



Integrated Annual Report 2018/19



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Chairperson's report

I submit this report on behalf of the Board of Directors (BOD) of the Public Servants Association of SA (NPC) for the performance period 1 April 2018 to 31 March 2019.

Closer than ever to the historical landmark of the PSA centenary next year, the BOD is satisfied with the performance of the organisation in relation to the strategic objectives and its compliance with the provisions of the *Companies Act*.

The PSA finances showed resilience to the deteriorating economic factors currently present in South Africa, with the overall financial position of the organisation remaining in good standing, with a surplus of R11 007 347 for the report period. The external auditing firm (SNG) appointed by the Annual General Meeting held September 2018, issued an unqualified audit opinion for the report period and confirmed the PSA as a going concern. This extremely good performance can be attributed to strict financial policies and constant review of policies, management controls, and the overall stringent governance framework.

As part of the medium- to long-term strategy to reduce operational cost, the PSA bought properties in Port Elizabeth, Mafikeng and Polokwane that now host these Provincial Offices. The Board also authorised the acquisition of a property, post reporting period, in Kimberley in the Northern Cape, which is leased to businesses currently occupying these offices.

We are extremely proud of the membership growth of the Union from 242 007 on 1 April 2018 to 244 413 on 31 March 2019. This growth was achieved despite volatility caused by competitiveness in a shrinking market.

The positive-growth trajectory is a result of dedicated representatives and committed staff, working endlessly to contribute towards growth. It's incumbent upon us to remain focused and continue to navigate professional, reliable services to our client base and prospective members to ensure continuous and substantive growth.

The PSA reaffirmed its position as a leading trade union and gained international acknowledgement, by actively pursuing the rights of its members and promoting their interests.

The PSA has reaffirmed its position in South Africa as a leading trade union and gain international acknowledgement, by actively pursuing the rights of its members and promoting their interests through collective bargaining. The PSA is seen

today as the most visible guardian of public servants' pension fund, becoming actively involved by prominently proposing changes to legislation, such as the *Public Investment Corporation Act*, by vigorously canvassing for, amongst others, the inclusion of labour representation on the PIC Board.

SASSA Branch members showed courage and perseverance by exercising their Constitutional right to give notice to strike for the employer to recognise the PSA bargaining rights and SARS Branch members showed real determination in their wage negotiations.

The PSA was indeed most effective in handling individual member grievances and in evidence to this, the PSA declared the most disputes of all labour unions admitted to bargaining councils as outlined in the various bargaining council annual reports. We are proud to report that monetary awards and orders were issued in favour of our members, which amounted to R19 416 531.14. The number of conciliations and arbitrations where the PSA has represented its members increased from 1 108 to 2 759 (150%) and disciplinary hearings increased from 521 to 1 701 (226%). These drastic increases placed enormous strain on staff and union representatives responsible for representing members, taking into consideration that the staff component responsible for these functions didn't increase.

The period under review also marked the organisation's eleventh year of giving back to communities and those in need through the social responsibility program. Many children benefited from various school jersey projects, food gardens and school library assistance. The spirit of the PSA, as a giving organisation, has now been embedded and vested into our structures as well, which have spontaneously nominated good causes to benefit from our social responsibility activities.

Media coverage continues to increase, which led the PSA to be a well-known, respectful institution in society, giving fair views and positions on matters that affect its members and public servants in general. Media releases increased from 95 (2017/18) to 156 in the report period with an advertising value of R129 170 000. Website visits increased by 20% compared to the previous year.

The Board took the decision during the report period to increase the PSA funeral assistance to members by 28.6%, with effect from 1 April 2019. New fringe benefits were added to the existing portfolio and a number of business partners improved on value-added benefits.

Moving towards the PSA's centenary in months to come, the PSA BOD is committed to working with all structures and stakeholders to ensure stability, enhancing leadership in functional structures and, most importantly, meeting service-delivery expectations of members in the protection of their rights and advancing their interests. The BOD sincerely thanks all our members, leaders and management of structures, executive management and staff members, for their valuable contribution, hard work and dedication the past financial year, which ensured the PSA's success.



Pierre Snyman
CHAIRPERSON



Management of PSA

Board of Directors

The PSA's Board of Directors, in the absence of the General Assembly in session, acts in its stead and is responsible for the strategic direction and oversight of the PSA's business.

During the period under review the following members served on the PSA's Board of Directors:

Lufuno Mulaudzi (President) – elected 17 September 2018 as President - elected 19 September 2016 as Board Member

Dr Vuyo Dyantyi (Vice-President) – elected 19 September 2016 (fulfilled the duties of the PSA President from 28 March 2018 until September 2018)

Pierré Snyman (Chairperson) – re-elected 18 September 2017

Annetjie Rencken (Vice-Chairperson) – re-elected 19 September 2016

David Maphoto (Director) – elected 19 September 2016

Oupa Motshwane (Director) – elected 19 September 2016

Ike Monyane (Director) – elected 19 September 2017

David King (Director) – elected 23 October 2017

Anadele Coetzee (Director) – elected 17 September 2018

Ivan Fredericks is the General Manager and acts as Secretary of the PSA (appointed on 1 March 2017).

Board Committees of the PSA

The President of the Board may attend Committee meetings in an *ex-officio* capacity. The Chairperson of the Board may attend Audit and Risk Committee meetings in an *ex-officio* capacity. The following members serve/served on the different Board Committees of the PSA:

Audit and Risk

(Three meetings were held during the 2018/19-financial year)

Annetjie Rencken – attended one meeting (appointed as Committee member on 21 February 2018)

Dr Vuyo Dyantyi – attended one meeting (appointed as Committee member on 2 November 2017)

Ike Monyane – attended three meetings (appointed as Committee member on 2 November 2017)

David King – attended three meetings (appointed as Committee member on 2 November 2017)

Pierré Snyman – attended two meetings as an *ex-officio* Committee member.

PSA Short-term Insurance Scheme

(Three meetings were held during the 2018/19-financial year)

David Maphoto – attended three meetings (appointed as Committee member on 23 November 2016)

Lufuno Mulaudzi – attended two meetings (as an *ex-officio* and Committee member)

David King – attended three meetings (appointed as Committee member on 2 November 2017)

Annetjie Rencken – attended three meetings (appointed as Committee member on 2 November 2017)

Oupa Motshwane – attended one meeting (appointed as Committee member on 6 November 2018)

REMCO (Two meetings were held during the 2018/19-financial year)

Dr Vuyo Dyantyi – attended two meetings (appointed as Committee member on 23 November 2016)

Lufuno Mulaudzi – attended two meetings (appointed as Committee member on 2 November 2017)

Ike Monyane – attended two meetings (appointed as Committee member on 2 November 2017)

Annetjie Rencken – attended two meetings (appointed as Committee member on 2 November 2017)

Members representing structures (Appointed by the AGM to serve on Committee for four years)

Chris Krüger – attended two meetings - re-elected on 18 September 2017

Khwezi Madikane – attended two meetings – elected 18 September 2017

Logan Naidoo – attended two meetings – elected on 19 September 2016

Phumla Dingiswayo – attended two meetings – elected on 19 September 2016

Social and Ethics (no meetings were held during the 2018/19-financial year)

Training for the Social and Ethics Committee was conducted in August 2018 as part of the Audit and Risk Committee. After the training, the Committee realised that work related to social and ethics is extensive. The Audit and Risk Committee then requested approval from the Board to split the Social and Ethics Committee from the Audit and Risk Committee as a separate Committee. The Board approved the establishment of a Social and Ethics Committee at its meeting on 6 and 7 November 2018. Board Committee Members serving on the Social and Ethics Committee are: **David King**, **David Maphoto** and **Anadele Coetzee** (all appointed on 6 November 2018).

PSA Fedusa affiliation

The PSA affiliated with the Federation of Unions of South Africa (Fedusa), a non-politically aligned federation in 2017. Fedusa's vision of empowering its collective members to new heights in a knowledge-driven economy benefitted the PSA during the report period.

Provincial training and outreach initiatives

- CCMA information session: September 2018 - Western Cape (1)
- Ditsela Boland Provincial School: October 2018 - Western Cape (2)
- PEP Rollout Education Workshop: October 2018 - Mpumalanga (26)
- CCMA Dealing with sexual harassment in the workplace: November 2018 - Western Cape (18)
- National Skills Development Conference: March 2019 - Gauteng (1)

Social Justice Committee

As part of plans and activities for Women's Month in August 2019, Fedusa hosted the 2nd National Gender Conference with PSA delegates invited to attend. This is in addition to GBV training that was hosted by Fedusa in 2018, which two PSA leaders from the Western Cape and Mpumalanga attended as delegates in preparation for the 2019 International Labour Conference on gender-based workplace violence and harassment. Fedusa also funded the participation of two PSA worker leaders in the Climate Change Policy Initiative that was held in Pretoria in 2018 and facilitated CCMA training for PSA shop stewards.

International networks and partnership

Fedusa's international networks and partnerships continue to grow annually as strategic formations are developed. With the deployment of National Office Bearers, inclusive of the PSA's General Manager, also serving as Fedusa Vice-President: Public Sector, the Federation ensures that platforms are solidified for the exchange of best practice, whilst securing resources to ensure continuous development. Fedusa's resolve to break new ground and expand on opportunities through tenacity, endurance and service excellence remains unquestionable. Together, Fedusa and the PSA will continue to transcend boundaries to ensure that its collective membership remains a formidable force. Collaboration with international and like-minded partners presents further prospects of advancing service excellence. The crucial role of quality services in providing the foundation for sustainable economies and social justice was significant.

The PSA participated in various events during the report period, *i.e.* ITUC in Argentina (September 2018 – L20 Summit), ITUC Africa in Nairobi (October 2018 – CoP Workshop), and ITUC in Denmark (December 2018 – 4th ITUC World Congress),

PSA representation on Fedusa structures

National Executive Committee (NEC): The management of the Fedusa between national congresses vests in the NEC. All Fedusa affiliates are represented in this structure as the highest decision-making body between congresses. The PSA representatives are Dr Geoffrey Esitang, Dr Vuyo Dyantyi, Lufuno Mulaudzi, Leon Gilbert and Tahir Maepa.

Management Committee: Oversees the day-to-day affairs of Fedusa and reports to the NEC. The PSA representatives are Ivan Fredericks and Tahir Maepa.

Financial Committee: Deals with financial matters of Fedusa, including budgeting. Leon Gilbert is the PSA representative.

Training and Education Committee: Deals with matters regarding trade union education and education as a whole in South African society. The PSA is represented by Mphutlane Bofelo.

Social Justice Committee: Is actively engaged in dealing with socio-developmental issues. The PSA is represented by David Maphoto and Ina Kuhn.

Development Committee: The PSA is represented by Dr Geoffrey Esitang on this committee that deals with youth-related matters.

Public Sector Committee: Deals with issues and developments affecting the Fedusa membership in the public sector. The PSA is represented by Ivan Fredericks, Reuben Maleka, Pierre Snyman and Leon Gilbert.

Provincial Executive Committee: In terms of the Fedusa Constitution, the NEC established Provincial Executive Committees to assist in provincial coordination and activities. The PSA is fully represented in all nine Provincial Committees.

Statutory and Non-statutory Boards: The PSA is represented in the Unemployment Insurance Fund Board, CCMA Governing Body, NEDLAC, Labour Market Chamber, Comprehensive Social Security Task Team, Employment Equity, National Health Insurance Task Team, Basic Education Laws Amendment Bill, Job Summit Committee: Economic Sector, and Inclusive Growth, Redistribution and Transformation.

Marketing and communication

Communication is a vital part of the operations and success of the PSA. How the Union communicates its vision to members and non-members also contributes to the success of the organisation. The PSA therefore continuously strives to enhance communicate with members in various and innovative ways.

In response to the growing need to share information with stakeholders in a dynamic and visual manner, the PSA during the report period built a studio at the PSA Head Office to be used to record and edit visual material for use on various platforms and to host media briefings.

In another first for the PSA, a music album was developed during the report period to coincide with the Union's centenary in 2020. The songs talk to all aspects of Union's activities.

The PSA informs members on a regular basis of developments specific to their workplace as well as general PSA news. The electronic newsletter, *Informus*, is regarded as a valuable information-sharing tool with 677 editions being issued during the report period. The table reflects the volume of this newsletter in the 2016/17- to 2018/19-report periods.



