



AMAGP: Chairperson's Annual Report 2020

The fast changing situation worldwide, also in South Africa, has struck me dumb. This made it particularly difficult for me to compile this annual report.

So many threats and challenges making its appearance, all during one period, make it difficult to interpret and understand some situations and changes.

The world-wide pandemic, Covid-19 and its far-reaching implications, some of it which cannot even be conceptualized yet also entered our country and lives. It threatens our health, normal existence and even our socio-economic environments in the most serious way. It certainly caused serious disruptions at most levels in our country, also at social and economic levels and there is no indication yet of this situation, with its disruptions soon.

All these threats and changes happen now at a very difficult time-frame in South Africa where poor policy, a culture of rights without responsibility and accountability, incompetent systems, poor maintenance and bad service delivery is daily occurrences. This has led us standing on the edge of a fiscal abyss.

Most government departments, municipalities and state-owned entities (SOE's) are bankrupt and unacceptable service delivery is nowadays a way of living and working. It has become a social state subsidized by government allowances, with a defective leadership corps and with poor unworkable policies. All of this has accelerated South Africa's negative debt burden greatly over the past 10 years, causing it to overtake the mark by RTr 3 (three trillion rand) with a continuing misguided belief that it will still grow.

Current investigations into the alienation of land without compensation, the envisaged National Health Insurance Fund and the proposed asset investment requirement (prescriptions) are comprehensive and sensitive policies that are not only unaffordable, it also contributes to foreign capital to leave the country.

These policy aspects, poor productivity and low economic growth were particularly opposite to the population growth and other expectations, which necessitated the International Monetary Fund (IMF) to make certain proposals over the past ten years to rectify the economy. Critical aspects are the very high tax burden as well as the government's salary account. A government that has been pursuing uneconomical and unaffordable social goals resulted in the last grading institution having to make the unfortunate decision to downgrade South Africa to Junk status (BA1).

You, I and everyone else are now standing before the abyss, and we're all going to pay a price. The State coffer is empty, the debt load unmanageable, the economy is performing poorly and tax deductions, although critically high, is insufficient to achieve the various commitments. The budget is now funded largely by international loans at high interest rates with an impaired Rand. And now we find ourselves all standing at the abyss.

The GEPF and its members, especially the pensioners are now being threatened by what is happening around us in above regard.

The pension funds built in good faith over the years to make provision for when we are no longer economically active are now increasingly seen as the lifeline to save South Africa from its plight.

The empathy and emotion with the social responsibility, especially towards the underprivileged are abused to justify the utilisation of the pension funds. There are all kinds of "good" motivations and reasons given as to why the proposals are not risky to the pension fund members. However in a bankrupt country, with a bankrupt state, the given motivations are irrational. Much evidence, international and local proves the opposite to be true; and if this route is to be followed, it won't be long for us all right down to grassroots-level to be bankrupt. The ANC and some trade unions, especially the Three-party Alliance members, see it as a solution to use pension monies, while it is in actual fact the ANC and some trade unions that are responsible for the wholly unhealthy situation in South Africa.

South Africa finds itself in a very precarious situation indeed. The country now, more than ever before, requires strong leadership, competent manpower, serious action to curb corruption, and a true sense of accountability for misconduct, the crime situation and social upliftment. A sense for responsibility towards paying salaries in line with work delivered, honest tender procedures, a payment culture for services received and a sound school system where equal competition would be the norm, which norm must also be equal to international standards is needed.

A long-term healthy economy is not built by redistribution but on basic principles such as good leadership, hard work, taking responsibility and establishing a healthy policy framework, which also include a strong policy where the State guarantees property/land ownership. Therefore, it is also not a solution to throw the GEPF's funds in bottomless pits to benefit specific groups or to buy time. The latter should not even be an option.

Our last letter to the Minister of Finance clearly stated that AMAGP is totally opposed to the fact that GEPF's funds, our money, is dumped into bankrupt

state institutions that clearly is the result of poor leadership, unproductivity, incapacity and corruption. The Minister was also requested in that letter to initiate forensic audit investigations to determine and enforce responsibility and accountability. The need for thorough due diligence studies to determine optimal capacity of SOEs, as well as to dispose of surplus capacity, including manpower was also proposed to the Minister. Unfortunately, nationalisation is so deeply rooted that state-ownership is seen as a right. We will still experience much pressure from Government and others to make our funds available for whatever reason until such a time where the available funds are depleted.

In recent years, AMAGP has managed well through the hard work of a small core group of volunteers whose continued efforts added good value to our goals. They fought vigorously to ensure that pensions are lawfully and diligently paid out and that funds are invested for sustainability.

The hard work of especially Albert van Driel with his compilation of the issue-related document and presentation of it and other evidence at a hearing of the Mpati Commission was invaluable. The Mpati report and its importance, also for AMAGP, should not be underestimated. It is clear that AMAGP was not without good cause worried from the onset. The Mpati Report and its recommendations proved that AMAGP was right all along and further investigations were indeed necessary. The National Prosecuting Authority and Treasury are now also directly involved.

