

11 March 2019

The Chairperson
National Council of Provinces
Parliament of Republic of South Africa
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CAPE TOWN
8000

E-mail: info@parliament.gov.za

Dear Ms Modise

CLARITY: UNION REPRESENTATION ON PUBLIC INVESTMENT CORPORATION (PIC) BOARD AS CONTEMPLATED BY *PIC AMENDMENT BILL*

The *PIC Amendment Bill* aims to amend the *Public Investment Corporation Act, 2004*, by amongst others, including trade union representation on the board. The PSA submitted inputs on the *Bill* in June 2018 calling, amongst others, for the inclusion of three trade unions in the Public Service Coordinating Bargaining Council (PSCBC) with the largest membership, as determined by the PSCBC vote weight determination procedures.

The *Bill* indicates that the ten non-executive members must include three representatives of registered trade unions, two of which must come from the trade union with the majority of the members of the Government Employees Pension Fund (GEPF). One must come from any other trade union; and who are to be selected by the trade unions at the PSCBC based upon their proportional composition.

The relevant amended section 6 of Act 23 of 2004 reads as follows:

2. Section 6 of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

“(1) The Minister must[, **in consultation with Cabinet,**] determine and appoint the following members of the board in accordance with the process contemplated in subsection (2):

(a) Ten non-executive members; and

(b) two executive members as the Chief Executive Officer and Chief Financial Officer of the corporation, or a similar designation, respectively.”;

(b) by the insertion after subsection (1) of the following subsection:

“(1A) The Minister, or if so designated by the Minister, the Deputy Minister, is the chairperson of the board.”;

(c) by the substitution for subsection (2) of the following subsection:

(2) (a) The Minister must, when appointing [the board, have due regard to the nominations submitted to him or her by the depositors] the ten non-executive members and the two executive members, do so in consultation with Cabinet, subject to paragraph (b).

(b) The ten non-executive members must include—

(i) a representative of the department;

(ii) two representatives from the largest depositor;

(iii) one representative from any depositor whose assets under management of the corporation constitute 10% or more; and

(iv) three representatives of registered trade unions—

(aa) two of which must come from the trade union with the majority of the members of the Government Employees Pension Fund;

(bb) one must come from any other trade union; and

(cc) who are to be selected by the trade unions at the PSCBC based upon their proportional composition.”

The PSA's input of June 2018 reads as follows:

In regard to the proposed sub-section (2)(b)(iii), the PSA proposes that three members be nominated, not by reference to membership of the GEPP, but by the three trade unions in the PSCBC with the largest membership, as determined by the PSCBC vote weight determination procedures.


The PSA, as representative union of more than 237 000 members of the GEPP, requires clarity as the current wording of the *Bill* is open to ambiguous interpretation. Despite the principle of the PSA's input being captured, ambiguity will be eliminated by the inclusion of the Union's unamended input. The PSA requested for union positions to be allocated to the three trade unions in the PSCBC and **not a single trade union with the majority of the members of the GEPP** as contemplated in section 6(2)(iv)(aa) of the quoted draft *Bill*.

positions to be allocated to the three trade unions in the PSCBC and **not a single trade union with the majority of the members of the GEPF** as contemplated in section 6(2)(iv)(aa) of the quoted draft *Bill*.

The PSA requests the NCOP to reconsider the wording in question to ensure the smooth implementation of the *Bill* in the interest of all parties concerned.

Your soonest response will be appreciated.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ivan Fredricks', written over a horizontal line.

Ivan Fredricks
GENERAL MANAGER