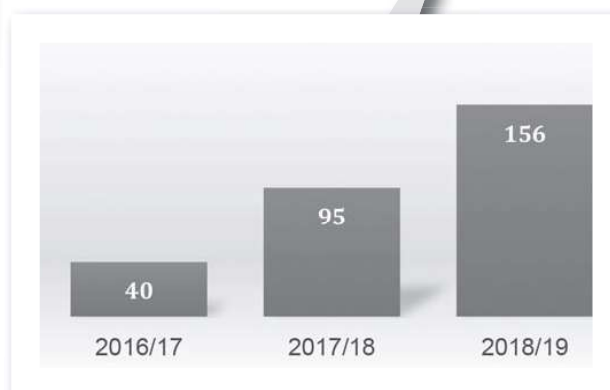
The *PSA magazine* is distributed to members on a quarterly basis. Various recruitment competitions carried in the magazine are popular and yielded excellent results. Apart from hard-copy distribution by liaison officers and shop stewards, the *PSA magazine* is also distributed to members electronically. SMSs are furthermore used to communicate with members in various instances.

The efficiency of these communication interventions, however, greatly depends on the accuracy of members' information on the PSA's membership database. Ongoing updating of the database is therefore undertaken using various methods.

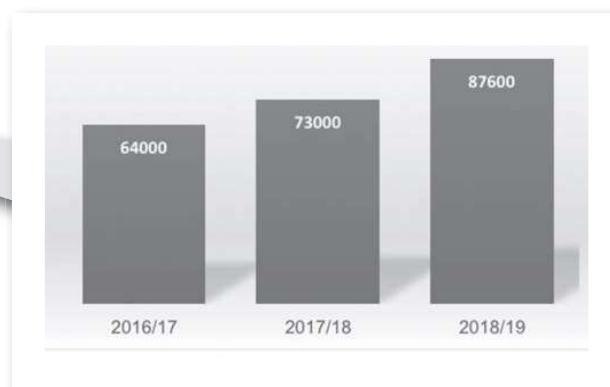
The PSA website (www.psa.co.za) offers a comprehensive overview of the Union and its various activities. During the report period, the website recorded 87 647 unique visitors. The table reflects the number of unique visitors to the website in the 2016/17- to 2018/19-report periods. The PSA mobile site (m.psa.co.za) is a short version of the website and provides on-the-go information to members. In pursuit of enhanced service delivery, the PSA during the report period commenced with the development of a new, responsive website that will enhance user experience.

The PSA's social media platforms experienced steady growth during the report period. Members can follow the PSA on *Facebook*, *YouTube*, *Instagram* and *Twitter*. Members are increasingly participating and relying on these platforms for information and updates from the PSA. PSA Provincial Offices increasingly use social messaging platforms to communicate with and update structures and members. This method proved especially valuable in rural areas.

Media monitoring is an important aspect of the PSA's operations to have a finger on the pulse of all matters that affect public servants and workers in general and respond appropriately. The PSA uses media statements in a proactive manner. Topics covered during the report period include, amongst others, Public Service salary negotiations, issues related to public servants' pension investments, SASSA, and the condition of government buildings. During the report period, the PSA issued 156 media statements. The table reflects the volume of media statements issued in the 2016/17- to 2018/19-report periods.



In the process, the PSA's media presence increased resulting in an advertising value equivalent of R129.17 million (compared to R87.92 million in 2017/18).



With the important role being played by shop stewards in mind, the PSA shop steward newsletter, *PSALink*, was issued nine times during the report period to support shop stewards in their duties.

The PSA's electronic helpdesk (ask@psa.co.za) assisted 3 424 members with enquiries.

PSA fringe benefits

In addition to its service to members in line with its core business of protecting and promoting their rights and interests in the workplace, the PSA also offers a range of national and provincial fringe benefits to members. These benefits are in the form of group or other products at discounted rates to place members in a better bargaining position than the public.

The PSA has a close relationship with its business partners nationally and at a provincial level, where they are actively involved in many PSA activities, including joint social responsibility initiatives.

During the report period, new national fringe benefits were negotiated. The following new products were added:

- **Homebid** (May 2018): Assist with mortgage loans at all Banks.
- **Finwell** (June 2018): Education on home ownership and assists with mortgage loans at SA Homeloans.
- **PSAClub**: A reward system included in PSA membership at no cost to the member, where tokens are earned on ordinary day-to-day purchases from PSAClub partners? A variety of new benefits were also added, e.g. Take-a-Lot, Mr Delivery, Superbalist, and Maxis. PSAClub deals cover three categories, namely:

Points shops: By purchasing from these shops, members accumulate points that can be exchanged for goods such as airtime, grocery vouchers, movie tickets or an exotic holiday!

Discount shops: By purchasing from these shops, members receive an immediate discount by showing the applicable shop's voucher on their phone.

Coupons: Members can get discounts on selected products by presenting their coupon code at point of sale.

In total, more than 240 000 products and services were utilized by members during the report period.

- **Zisekele** (August 2018): Added an accidental death benefit to its funeral product.
- **Livesaver Legal:** Included an emergency roadside assistance service provided by Europ Assistance as well as personal tax assistance.

A new administrator was appointed for the PSA Short-Term Insurance Scheme. PSG Insure was appointed from 1 August 2018.

Other benefits

The PSA has a short-term insurance contract with Indwe, an independent short-term insurance broker. Funeral schemes are available through **Assupol**, **Dignity**, **Hollard**, **Old Mutual**, **Metropolitan**, **Zisekele**, and **Sanlam**.

Assurance and other products are available from **Old Mutual**, **Metropolitan**, **Assupol**, **Optivest**, **Zisekele**, **AIG**, **Hollard** and **Sanlam**.

Legal services are provided by **Livesaver Legal**, **Community Legal Clinic**, **Legalex** and **Lipco Law**.

Emergency rescue services with the **Automobile Association** are provided at a discount.

Old Mutual Finance provides consolidations, unsecured personal loans and a fully transactional account (Money Account).

Members can obtain educational finance to further their studies from **Fundi**.

Finwell assists with debt mediation, debt counselling, and financial education.

Thuthukani provides home improvement finance at a discounted rate. It can also provide a cash pay-out benefit of 20% of the total loan amount for labour-related cost for home improvements.

GetBucks provides loans from R500 to R10 000 with a one to six-month payback term.

Homebid provides discount on estate agency fees - only 1.95% commission plus VAT is charged, saving sellers of properties 6.5% on commission.

Optivest provides quotations and broker appointments for medical schemes and healthcare-related products to PSA members. It also liaises with medical schemes regarding unpaid claims.

Zisekele provides assistance to claim from the Road Accident Fund.

The **PSA Holiday Resort**, near East London, offers equipped chalets and camping facilities at discounted rates for PSA members.

Other exclusive benefits administered by the PSA include the **PSA Funeral Benefit** where, in the event of a member's death, the dependents or next of kin can approach the PSA (within six months of the death) for financial assistance with funeral costs.

During this report period, the benefit amount was R3 500. By the end of the report period, a total of 777 claims, to the value of R2 680 500 had been paid - 21 less claims were paid in this period, compared to the previous period.

The **PSA professional indemnity cover for nursing staff and medical technologists** is unique in the trade-union industry, as cover has been secured at an initial R1 million, per member, per year, with no limitation, at no additional cost to the member. The scheme is administrated by Garrun Insurance Brokers.

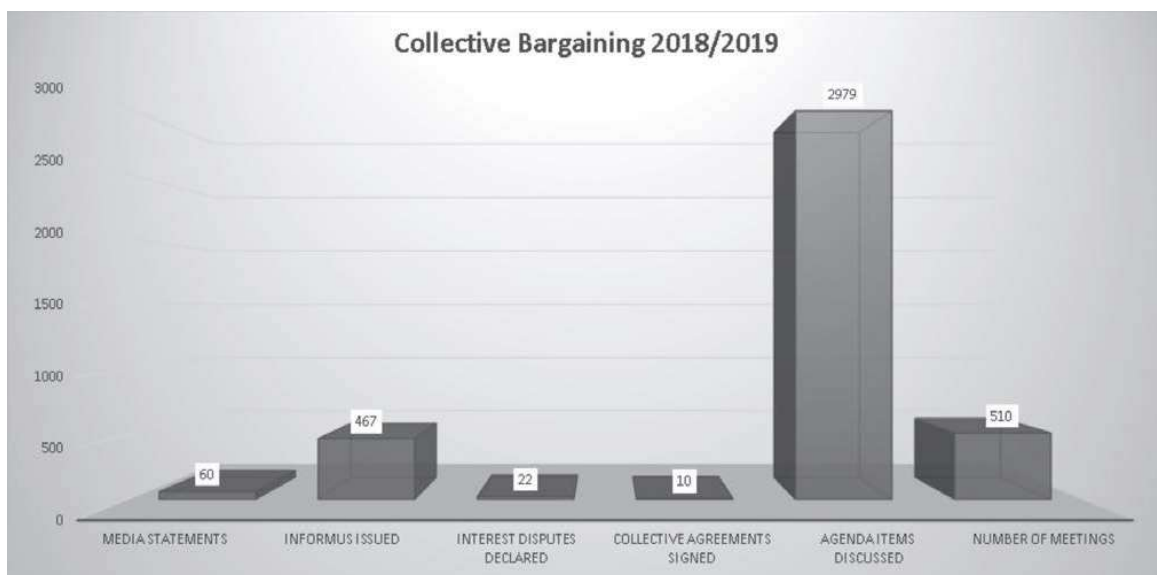
The **PSA's insurance cover for its office bearers** offers such members, or their substitutes, who serve the PSA in an official capacity, e.g. to assist members in labour matters, or when attending official PSA meetings, limited insurance cover on medical expenses, death and permanent or temporary disability.

Collective bargaining

Collective bargaining is a core function of the PSA and is key in establishing new rights through constructive engagements at various levels of negotiations at recognised platforms.

An integral function of the collective bargaining unit is to negotiate and conclude collective agreements on matters of mutual interest and to ensure that organisational rights are established as contemplated in the *Labour Relations Act*.

The PSA represents its members in the Public Service Coordinating Bargaining Council (PSCBC), General Public Service Sectoral Bargaining Council (GPSSBC), the Educational Labour Relations Council (ELRC), the Public Health and Social Development Sectoral Bargaining Council (PHSDSBC), as well as their sub-structures, the Safety and Security Sectoral Bargaining Council (SSSBC) and various parastatals.



During the report period, the collective bargaining unit attended 776 meetings, issued 663 newsletters (*Informus*), 101 media statements, discussed 4 242 agenda items and signed off on 15 collective agreements as reflected in the table above.

Public Service Coordinating Bargaining Council (PSCBC)

During the report period, the PSCBC concluded two collective agreements, namely:

Independent Labour Caucus (ILC)

The PSA, as founding member of the ILC, since 2007 continued to actively contribute as a member of this politically non-aligned body. The ILC aimed to foster cooperation on matters for collective bargaining amongst like-minded trade unions and jointly represented 42% of unionised public servants during the report period. Whilst the ILC was established with good intentions and had served a unifying purpose for unions not aligned to Cosatu, the past wage negotiations and re-alignment of parties owing to the changing labour relations landscape dictated that the parties in the ILC were no longer able to act as a cohesive block.

A decision to dissolve the ILC was taken on 11 December 2018. Fedusa-affiliated unions will work together in the PSCBC.

Resolution 1/2018: Agreement on Salary Adjustment and Improvements on Conditions of Service in the Public Service for the period 2018/19, 2019/20 and 2020/21

The PSA did not support the signing of Resolution 1/2018 as it holds the view that the agreement was supposed to make provision for the rapid rise in cost-of-living and to compensate for the historic underpaying of professionals in the Public Service. It is clear from research that these factors could not have been taken into account to anticipate the increases for the coming financial year, nor could the impact be anticipated on the cost-of-living of public servants.

The PSA therefore demanded that the agreement be reviewed and that an 8.5% annual increase be given for the 2019/20-financial year instead. By the end of the report period, the Special Council was still to be convened.

An integral function of the collective bargaining unit is to negotiate and conclude collective agreements on matters of mutual interest.

A number of matters provided for in the agreement are still outstanding. These issues were under discussion in the PSCBC by the end of the report period.

Resolution 2/2018: Agreement on Compensation Methodology of Redress of Discriminatory Pension Practices

The Agreement was entered into to conclude on the pension redress process as contained in PSCBC Resolutions 7/1998 and 12/2002. The agreement was by the end of the report period being implemented through the various phases of pay outs.

Progress: Implementation of previous collective agreements

Review of Government Employees Medical Scheme (GEMS)

Parties to Council previously agreed to amend clause 4.3 of PSCBC Resolution 4/2017 on the review of GEMS by adding the following clause:

To develop a benefit product specifically for members earning on salary level 1 - 5 that will enhance the medical cover on an ongoing accessible basis.

A working committee was established to consider the performance of the Scheme on an ongoing basis and to consult meaningfully on, amongst others, on the following:

- Strategic direction of the Scheme
- Efficiency of the administration of the Scheme
- Consider reports on financial sustainability of the Scheme
- Consider the Scheme benefit offering relative to other schemes in the market
- Consider bettering the membership benefit structure

The working committee is fully functional and is also looking into the provisions for the formulation of the composition of the GEMS board of trustees. Amendments to the Scheme rules are being addressed and the benefit redesign, which details improvements to the various options of the Scheme for the 2019/20-financial year through a phased-in approach.

