serious after all about cutting public spending.

Within a few days the civil service unions had declared that they would fight to the death rather than accept anything but an inflation plus pay rise. This, they now feel, has become their birthright and they are wholly unembarrassed by the fact that they are the only group in the population whose salaries have risen by a real 66% in the last decade.

Why is there such commitment to a policy of drift? It is, of course, true that almost no one in the ANC understands economics and that they also fail to realise that the penalty for not drawing in their belts now is much harsher later. But the larger reason is that since 1994 the entire country has essentially been run for the benefit of the political and public sector elite and their BEE associates.

This group is at its heart is the bureaucratic bourgeoisie and is as ruthlessly self-interested as only a first generation middle class in the Third World can be. It is completely indifferent to the catastrophic effects of its own policies, the plight of the unemployed and the destruction of the health and education systems.

As Zimbabwe shows only too clearly, such a group is willing to grind its country into dust provided it can stay in power and enjoy a life of privilege. The appetites and desires of this group are the real driving force behind the ANC. We should by now be used to this. For a long time the ANC has disregarded warnings about all sorts of things so that nothing gets done until the wheels come off and there is a complete crisis.

It really shouldn’t be any surprise that the government effectively continues to ignore the dire economic warnings it gets daily.

There are several key features to this politics of drift. First, new policies are announced and then, say nine months later, when nothing has happened, they are announced again, perhaps this time with a deadline by which time action must take place. These deadlines are always disregarded and after a while the “new” policy simply gets announced again.

Another feature is that when problems arise, usually because of some colossal blunder in the past (e.g. “saving” on maintenance), it is announced that these are not mistakes or blunders but “challenges that must be addressed”. Except it’s not and never, ever will there be any question of holding accountable those who committed the original blunder.

A good part of this inaction is due to the slothfulness of ministers who are far more interested in their perks and in intra-ANC politics than they are in governing since they know that they owe their perks, entire career and future to the party and, if they lose their footing, they might struggle to get another job.

To be fair, the civil service was ruined back in the days of Mandela and Mbeki. People of expertise were dispensed with and replaced by large numbers of placemen and women. These new recruits were paid enormously more than the people they replaced but they were pretty much incapable of doing anything, which was why they ran up enormous bills by hiring consultants who did their jobs for them.

But it does seem to be true that the ANC can't govern. It doesn't understand economics, it can't face up to its challenges, it is corrupt and it can't get things done.

Ordinary people have understood the politics of drift some time ago. They know that the political elite are wholly indifferent – indeed, uninterested in – their problems and that they could go on protest marches all day long and no one would bother. They understand that to get noticed you must do something much more violent and dramatic – stone passing vehicles, block roads, burn trains or loot and burn foreign-owned shops.

So, the politics of drift is what we have and there is absolutely no point in writing articles about what the government "must learn". It isn't listening. Moody's have just given the government three months in which to take serious steps to address the country's economic crisis, but it is almost beyond belief that this will happen. So, the much more interesting and important question is what happens if this policy of drift continues.

Comment
Now what does this have to do with us and the Fund? The government drift means eventually more money is required to pay for what the government [which means the ANC according to Johnson] doesn't do, bringing us back to the GEPF and its tempting bank account.
It seems the reason for existence of the ANC, like the National Party after 1994, doesn't anymore. What, actually, is its reason for existence then, if it isn't to govern the country wisely?

Synopsis
AMABHUNGANE

How VBS plotters helped kill another bank, this one in Namibia

By Dewald van Rensburg for amaBhungane• 15 November 2019

Evidence is mounting that VBS aided another elaborate bank heist north-west of the border by producing fake paper trails and channelling stolen cash to fool regulators and auditors, ultimately leading to the collapse of yet another small institution serving the poor and vulnerable.

In February 2017, Namibia's central bank seized control of SME Bank, set up to serve small businesses and rural communities in that country, under circumstances similar to the collapse of VBS.

SME's Zimbabwean minority shareholders had allegedly siphoned off at least R380-million and absconded across the border when authorities started circling. The Namibian state is the SME's majority shareholder.

At least R270-million of that money flowed to South Africa with the rest largely lost to Dubai, the bank's liquidators now believe.

VBS and individuals associated with it played important roles in the destruction of SME long before VBS itself imploded. The details are becoming clearer in waves of court proceedings launched by SME's liquidators in Windhoek and Johannesburg.