Unfortunately the GEPF's Board of Trustees (BoT), the very institution legally responsible for managing GEPF's funds in the good interest of its members consistently, throughout maintained a low profile. (*"The GEPF was established with the object of providing pensions and other related benefits to members, pensioners and their beneficiaries."*) Their deafening silence, even now, still continues.

It is clear that a revision of the PIC's mandate is a priority. They must also be publicly seen and heard, especially in relation to what they are actively doing to protect the GEPF's future sustainability. The latter should not be, or seen to be a burden to the BoT at any moment and time. They must act openly and transparently at all times.

Secondly, the legal separation of responsibilities between owner and principal must be clearly understood and maintained. This highlights the responsibility of the BoT of the GEPF whose responsibility and mandate is to ensure that the GEPF's funds are invested for the benefit of its members. The current monitoring function should be intensified to ensure that the Public Investment Corporation (PIC) performs its mandate as a principal and does not create the

perception that the PIC is the owner of the GEPF's funds. Responsibility, separation of responsibilities and duties of both the GEPF's BoT and the PIC's BoT is not negotiable.

The scope of AMAGP's work has drastically increased and it is hard work to manage and maintain its administration at several levels.

Hennie Roux worked hard and alone at one stage to get the filing system in place and maintain it. It was at one stage a continuous struggle for him to find volunteers to help with the administration, management and maintenance of the system. He and a few others are now doing a sterling job in this regard. Thank you to all of them.

Most documents are now filed on Google Drive by Hennie and David Blyth. David and his small team share their professional knowledge in many fields, whether it relates to the compiling of the Strategic Plan, or to help with computer software to formalise our work and make it easier for all.

It will be appreciated if volunteering members of AMAGP management can help to manage especially critical organisational positions to keep the daily responsibilities and momentum going.

As part of the strategy it was decided to market AMAGP by using and involving the media, authoritative institutions and other individuals. This task was conducted with great dedication in a successful way by Adamus Stemmet. His personal involvement and co-ordination as an authority gave great marketing exposure to AMAGP. The organization and its substantive views are now more known and acknowledged inside and outside of the organisation.

The professional work of Christo van Dyk relating to the analysis and compilation of annual reports and financial aspects helped us all and outsiders alike to see and understand things in perspective. His reports and explanations always give great credibility and understanding to whatever needs to be explained. His informative and objective reports and presentations were found to be most useful by many, also during television interviews, other media and also during interactions with political leaders and other institutions. Much of it was also used on social media.

As Kleynhans and Herman Hanekom's enormous work to daily operate the social media and to recruit members and keep record of it all does not pass all of us unnoticed. This task is so extensive and time consuming that one doesn't always realize how much it all takes from them to manage all of that. The success of the strategy and their hard work resulted in our membership growing to 5000 members. The Facebook membership increased to a phenomenal 32000! Fanie

Versfeld and Petro Carstens help with email distribution and members now frequently receive news bulletins and information.

I would also like to thank Daan Kemp for the monthly journal, GEPF Monitor. It is compiled and distributed diligently on a monthly basis. What makes his contribution even more praiseworthy is the fact that he is not even a member of the GEPF. He does it completely voluntarily. Thank you, Daan.

Thank you also to everybody else that worked so hard on a voluntary basis to promote our cause.

On the financial side it looks better, but in the context of the work and expectations of the organisation the bank balance of R79 688 is just a drop in the bucket. Thank you to all who made donations. AMAGP recently also registered with BackaBuddy. Thank you to Andre Blignaut's commitment in this regard, which we hope will greatly improve the funds situation!

We have been busy with SARS for a long time now trying to get them to give us tax relief when large amounts get donated to AMAGP. We asked them for it to be tax deductible. After a detailed motivation and many more letters and other communication after that we are still waiting for their decision in this regard.

AMAGP needs significantly more funds at this moment to fund and run a permanent office for administration purposes and from where to launch marketing campaigns. AMAGP also needs to lobby for funds for matters such as litigation where necessary.

Thank you Jan Augystyn for compiling and managing the financial statements and related reports for us.

AMAGP still endeavours to ensure that GEPF members receive their rightful pension, now and in future. We are also working and monitoring to ensure that the GEPF funds are invested for sustainability. In the execution of all this, specific focus areas will continue to enjoy attention, namely:

- a. The investments at SOEs.
- b. Bad investments.
- c. Decision makers must be corrected for irresponsible decisions.
- d. Initiation and monitoring of forensic investigations into sensitive cases/investments.
- e. Dismantling of secrecy and working towards a true sense of transparency.
- f. Recruitment of members in strengthening our negotiation power.
- g. intensify recruitment efforts to boost the number of active members/collaborators.

h. Collection of funds.

Thank you to AMAGP's managers, other volunteers, collaborators and other institutions that help us to promote our bona fide goals.

I would like, however, to repeat my warning: There can not be any doubt that the pension fund is under threat, and also that it is still seen by many as a last resort to help a struggling state.

I have a message to many of our members that doubt the true situation:

Wake up from your sleep and dream-world before it is too late as there are serious attempts to rob you of your rightful pension!

A handwritten signature in black ink, appearing to read 'Antonie Visser', with a stylized flourish at the end.

Antonie Visser
AMAGP Chairperson

Pretoria
April 2020