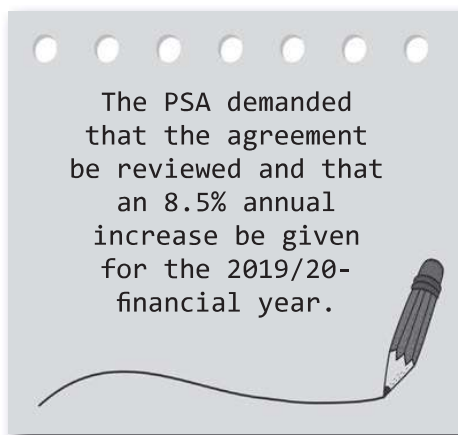
General Public Service Sectoral Bargaining Council (GPSSBC)

During the report period, the PSA represented the outright majority of members in the GPSSBC. The Council engaged and finalised negotiations on compensation for official duties performed during meal intervals, the draft Special-Leave Agreement for the Sector, and Sea-going allowance. These draft agreements were by the end of the report period being subjected to mandating.

GPSSBC Bargaining Chambers

The GPSSBC has 47 National Departmental Bargaining Chambers in which the PSA actively participates. On average, almost half of the activities in all Chambers during the report period related to the re-view of existing human resource policies and matters of mutual interest as well as the monitoring of the implementation of various collective agreements.

In accordance with the Constitution of the GPSSBC, Chambers are supposed to meet at least four times a year. Most of the Chambers consequently chose to meet on a quarterly basis, except in instances where additional urgent meetings took place.



Education Labour Relations Council (ELRC)

The PSA is part of the Combined Teachers Unions (CTU) of Autonomous Trade Unions (ATU) together with other trade unions in the ELRC. The PSA was elected as Vice-Chairperson from the CTU-ATU in the Council.

During the report period, the Council addressed the equalisation of pay progression; temporary educators; job description for Grade R Educators; Addendum to Collective Agreement 1/2012; Post-Provisioning Norms (PPN); and signed off on the following four collective agreements:

- **Resolution 1/2018:** Vote weights for trade unions that are parties to Council

- **Resolution 2/2018:** Amendments to Paragraph B 8.5.2 & B 8.5.3 of the Personnel Administrative Measures
- **Resolution 3/2018:** Providing for compulsory inquiries by arbitrators in cases of disciplinary action against educators charged with sexual misconduct in respect of learners
- **Resolution 4/2018:** Appointment and conversion of temporary educators to posts on the educator establishment

Public Health and Social Development Sectoral Bargaining Council (PHSDSBC)

The PSA is one of the biggest trade unions in the PHSDSBC. During the report period, the Council addressed the re-grading of Social Auxiliary Workers; PHSDSBC Resolution 4/2017 - Agreement on payment of a Special Allowance and a Danger Allowance for Forensic Pathology Officers (FPOs); breastfeeding facilities for lactating mothers employed in the Department of Health; PHSDSBC Resolution 2/2017 (Rural Allowance and OSD Amendments and Settlement Agreement), and concluded the following four collective agreements:

- **Resolution 1/2018:** Agreement on the standardisation of remuneration for Community Health Workers in the Department of Health
- **Resolution 2/2018:** Agreement on payment of annual statutory registration fees
- **Resolution 3/2018:** Transfer of employees from the National Department of Health to SAHPRA
- **Resolution 1/2019:** Organisational Rights in the Public Health and Social Development Sector

Provincial Chambers of PHSDSBC

The Provincial Chambers are active and meet regularly. The Northern Cape and North-West Chambers experienced challenges during the report period. The Council intervened in both these Chambers and remedial measures were implemented to ensure their optimal functioning.

Parastatals

The PSA represents members at a variety of parastatal institutions. Highlights of events in some of these institutions during the report period are reflected in this report.

Department of Trade and Industry (DTI) Entities

Parties recently established a Bargaining Forum for the following entities under the DTI:

- Companies and Intellectual Properties Commission
- Export Credit Insurance Corporation of South Africa
- National Consumer Commission
- National Consumer Tribunal
- Companies Tribunal
- National Credit Regulator
- National Empowerment Fund
- National Gambling Board
- National Lottery Commission
- South African Bureau of Standards
- National Metrology Institute of South Africa
- South African National Accreditation System
- National Regulator for Compulsory Specifications

By the end of the report period, there were five items on the agenda of the Forum, including the item of salary negotiations. The PSA tabled demands for the 2019/20-salary increases and improvement of conditions of service. Three policies were tabled as new policies for consultation and a task team was established to deal with the policies.

National Health Laboratory Service (NHLS)

The PSA operates as part of an alliance referred to as the HIP alliance (Hospersa, ISA and PSA) in the Bargaining and Labour Relations Forum (BLRF) since the PSA on its own did not meet the 20% threshold required for representation in the BLRF. The alliance slowly started losing its representation in the BLRF over a three-year period but was nevertheless allowed to continue to attend and participate until November 2018 when it was given three months' notice to comply or else forfeit its representation. Despite serious recruitment efforts, the alliance did not manage to meet the threshold and lost its bargaining right.


South African Social Security Agency (SASSA)

Salary negotiations 2018/19

The PSA declared a mutual interest dispute with the CCMA after failure by SASSA to reach an agreement on the wage demand. Conciliation was held on 23 April 2018 but did not yield any positive outcome and a certificate of non-resolution was issued. Following the balloting of members, the PSA was mandated to proceed with strike action. The PSA served SASSA with ten days' notice for a strike action with effect from 8 June 2018. In an attempt to resolve the impasse and find an amicable solution to avoid full-blown-strike action, the PSA met with the Minister of Social Development. Unfortunately, the meeting did not yield a positive outcome and the PSA was left with no option but to intensify its strike action with effect from 2 July 2018. The Minister of Social Development made an application to interdict the PSA and its members to stop the strike action. The PSA successfully challenged the application, which resulted in the Labour Court issuing a Court Order against the Minister. Negotiations resumed on 11 July 2018 where SASSA undertook to respond to the PSA's demands on 16 July 2018. Negotiations subsequently continued on 16 and 17 July 2018 but unfortunately, SASSA failed to table any counter offer to the PSA's demands, and instead advised the PSA that the Minister of Public Service and Administration instructed SASSA to implement PSCBC Resolution 1/2018. Following the stalemate on salary negotiations, the PSA consulted with its legal representatives for legal advice and the way forward. Subsequently, on 27 July 2018, the PSA through its legal representatives wrote letters to the Ministers of Public Service and Administration, National Treasury, and Social Development for failing to honour the Labour Court Order issued on 4 July 2017 without any success. The PSA then approached the Labour Court for structural interdict since it strongly believed that there was intentional non-compliance with the Labour Court Order by SASSA. Unfortunately, the PSA's application was dismissed with punitive cost.

Leave without pay deductions

Pursuant to the mentioned strike, SASSA effected salary deductions from PSA members in applying the no-work, no-pay principle. SASSA did not follow the due process of consulting employees for consent or obtaining a court order before deducting from the salary. The PSA engaged SASSA on its non-compliance with the rule of law in terms of the required procedure to be followed before deducting from employees' salaries. SASSA committed to reverse the deductions and follow the due process. It did, however, not keep to its commitment. Members reported that deductions were not reversed even months after SASSA had agreed with the PSA. A dispute was referred to the CCMA and arbitration took place on 29 March 2019. At arbitration, SASSA failed to defend its actions of deducting money from PSA members without following the due process. A settlement agreement was signed by parties wherein SASSA agreed to reverse the deductions by 15 April 2019 and engage the PSA on the implementation of the no-work, no-pay principle.



The PSA engaged SASSA on its non-compliance with the rule of law in terms of the required procedure to be followed before deducting from employees' salaries.

SASSA's application to vary 1997 Essential Service Committee (ESC) designation of social pensions

SASSA filed an application on 27 August 2018 to the ESC to

vary the Essential Service Committee designation of social pensions of 1997 as well as the determination of 2016 in which Grant Administrators (level 5) and Senior Grant Administrators (level 7) are excluded in the 1997 designation. This application was brought in terms of section 71(9) of the *Labour Relations Act (LRA)* as amended, wherein the ESC was requested to vary the said designation. The PSA successfully opposed the application in that an outcome in favour of the PSA was issued.

South African Local Government Association (SALGA)

SALGA Union Management National Consultative Forum: The PSA and SALGA entered into a recognition agreement that regulates the relationship between the employer and employees.

The PSA was by the end of the report period the only union recognised in SALGA. The recognition agreement provides for the establishment of a consultative forum. Pursuant to the recognition agreement, a national consultative forum was established. Parties were by the end of the report period compiling terms of reference for the consultative forum and agreed to establish a bargaining forum. The PSA was drafting a constitution for the bargaining forum as a discussion document in the establishment of the forum. Item being engaged upon in the Consultative Forum were salary negotiations, restructuring and migration.

South African Revenue Services (SARS)

The SARS National Bargaining Forum (NBF) addressed and resolved several matters of mutual interest during the report period. The PSA has a vibrant, active negotiating team in the Forum, which consists mainly of full-time shop stewards and the PSA Administration. The Forum was by the end of the report period dealing with the Field Worker Allowance withdrawal, the Hay grading dispute, Travel Allowance Policy withdrawal, and the Debt grade dispute.

Provincial notes

At a provincial level, structure meetings took place on a regular basis in line with the *PSA Statute* and the PSA represented members' interests in all collective bargaining forums by sponsoring items. Some points of note are covered in this report.

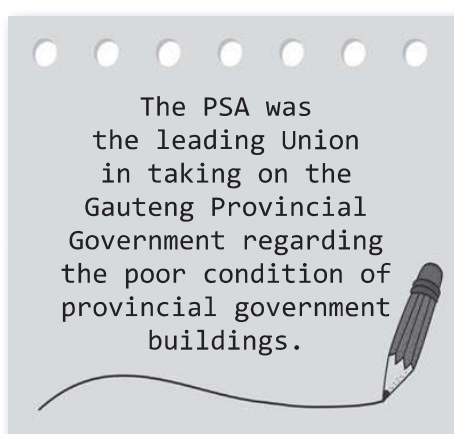
In the **Eastern Cape**, the PSA attended all bargaining chamber meetings of the PHSDSBC and sponsored the majority of agenda items. In the EMS, the PSA reached an agreement in resolving a long dispute about excess hours. The PSA also concluded successful salary negotiations for the Eastern Cape Parks and Tourism Agency, ensuring an average increase of 7% for employees.

In **Gauteng**, the PSA was during the report period the majority Union in the GPSSBC Chambers. This resulted in many consultation processes driven by the PSA being resolved without the political influence of politically-aligned unions.

The PSA was the leading Union in taking on the Gauteng Provincial Government regarding the poor condition of provincial government buildings. It was only after the tragic event in the Gauteng Department of Health's building in Johannesburg in September 2018 that other trade unions started making efforts to ensure employees health and safety in the workplace. The PSA has for the past two years been at the forefront with demands to provincial politicians regarding the condition of several dilapidated buildings. This resulted in the temporary closure and upgrading of nine provincial departments buildings.

In **KwaZulu-Natal**, the PSA maintained its majority status as the largest Union in the General Public Service Sectoral Bargaining Council (GPSSBC) and with the latest figures released by the Public Health and Social Development Sectoral (PHSDSBC) Bargaining Chamber, the PSA is also the largest Union in this Sector. All sub-committees under both the GPSSBC and PHSDSBC were attended by the Chairpersons and shop stewards who actively participate in activities. Transverse issues such the upgrading of Data Capturers, Messengers and Security Officers were actively pursued by the PSA in the province.

In **Limpopo**, the PSA's actions resulted in the closure of Mutale Emergency Medical Services (EMS) owing to non-compliance with the *Occupational Health and Safety Act*. Employees were faced with issues such as dirty drinking water, toilets not flushing, rusted basins, no infection control and stretcher beds being used as office furniture. The PSA involved the Labour Inspector from the Department of Labour when the employer ignored the PSA's request, resulting in the station being closed. The PSA also assisted members at the Limpopo Department of Health after the employer issued a circular relating to the compulsory retirement age of 60. Affected members were issued with letters, giving them three months' notice to retire. The PSA forced the employer to withdraw the circular. At the Department of Social Development, the PSA assisted members to bring about the procurement of resources and work tools such as chairs, laptops, cell phones, and GG vehicles. The total amount for these resources was R17 000 000.



In **Mpumalanga**, the PSA challenged the Department of Health when it unilaterally changed the incentive bonus agreement. Instead of paying qualified employees as per scores, it wanted to put 50% on category B and not pay other qualifying managers. All qualifying members were paid. The PSA also successfully challenged the upgrading of ten professional Nurses who were left behind when the employer was placing those who qualified on the OSD as per the agreement.