Insolvency enquiries are ongoing in both countries, largely unnoticed by South Africans. Based on current evidence SME was probably one of the first instances of VBS corruption. VBS allegedly provided two key services to the looters of SME: faking a R150-million deposit in SME's name to help hide the holes in SME accounts, and then channeling R60-million in real money back to SME as part "repayment".

That R60-million was almost certainly stolen. The victim of this theft was either a small local asset manager called JM Busha – or VBS itself.

Initial suspicions about VBS' role have now been backed up by solid evidence, in an affidavit filed two months ago in Windhoek by SME legal adviser Tania Pearson.

Four South Africans have been implicated:

Mauwane Kotane, a childhood friend of VBS chief executive Andile Ramavhunga, was at the heart of the alleged scheme.

Ramavhunga himself and even VBS' disgraced audit partner, Sipho Malaba of KPMG, also seemingly involved.

VBS general manager of sales Sasa Nemabubuni allegedly personally produced false documentation.

They all allegedly had a part in a simple task: to pretend SME's money was safe in South Africa when in fact it had long disappeared.

How it worked
Like VBS, SME had allegedly been captured by rogue shareholders that started running it like their personal piggybank.

Mauwane Kotane, grandson of the late South African Communist Party leader Moses Kotane, was also involved. Kotane was also on the board of the Finance and Accounting Services Sector Education and Training Authority, [FASSET] tasked with funding trainees in the South African financial sector.

By the end of this affair the Financial Services Conduct Authority (FSCA) would bar him from working in the sector for 20 years. Kotane was a friend of Ramavhunga, the VBS boss, and very probably the first of VBS's commission agents.

Ramavhunga was appointed at VBS and he appointed Kotane's company Mamepe Capital to source business the next month. Ramavhunga told the 2018 enquiry into VBS that he chose Kotane "because he understood the space that we wanted to go into, and he had the knowledge… No one at the bank had the knowledge".

Ramavhunga testified he "did not think" that there was any conflict, despite the fact that they shared interests in a number of companies and he was earning fees from Kotane's Mamepe Capital before and after becoming the CEO of VBS.

In 2015 Kotane scored a major deal with SME in Namibia. According to Pearson's affidavit Mamepe Capital and SME signed a "memorandum of agreement for provision of financial services".

The fake funds
VBS's alleged contribution to covering up the looting of SME took the form of a misleading paper trail.

In July 2016, when SME was told to let Deloitte review its books, the bank happened to sign a new agreement with Kotane's Mamepe Capital that now included VBS as a third party. VBS was now the "custodian" of money Mamepe Capital was supposedly investing for SME.

By the end of 2016 the Bank of Namibia was knocking on VBS' door asking questions. This led to a "report of factual findings" being produced by KPMG auditor Sipho Malaba on behalf of VBS. The same Malaba who would later cover up the looting of VBS and who was at this time already secretly on VBS's payroll.

The mysterious R60m
A second fraud allegedly involving VBS and SME took place in October 2016, one week after the Bank of Namibia had warned SME about its regulatory non-compliance.

Mumvuma, the SME chief executive, instructed a South African asset manager called JM Busha Investment Group to transfer R60-million to the SME account at VBS in exchange for a promissory note. For some reason, JM Busha agreed to the transaction despite SME already being under scrutiny by auditors and the Bank of Namibia.

Busha told amaBhungane that he was pursuing SME for his money: "I deal with a lot of institutions. I don't know any of these guys personally."

Kotane has consistently declared his innocence.

In 2018 the Namibian authorities requested the South African regulator, the FSCA, to help in its investigation of Mamepe Capital and VBS' role in SME's demise.

The FSCA found Kotane lied about the alleged SME investments and deemed him to no longer be a "fit and proper" person in terms of financial sector regulations and has barred him from the sector for 20 years. **DM**

Comment
The DM article has lots of detail about the fraud, this is the synopsis of the salient points. Interesting that the perpetrators tried a 'small' fraud [SME] before a big one [VBS]. The same names appear in both frauds, including KPMG.
FYI

Synopsis
BUSINESS MAVERICK: COMPANIES

A tangled web woven: The PIC and Independent Media

By Sasha Planting• 13 November 2019

The new management of the PIC seems slow to act in important cases, such as its investment in Independent Media. If the PIC manages all its assets the way it manages its investment in Independent Media and its loan to Sekunjalo Independent Media (SIM), perhaps the GEPF should be worried.

