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NAPTOSA Calls for Urgent Intervention to Restore Governance and Public Confidence at the PIC

NAPTOSA is deeply concerned by the continued reports of governance failures, leadership instability, and regulatory scrutiny at the Public Investment Corporation (PIC), the institution entrusted with managing more than R3 trillion in public sector assets, including the retirement savings of Government Employees Pension Fund (GEPF) members.

Over the years, whenever labour has raised concerns regarding governance failures or questionable investments, we have repeatedly been assured that the GEPF remains fully funded and that any financial losses are insignificant when compared to the overall size of the PIC's investment portfolio. While this may be factually correct from a financial perspective, it offers little comfort to the millions of state employees and GEPF pensioners whose retirement savings depend on the integrity, transparency and sound governance of the institution.

Our concern extends beyond the monetary value of individual losses. The increasing frequency of media reports highlighting governance failures, suspensions, resignations, leadership disputes and allegations of irregularities points to deeper systemic problems that require urgent intervention. An institution of this strategic importance cannot be allowed to drift from one governance crisis to another while public confidence continues to erode.

The recent collapse in leadership, which has left the PIC without a chairperson, board and Chief Executive Officer, together with reports that the organisation is seeking external assistance to rebuild its organisational culture and restore trust, underscores the seriousness of the situation. While culture transformation is important, it cannot replace accountability. Ethical leadership, strong governance and decisive action against wrongdoing must remain the foundation upon which confidence in the PIC is rebuilt.

NAPTOSA believes that labour representatives serving on governance structures, including the boards of institutions responsible for safeguarding workers' retirement funds, have a fiduciary and moral responsibility to exercise robust oversight. Where corruption, maladministration or unethical conduct is identified, labour must insist on full accountability. We cannot become complicit, whether through action or silence, in the misappropriation of public funds, regardless of whether the amounts involved are described as "small" in relation to the overall investment portfolio. Every rand lost represents a breach of the trust placed in those entrusted with managing workers' deferred earnings.

NAPTOSA therefore calls for:

- Immediate measures to restore governance stability and ethical leadership at the PIC.
- Full implementation of the recommendations arising from the *Mpati Commission of Inquiry,* particularly those aimed at strengthening the independence and professionalism of the Corporation's leadership.
- Greater transparency and regular reporting to stakeholders on governance reforms, investigations and corrective actions.
- Stronger oversight by labour representatives serving on relevant governance structures, ensuring that accountability is pursued without fear or favour.
- Swift disciplinary and legal action against any individual found guilty of corruption, misconduct or breaches of fiduciary duty.

NAPTOSA notes the appointment of the new PIC Board under the leadership of Deputy Minister of Planning, Monitoring and Evaluation, Seiso Mohai. We sincerely hope that this new leadership will usher in a renewed era of ethical governance, accountability and transparency. The retirement security of millions of public servants depends not only on strong investment returns but also on institutions whose governance is beyond reproach.

The time for assurances has passed. What is now required is decisive action to restore public confidence and ensure that the savings of South Africa's public servants are protected with the highest standards of integrity.

Before making any decisions about their retirement savings, members are urged not to be swayed by opportunists who seek to exploit uncertainty by encouraging them to resign and access their pension benefits based on unfounded claims that "*there will soon be nothing left."* Such fearmongering serves only to create unnecessary panic and could have serious long-term financial consequences. NAPTOSA encourages members to rely on verified information from official sources and to make informed decisions based on facts rather than speculation. As we call for stronger governance and accountability at the PIC, we remain committed to safeguarding members' retirement security through responsible oversight and credible engagement.

Mr BL Manuel
Executive Director