In **North West**, the PSA's majority status as the largest Union in the General Public Service Sectoral Bargaining Council (GPSSBC) was maintained during the report period. Transverse issues, such as the upgrading of Data Capturers, Messengers and Security Officers, were actively pursued. The PSA also addressed mutual-interest issues and conducted salary negotiations for members at the North-West Development Corporation and North-West Parks Board. Negotiations for a 7% increase were nearing finalisation by the end of the report period.

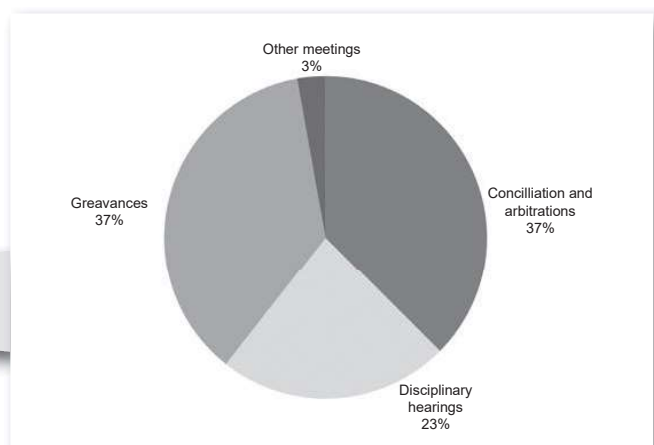


Members' rights

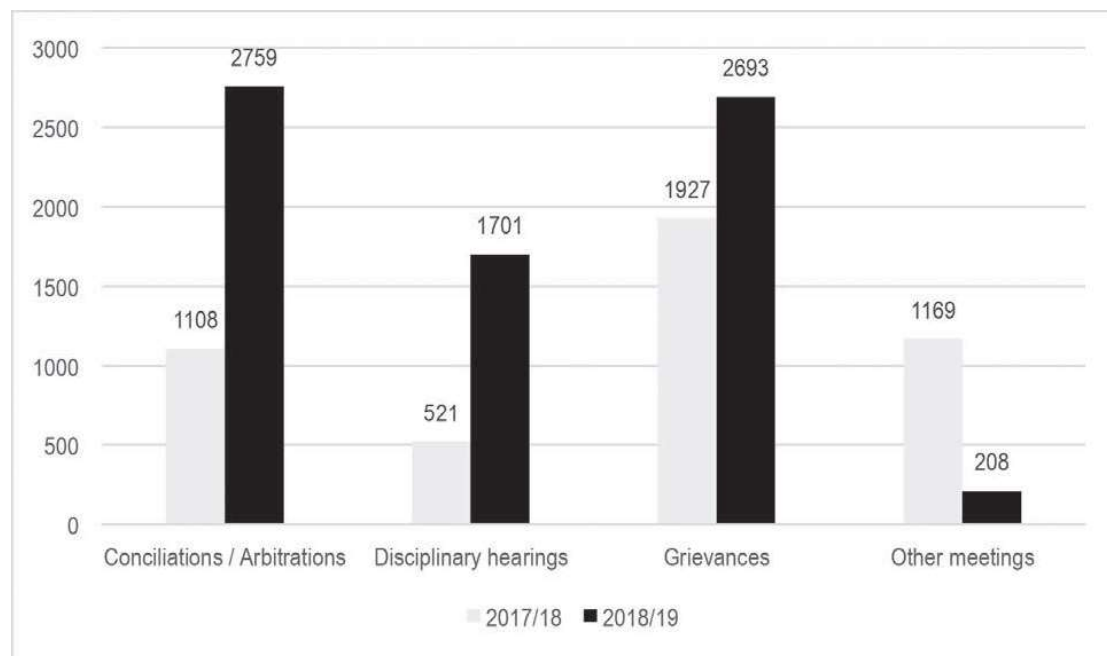
The protection of members' rights is achieved through the responsible and optimum use of the Union's human capital, resources and finances. A high level of success is achieved countrywide with the assistance of dedicated staff and shop stewards.

The countrywide activities for the report period are as follows (depicted in percentages in the accompanying graph):

Conciliations and arbitrations: 2 759
Disciplinary hearings: 1 701
Grievances: 2 693
Other meetings: 208



The table below reflects a comparison of the extent of the various activities undertaken countrywide during the current and previous report period and shows the sharp increase in members' need for assistance.



In the protection of members' rights, the PSA also provides legal assistance by experts, if required. During the report period, the PSA provided legal assistance to members at a cost of R4 786 882.80 (compared to R9 324 598.05 in 2017/18), as opposed to awards in favour of the PSA, totalling R19 416 531.14 (R31 725 049.17 in 2017/18).

Provincial notes

In the **Eastern Cape**, engagements with shop stewards in the Mthatha region resulted in identifying challenges affecting members and yielded many positive results without escalation to the Chambers. In the Port Elizabeth region, the PSA achieved substantial success in assuring that members received monies they were entitled to. The PSA obtained payment orders from the relevant court and state assets were then removed to sell on public auction. In the process, some R700 000 was recovered for members during the report period.

In **Gauteng**, the PSA is the only Union that took the Gauteng Provincial Government (GPG) to task about the non-implementation of PSCBC Resolution 1/2012 (section 18). This case involves more than 5 000 Assistant and Deputy Directors who qualified in terms of the Resolution to be graded on the higher level. The GPG failed to implement the Resolution. The matter progressed to the Labour Court after the GPG decided to review the settlement agreement that it signed with the PSA. The estimated cost to implement this process amounts to billions.

In **KwaZulu-Natal**, the PSA mentored shop stewards who were able to attend to members' grievances, disciplinary hearings and even arbitrations. The Provincial Office in Durban dealt with several sexual harassment cases and successfully assisted members in these matters. In one case, a Deputy Principal employed by the KwaZulu-Natal Department of Education was sexually harassed by the school's Principal shortly after assuming duty at the school. The Principal made inappropriate, explicit sexual comments about her and touched her inappropriately.

Despite her repeatedly informing him that she does not appreciate his comments and advances, he persisted with his conduct. Eventually, when he realised that she was not acceding to his advances, he orchestrated the school staff to protest for her removal from the school. She lodged a formal complaint against the Principal and after a superficial investigation, he was exonerated of all allegations. The Deputy Principal approached the PSA for assistance. An unfair discrimination dispute related to sexual harassment was lodged on her behalf at the CCMA. The Commissioner found that the Department had failed to take the necessary steps required in terms of the *Employment Equity Act* and awarded that the member be paid compensation of R50 000.

In another case of this nature, a female Constable in the SAPS in KwaZulu-Natal became a victim of sexual harassment by her Commander soon after being transferred to a specialised task team constituted to investigate high-profile murders. Despite her protesting against his advances, he persisted with his conduct. When he realised that the Constable would not succumb to his advances, he victimised her subtly, which eventually resulted in her secondment being terminated. The Constable approached the PSA for assistance and an unfair discrimination related to sexual harassment dispute was lodged with the CCMA. The Commissioner found that the Commander sexually harassed the Constable and that the SAPS did not do all that was practically reasonable to deal with this. The Commissioner awarded that the member be paid compensation of R15 000.

Health and safety in the workplace have become serious concerns in many institutions, especially Magistrate's Courts. The PSA ensured that temporary measures were put in place to ensure that employees work in a conducive environment.

The Provincial Office in Pietermaritzburg also mentored shop stewards to assist with members' disciplinary hearings, grievances, and arbitrations. This yielded positive results in enhancing service delivery to members.

During the report period, the Provincial Office, amongst others, actioned nine cases for referral to the Labour Court for adjudication and served two writs of executions on the Sherriff when Departments failed to implement arbitrations awards.

In **Limpopo**, the PSA achieved an 80% success rate in arbitration cases for members during the report period. This includes the case of a Senior Manager at the Limpopo Department of Economic Development who was charged with misconduct and dismissed. The PSA took the matter for arbitration. The award was in favour of the member. He was reinstated and received backpay of R877 339. Also in Limpopo, a member at the Department of Higher Education and Training who was unfairly dismissed for fraud, received an award in his favour. He was reinstated and received backpay of R265 000.



In **Mpumalanga**, the PSA strengthened its profile by successfully challenging workplace injustice in all forms. The assistance of the three DCS full-time shop stewards in cases from other departments alleviated pressure.

In the **Northern Cape**, an increase in conciliations (155 cases) and arbitrations (297 cases) was experienced during the report period. In the

process, the PSA secured R1 064 849,27 for members through various awards. The Provincial Office, with the assistance of shop stewards, represented members in disciplinary hearings, achieving an 80% success rate. The Provincial Office escalated seven requests for legal assistance in cases that needed to be adjudicated at the Labour Court. Most cases going to the Labour Court are as a result of employers failing to implement arbitration awards or taking these on review. In this regard, the PSA in the Northern Cape must receive some R186 900 following cost orders granted against employers. The Provincial Offices also served two writs of execution on the Sherriff in Kimberley and Calvinia during the report period.

In **North West**, shop stewards were mentored to attend to members' grievances, disciplinary hearings and even arbitrations in some cases.

The Provincial Office experienced an influx of matters relating to non-compliance in terms of Resolution 7/2000 and Resolution 3/2009 with awards being in favour of members. Health and safety in the workplace were also addressed in various workplaces on an urgent manner with measures being put in place to ensure safe work environments for employees.

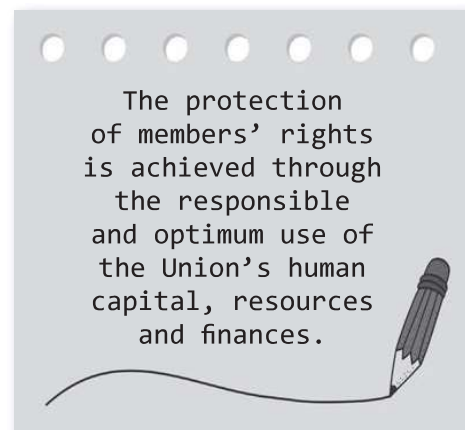
In the **Western Cape**, services to members included arbitrations (45) and conciliations (48) with temporary incapacity leave, OSD and unfair dismissals being the top three matters. Members were also assisted in disciplinary hearings (67) and grievances (103). The Provincial Office also brought five new matters before court during the report period.

More examples of cases handled for members during the report period are highlighted:

- The contract of a member in the Northern Cape was terminated. The employer created an expectation that the contract would be renewed. The matter was referred in terms of section 186(1)(b) of the *LRA*. An award was issued in favour of the member. It was found that the employer created a reasonable expectation that the contract would be extended. The termination of the contract therefore became an unfair dismissal. The employer was ordered to pay the member R451 620 by 25 September 2018.
- A member at the Department of Home Affairs (DHA) was dismissed in 2011 and after an arbitration hearing in November 2011 was granted an award in her favour of re-instatement on 19 December 2011. The DHA refused to implement the award and the PSA continued to the Labour Court, seeking a court order that was opposed through lengthy deliberations. The award was eventually made an order of court in February 2017 and though the DHA was aware of the court order, it failed to adhere. The PSA then approached the court in contempt proceedings and the DHA sought to settle the matter by re-instating the member on 1 June 2018 and a full pay-out for all backdated salaries of R249 163.75 by the end of June 2018.

- The Department of Education embarked on a recruitment of senior security management staff without following the recruitment and selection policy. PSA members in the same unit were not short listed as the post was not advertised. The employer claimed to have head-hunted the appointees. At arbitration, the Commissioner found that the members were prejudiced and ordered protected promotion for them. The employer took the award on review at the Labour Court. The Court ordered that the two members be jointly compensated R120 000.
- The MEC for Mpumalanga Treasury conducted a job evaluation on Assistant Directors and Deputy Directors in 2008/09 in terms of *Public Service Act*, which were evaluated on salary level 10 and 12 respectively, but only for Treasury. PSCBC Resolution 3/2009 came into effect and clause 3.6.3.2 determined that all Assistant Director and Deputy Director posts should be on salary level 9 and 11 respectively. PSCBC Resolution 1/2012 was then signed, and clause 18.1 amended clause 3.6.3.2 of Resolution 3/2009 in that all Assistant Director and Deputy Director posts that had been evaluated and the outcome is to be on level 10 and 12 respectively, that those officials occupying those posts should be appointed and remunerated on salary level 10 and 12 respectively. The officials lodged a grievance about the non-implementation of Resolution 1/2012 (clause 18.1). The PSA declared a dispute to the PSCBC. The arbitration award was in favour of the PSA. The PSA signed an agreement with the HOD of Treasury for payment to be made in two phases with a total budget impact of R32 000 000. All payments were confirmed.
- A member at the DCS was appointed to act in the post for DH Security for five years without being paid the acting allowance. He had all the appointment letters to act in the post. A dispute was declared, and the arbitration award was in the PSA's favour. The member received R37 300. The DCS did not pay for a period where it had a moratorium on appointments for acting positions. The PSA is busy with an enforcement for R52 000.