Despite owning 25% of Independent Media, which has been losing money for years, the PIC does not have a representative on the board. As a major shareholder, it is entitled to this. Dr Trueman Goba, who was the PIC's representative on the board, who is still on the Independent board according to CIPC, resigned from the PIC, alongside the rest of the board on 19 February 2019.

This means the PIC has no, or very little, independent insight into what is happening at the ailing firm. In addition, SIM stopped servicing its debt to the PIC and missed a loan repayment due in August 2018, yet the PIC has been exceptionally slow to act.

This is despite SIM's management of Independent News Media being publicly questioned for years and the media company's dire financial status made public in 2018 when the pre-listing statement of Sagarmatha Technologies spelt out the reality in its grisly glory.

This is hardly what one would expect of the custodian of the country's biggest pension fund. When a loan is not serviced it is standard practice for the holder of the loan to move swiftly to secure the assets used to back that loan. This is to ensure the quality of the assets does not deteriorate further.

In this case, the assets would be SIM's 55% stake in Independent and its subsidiaries.

The loan in question dates to 2013 when the GEPF provided about R1,27-billion funding to the Sekunjalo-led consortium for the acquisition of Independent Media. Some of this was direct but the balance was debt funding to Sekunjalo itself. SIM, controlled by Survé, owns 55% of Independent Media.

SIM did not service its debt and by the end of September 2018, after interest, owed the PIC R1,35-billion, according to evidence provided at the Mpati inquiry into the PIC. It could be closer to R1,5-billion, the inquiry heard.

Had the PIC acted sooner, it may have had a better chance of restoring Independent to profitability, or of selling it to a third party. On top of this, it now transpires that there is a dispute over who owns what.

Both the chairman of Sekunjalo Investment Holdings, Survé and SIM director Takudzwa Hove, maintain the loan isn't outstanding as the PIC's former CEO wrote off the debt by exchanging it for Sagarmatha shares. A letter to this effect was sent to the PIC's attorneys, which haven't responded yet.

Meanwhile, SIM has instructed its attorneys to oppose the PIC's "frivolous application".

Should the proceedings for the liquidation of SIM go ahead they may shed more light on a company that holds the fate of Independent Media in its hands, and that is not a matter to be taken lightly. BM

Comment
Once more we see Survé tenaciously clinging to our money. What is the truth? Will Mpati and the court eventually reveal it?

Synopsis

Liquidating Sekunjalo Independent Media will be a crime against democracy - ATM

15 November 2019 Sifiso Mahlangu

African Transformation Movement (ATM) supporters in Rustenburg. Picture: ANA/Stringer

Johannesburg
African Transformation Movement President Vuyo Zungula has been the latest party leader to criticise the PIC application to liquidate

Sekunjalo Independent media. In a statement on Friday, Zungula slammed the PIC, accusing it of pushing South Africa towards a one-narrative state.

“The media is a tool used to propagate their agenda. They can’t stand that Independent Media has a different from other media. They can’t handle that Independent Media exposes the things they want hidden. If the PIC liquidates Independent Media, it will be a crime against our democracy” Zungula said.

This follows the PIC's application to have publishing company, Sekunjalo Independent Media liquidated.

The application has been met with widespread condemnation, from ANC deputy secretary general Jessie Duarte calling it ‘senseless’ to APC leader Themba Godi who called the attempts 'a travesty to democracy'. The PAC also slammed the PIC application saying the PIC was being used to fight political battles.

Takudzwa Hove, SIM spokesperson, said the PIC’s application was “frivolous”, as it appeared to have intentionally omitted certain factual and legal considerations relevant to the matter. “If it had included it, it would have made its application a nullity,” said Hove.

"Dr Iqbal Survé has been cited as a party to the proceedings, even though no relief is claimed against him. The PIC’s application smacks of malice and is designed to embarrass the Sekunjalo Group, and Dr Survé,” Hove said.

Last month the PIC’s acting executive head of legal, governance and compliance, Lindiwe Dlamini, told Parliament that the PIC was thinking about liquidating Sekunjalo to recover debts owed to it by Sekunjalo Independent Media.

Dlamini made this claim during a question-and-answer session of the SCOF’s proceedings, where one of the committee members raised a question directed at the PIC’s investment in Sekunjalo Independent Media.

Sekunjalo responded to the PIC by saying Sekunjalo Independent Media and Independent News & Media South Africa, not SIH, entered into agreements with the PIC.

“The PIC is fully aware of the difference between SIH and SIM, yet, the PIC appears to conveniently conflate SIH with SIM in order to create the appearance that the two are one.” the company said.