- A member at the Department of Home Affairs (DHA) was charged with misconduct for processing a birth certificate without following proper procedure. Upon the PSA's investigation, it was noted that the member was on vacation leave on the day of alleged transgression. On the day of the hearing, the matter was discussed with the DHA and it agreed that the hearing should be withdrawn.
- A member at the Mpumalanga Department of Public Works, Roads and Transport was appointed as an Architect but during the implementation of OSD, the Department changed his title to Survey Technician. This resulted in him not benefitting from the OSD. The member, with the assistance of the PSA, lodged a grievance. When the grievance remained unresolved, the PSA lodged an unfair labour practice dispute. At arbitration, the Commissioner ruled that the member did not meet the requirements to be appointed as Architect but that the Department had committed an unfair labour practice by appointing him as an Architect and later translating him to Survey Technician. The Commissioner ordered the Department to compensate the member with R112 098.75, which is the equivalent of three months' salary.
- A member at the Department of Justice and Constitutional Development was awarded a bursary by the Department. The bursary was later withdrawn, with the Department stating that it was not meant for a post-graduate qualification. The PSA assisted the member to lodge a grievance. The grievance was unresolved, and the PSA lodged a dispute for the unfair labour practice. At arbitration, the Commissioner found in favour of the member and ordered the Department to refund him the R19 800 that he had paid towards his studies.
- A member in the Eastern Cape was unfairly suspended beyond 60 days whilst the Department of Agriculture was investigating allegations of misconduct. The member was assisted by the PSA to lodge a dispute for unfair suspension. The case was scheduled for conciliation and arbitration. The arbitrator ruled that the Department should pay the member compensation of R47 894.70.
- In the Mpumalanga Department of Health, a matron at a hospital was struggling to resolve a matter related to OSD implementation. She had referred a grievance to other unions without success. The PSA then referred the matter to the PHSDSBC as an interpretation and application of the OSD agreement. At arbitration the employer signed a settlement agreement and the member received payment of R273 000.
- A member at the Department of Labour requested the PSA's assistance with non-payment of the housing allowance. The member was advised to lodge a formal grievance. The Department then investigated, and the member received payment.
- A member at the Department of Correctional Services (DCS) was charged for breaching security measures in that an inmate hanged himself whilst in the single-cells unit in the maximum centre. The member was represented by a PSA full-time office bearer and was acquitted.
- Another member at the DCS was charged for breaching security measures after an inmate escaped from custody whilst being treated in a public hospital. The member was represented by a PSA full-time office bearer and was acquitted.
- A total of 21 members at the Mpumalanga Department of Public Works, Roads and Transport working as Artisans qualified for incentive bonuses but the moderation committee reduced their scores, resulting in them not receiving the bonus. The PSA lodged appeals on behalf of the members. The appeals committee upheld the appeals and the members were awarded the performance bonus.



Liaison

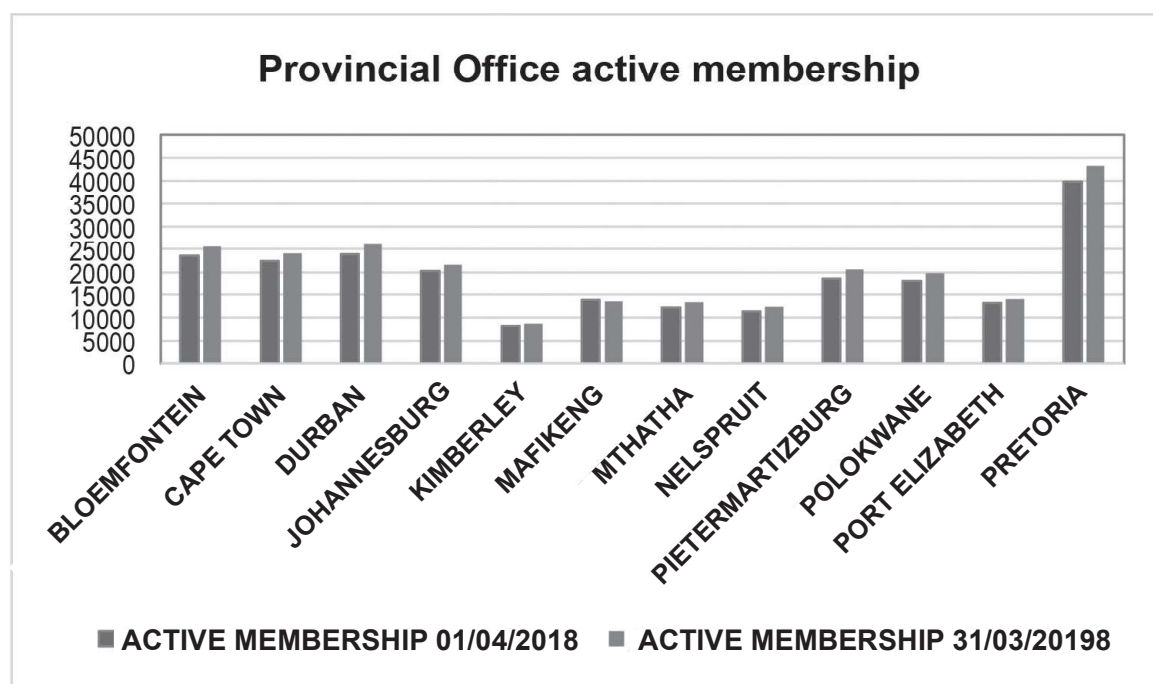
The PSA's membership PSA continued to grow during the report period and stood at 244 413 at the end of the financial year, representing a net growth of 2 406 members. All 12 PSA Provincial Offices recorded a growth in membership.

This is attributed to the commitment of PSA liaison officers, full-time shop stewards, shop stewards as well as training initiatives conducted by the PSA's training officer. The strategy of structured recruitment programs yielded the desired results. The assistance and support of the PSA's business partners further supported positive outcomes.

The following statistics illustrate the extent of core activities of the Liaison component to ensure growth and retention of members:

Work sites visited: 16 599
Members addressed: 131 253
Non-members addressed: 32 929
Training sessions attended: 317
Branch meetings attended: 286
Distance travelled: 477 260 km

These activities resulted in 17 210 members being recruited. The graph below reflects the matrix of recruitment and retention for the report period:



Provincial notes

The **Eastern Cape** Provincial Office in Mthatha was the top growing office in 2018. Special events contributed to recruitment successes. Workers' Day celebrations in Mthatha was the highlight of activities with some 1 684 members in attendance. Nurses' Day was celebrated at St Elizabeth Hospital in Lusikisiki and Maclear Hospital in Maclear. A total of 50 shop stewards were trained to empower them with skills when representing members during grievance procedures and disciplinary hearings and be knowledgeable on labour-law updates. The Provincial Office in Port Elizabeth also experienced positive recruitment results. A total of 60 shop stewards received practical training to assist members with disciplinary hearings, grievances, arbitrations and conciliations. The Office hosted a Workers' Day event in East London that was attended by some 600 members.

The Provincial Office in the **Free State** continued to maintain and empower member structures and representatives during the report period. The province experienced a steady growth in membership ascribed to recruitment drives and liaison visits.

In **Gauteng**, the Provincial Office in Johannesburg grew with more than 2 000 members during the period. Dedicated shop stewards assisted in areas such as Gauteng Roads and Transport where the PSA has grown to be the majority Union. Valuable gains were also made in the SA Police Service. All newly-elected shop stewards were inducted. The three provincial branches became more involved in members' issues, resulting in positive outcomes in various areas of operation.

Liaison officers stationed at the Provincial Office in Pretoria exceeded their targets throughout 2018 and all ranking in the top ten recruiters nationally. Recruitment at SARS continued to grow and at the Financial Sector Conduct Authority more than 300 members were recruited. The Offices hosted Workers' Day events at Kgosi Mampuru and Soshanguve, attended by some 450 members.

In **KwaZulu-Natal**, recruitment is now a standing item on all Branch/Committee meetings in the Durban area for monitoring purposes and to encourage recruitment. All Chairpersons in the province play an active role in activities.

In the Pietermaritzburg area, shop stewards and liaison officers cooperated closely, with positive recruitment results. A liaison officer stationed in the Office was the top recruiter nationally for 2018 and the Office took second position as the Provincial Office with the highest membership growth. A structure was established for the Department of Rural Development and Land Reform during the report period. Some 44 shop stewards and chairpersons attended a workshop on labour-law updates and occupational health and safety training.

In **Limpopo**, PSA membership grew by 5%. A total of 92 representatives attended a workshop on labour-law updates and occupational health and safety training whilst 33 representatives attended basic shop stewards training enabling structures to execute their mandate in support of the growth of the PSA. The Office hosted a Women's Day events on 9 August 2018 at Jaagbaan Lodge in Mokopane with more than 300 members attending. An inter-sectoral meeting was held on 7 December 2018, with 475 members attending.

In **Mpumalanga**, recruitment is a standing item at all branch/committee meetings to encourage structures to improve recruitment. The declaration of every Friday as a recruitment day also assisted in retaining members. All structure members and additional shop stewards were trained on advanced labour law. Shop stewards accompany PSA labour relations officers when attending to cases and other matters to support development.

In the **Northern Cape**, various actions resulted in a growth in membership during the report period, including special projects and recruitment drives. The Office established town committees to assist with visibility and the retention of members. During the report period, 64 shop stewards attended workshops on labour-law updates and occupational health and safety to capacitate them to assist with cases. Three additional Provincial Committees were established, namely, Department of Rural Development and Land Reform, National Public Works, and National Prosecution Authority to service members in these national departments. The Office also hosted a successful Workers' Day event in De Aar on 1 May 2018.

In **North West**, recruitment is a standing item at all branch/committee meetings to encourage structures to improve recruitment.

The Provincial Office in the **Western Cape's** visibility activities during the report period, resulting in a positive growth in membership. These included open days, recruitment drives and tours. The recruitment highlight was the "Battle of the Committees" campaign, with 469 members being recruited in the Western Cape and 201 members in other provinces through the participation of the DCS National Branch in this competition. The PSA's National Women's Day event was hosted in Cape Town, with 150 ladies attending a memorable occasion. An inter-sectoral meeting was held at Club Mykonos in February 2019. Cohesion amongst structures members and structures themselves was enhanced with joint meetings over two days. A total of 12 informal structure training sessions were presented, as well as an occupational health and safety training session for full-time shop stewards and labour relations officers. An induction training session was held for new shop stewards. A total of 160 shop stewards attended a labour-law review workshop.

Branch for Associate Members: Public Service Pensioners

Management Committee

The Management Committee of the Branch comprises Gideon Serfontein (Chairperson), Louis Janse van Rensburg (Vice-Chairperson), Dianne Kloka-Speight (Secretary), Buks Jordaan (Deputy Secretary), Hannes Botha, Rita Bessenger, Rienie van Blerk, Koot Myburgh and Eddie Trollip as well as elected Chairpersons of Regional Committees as mentioned below. During the report period, the Management Committee met three times to carry out its responsibilities and execute matters assigned to it by the PSA Board and the PSA's Annual General Meeting.

Regional Committees

Four Regional Committees promote the interests of Branch members at regional level:

- Cape Peninsula Regional Committee: Rob Moody (Chairperson), Faldela Martin (Deputy Chairperson) and Basil May (Secretary)
- Southern Cape Regional Committee: Stan Davis (Chairperson) and Joan Booysen (Secretary)
- Free State Regional Committee: Eben Fischer (Chairperson), Karel van den Berg (Deputy Chairperson), and Thys Lotter (Secretary)
- Waterberg Regional Committee: Jakkie van Dyk (Chairperson), Koos Smit (Deputy Chairperson), and Johan Els (Secretary).

Domestic rules

The Branch's domestic rules were approved at the October 2018 Management Committee meeting and submitted to the PSA Board for consideration.

Membership and recruitment

The Branch continued to play an active role in alerting PSA members who are about to retire that they can join the PSA as associate members upon retirement. The Branch also continued with a project to update its member database.

Enquiries: Pension and post-retirement medical assistance

Over the past year, the Branch assisted numerous members to resolve their queries regarding pension matters and post-retirement medical assistance, thus continuing to provide a timeous and quality service to members. The Branch also prepared a proposal for a better dispensation for spouse's pensions and submitted this to the PSA where it is receiving attention.

Social responsibility

Through continued membership, associate members contribute to the funds that enable the PSA to execute its social responsibility obligations and also make contributions to deserving non-profit organisations. The Waterberg Regional Committee is very active in this regard and its 2018 nomination, Ons Hoop Service Centre for Aged Persons, received a donation from the PSA.

Special events

The Group Branch's 56th Members' Meeting was held on 25 October 2018. The PSA General Manager delivered a message of goodwill and Pierre Snyman, Chairperson of the PSA's Board of Directors and the PSA's employee representative on the Board of the GEPP, delivered the keynote address.

Liaison with other organisations

Regular liaison with similar organisations takes place to ensure that the Branch keeps up to date with matters concerning the interests of retired persons in connection with medical and social services. The Branch's Deputy Secretary on a regular basis attends meetings of the Wellbeing Committee that meets under the protection of the Centurion Council for the Aged.

Training

In 2018, PSA established a Training unit. An internal training needs-analysis survey was conducted, followed by the development of a training strategy and plan. Initiatives related to training interventions, partnerships, collaborations, meetings and conferences during the report period are:

Training sessions

Occupational health and safety (OHS)

This training covered key provisions of the *Occupational Health and Safety Act*, workplace health and safety hazards, hazard identification and hazard control, risk assessment, medical surveillance, OHS inspection and the processes for compensation for occupational injuries and diseases. Training covered all nine provinces of South Africa. Participants included members, shop stewards and liaison officers. The main concern raised by participants was that one-day is too short and that they would like follow-up training, focussing specifically on the *Compensation for Occupational Injuries and Diseases Act*. In the main, the 966 participants felt that the training provided them with a broad understanding of OHS and prepared them to tackle such issues in the workplace.

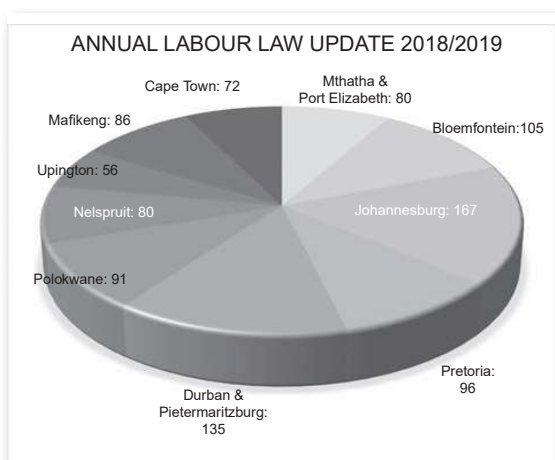
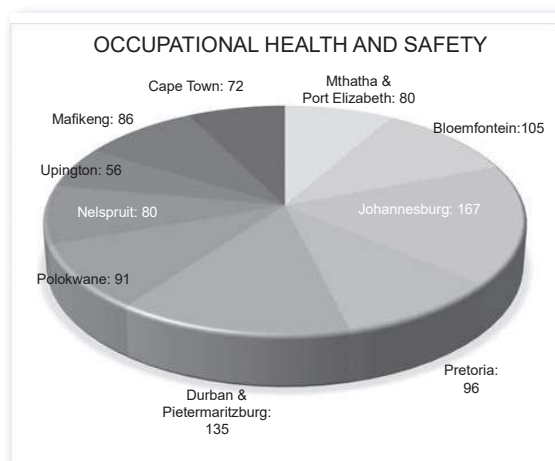
PSA annual labour law perspective

The seminar covered updates of case laws, focussing on cases relevant to the Public Service. It included cases on contracts, vicarious liability, novation, performance bonus, overtime, injury on duty, performance bonus, overtime, and a workshop on law of evidence and gathering, analysis, interpretation, and leading of evidence. This included an open forum for workers to raise issues and challenges on cases they have at the workplace and get advice from legal experts facilitating the seminar. These seminars were conducted in all provinces of South Africa from 2018 August to February 2019 with 966 participants.

Management workshop:

Organisational leadership and leadership as healing

This training covered broad principles and processes of organisational leadership and organisational development, participatory management and collective leadership; and core power ecosystem, expanded power eco system, purpose of the power ecosystem, factors that derail the power ecosystem and restoring the power ecosystem.



The workshop was attended by PSA Provincial Managers and National Managers, a total of 27 persons).

Workshop: Organising, activism and campaigns

Training covered the role of liaison and organising in a trade union, with a focus on PSA liaison officers and shop stewards, basic skills of organising the workplace, linking trade union organising to community organising, basic skills of facilitating worker-education and research for organising and activism. This workshop was conducted for 32 Liaison Officers.

Basic shop steward training

The training for 153 shop stewards covered trade union, trade union structures and policies, the values of the PSA, roles of a shop steward, approaching management, dealing with workers' problems; individual and collective issues, handling grievances, disciplinary procedure, collective bargaining, negotiating wages, discipline in the public sector and interviewing members. By the end of the report period, this training had been conducted for Western Cape, Limpopo and Gauteng. The key concern of participants was that there is a need to extend the duration of the training and to focus on handling grievances and dealing with workers' problems at the workplace.

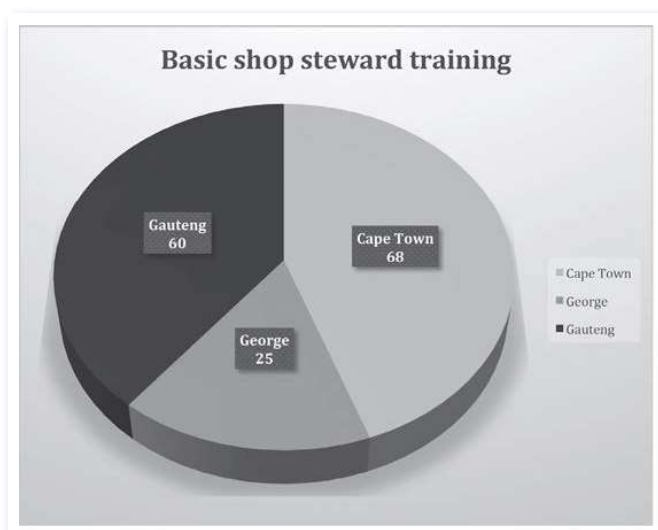
Material development

The Training unit designed the following internal training manuals during the report period:

- Workbook on Occupational Health and Safety
- Workbook on Organising and Activism
- Workbook on the Fourth Industrial Revolution and its Impact on Collective Bargaining
- Workbook on the Political Economy of Labour Relations in South Africa

Partnerships

The PSA has entered into a Memorandum of Understanding with Workers' World Media and Labour Research Services to collaborate on material development and co-facilitation wherever necessary. It also entered in a Memorandum of Understanding with the Democracy Development Programme, which has committed to fund accommodation and training for the Labour Law Updates seminar in UKZN.



Corporate social investment

After a decade of commitment to corporate social investment, the PSA in view of ever-increasing needs, explored options to expand this function. Since the PSA is not a charity organisation, fundraising was a barrier. The PSA was therefore advised to establish an independent non-profit organisation (NPO) to assist in procuring funding for projects.

The NPO, PunoSA, was registered with the Department of Social Development in June 2018 and will mainly cooperate with current and new PSA projects. The PSA hosted fun walks in the Free State, Mpumalanga and Northern Cape during the report period. Members purchased tickets to participate in the walks and the proceeds were donated to PunoSA. The annual Free State Golf Day, which raises funds for worthy initiatives, also raised funds for PunoSA.

The PSA during the report period sponsored ten pupils from Boys and Girls Town to study career-orientated short courses such as Personal Assistant, HIV/ Aids Peer Counselling, and Early Childhood Development) at a total cost of R86 110.

The PSA also donated much-needed mathematics and science equipment worth R84 732 to Lofentse Girls High in Soweto. A donation of R84 732 was made to SAME Foundation for three classrooms benefitting 138 learners. The donation went towards Mathematics textbooks, Mathematics student and parent guide books and scientific calculators.

In an ongoing project, the PSA established five food gardens during the report period as part of providing sustainable solutions to communities. The gardens were donated to schools in the Free State, Gauteng, KwaZulu-Natal, and Mpumalanga at a total cost of R69 933.33.

The Union also assisted Salciah Environmental Solutions in Winterveldt with the renovation of a borehole and buildings, plant bags and compost as well as work suits for the establishment to be able to continue with its sustainable farming project that assists with youth employment in the surrounding area.

In an annual initiative, 2 491 school jerseys were donated during the report period to learners at various schools in mostly rural areas in the Northern Cape, Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga, North West, and Western Cape as nominated by PSA Provincial Offices. The cost of this project amounted to R382 662.

A total of nine mobile libraries, each stocked with 200 books, were donated to rural schools in all nine provinces without such a facility at a total cost of R329 647.



Investing in children's future is one of the pillars of the PSA's corporate social investment goals. The PSA adopted Morena Children's Home in Hammanskraal outside Pretoria after it was approached by an NGO for assistance with funding for roofing for the orphanage. The PSA donated R150 000 for roofing and included beds and a jungle gym. In a festive season intervention, Tshireletso Orphanage in Hammanskraal received 200 party packs for distribution to children. The PSA also assisted Missing Children South Africa with a donation of R20 000 in support of initiatives to reunite missing children with their loved ones.

Mandela Day 2018 saw PSA staff participating in various service initiatives across the country, donating their time and resources. In the **Eastern Cape**, the Mthatha Provincial Office visited Nkawukazi Village where learners of the joint secondary school were provided with lunch after staff members cleaned the school. Staff and full-time shop stewards of the Provincial Office in Port Elizabeth cleaned the beach between Pine Lodge and Cape Recife. In **Gauteng**, Pretoria staff visited a home for the elderly where they did some cleaning and spent time with residents.

In **KwaZulu-Natal**, staff of the Provincial Office in Pietermaritzburg engaged in a project aimed at cleaning the streets of Pietermaritzburg. Staff of the **North-eastern Cape** Provincial Office prepared hot meals for less-fortunate residents in Kimberley.

The PSA annually awards the Stiglingh Memorial Bursary to students engaged in studies in Medical or Natural Sciences from funds allocated by the late JH Stiglingh. During the report period, an amount of R29 550 was approved and awarded to three qualifying students, each receiving R9 850.

PSA Branches can annually nominate needy welfare and charity organisations to benefit from a PSA donation. During the report period, three nominations were received and R8 300 each was allocated to Waterberg Dienssentrum in Limpopo, Buzzy Bee Hospice in Gauteng, and Tentele Early Learning Centre in Mpumalanga.

Provincial investments

Initiatives undertaken by PSA Provincial Offices to assist with specific needs further underline the fact that the PSA is a Union with a Soul.

During the report period, the **Free State** Provincial Office raised funds during PSA Birthday Fun Walk and donated proceeds to Cansa in the Free State. The Office's annual golf day raised R20 000 that was donated in aid of the PSA's national projects. In addition, an orphanage in Bloemfontein was assisted with a much-needed freezer, dining tables and chairs.

In **Gauteng**, the Pretoria Provincial Office planted trees at a primary school and provided sanitation at Mgibe Primary School.

The **Limpopo** Provincial Office donated 20 blankets to homeless job seekers.

In **Mpumalanga**, Tentele Early Learning Centre was assisted with building material and a day-care centre with socks and hats.

In the **Northern Cape**, the PSA donated 62 school bags to three schools in Richmond.

In the **Western Cape**, 415 chair bags manufactured by a PSA-supported cooperative, were handed to learners of Botrivier Primary School.

Human resources

On 1 January 2018, the PSA commenced with the implementation of its approved Employment Equity Transformation Plan and Procedures (EETPP) for the five-year period 1 January 2018 to 31 December 2022.

During the report period of 1 April 2018 to 31 March 2019, the PSA's overall workforce profile reflected an increase of 0.97% from 91.80% as at 31 March 2018 to 92.77% at the end of the period under review in respect of employees from designated groups. Employees from the non-designated group decreased from 8.20% (20) at the end of March 2018 to 7.23% (17) at the end of the report period. The PSA's representation statuses in the respective occupational levels as at 31 March 2019 were as follows:

At the end of the report period, 41.28% (97) of the PSA's workforce consisted of male employees, whilst 58.72% (138) of its workforce constituted female employees. The economically active population of South Africa consists of 55.2% males and 44.8% females.

Since 31 March 2018 until the end of the period under review, 100% (12) of employees recruited by the PSA came from the designated groups and 0% from the non-designated group. 87.5% (14) of employees promoted from in the PSA came from the designated groups and 12.5% (2) from the non-designated group. Terminations for the said period constituted 85% (17) from the designated groups of which 20% (4) were white females. The non-designated group constituted 15% (3) of the terminations.