“Having understood in parliament that Sekunjalo Independent Media and Sekunjalo Independent Holdings are two separate companies, the PIC and others are working towards silencing an alternative narrative. We are not surprised at what they are doing. These people are ruthless. They want to advance their agenda. We, the people of South Africa, will resist this,” Zungula said.

“As ATM, we will attend the Citizens Dialogue in Soweto to show our support to Dr Survé and the staff of Independent media.”

The Citizens dialogue is spearheaded by Themba Godi and Sihle Sibiya of the Insika foundation.
Political Bureau

Comment
Almost like reading a Survé press release, the ATM rhetoric, isn’t it? Then, surprise! The same exciting use of words from Hove. Reading from the same prepared notes? Astounding simultaneous reaction from the controlled press.
Sekunjalo, the Independent Media and all its permutations used to cling to our money, seem to be pro one ANC faction, with Tiso Blackstar possibly for another one, in reporting and rhetoric. Different script writers.
Love that word “frivolous” don’t you? Makes me feel so “irrelevant” especially if there is “malice” involved.

Synopsis
IS ONS PENSIOENGELD WERKLIK VEILIG?

Ek verwys na 'n 'advertensie' wat hierdie naweek in koerante verskyn het, waarin die GEPF beweer dat 'ons onverpoos gewerk (het) om die pensioenfonds te laat groei deur verantwoordelike beleggings' en ‘n 'geldelik goedbestuurde pensioenfonds'.

Regtig? Is die opsteller van die betrokke advertensie dan nie bewus van al die blikke wurms wat voor die MPATI - kommissie oopgemaak is nie? Dink hy die publiek lees nie koerant nie?

Weet hy nie van die miljarde rande wat in bankrot SOE's belê is, Eskom, SAL, Denel, ens, ens? Sommige met gedeeltelike regeringswaarborge en sommige sonder waarborge

Die R4 miljard wat in African Bank verloor is? Ook VBS bank, Daybreak Farms, Centre Point (Milnerton), Lancaster, 30% van die Isibaya beleggings en nog meer.

Het die GEPF dan nie kennis geneem van die vyf ontledings deur 'n ouditeur van die 2018 jaarverslag van die GEPF nie, wat AMAGP in die media laat plaas het nie? Daarin word die korttermyn befondsing alreeds as 79% aangedui en dit raak nog swakker; dat die tekort op die pensioenfonds alreeds R583 miljard beloop en nog steeds kwaai styg; en dat slegs 59% van die maandelikse bydraes van dienende lede tans vir hul toekomstige pensioen belê word nie? Die res word ingesluk deur koste vir administrasie en hemelhoë salarisse vir ampsdraers en amptenare van die GEPF.

Wat het GEPF dan bygedra tot die groei van die ekonomie? Dui bostaande nie op die teendeel van 'n goed bestuurde pensioenfonds waarmee die GEPF spog nie?

Is die advertensie nie bietjie voortydig nie? Moes die opsteller nie eers gewag het op die uitslag van die Mpati kommissie se finale verslag nie? Of is die GEPF bang vir wat moontlik kom?

Dit wil my voorkom asof, veral die pensioentrekkers, deur die advertensie mislei kon gewees het! Is dit eties om halwe waarhede in 'n advertensie te plaas?

Wat se die Raad van Trustees? Weer stilswye?

JAMES – DURBANVILLE
James Galvin

Kommentaar
Geldige punt wat James opper. Waar is die ekonomiese groei wat die massiewe en lukrake OBK beleggings dan tot gevolg moes gehad het?

Synopsis
ZA Confidential
Business, politics and lifestyle.

Warning of ANC Pension Plunder Plan

19/11/2019

Mike Schussler: Dire Warning

By John Fraser

A rapid rise in SA government spending will trigger a chain of events, culminating in the erosion of the value of your pension, leading economist Mike Schussler has warned.

He was addressing a media briefing at the SA Institute of Race Relations (SAIRR), a leading independent think-tank, on an ANC plan to force financial institutions to channel a greater share of their assets into certain government instruments.

"The problem is that the government cannot stop spending," he argued. "Moody's must be pretty pissed-off. They have been lied to so many times. Moody's will downgrade us in March or November next year. All the other rating agencies will follow with further downgrades in their own rating profiles".

This was the second time the SAIRR had hosted a media briefing by Schussler on the same topic, and he fretted that within months the likelihood of pension pillage has grown.