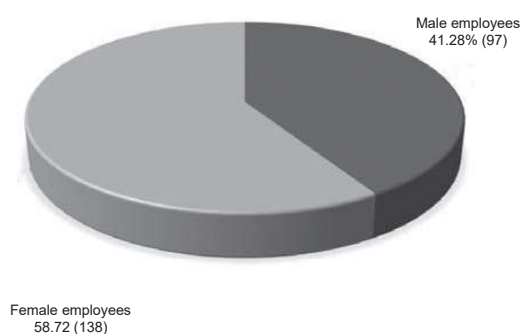
Occupational Level	Overall Designated Target % (94.7% = EAP)	Current Designated % (filled positions)	Current Non-designated % (filled position)
Top Management	94.7%	66.67% (2)	33.33% (1)
Senior Management	*75%	66.67% (2)	33.33% (1)
Middle Management	*85%	79.17% (19)	20.83% (5)
Skilled Technical	*93%	92.08% (93)	7.92% (8)
Semi-skilled	94.7%	97.67% (84)	2.33% (2)
Unskilled	94.7%	100.00% (18)	0.00% (0)

**Reasonable goals within next five-year period*

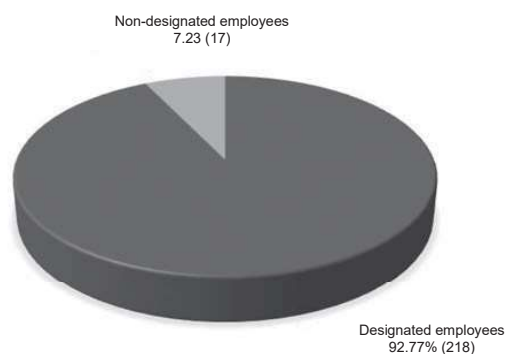
The PSA remains committed to and is continuously working towards a transformed workplace.

Occupational Levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	1	0	1	0	0	0	0	0	0	3
Senior management	1	0	0	1	0	0	0	1	0	0	3
Professionally qualified and experienced specialists and mid-management	10	0	1	5	3	2	0	3	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	40	5	6	8	24	4	0	14	0	0	101
Semi-skilled and discretionary decision making	14	0	0	2	43	11	3	13	0	0	86
Unskilled and defined decision making	1	0	0	0	16	1	0	0	0	0	18
TOTAL PERMANENT	67	6	7	17	86	18	3	31	0	0	235

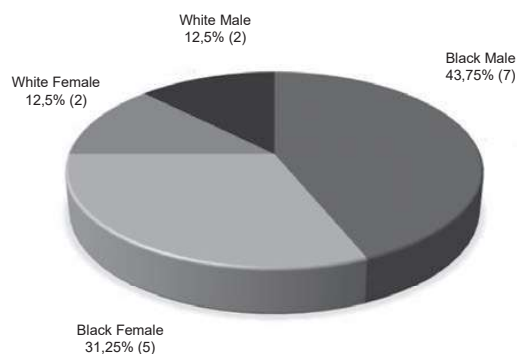
EMPLOYMENT EQUITY PROFILE



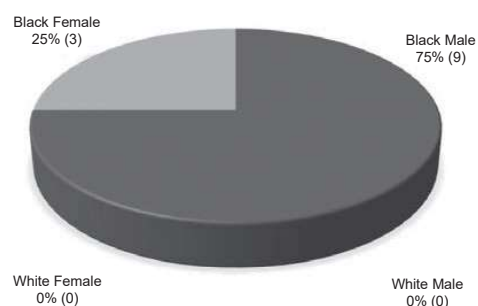
OVERALL EMPLOYMENT EQUITY PROFILE



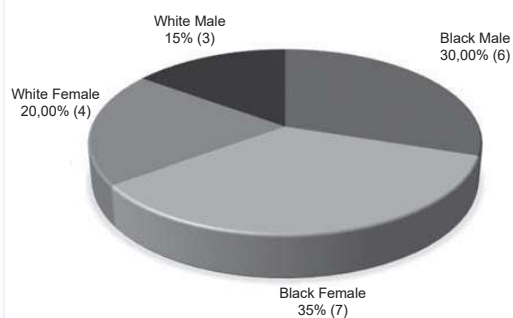
EMPLOYMENT EQUITY PROFILE: PROMOTIONS



EMPLOYMENT EQUITY PROFILE: RECRUITMENT



EMPLOYMENT EQUITY PROFILE: TERMINATIONS



Information technology

Information technology (IT) plays an important role in support of the PSA's service delivery to members. In support of efficiency, a review of IT systems commenced during the report period.

This, amongst others, saw server upgrades, consolidations and a back-up system that resulted in shared resources, increased capacity, and a reduction in costs.

The first phase of the PSA's new Membership Management System went live in October 2018, offering the PSA dynamic means of managing various aspects of the database and report to enhance efficiency and service delivery to members.

A risk assessment of the entire IT landscape was also undertaken during the report period. Interventions were identified and prioritised.

A penetration test that was concluded in line with the risk assessment outcomes and proved the PSA's IT security to be extremely strong.

As far as innovative solutions based on business needs and analysis are concerned, various solutions were implemented during the report period. Fibre networks were implemented in all PSA offices, thus reducing costs and increasing speed. Wi-Fi was also enabled in all PSA offices, further saving costs and increasing capacity. In addition, new Office applications were implemented with cloud access with users being able to access Office apps from five different devices. The roll-out of fit-for-purpose devices further supported efficiency in support of service delivery.

Social and ethical conduct

During the report period, the Board of Directors established a Social and Ethics Committee separately from the Audit and Risk Committee to ensure that due diligence in this regard is performed.

The Charter of this Committee was reviewed and approved by the Board. The Social and Ethics Committee is currently busy with a Code of Conduct for members to address ethical behaviour. A Code of Ethics exists and is applicable to all employees and Board members to address ethical behaviour.

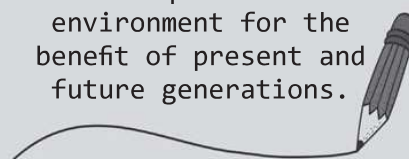
A PSA Ethics and Fraud Hotline is managed by KPMG on behalf of the PSA. The aim of the Hotline is to enhance an honest work ethic, while providing employees with a method to bring any unethical and/or fraudulent business practices to the attention of management. The Hotline is specifically designed for PSA employees only and serves as an independent platform between management and employees.

The PSA also has a Whistle Blowing Policy to give effect to the *Protected Disclosures Act*.

Environmental footprint

The PSA is the owner of Farm 803, Quenera Mouth East, which is 184 2059 ha in extent. The PSA is also the holder of the mining rights, and holder of the mining authorisation and is actively mining on the property.

The PSA affirms the commitments to the *Mineral and Petroleum Resources Development Act* to protect the environment for the benefit of present and future generations.



The mine is approximately 15 km north of East London on the main road to Gonubie, close to the N2. The mine is an open-cast mine and the material being mined by means of extraction by an excavator is primarily building sand.

The PSA, as a responsible mining owner, approaches the mining operations as a holistic cradle-to-grave undertaking by taking cognisance of all economic, social and environmental aspects to achieve sustainable development of South Africa's mineral resources.

The PSA affirms the commitments to the *Mineral and Petroleum Resources Development Act* to, amongst others, protect the environment for the benefit of present and future generations. For the PSA to comply with the prescripts of the Act and to attain the commitment to the ecological impact of mining operations, it appointed Aurecon to, amongst others, act as environmental consultant to monitor and minimise the ecological impact the mining operations might have on the environment.

Aurecon is an international consulting company which, amongst others, recognises the need for economic growth in conjunction with social development and the protection of the environment. With this in mind, the PSA appointed Aurecon as environmental consultants to execute services taking into consideration statutory as well as common-law provisions. Aurecon acts as a liaison between contracted parties, governing bodies, and the PSA.

In line with the above, Aurecon performs various functions associated with environmental protection such as frequent environmental audits to determine top-soil protection, removal and relocation of various plant species and the introduction of specific indigenous plants. Aurecon also acts as liaison between the PSA and the Department of Mineral Resources to finally sign off all areas previously mined and fully rehabilitated.

Financial governance and performance highlights

As an employee organisation, the PSA is registered in terms of the *Labour Relations Act, 1995* as a trade union. The PSA is recognised and admitted to various relevant bargaining councils to protect and promote the individual and collective rights and interests of its members.

The financial statements support the financial viability of the PSA and reflect the view that the PSA will be a going concern in the foreseeable future.

The PSA conducts its business operations as a “Non-Profit Company” of the *Companies Act, 2008*. In terms of its Memorandum of Incorporation (MOI) as of a Non-Profit Company (NPC), the PSA has no share capital and the liability of its members is limited to one month’s subscription in the event of dissolution.

Trade union activities are the PSA’s core business, while it also operates a holiday resort, sand mine and a Cell Captive Insurance Scheme under licence from Guardrisk Insurance Company Limited for the benefit of its members.

The Directors are required by the *Companies Act, 2008* to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements. The Directors acknowledge that they are ultimately responsible for the system of internal control established by the PSA and place considerable importance on maintaining a strong internal control environment.

To assist the Directors in discharging responsibility in this regard, the Audit and Risk Committee has oversight over financial governance and risk to assist the Board with its financial responsibility.

The Board also established an internal audit function to provide oversight to obtain reasonable assurance regarding management’s assertions that objectives are achieved for effectiveness and efficiency of operations, reliability of financial information and compliance with laws and regulations.

The external auditors are engaged to express an independent opinion on the financial statements of the PSA. SizweNtsalubaGobodo Grant Thornton Inc. was appointed as the PSA’s auditors in September 2016. SizweNtsalubaGobodo Grant Thornton Inc. issued an unqualified audit opinion regarding the financial affairs of the PSA for the year ending 31 March 2019.

The actual surplus for this period is R11 007 347 and the consolidated net surplus of the PSA is R48 908 092 owing to the East London property being revaluated to the amount of R31 229 901.

The summarised financial performance of the different business divisions of the PSA are indicated under item 2 on page 6 of the financial statements. The statement of cash flows indicates positive cash flows as at the end of the financial year.

According to the Board of Directors’ report for the financial year ended 31 March 2019, the financial statements support the financial viability of the PSA and reflect the view that the PSA will be a going concern in the foreseeable future based on its potential to raise adequate revenue to meet its obligations.

The Board of Directors would like to draw attention to the following points:

- Reconciliation of Equity paragraph 3 on page 7 of the Annual Financial Statements, which indicates the liquidity of retained income.

The audited detailed Financial Statements of the PSA for the year ended 31 March 2019 are fully set out from page 32 of this report, and do not, in our opinion, require further comments.



Annual Financial Statements for the year ended 31 March 2019

PUBLIC SERVANTS ASSOCIATION OF SOUTH AFRICA NPC
(Registration number 1942/015415/08)
Trading as PSA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act,
71 of 2008.
Issued 16 September 2019

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Trade Union
Directors	Mr LJP Mulaudzi (President) Dr CV Dyantyi (Vice President) Mr P Snyman (Chairperson) Mrs AC Rencken (Vice-Chairperson) Mr SD Maphoto Mr OJ Motshwane Mr IT Monyane Mr DD King Ms AY Coetzee
Registered office	563 Belvedere Street Arcadia Pretoria 0007
Business address	563 Belvedere Street Arcadia Pretoria 0007
Postal address	PO Box 40404 Arcadia Pretoria 0007
Auditors	Sizwe Ntsaluba Gobodo Grant Thornton Inc Chartered Accountants (SA) Registered Auditors South Africa
Secretary	Mr IP Fredericks
Company registration number	1942/015415/08
Tax reference number	9009987166
Preparer	The annual financial statements were internally compiled by: N Ndlela B.Com (Acc)

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

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Preparer

N Ndlela
B.Com (Acc)

Published

16 September 2019

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Audit and Risk Committee Report

This report is provided by the Audit & Risk Committee appointed in respect of the 2019 financial year of Public Servants Association of South Africa NPC.

1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of the company and include:

Mr IT Monyane	02 November 2017	3 out of 3
Dr CV Dyantyi	02 November 2017	3 out of 3
Mr DD King	02 November 2017	3 out of 3
Mr AC Rencken	15 March 2018	3 out of 3

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act, 71 of 2008 and Regulation 42 of the Companies Regulation, 2011.

2. Meetings held by the Audit Committee

The audit and risk committee performs the duties laid upon it by Section 94(7) of the Companies Act, 71 of 2008 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

The committee held three (3) scheduled meetings during 2018/2019 and all the members of the committee attended all the meetings.

Mr IT Monyane was appointed as the new Chairperson for the Audit and Risk Committee at the meeting of 06 November 2018.

3. External auditor

The annual general meeting has appointed Sizwe Ntsaluba Gobodo Grant Thornton Inc as the independent auditor and Gerard Musthan as the designated director, who is a registered independent auditor, for the 2019 audit.

The audit committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act, 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act, 71 of 2008 that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Annual Financial Statements

Following the review of the annual financial statements the audit committee recommend board approval thereof.

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Audit and Risk Committee Report

5. The Effectiveness of Internal Control and Risk Management

The system of controls is designed to provide cost effective assurance that the assets are safeguarded and that the liabilities and working capital are efficiently managed in line with the Companies Act and the King IV Report on Corporate Governance requirements. Internal audit which has been outsourced, provides the Committee and Management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process as well as the Internal Auditors and the Audit Report on the annual financial statements. It was noted that no significant or material non-compliance with the prescribed legislation as well as policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was efficient and effective. The Committee is directly responsible for the recommendation to the Board of Directors and approval at the Annual General Meeting of the independent Auditor's appointment.

On behalf of the audit committee



Mr I. Monyane
Chairperson Audit and Risk Committee

Pretoria

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 9 to 11.

The annual financial statements set out on pages 12 to 49, which have been prepared on a going concern basis, were approved by the Board of Directors on 24 July 2019 and were signed on its behalf by:

Approval of financial statements



Mr P Snyman (Chairperson)

Mrs AC Rencken (Vice-Chairperson)

Mr LJP Mulaudzi (President)

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Public Servants Association of South Africa NPC for the year ended 31 March 2019.

1. Nature of business

Public Servants Association of South Africa NPC (PSA) was registered in South Africa with and in terms of the Companies Act 71 of 2008 as a Non Profit Company and in terms of Section 96 of the Labour Relations Act 66 of 1995. It also operates in terms of its Memorandum of Incorporation (MOI). It has no share capital and the liability of its members is limited to the amount of the membership fees due by them to the PSA in terms of the MOI, as at the date of dissolution. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

As an employee organisation, the PSA is recognised and admitted to the various relevant bargaining councils to protect and promote the individuals and collective rights and interests of its members. Apart from the aforementioned function, the company is also involved in other operations in the interest of its members.

The PSA Insurance Services operates under the licence from Guardrisk Insurance Company Ltd. According to the agreement, the company shares in the profits and losses of the undertaking (CellCaptive).

The risk attached to the liability of losses is neutralised by 100% reinsurance taken out against any risk with regards to losses.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require further comment.

The summary of the financial performance and position of the PSA are tabled below:

2019 Reconciliation of net income /(loss)	Membership fees	Holiday Resort	Sand	PSA Short-Term Insurance Contract	Total
Income	314 193 231	318 610	970 679	56 448 421	371 930 941
Cost of sales	(41 004)	-	(31 287)	(3 600 000)	(3 672 291)
Other income	5 490 236	4 740	-	2 011 989	7 506 965
Employee costs	(187 313 534)	(1 444 878)	(236 183)	-	(188 994 595)
Other expenses	(119 895 040)	(1 143 717)	(164 326)	(51 265 700)	(172 468 783)
Property valuation	(3 294 890)	-	-	-	(3 294 890)
	9 138 999	(2 265 245)	538 883	3 594 710	11 007 347
2018 Reconciliation of net income /(loss)	Membership fees	Holiday Resort	Sand	PSA Short-Term Insurance Contract	Total
Income	299 549 076	376 329	1 329 388	59 316 592	360 571 385
Cost of sales	(51 377)	-	(43 239)	(3 600 000)	(3 694 616)
Other income	4 021 387	46 009	-	2 387 060	6 454 456
Employee costs	(175 780 932)	(1 004 959)	(494 877)	-	(177 280 768)
Other expenses	(111 546 697)	(894 818)	(144 953)	(55 548 337)	(168 134 805)
Property valuation	30 992 440	-	-	-	30 992 440
	47 183 897	(1 477 439)	646 319	2 555 315	48 908 092

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Directors' Report

2019 Reconciliation of net assets /liabilities	Membership fees	Holiday Resort	Sand	PSA Short-Term Insurance Contract	Total
Assets	197 387 026	33 938 026	85 275	29 779 527	261 189 854
Liabilities	(27 888 035)	(51 942)	(1 177 225)	(7 016 567)	(36 133 769)
	169 498 991	33 886 084	(1 091 950)	22 762 960	225 056 085
2018 Reconciliation of net assets /liabilities	Membership fees	Holiday Resort	Sand	PSA Short-Term Insurance Contract	Total
Assets	175 223 418	34 580 933	145 260	25 578 187	235 527 798
Liabilities	(23 953 769)	(36 320)	(1 118 474)	(6 409 937)	(31 518 500)
	151 269 649	34 544 613	(973 214)	19 168 250	204 009 298

Full details of the financial position, results of operations and cash flows of the PSA are set out in these annual financial statements.

3. Reconciliation of Equity

	2019	2018
Reserves		
Stighling reserve	578 373	568 844
Insurance reserve	5 709 320	5 709 320
Revaluation reserve	41 185 124	44 480 014
Mark-to-market reserve	30 390 287	28 796 349
	77 863 104	79 554 527

4. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available, has been arranged.

5. Directorate

The directors in office at the date of this report are as follows:

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Directors' Report

Directors	Office	Designation	Date of Appointment
Mr LJP Mulaudzi (President)	President	Non-executive Independent	17 September 2018
Dr CV Dyantyi (Vice President)	Vice President	Non-executive Independent	19 September 2016
Mr P Snyman (Chairperson)	Chairperson	Non-executive Independent	21 September 2017
Mrs AC Rencken (Vice-Chairperson)	Vice Chairperson	Non-executive Independent	15 September 2016
Mr SD Maphoto	Other	Non-executive Independent	19 September 2016
Mr OJ Motshwane	Other	Non-executive Independent	19 September 2016
Mr IT Monyane	Other	Non-executive Independent	19 September 2017
Mr DD King	Other	Non-executive Independent	23 October 2017
Ms AY Coetzee	Other	Non-executive Independent	17 September 2018

6. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

7. Events after the reporting period

The directors are not aware of any material events which occurred after the reporting date and up to the date of this report.

8. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9. Auditors

Sizwe Ntsaluba Gobodo Grant Thornton Inc continued in office as auditors for the company for 2019.

At the AGM, the members will be requested to reappoint Sizwe Ntsaluba Gobodo Grant Thornton Inc as the independent external auditors of the company and to confirm Gerard Musthan as the designated lead audit partner for the 2020 financial year.

10. Secretary

The company secretary is Mr IP Fredericks.

11. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on Wednesday, 24 July 2019. No authority was given to anyone to amend the annual financial statements after the date of issue.



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE PUBLIC SERVANTS ASSOCIATION OF SOUTH AFRICA NPC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the Public Servants Association of South Africa NPC (the company) set out on pages 12 to 49, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Servants Association of South Africa NPC as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the Audit and Risk Committee Report. The other information does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We report in terms of section 98 of the Labour Relations Act No 66 of 1995. The Public Servants Association of South Africa NPC has complied with those provisions of the Constitution relating to its financial matters. The Public Servants Association of South Africa NPC is party to an agency shop agreement referred to in section 35 of the Act and has complied with the provisions of that section.



SizweNtsalubaGobodo Grant Thornton
Gerard Musthan CA(SA)
Director
Registered Auditor

08 July 2019

20 Morris Street East
Woodmead
2191

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Statement of Financial Position as at 31 March 2019

	Note(s)	2019 R	2018 R
Assets			
Non-Current Assets			
Property, plant and equipment	4	79 412 002	69 816 183
Intangible assets	5	4 757 325	3 306 891
Investments	6	77 723 582	72 511 294
Motor Vehicle Loans	7	11 886 324	7 859 647
		173 779 233	153 494 015
Current Assets			
Inventories	8	600 119	597 021
PSA Short-Term Insurance Contract		22 762 959	19 168 250
Trade and other receivables	9	9 011 633	10 482 433
Investments - Stigling	6	589 563	589 563
Motor Vehicle Loans	7	427 066	944 181
Staff loans		15 446	-
Cash and cash equivalents	10	17 870 066	18 733 835
		51 276 852	50 515 283
Total Assets		225 056 085	204 009 298
Equity and Liabilities			
Equity			
Reserves		77 863 104	79 554 527
Retained income		111 059 212	92 936 271
		188 922 316	172 490 798
Liabilities			
Non-Current Liabilities			
Borrowings	11	3 079 521	-
Finance lease liabilities	12	72 207	241 749
Retirement benefit obligation	13	3 464 000	3 840 000
Provisions	14	1 177 225	1 118 474
		7 792 953	5 200 223
Current Liabilities			
Trade and other payables	15	26 020 351	23 975 344
Borrowings	11	195 479	-
Finance lease liabilities	12	264 997	801 702
Retirement benefit obligation	13	144 000	150 000
Provisions	14	1 715 989	1 391 231
		28 340 816	26 318 277
Total Liabilities		36 133 769	31 518 500
Total Equity and Liabilities		225 056 085	204 009 298

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2019 R	2018 R
Revenue	20	315 246 091	301 254 793
Cost of sales	21	(46 523)	(51 472)
Gross profit		315 199 568	301 203 321
Other operating income	22	1 992 641	1 218 615
Other operating expenses	23	(311 976 252)	(291 166 010)
Operating profit		5 215 957	11 255 926
Investment income	26	1 851 704	1 214 869
Finance costs	27	(102 464)	(168 756)
Fair Value gain on financial assets at amortised cost		1 606 864	-
Profit for the year		8 572 061	12 302 039
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements on net defined benefit liability/asset		532 000	14 000
Gains / (Losses) on property revaluation		(3 294 890)	30 992 440
PSA Short-Term insurance contract		3 594 709	2 555 315
Total items that will not be reclassified to profit or loss		831 819	33 561 755
Items that may be reclassified to profit or loss:			
Stighling fund adjustment		9 529	8 255
Available-for-sale financial assets adjustments		1 593 938	3 036 043
Total items that may be reclassified to profit or loss		1 603 467	3 044 298
Other comprehensive income for the year net of taxation	29	2 435 286	36 606 053
Total comprehensive income for the year		11 007 347	48 908 092

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Statement of Changes in Equity

	Funds	Revaluation reserve	Mark-to-Market reserve	Other NDR	Total reserves	Retained income	Total equity
	R	R	R	R	R	R	R
Balance at 01 April 2017	560 589	13 487 574	25 760 306	23 933 188	63 741 657	59 878 469	123 620 126
Profit for the year	-	-	-	-	-	12 302 039	12 302 039
Other comprehensive income	8 255	30 992 440	3 036 043	-	34 036 738	2 569 315	36 606 053
Total comprehensive income for the year	8 255	30 992 440	3 036 043	-	34 036 738	14 871 354	48 908 092
Transfers	-	-	-	(18 223 868)	(18 223 868)	18 186 448	(37 420)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	(18 223 868)	(18 223 868)	18 186 448	(37 420)
Balance at 01 April 2018	568 844	44 480 014	28 796 349	5 709 320	79 554 527	79 192 192	158 746 719
Profit for the year	-	-	-	-	-	8 572 061	8 572 061
Other comprehensive income	9 529	(3 294 890)	1 593 938	-	(1 691 423)	4 126 709	2 435 286
Total comprehensive income for the year	9 529	(3 294 890)	1 593 938	-	(1 691 423)	12 698 770	11 007 347
Transfer - PSA Short-Term Insurance Contract	-	-	-	-	-	19 168 250	19 168 250
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	19 168 250	19 168 250
Balance at 31 March 2019	578 373	41 185 124	30 390 287	5 709 320	77 863 104	111 059 212	188 922 316
Note(s)	7&29	17&29	17&29	19		29	

Public Servants Association of South Africa NPC

(Registration number 1942/015415/08)

Trading as PSA

Annual Financial Statements for the year ended 31 March 2019

Statement of Cash Flows

	Note(s)	2019 R	2018 R
Cash flows from operating activities			
Cash receipts from members and customers		315 677 944	301 205 232
Cash paid to suppliers and employees		(300 656 088)	(289 852 316)
Cash generated from operations	30	15 021 856	11 352 916
Interest income		1 851 704	1 214 869
Finance costs		(102 464)	(168 756)
Net cash from operating activities		16 771 096	12 399 029
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(17 138 945)	(4 781 465)
Sale of property, plant and equipment	4	183 148	92 408
Purchase of other intangible assets	5	(6 393 972)	(254 041)
Movement in PSA Short-Term insurance contract		3 594 710	2 555 315
Movement in financial assets		(690 313)	(9 577 916)
Motor vehicle loans granted		(5 702 768)	(6 014 702)
Receipts on motor vehicle loans		5 929 345	6 230 474
Study Loan repaid		204 330	84 937
Study Loan granted		(198 682)	(63 843)
Net cash from investing activities		(20 213 147)	(11 728 833)
Cash flows from financing activities			
Movement in borrowings		3 275 000	-
Movement in funds (capitalised)		9 529	8 255
Finance lease payments		(706 247)	(376 247)
Net cash from financing activities		2 578 282	(367 992)
Total cash movement for the year		(863 769)	302 204
Cash at the beginning of the year		18 733 835	18 431 631
Total cash at end of the year	10	17 870 066	18 733 835