"The expenditure rate of government has been increasing, partly due to the bail-outs of SOE" he noted. "Annual government interest payments are at 4,8% of GDP, from 2,2% in 2009/10."

He suggested that the seemingly inevitable downgrade of South Africa to junk status by Moody's will lead to a leap in interest rates, which will, in turn, push the government into a swoop on pensions and other savings.

"I guess this will be within a year from the rating downgrade. If we get a final downgrade in March, it will take a year," he predicted.

"They are going to be looking for funds," he warned, noting that "SA has one of the largest pension pots in the world.

"Will we run to the IMF? No, we will run to our pension funds.

"SA has the 10th largest pension pot in the world in dollar terms. This is huge. "The value is around 90%-100% of GDP. If you add insurance and medical scheme assets, you get to 160%-170% of GDP."

Schussler, who is CEO of economists.co.za, noted that SA's debt-to-GDP "trajectory has changed tremendously." This has increased the likelihood of further pension pillage, through the mechanism of prescribed assets.

"You (the State) need to get hold of assets that (will then) have to invest in government debt, to help lower interest payments," he predicted.

"You are being screwed by highly-paid civil servants," he noted, referring to the inflated public sector pay rates. "This means there is less money for dams, schools. The next problem is medicine and textbooks at school.

"They are not going to do enough about the public wage bill. It is very likely that prescribed assets are the easiest way out. It is already ANC policy, and (provided for in) the law."

He suggested that returns on pension funds and other savings will fall if a greater share of the pot is defined as prescribed assets.

This will have a downward knock-on effect on the value of pensions while also making medical aid more expensive and less affordable.

"Our danger is in not addressing the fundamental overspending and growth issues that SA faces," he concluded.

Comment
Mike Schussler confirms other views. The attractiveness of our Fund isn't going to tarnish and will remain tempting.

Now that you have reached the end of this newsletter, think a minute, or two, or three, or more, about what the all-volunteer AMAGP is all about and is actually achieving. Our Facebook page has more than 13 000 members as of the minute I'm typing this, we must be doing something right. We need you to inform and motivate all the civil servants, policemen, soldiers, correctional services, etc, you know to join the AMAGP to strengthen our voice when promoting the sustainability of your pension. We need many more AMAGP members too. Of which there are over 3 000, not even close to enough.

ROLE OF THE FACEBOOK PAGE - GEPF WATCHDOG/WAGHOND

This Facebook page is the social media platform of the non-profit organisation "The Association for the Monitoring and Advocacy of Government Pensions" (AMAGP). The AMAGP has only one agenda point – safeguarding the GEPF against looting and mismanagement.

Most of our GEPF members are content with the fact that pensioners still get their monthly pension (and some increases annually), and they are convinced by GEPF newsletters and ambitious briefings by the GEPF Board of Trustees that our Pension Fund is in a super condition. There is, however, another side to the coin!

As a member of the GEPF (working or retired), this Facebook page will keep you updated about any developments affecting the health of YOUR Pension Fund. It also provides you with the opportunity to participate in the debate and raise issues of concern. Although it is not part of the core business of this page, you may also raise matters regarding the day to day management of your pension administration, which we will gladly refer to the Government Pensions Administration Agency (GPAA). Please read the articles that are posted on the wall, BUT also read items saved under "Announcements" and "Files". You can get further information on our website – there is no reason to be in the dark regarding our Pension Fund, and what you must do as a member.

This page will only have any value for you if you join the AMAGP. Kindly take note that you do not have to pay membership fees, or do any work for the AMAGP if you do not wish to do so – BUT your membership will add one more brick to the wall that the AMAGP is building to protect our money. You can complete the online registration form under “Announcements” (English and Afrikaans) at the top of the Facebook page, or you can visit our website at www.AMAGP.co.za, and complete the online application form that you will find under “Membership”. There are also registration forms in English and Afrikaans that you can print, complete and return to us under “Files” on the Facebook page.

The AMAGP does not want any GEPF member to leave the Fund, because it still is the best pension fund in the RSA – BUT, we as members and owners of the Fund have to protect it against abuse.

Welcome to our page – please help us to get thousands more GEPF members to join this page and the AMAGP, so that we will have the required bargaining power. We are the owners of the GEPF, and we have the right and the power to force the GEPF Board of Trustees, and the Public Investment Corporation (PIC), to manage and invest OUR money in a responsible and profitable way.

VRYWARING

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